



2020

**Taiwan Fire & Marine
Insurance Co., Ltd**

CORPORATE
SOCIAL RESPONSIBILITY
REPORT



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《《 Editing Information of Report

Taiwan Fire & Marine Insurance Co., Ltd. (hereinafter referred to as TFMI) is the oldest property insurance company in the nation. The corporation insists on creating long-term value for policyholders, employees and investors by adhering to the principle of sustainable social progress, transparency and openness, to promote corporate social responsibility as the long-term investment and support. Through the practice revelation of corporation for the economic, social and environmental development-oriented sustainable development results, TFMI expects to enable customers, enterprises, society, government and other stakeholders for the better understand of TFMI performance in actively engaged in social enterprise responsibility.

This report reveals TFMI's actual actions and future plans in the face of environmental, social and corporate governance (Environment, Social, and Governance, ESG) in the course