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Cathay Life Insurance



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2017 Cathay Life Insurance PSI Disclosure Report



Statement

Cathay Life Insurance and all affiliates under Cathay Financial Holding Company (Cathay FHC) uphold the common goal of promoting sustainability. Cathay FHC is recognized as one of the most respected financial institutions in Taiwan while Cathay Life Insurance has devoted tremendous efforts to foster sustainability in the insurance industry. In 2016, Cathay Life Insurance became the first insurance company in Taiwan to comply with the Principles for Sustainable Insurance (PSI) by incorporating ESG issues into our decision-making and promoting our belief in sustainability to our stakeholders. In 2017, Cathay Life published our first PSI disclosure report demonstrating our achievements in sustainability.

This document is our second PSI disclosure report updating our achievement in PSI compliance. To enhance the quality of this report, we engaged PwC Taiwan to corroborate using standards published by the Accounting Research and Development Foundation in Statement of Assurance Principles No. 1, “Audit and Review of Non-financial Information” to which PwC has concluded with an opinion of limited assurance. The opinion has been included in the appendix of this report.

About Cathay Life

Cathay Life Insurance is the largest life insurer in Taiwan with total assets of US\$203bn as of 2017 year end. The firm was founded in 1962 and has 31,046 employees servicing more than 8 million customers. By focusing on a value-driven strategy, its total premium income reached US\$25.74bn in 2017.

*2017.12.29 NTD/USD Exchange Rate: 29.848:1.



Striving to Advance CSR and Boost EPS



President

Andrew Liu



At Cathay Life, our vision for a sustainable future is “To lead the way in sustainable insurance and ensure the happiness of society”. We pay close attention to the environmental (E), social (S), and corporate governance (G) issues, and utilize an innovative business model to provide a diverse array of outstanding products and services. We are dedicated to creating long-term value for our shareholders, employees, customers, and society as a whole.

Change Gives Us the Power to Realize Our Inner Potential

Our 30,000 colleagues endeavor to achieve sustainable practices through a four-step process which entails awareness, acknowledgement, participation and promotion. In terms of protecting the environment, for example, we have continued to encourage colleagues to use their own reusable cups at work and during activities held inside and outside of the company. As a result, we have been able to reduce the use of plastic bottles by many tens of thousands, and we hope that our efforts will create a ripple effect which has an even greater impact on cultivating a cleaner and more beautiful environment.

To foster a friendlier and more accommodating work environment which allows employees to strike a work-life balance, we encourage colleagues to take reasonable time off from work and pursue lifelong learning. In addition, we offer diverse channels for employees to voice their concerns and achieve their dreams. Our expectation is that each and every employee — in addition to demonstrating outstanding performance at work — can become a Cathay dreamer who knows how to think outside the box. To this end, our employees are dedicated to working together to impact on and engender a better society.



Responsibility Starts with Making a Concerted Effort

We are committed to creating a customer-oriented service journey which meets the expectations of our over 8 million policyholders. Our aim is to deliver an improved customer experience which enables customers to truly feel our dedication to service. Moreover, to satisfy the needs of Taiwan's aging population, Cathay Life is leading the way to promote low-cost insurance policies for elders which have fewer eligibility requirements, thereby enabling even more people to obtain basic coverage with affordable premiums. We are also making a tremendous effort to meet the needs of disadvantaged groups by offering various types of microinsurance policies, reflecting our commitment to providing broader access to insurance coverage.

Meanwhile, we have continued to help millions of students secure their futures by providing student group insurance plans during the 2017 academic year. Going forward, Cathay Life will also promote the concept of sustainability in schools throughout Taiwan in order to facilitate greater understanding of sustainability among students, allowing us to team up with the next generation to build a better future together.

Leading the Way Toward a Tradition of Sustainability

As the first life insurance company in Asia to comply with the United Nations' Principles for Sustainable Insurance (PSI), Cathay Life will continue to strive toward becoming a sustainable enterprise in order to foster greater happiness and well-being in society. To achieve this goal, we must join together, stand firm, and put forth our best effort from the bottom of our hearts.

In addition to instilling sustainability into the DNA of every employee at Cathay Life, we will keep working together with more of our stakeholders to promote sustainability, further extend our corporate influence, and create greater value. In doing so, we will continue to advance our commitment to CSR and boost the company's EPS in a way that underscores Cathay Life's role as a leader in sustainable insurance.



Principle 1. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

➤ **Company Strategy**

<p>Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations</p>	<ol style="list-style-type: none"> 1. Cathay Life incorporates ESG issues into our decision-making in a wide variety of business operations, including products, underwriting, claims, investment, risk management, employment environment and community engagement. 2. The Board of Directors of Cathay FHC directly supervises the Sustainability Committee and Team. All subsidiaries including Cathay Life fully comply with group ESG initiatives via their respective sustainability teams each supervised by an independent director and members of executive management. 3. Cathay Life’s Corporate Sustainability Team presents and discusses ESG issues with the executive management quarterly.
<p>Dialogue with company owners on the relevance of ESG issues to company strategy</p>	<ol style="list-style-type: none"> 1. Cathay Life’s Corporate Sustainability Team presents its ESG progress and new initiatives to the Board of Directors on a semi-annual basis. 2. Cathay Life invites independent directors to attend and provide advice in the firm’s quarterly Corporate Sustainability Committee meetings; the company also updates independent directors on its ESG progress whenever appropriate. 3. Cathay FHC’s investor relations team updates shareholders on group ESG issues through analyst meetings.
<p>Integrate ESG issues into recruitment, training and employee engagement programmes</p>	<ol style="list-style-type: none"> 1. Cathay Life highly values the importance of ESG issues and has stipulated in its “Code of Ethics” rules that prevent any form of discrimination and harassment, thus encouraging employees to safeguard an equal and friendly working environment. Cathay Life has also actively recruited minorities such as indigenous peoples and people with disabilities to ensure steady job opportunities. 2. Cathay Life puts its employees’ voices and rights first by providing various internal communication platforms and holding Labor-Management Meetings, creating a multi-learning environment, and providing well-rounded career path development opportunities. 3. ESG issues have been integrated into recruitment, training and employee engagement programs, including the following:



<p>Integrate ESG issues into recruitment, training and employee engagement programmes</p>	<ul style="list-style-type: none"> (1) Moral character and financial crime records are examined as select on criteria to reinforce internal precaution mechanisms and ensure compliance with financial regulations. (2) CS training is implemented through classroom/online courses to enhance the understanding of core CS ideas and behaviors, so that every employee can engage in the promotion of CS. (3) Cathay Life designs social participation activities, encourages employees to pursue a better understanding of different groups and social phenomena, thus becoming more astute to changes in social dynamics.
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➤ **Risk Management and Underwriting**

<p>Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company’s transactions</p>	<ul style="list-style-type: none"> 1. Cathay Life has asked underwriters to ensure high security and protection of customer information and has incorporated the following ESG related issues into products and the underwriting process to ascertain ESG issues are clearly assessed: <ul style="list-style-type: none"> (1) Ethics: evaluate potential risks from moral issues or intention of tax evasion. (2) Equality: ensure equal right to insurance policy applications for customers with disabilities. (3) Preventing improper selling: ensure inclusion of proper meaningful risk amount in life insurance policies with face amount increased by compounded interest. 2. For the policies which meet the definition of high amount from “Underwriting of High Insured Amount Regulation”, Cathay Life reviews the customers’ purpose of application and status of finance and health by following above regulation to execute physical examination, financial underwriting and survival investigation.
<p>Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics</p>	<ul style="list-style-type: none"> 1. In order to ensure that overseas subsidiaries fully comply with local laws and regulations, Cathay Life has set up a communications team that meets every six months, and inspects legal compliance practices on a regular basis. 2. Cathay Life has built a complete set of risk measurement tools through cooperation with industry experts and academia to gauge future trends related to aging population. The models are also applied to product pricing, actuarial and economic capital assessment, and etc.





<p>Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics</p>	<ol style="list-style-type: none"> 3. To stay abreast of international best management practices, Cathay Life continues establishing Risk and Control Self-Assessment (RCSA) tools to strengthen the mechanisms for operational risk management and reduce associated risks. 4. In response to cyber threats, Cathay Life has completed an Information Security Emergency Response System by identifying the major types of security incidents, setting up contingency plans and SOPs, and conducting simulation exercises so as to enhance the company's overall response capabilities. 5. Cathay Life has completed the adoption of IFRS 9, established relevant quantitative models to increase transparency, and implemented systematic control of front-desk and back-office operations to ensure accuracy. 6. Cathay Life has launched a number of projects covering data, technology and information to support IFRS 17 implementation.
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➤ **Sales and Marketing**

<p>Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns</p>	<ol style="list-style-type: none"> 1. Cathay Life launched the Agents Upgrade Project (AG2.0) to improve the performance of sales teams by reinforcing training and encouraging employees to participate in certified financial planner (CFP) training, thereby providing policyholders with better financial planning services. 2. To convey Cathay Life’s business value of sustainability, besides monthly campaigns on sustainability concepts, we also utilize LINE chat group to establish a real-time training platform that delivers the latest related issues (with over 1.57 million views to date).
<p>Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood</p>	<p>For the new insured policies, Cathay Life conducts comprehensive telephone interviews to ensure that policyholders have a thorough understanding of products. The implementation rate of tele-interview was 99.6% in 2017.</p>





➤ **Product and Service Development**

Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management

1. New and partially modified products offered by Cathay Life are reviewed in accordance with Article 5 of “Regulations Governing Pre-sale Procedures for Insurance Products” in evaluation meetings before the procedures of prior-approval or use-and-file. The review rate reached 100% in 2017. Meantime, all related product information is publicly disclosed on our official website in accordance with Article 9 of “Regulations Governing Public Disclosure of Information by Life Insurance Enterprises”.
2. Cathay Life has developed and promoted products for the elderly to cover the insufficiencies of social insurance, and has implemented insurance policy revitalization mechanisms that enable policyholders to convert policies from mortality protection to health insurance, long-term care insurance, or annuity insurance so that policyholders enjoy access to enhanced insurance protection in their retirement life.
3. As a pioneer in insurance industry, Cathay Life launched the petty amount whole life insurance in 2017. Characterized by fewer restrictions, low premiums, and high flexibility, this product provided approximately 16,000 families with economic security and increased the coverage of death risks for society by USD\$1.54 billion.
4. To enhance financial inclusion, Cathay Life provides English and Vietnamese product descriptions for immigrants to help them overcome the obstacle of language. Cathay Life also cooperated with Taoyuan City Government in promoting micro-insurance by offering basic coverage to indigenous peoples.
5. Taiwan’s individual average insurance coverage is relatively low despite the fact that insurance penetration rates (premiums to GDP) have been highest in the world for many years. Cathay Life has been promoting the regular-paid insurance product strategy in meetings with the Taiwan Insurance Institute and government agencies. We have pioneered since 2011 by gradually lowering the weighting of single-paid insurance policies and focusing on value driven policies instead of market share.



<p>Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management</p>	<p>6. Cathay Life reminds customers of their rights through various channels and has established monitoring mechanisms across all business units to ensure service quality. Service procedures are evaluated and certified according to international standards, such as Qualicert, EN15838, ISO10001, ISO9001 and ISO 10002 certifications.</p> <p>7. Cathay Life launched “Mobile Insurance” and other e-services to enhance operational efficiency. Utilization rates are 97.7% for mobile insurance application, 93.8% for mobile claims and 91.3% for policyholder services.</p> <p>P.S. Mobile insurance application: Sales representatives assist clients with on-line insurance application. Mobile claim: Sales representatives assist clients with on-line life insurance claim. Mobile policyholder services: Sales representatives assist clients with on-line modification services.</p>																												
<p>Develop or support literacy programmes on risk, insurance and ESG issues</p>	<p>1. Cathay Life continues to implement energy and environmental management systems and greenhouse gas inventory to effectively manage electricity use and improve energy efficiency.</p> <p>2. Cathay Life utilizes diversified channels such as video, meetings, lectures on the topic of environmental education, and energy-saving incentive programs to further extend the concept of sustainability and energy-saving to all employees.</p> <p>3. In order to ensure all employees are aware of the importance of ESG issues and the risks the company may face, Cathay Life provides at least monthly updated information including the handling of personal data protection, information security, as well as anti-money laundering (AML) and combating the financing of terrorism (CFT). Cathay Life also administers tests on a regular basis to reinforce employees’ knowledge of risks. 153,388 trainees and 57,723 training hours were completed for training courses on “Information Security” or “AML/CFT” in 2017.</p> <table border="1" data-bbox="566 1646 1444 2038"> <thead> <tr> <th>Courses</th> <th>Trainees</th> <th>Number of Trainees</th> <th>Training Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Information Security</td> <td>Sales representatives</td> <td>116,564</td> <td>19,427</td> </tr> <tr> <td>Affairs staff</td> <td>5,511</td> <td>1,652</td> </tr> <tr> <td>Sub total</td> <td>122,075</td> <td>21,080</td> </tr> <tr> <td rowspan="3">AML/CFT</td> <td>Sales representatives</td> <td>25,803</td> <td>28,263</td> </tr> <tr> <td>Affairs staff</td> <td>5,510</td> <td>8,381</td> </tr> <tr> <td>Sub total</td> <td>31,313</td> <td>36,644</td> </tr> <tr> <td colspan="2">Total</td> <td>153,388</td> <td>57,723</td> </tr> </tbody> </table>	Courses	Trainees	Number of Trainees	Training Hours	Information Security	Sales representatives	116,564	19,427	Affairs staff	5,511	1,652	Sub total	122,075	21,080	AML/CFT	Sales representatives	25,803	28,263	Affairs staff	5,510	8,381	Sub total	31,313	36,644	Total		153,388	57,723
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➤ **Claims Management**

<p>Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood</p>	<ol style="list-style-type: none"> 1. Cathay Life discloses the procedures, channels, and required documents of claims on its website to increase customers' understanding of the claim process. 2. Cathay Life aims at perfecting claim services and environmental protection by being the pioneer in promoting mobile claims. The utilization rate of mobile claims in 2017 was 93.8%. 3. Cathay Life provides several claim services to simplify claim procedures, such as pre-payment and claim payments that offset hospitalization expenses.
<p>Integrate ESG issues into repairs, replacements and other claims services</p>	<ol style="list-style-type: none"> 1. Cathay Life developed a claims operational procedure that complies with anti-money laundering regulations. 2. Cathay Life established a Claim Risk Scoring System (CRSS) to enhance risk management.

➤ **Investment Management**

<p>Integrate ESG issues into investment decision-making and ownership practices (e.g. by implementing the Principles for Responsible Investment)</p>	<ol style="list-style-type: none"> 1. In order to deepen risk perception and enhance opportunities of environmental, social and corporate governance, Cathay Life has incorporated PRI into our investment process through the establishment of mechanisms and process adjustment. <ol style="list-style-type: none"> (1) For Portfolio Investments: We state explicitly in our “Investment Management Procedures” and “Investment Policy” that investments include the consideration of PRI. We have adjusted our investment procedure and applied external research resources to ensure ESG factors are incorporated into the investment decision-making process. In order to control the impact of ESG risks in advance, we will establish a process that escalates high ESG risk cases to senior levels of management in 2018. (2) For Corporate Loans: We have stipulated our Principles for Responsible Investment (PRI) in the “Responsible Lending Policy” and “Corporate Loans Review Guideline” and designed an ESG checklist for verifying borrowers' achievements in ESG issues. (3) For Real Estate Investment: We have stipulated the Principles for Responsible Investment (PRI) and Principles for Sustainable Insurance (PSI) in our “Responsible Property Investment and Management Policy”
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<p>Integrate ESG issues into investment decision-making and ownership practices (e.g. by implementing the Principles for Responsible Investment)</p>	<p>to continuously enhance the holding efficiency of real estate and to strengthen competency training and regulatory compliance so as to properly utilize assets and resources and control investment and operational management risks.</p> <p>(4) We uphold the Cathay FHC and its Subsidiarie Investment and Lending Exclusion Policy by excluding portfolios with extremely controversial events and prudently evaluate not only companies within controversial sectors, such as the weapons and pornography industries, but also sovereign or government bonds issued by countries that systematically violate human rights or exhibit major disputes over human rights.</p> <p>2. In order to demonstrate the due diligence we exercise as an active asset owner as well as our expertise and influence, we formulated our “Stewardship Principles” and disclosed our first <u>Stewardship Report</u> in 2018.</p> <p>3. Cathay Life has formulated the “Rules for Conduct of Financial Investment Transactions” and established procedures on managing conflicts of interest and mechanisms for regular declaration of portfolios held by employee and their interested parties.</p> <p>4. In order to properly dialogue and interaction with investee companies, we communicate with the management of the investee companies through making a visit to company directly, attending conference calls, institutional investors conference, and annual general meeting (AGM). In 2017, 1,688 employees communicated with 851 investee companies with total 1,507 visited, and an average of 1.8 visits per company.</p> <p>5. Cathay Life has formulated the “Voting Policy” to encourage our investee companies to recognize sustainable development through the exercising of our voting rights. We are the first life insurance company in Taiwan to disclose our <u>Proxy Voting Report</u>.</p> <p>6. Cathay Life continues to hold ESG-related training programs to improve our employees’ understanding of responsible investment practices. As of the end of 2017, 256 people with an average 120 minutes of training hours participated in the programs. We will purchase an external ESG database to acquire more detailed information on investee companies’ ESG performance in 2018 and continue to learn ESG analysis skills and methodologies from professional research institutions.</p>
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Principle 2. We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

➤ **Clients and Suppliers**

<p>Dialogue with clients and suppliers on the benefits of managing ESG issues and the company’s expectations and requirements on ESG issues</p>	<ol style="list-style-type: none"> 1. Cathay Life requires asset managers to take ESG factors into consideration in their regular investment process, reviews their ESG performances annually, and has clearly formulated ESG-related terms that are included in contracts entered into with asset management companies. As of the end of 2017, 95% of our mandated assets were managed by asset management companies that are either PRI signatories or have an ESG policy in place. 2. Cathay Life updates sustainability information on its Corporate Sustainability (CS) website and incorporates CS-related issues into product brochures (such as Cathay Life Wei Shin Ai Petty Amount Whole Life Insurance) to disclose its accomplishments in ESG issues. To be environmentally friendly, Cathay Life also encourages customers to utilize electronic services. 3. Cathay Life and Cathay FHC co-hosted the "Supplier Sustainability Conference" to communicate ESG issues with suppliers and invite them to share experiences of promoting sustainability. 20 suppliers attended in 2017.
<p>Provide clients and suppliers with information and tools that may help them manage ESG issues</p>	<ol style="list-style-type: none"> 1. Cathay Life, the first insurance company in Taiwan to launch a responsible investment engagement campaign, co-hosted the “Climate Change Roundtable” with Cathay FHC in 2017. We invited more than 20 leading companies and institutions in Taiwan to jointly engage in the exchange of ideas on the risks and opportunities of climate change. 2. To introduce health promoting activities to clients, Cathay Life assisted our insured in understanding the methods and importance of health promotion and economic planning by cooperating with CommonHealth Magazine and publishing a series of electronic DMs on elderly issues. Cathay Life also combined health promoting services with enterprise group insurance, thereby encouraging their employees to exercise for the sake of better physical and mental health.



<p>Provide clients and suppliers with information and tools that may help them manage ESG issues</p>	<ol style="list-style-type: none"> 3. Cathay Life is the student group insurance provider in 2017. We have also established a dedicated website so that the public can search and access related information with ease and convenience. 4. Cathay Life is the first company to have launched “Mobile Insurance” and a diversified mobile App; all online insurance applicants enjoy access to policy content in electronic format. “Mobile Insurance” elevates service efficiency and reduces the use of paper by saving as many as 53,300,000 sheets in 2017, equivalent to the height of 11 Taipei 101 buildings. 5. Cathay Life promotes the concept of energy-saving to policyholders. We worked with The Society of Wilderness (SOW) in organizing “Energy Conservation Workshops” to promote household energy-saving practices at our service centers. In 2017, over 400 people participated in the workshops. 6. Cathay Life has formulated a “Supplier CSR Code” that covers human rights as well as environmental and integrity issues, and requires our suppliers to comply with the Code.
<p>Integrate ESG issues into tender and selection processes for suppliers</p>	<ol style="list-style-type: none"> 1. Since 2017, Cathay Life has integrated ESG issues into our selection process for Private Equity (PE) managers and Hedge Fund (HF) managers. 2. Cathay Life utilizes our purchasing power to support the development of green industries. Our “Procurement Management Regulations” prioritizes the procurement of eco-friendly products. In 2017, Cathay Life reported US\$9,336,471 dollars in green procurement to Department of Environmental Protection. 3. Cathay Life adopts the “On-site ESG Inspection Checklist” while conducting supplier site inspections to examine the ESG performances of our suppliers.
<p>Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework</p>	<ol style="list-style-type: none"> 1. Cathay FHC publishes its annual Corporate Sustainability Report based on the GRI (Global Reporting Initiative) framework and the CS report was assured by a third-party accredited institution. The CS Report includes ESG efforts by Cathay Life and is available on <u>Cathay FHC’s website</u>. 2. Cathay Life adheres to the Principles for Sustainable Insurance (PSI) and publishes the PSI Disclosure Report annually. The report is available on our <u>Company website</u>.





<p>Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework</p>	<p>3. Cathay Life communicates ESG issues with suppliers and encourages them to jointly promote sustainability and disclose related issues. We were invited to participate in the tree planting activity organized by our supplier, Edenred, and the activity information was disclosed on Edenred’s website. Another supplier, OA World, disclosed green procurement and participation in Cathay’s supplier activities in its publication.</p>
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➤ **Insurers, Reinsurers and Intermediaries**

<p>Promote the adoption of the Principles</p>	<ol style="list-style-type: none"> 1. To promote ESG to brokers/agencies, Cathay Life established a dedicated CS section on the existing communication platform for brokers/agencies. Cathay Life moreover began providing mobile insurance applications for Cathay United Bank and Taishin Bank to ensure environmental protection. 2. Cathay Life values sustainable development greatly and endeavors to explain our implementation of sustainable development to partners who are not yet signatories. Currently three of our counterparty reinsurance companies have already become PSI signatories.
<p>Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry</p>	<p>To implement anti-money laundering and combating the financing of terrorism regulations, Cathay Life provides educational materials to contracted insurance brokers/agencies, thereby assisting them in education and promotion.</p>



Principle 3. We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

➤ **Governments, Regulators and Other Policymakers**

Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues

1. Cathay Life assists the government by providing its industry and investment experience in establishing a framework for responsible investment. We were the first insurance company to sign the “Taiwan Stewardship Principles for Institutional Investors” and disclose Cathay Life’s Statement on Taiwan Stewardship Principles for Institutional Investors.
2. In support of environmentally beneficial green investments and in response to the initial issuance of Green Bonds in Taiwan, we invested US\$30 million accounting for 17% of the initial wave of issuance. As of the end of 2017, total investments in Green bond reached US\$59.5 million.
3. In response to the government’s renewable energy policies, Cathay Life actively supports the development of low-carbon green energy industries.

(1) Total investments in low-carbon green energy increased to US\$3.8 billion in 2017.

A. Solar Power Industry:

- ① Not only are we the first insurance company in Taiwan to set up companies with other investors for the development of domestic solar power plants*, our total investment amount** exceeds that of our peers in Taiwan.

*We established a joint venture with AUO for setting up an energy company in 2014.

**We set up companies with other investors, for which total investment amounts reached US\$ 109.6million as of the end of 2017.

Company	Date of Investment	Expected Investment Amount US\$MN	Joint Venture Partner
CM Energy Co., Ltd.	2016.6	4.0	Light Master Technology
Hsin Jih Tai Corp.	2016.10	52.8	New Solar Power Corp.
Cathay Sunrise Corp.	2017.2	52.8	Sino-American Silicon Products Inc.



Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues

② We established a pioneering insurance industry model by not only incorporating a solar photovoltaic power generation system into our own building and but also installing solar panels of the largest scale.

At the end of December 2017, we cooperated with CM Energy and Ally Logistic Property in installing solar panels in our Taoyuan Dayuan logistic property which can generate 2.09 million kWh of electricity per year, thereby reducing carbon emissions equivalent to 3.4 Daan Forest Parks. In support of the government's green energy policies and to improve environmental sustainability, we will apply this business model to other proprietary buildings such as the Taichung Wuri property and Taoyuan Yangmei property

B. Domestic Waste Water Treatment: Investment amount increased by 39% yoy to US\$ 15.2 million in 2017.

C. Investing and Building Green Buildings: In 2016, Cathay Life began requiring that buildings invested in by the company be constructed in line with green building design principles. Our Green Building certifications are shown in the following table. Total investments in Green Buildings increased by 7.2% yoy to US\$ 2.0 billion in 2017.

Certification	Number of Certifications
LEED-Leadership in Energy and Environmental Design by U.S. Green Building Council (USGBC)	2
EPC-Energy Performance Certificates by UK Government	2
Green Building Labeling by Taiwan Architecture & Building Center (TABC)	4

(2) Cathay Life took the initiative to participate in the “Renewable Energy Certification Scheme” promulgated by the Ministry of Economic Affairs. We subscribed to 53 “Renewable Energy Vouchers” at the National Museum of Marine Biology and Aquarium in 2017, the top subscriber among all other companies in Taiwan.





<p>Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues</p>	<ol style="list-style-type: none"> 4. To help Taiwan build smart cities, Cathay Life was the first among industry peers to announce our participation in national investment firm Taishan Investment and Management Co., Ltd. for the development of the IoT and Smart Machinery Industries. Our total investment was US \$10 million in preferred stocks (7.5% of all preferred stocks subscribed). 5. Cathay Life has established related policies and mechanisms in accordance with government regulations on anti-money laundering and combating the financing of terrorism. 6. In line with the government's policy on anti-tax avoidance, Cathay Life launched the "Common Reporting Standard (CRS)" compliance project through cooperation with external consultants. 7. In response to the needs of an aging society, Cathay Life assisted the competent authorities in setting up regulations related to tax-qualified long-term care insurance and itemized deductions. Cathay Life is also responsible for the Government Employee Long-term Care Project exclusively designed for government employees in an effort to encourage the purchase of insurance for strengthening long-term financial security. 8. Cathay Life undertook student group insurance during the 2017 academic year to provide basic death and medical coverage for 3.1 million students.
<p>Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions</p>	<ol style="list-style-type: none"> 1. Cathay Life collaborated with life insurance associations and other life insurance companies on the "Life Insurance White Paper", aiming to reinforce the risk management and future development of the insurance industry. The company has also provided government with recommendations on the future development of the insurance industry. 2. Cathay Life has actively participated in the new risk-based capital system (RBC2) by sharing its international experience, exploring solutions, and setting up risk assessment models in cooperation with the industry, government, and academia.



➤ **Other Key Stakeholders**

<p>Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise</p>	<ol style="list-style-type: none"> 1. Cathay Life actively takes part in global initiatives. In 2014, we participated in the Global Investor Coalition on Climate Change (GIC) and disclosed our investment in the LCI (low-carbon investment) Registry. 2. In response to the Supervision of Internationally Active Insurance Groups (IAIGs) proposed by the International Association of Insurance Supervisors (IAIS), Cathay Life has taken the initiative to participate in second tier “Common Framework” (ComFrame) field testing since 2015 to review and improve its risk management while providing the IAIS with domestic information and opinions.
<p>Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies</p>	<ol style="list-style-type: none"> 1. In 2017, Cathay Life participated in the CDP's "Non-discloser Campaign" and encouraged our investees who are listed companies in Taiwan to complete CDP questionnaires and disclose related information with greater transparency. We achieved a higher response rate (19%) compared to the overall rate (11%) as a result of our persistent efforts in communicating and interacting with investees companies. 2. Cathay Life sponsored and promoted the Elderly Care Program in cooperation with non-profit organizations, thus supporting the elderly in regaining confidence and staying healthy. 3. Cathay Life promotes ESG issues and actively participates in seminars and lectures organized by industry associations and related institutions with the view of understanding the operations of the insurance and other industries, and of leveraging all available advantages.
<p>Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business</p>	<ol style="list-style-type: none"> 1. Cathay Life has cooperated with the Social Welfare Association of Taiwan by sponsoring awards to master and doctoral theses on aging-related topics. Awarded papers in 2017 that analyze the relationship between income and health status in the different life stages of elders serve as useful references for future projects. 2. Cathay Life has cooperated with the Risk Management Society of Taiwan by sponsoring the "Seminar on the Impact and Risk Management of IFRS 17 Implementation". We hope such efforts can mitigate the impact on Taiwanese insurers during the transition to new accounting standards, and ensure that insurers are on the right



Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business

- track in keeping with international trends. Insurers will also be better able to protect policyholder rights as a responsible insurer if they are able to transition smoothly to new accounting standards.
3. Cathay Life has cooperated with several schools such as National Taiwan University, National ChengChi University and Tam Kang University by offering courses that help students to better understand the connections between insurance operations, ESG integration and responsible investment.
 4. Cathay Life participated in the ATCC Case Competition under the topic of “Be the Entrepreneur for Sustainable Fintech!”, integrating fields such as financial services, technology and CSR, and collaborated with student teams in devising innovative ways of creating greater well-being through finance.
 5. Cathay Life collaborated with Prof. Huei-Tse Hou from National Taiwan University of Science and Technology in developing an augmented reality (AR) APP game called "Save the Earth" to advocate energy conservation and carbon reduction to policyholders and campuses (around 90 schools). Cathay Life also held 10 “Energy Conservation Workshops” with The Society of Wilderness (SOW) and invited policyholders and the general public to join. We moreover worked with Budai Culture Association and Aogu Wetland Ecological Protection Society to organize 10 coastal cleanups with 970 participants, resulting in the removal of 1,237 kilograms of trash in total.
 6. Cathay Life has been paying great attention to demographic transitions for long periods of time. In view of creating an inclusive society, we launched the New Immigrant Care Program in 2005.
 - (1) Cathay Life has cooperated with K-12 Education Administration, Eden Social Welfare Foundation, National Taipei University of Education, Chongwen Women ’ s Association in Yunlin, and schools in Dongshan District of Tainan in co-organizing Bilingual (Vietnam and English) Teaching Camp, Excellence and Happiness Project, Dedicated Empowerment Program, and After-school Care Program. The number of beneficiaries reached 540 in 2017.
 - (2) Cathay Life leveraged its core competencies to set up financial planning and career exploration courses for new immigrant children to enhance their financial literacy and competitiveness.





<p>Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business</p>	<p>(3) Cathay Life worked with Eden Social Welfare Foundation, YMCA Taichung, and YMCA Kaohsiung in holding three large charity bazaars for the purpose of providing new immigrant children with more educational resources.</p> <p>7. In order to save more precious lives, Cathay Life has collaborated with the Taiwan Blood Services Foundation in organizing Summer Blood Donation Campaign for 18 consecutive years. In 2017, 195 donation booths were set up and 35,298 bags of blood were collected from 24,392 blood donors. In total, 4,449 Cathay volunteers contributed 17,796 hours of their time.</p> <p>8. Cathay Life focuses on children’s education to enhance Taiwan’s competitiveness.</p> <p>(1) Cathay Life initiated the Dream Come True Program to sponsor ESG-based proposals made by rural elementary schools in 2013. In 2017, 13 elementary schools and 300 students have been benefited from the program.</p> <p>(2) Cathay Life has supported Teach for Taiwan in stabilizing the recruitment of teachers and training expenses since 2017.</p> <p>9. Cathay Youth Excellence Scholarship was established in 2016 to encourage young people to contribute to society. The program provided awards to senior high students and the above who utilize their talents to strive for special achievements in cultural or educational causes, community development, corporate sustainability, financial technology, or anti-drug and fraud prevention projects. 53 individuals and groups were awarded in 2017.</p> <p>10. Cathay Life has continued to care for people with disabilities. For the 11th year in a row, Cathay has collaborated with Mixed Disabled Troupe (formed by performers with different types of disabilities) in touring schools and prisons. In 2017, performances were held at 12 high schools and prisons and motivated 6,000 inmates and young students.</p>
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<p>Dialogue with media to promote public awareness of ESG issues and good risk management</p>	<ol style="list-style-type: none">1. Cathay FHC publishes its <u>Corporate Sustainability Report</u> annually, in which is contained Cathay Life’s progress on ESG matters.2. Cathay Life publishes our <u>PSI Disclosure Report</u> annually, in which is contained the results of compliance with the four principles of PSI.3. Cathay Life has set up a dedicated <u>CS website</u> and made animations and brochures related CS topics to strengthen citizens’ understanding of ESG issues and the actions that Cathay Life have taken.4. Executive officers of Cathay FHC and Cathay Life have advocated ESG integration and made internal/public speeches on the importance of responsible investment and ESG practices.5. Cathay Life organized the International Conference on Empowering the Second Generation of New Immigrants in 2017. The conference aims at strengthening cultural advantages and fostering interaction of second-generation immigrants. Cathay Life also seeks to spread the values of cultural diversity to the general public through the media.6. Cathay Life took part in the “2017 CSR Autumn Salon” held by Taiwan magazine publisher, CommonWealth, in hopes of promoting public awareness on ESG issues via the power of sharing. Through dialogue with the media, Cathay Life delivered information on the company’s approaches toward ESG issues to the public and other corporations.
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Providing Products and Conducting Sales with Responsibility

Cathay Life values customers' rights. From product design, promotion and marketing to services such as underwriting, every procedure incorporates the concept of Principles for Sustainable Insurance (PSI). All products and services are under strict control to ensure accuracy and adequacy of the contents. Through proper marketing operational management, customers are able to understand the scope of their coverage clearly, thus ensuring the sound protection of their rights. Through education and training, all employees can reinforce their awareness of legal compliance and apply such awareness to their daily tasks, thereby shaping a corporate culture that emphasizes legal compliance and strengthening the trust and loyalty of our customers.

- **To ensure all customers being treated fairly, the examination rate of all coverage and marketing materials reached 100% in 2017.**

Starting from the phase of product design, all coverage and marketing materials are reviewed by relative departments. Products are launched according to the principles of equality, reasonability and adequacy. All information is disclosed publically for convenient inquiry.

For the policies which meet the definition of high amount from “Underwriting of High Insured Amount Regulation”, Cathay Life reviews the customer’s purpose of application and status of finance and health by following above regulation to execute physical examination, financial underwriting and survival investigation.



The following subject matters have been assured by PricewaterhouseCoopers, Taiwan. Please find the Subject Matters under Limited Assurance and the related Reporting Criteria in the “Summary of Subject Matters Assured” on page 29-31.

- New and partially modified products offered by Cathay Life are reviewed in accordance with Article 5 of “Regulations Governing Pre-sale Procedures for Insurance Products” in evaluation meetings before the procedures of prior-approval or use-and-file. The review rate reached 100% in 2017.
- For the policies which meet the definition of high amount from “Underwriting of High Insured Amount Regulation”, Cathay Life reviews the customers' status of finance and health by following above regulation to execute physical examination, financial underwriting and survival investigation.



● **To ensure customer rights being valued, the tele-interview rate reached 99.6% in 2017.**

Cathay Life is a pioneer in tele-interview services. After new policies are underwritten, tele-interviewers contact customers to ensure products and services are fully understood.

● **To contribute to a sustainable environment, the utility rate of mobile insurance application reached 97.7% in 2017.**

Cathay Life promotes mobile insurance, electronic policies, electronic documents and digitized services to improve operational process efficiency and decrease resource consumption. To achieve the goal of sustainable operations, all products and services are offered with due consideration given to environmental protection.



● **Shaping a company culture that emphasizes legal compliance, and operating under integrity and sustainability.**

Cathay Life values the data security of policyholder. Each year through the use of innovative and diverse learning technologies, we conduct information security education and training for sales representatives. In 2017, 116,564 trainees completed a total of 5 learning courses (19,427 training hours). In addition, to stabilize the financial system, we also conduct AML/CFT e-learning for sales representatives each year; 25,803 trainees completed in 2017 (28,263 training hours).



The following subject matters have been assured by PricewaterhouseCoopers, Taiwan. Please find the Subject Matters under Limited Assurance and the related Reporting Criteria in the “Summary of Subject Matters Assured” on page 29-31.

- For the new insured policies, Cathay Life conducts comprehensive telephone interviews to ensure that policyholders have a thorough understanding of products. The implementation rate of tele-interview was 99.6% in 2017.
- Utilization rates are 97.7% for mobile insurance application (P.s. Mobile insurance application: Sales representatives assist clients with on-line life insurance application.)
- 153,388 trainees and 57,723 training hours were completed for training courses on “Information Security” or “AML/CFT” in 2017.



Creating a Win-Win Exchange Platform with Suppliers

To become a leader in sustainable insurance, Cathay Life is committed to utilizing our corporate influence to make a positive impact. We actively promote sustainability and invite our employees, suppliers, and customers to join the work of sustainable development and make the world a better place to live in.

Take the advantages and importance of communication and interaction with suppliers on ESG issues as an example:

Cathay Life exerts tangible impact through our purchasing power that supports the development of green industries and products. Since 2010, we have been receiving the Green Procurement Award every year. In 2017, the Environmental Protection Administration reported that Cathay Life's green procurements amounted to a total of USD\$ 9.3 million.



Since 2016, Cathay Life and Cathay FHC have been co-hosting "Supplier Sustainability Conferences" on an annual basis; 20 suppliers attended in 2017. We shared information on green supply chain management and encouraged our suppliers to participate in the promotion of ESG issues. In the course of the conferences, through group activities and instruction, suppliers are able to interact with each other and share best practices. We also presented honorary awards to outstanding suppliers in attendance to extend our appreciation toward their great efforts in sustainable development. Cathay Life also took the lead by releasing Cathay's Commitment to Sustainability Statement and inviting our suppliers to follow suit. We will continue to further involve our suppliers in building a more sustainable future.



● Feedback from suppliers, Mr. Zeng from Xin Shihua Printing:

Many thanks to Cathay Life for organizing these “Supplier Sustainability Conferences.” During the past 2 years, I have not only come to better understand Cathay Life’s practices on sustainability, but also learned the methods of promoting ESG to other suppliers. As a member of the printing industry, in addition to using environmentally friendly soy ink, I also participated in the beach cleanup activities held by Cathay Life. I hope to contribute to efforts in environmental protection and sustainability by participating in related activities. Furthermore, it is my responsibility to invite more partners to support and engage in sustainable development and cultivate a more sustainable living environment.



▲ Cathay Life presented honorary awards to our outstanding suppliers at the 2017 Supplier Sustainability Conference.



▲ Suppliers jointly participated in the beach cleanup activity for environmental protection.



The following subject matters have been assured by PricewaterhouseCoopers, Taiwan. Please find the Subject Matters under Limited Assurance and the related Reporting Criteria in the “Summary of Subject Matters Assured” on page 29-31.

- In 2017, Cathay Life reported US\$9,336,471 dollars in green procurement to the Department of Environmental Protection.
- Cathay Life and Cathay FHC co-hosted the "Supplier Sustainability Conference" to communicate ESG issues with suppliers and invite them to share experiences of promoting sustainability. 20 suppliers attended in 2017.



18 Consecutive Year Summer Blood Donation Campaign Saves the Lives of More Than 770,000!

As a life insurer, Cathay Life makes great efforts to improve people's health and foster sustainability in Taiwan. In order to save every precious life, Cathay Life has organized Summer Blood Donation Campaign in collaboration with five donation centers under the Taiwan Blood Services Foundation since 2000. Cathay Life's agencies across Taiwan encourage their customers and the public to donate blood to ease blood shortage during the summer season. Over the past 18 years, 256,966 bags of blood have been collected and have been used to save the lives of 770,000 people (3 patients /bag). In 2017, 195 donation booths were set up and 35,298 bags of blood were collected from 24,392 blood donors. In total, 4,449 Cathay volunteers contributed 17,796 hours of their time.

The Summer Blood Donation Campaign has been accorded the Blood Donors Award by the Ministry of the Interior for 15 consecutive years. Cathay Life furthermore extends our appreciation to all participants for their enthusiasm and participation. Blood Donation events not only enable blood donors enhance their metabolism, but also save patients at the critical moment.

● 35,298 bags of blood collected from 24,392 blood donors in 2017.



▲ Cathay mobilized volunteers to set up 195 donation booths around Taiwan in 2017.



▲ Cathay volunteers helped participants fill in their personal information.



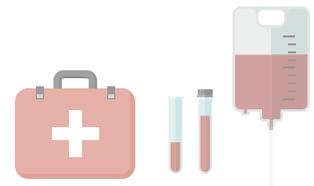
◀ Cathay employees are always the first in line to donate blood every year and to invite people to jointly participate in blood donation.



● Feedback from Cathay volunteer:

I cheerfully joined Summer Blood Donation Campaign very early on because I knew that I was going to do something really "passionate." The spirit of donating blood and my insurance career is very much alike. The more bags of blood I give, the more families I can save, and this makes me feel extremely excited.

All the volunteers worked as an effective team during the activity. We assisted participants in filling out information, completing blood donation consultation in advance, and so on. Cathay volunteers all felt a great sense of accomplishment and believed that we were the ones who had gained the most and were most deeply touched.



◀ Cathay volunteers are rich in spiritual wealth. We are dedicated to doing good things and giving back to society.



The following subject matters have been assured by PricewaterhouseCoopers, Taiwan. Please find the Subject Matters under Limited Assurance and the related Reporting Criteria in the "Summary of Subject Matters Assured" on page 29-31.

- In 2017, 195 donation booths were set up and 35,298 bags of blood were collected from 24,392 blood donors. In total, 4,449 Cathay volunteers contributed 17,796 hours of their time.



To Cathy Life Insurance

We have been engaged by Cathy Life Insurance (“Company”) to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2017 PSI Disclosure Report (hereinafter referred to as the “PSI Report”), and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the “Subject Matter Information”) and the respective applicable criteria are stated in the “Summary of Subject Matters Assured” on page 29 to 31 of the PSI Report.

Management’s Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the PSI Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the PSI Report in accordance with the Statement of Assurance Engagements Standards No. 1, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” in the Republic of China, to identify whether any amendment is required for the preparation of the Subject Matter Information, in all material aspects, to be in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and for those areas, designing and implementing procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The procedures we performed were based on the identification of risk areas and materiality level. Given the circumstances of the engagement, we performed the following procedures:

- Made enquires of personnel responsible for the Subject Matter Information to understand and evaluate the processes, information systems (if any) relating to the preparation of the aforementioned information, and

its design and implementation of relevant internal controls; and

- Based on the above understanding and evaluation, performed analytical procedures on the Subject Matter Information and, if deemed necessary, performed selective testing to obtain evidence for limited assurance.

We do not provide any assurance on the PSI Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Control Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Statement of Auditing Standard No. 46, “Quality Control for Public Accounting Firms” in the Republic of China and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitation

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required for the preparation of the Subject Matter Information, in all material aspects, to be in accordance with the respective applicable criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company’s website. If the Subject Matter Information or related applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

PricewaterhouseCoopers, Taiwan



Li, Yi-Huah

Partner

April 30, 2018

Cathay Life Insurance
2017 PSI Disclosure Report
Summary of Subject Matters Assured

Code	Item	Performance Indicator	Page	Reporting Criteria
1	Review rate of products	New and partially modified products offered by Cathay Life are reviewed in accordance with Article 5 of “Regulations Governing Pre-sale Procedures for Insurance Products” in evaluation meetings before the procedures of prior-approval or use-and-file. The review rate reached 100% in 2017.	7	Number of new and partially modified products of Cathay Life reviewed in evaluation meetings in accordance with Regulation divided by the number of all new and partially modified products of Cathay Life.
2	High insured amount	For the policies which meet the definition of high amount from “Underwriting of High Insured Amount Regulation”, Cathay Life reviews the customers’ status of finance and health by following above regulation to execute physical examination, financial underwriting and survival investigation.	5	In accordance with Article 5 of “Self Regulatory Rules on Managing Operations of Business Solicitation and Policy Underwriting of Insurance Enterprises” and reference to Financial Supervisory Commission Order No. Jin-Guan-Bao-Shou-Zi-10302551560(Meeting Minutes of “the provisions on financial underwriting and survival investigation standards of Insurance Enterprises”), Cathay Life Insurance released “Underwriting of High Insured Amount Regulation”. Physical examination, financial underwriting and survival investigation of customers are executed in accordance with the Regulation.
3	The utilization rate of mobile service	Utilization rates are 97.7% for mobile insurance application, 93.8% for mobile claims and 91.3% for policyholder services. P.S. Mobile insurance application: sales representatives assist clients with on-line life insurance application; Mobile claim: sales representatives assist clients with on-line life insurance claim; Mobile policyholder services: sales	8	Number of insurance application executed by sales representatives on behalf of the clients via on-line life insurance application in 2017 divided by the total number of insurance application Number of claim application executed by sales representatives on behalf of the clients via on-line life insurance claim in 2017 divided by the total number of claim application Number of on-line modification services for

		representatives assist clients with on-line modification services.		clients who qualify for on-line modification services executed by sales representatives from January to December 2017 divided by the total number of paper and on-line modification services executed for clients who qualify for on-line modification services at the end of the previous month.
4	Comprehensive telephone interviews	For the new insured policies, Cathay Life conducts comprehensive telephone interviews to ensure that policyholders have a thorough understanding of products. The implementation rate of tele-interview was 99.6% in 2017.	6	Number of telephone interviews for the new insured policies completed divided by the total number of new insured policies. (Number of telephone interviews completed includes refused telephone interviews and failure to connect with more than 3 attempts.)
5	Supplier Sustainability Conference	Cathay Life and Cathay FHC co-hosted the "Supplier Sustainability Conference" to communicate ESG issues with suppliers and invite them to share experiences of promoting sustainability. 20 suppliers attended in 2017.	11	The total amount of suppliers which attended the Supplier Sustainability Conference in 2017.
6	Summer Blood Donation Campaigns	In 2017, 195 donation booths were set up and 35,298 bags of blood were collected from 24,392 blood donors. In total, 4,449 Cathay volunteers contributed 17,796 hours of their time.	19	The total number of donation booths sponsored and set up by Cathay Charity Foundation, the total number of bags of blood collected, the total number of blood donors, the total number of volunteers and the total number of volunteer hours. Note: Volunteer hours are calculated by multiplying the total number of volunteers by the average event duration (estimated to be 4 hours).
7	Training courses on compliance topics	153,388 trainees and 57,723 training hours were completed for training courses on "Information Security" or "AML/CFT" in 2017.	8	Number of employees and hours of training completed in 2017 on compliance related courses as required by regulations and company policy. Hours of training includes e-learning and morning sharing session. Note: Hours of morning sharing session is

				calculated by taking the total number of employees in the sales department at the end of the work month (28 days for one work month and 13 work months for one year) for the month in which the morning sharing session is conducted, and multiplied by the annual attendance rate (1-(total number of leave days taken divided by total number of working days of the year) of sales department, multiplied by the total expected sharing duration in hours.
8	Green procurement	In 2017, Cathay Life reported US\$9,336,471 dollars in green procurement to the Department of Environmental Protection.	12	The total amount of green procurement responded by Cathay Life to the Environmental Protection Administration according to the “Result on Private Enterprises and other groups’ green procurement statistics” in 2017. Note: Exchange rate used to convert New Taiwan dollar amounts into U.S dollar amounts is obtained from Bloomberg as of December 29, 2017 at NT\$29.848 to U.S \$1.00.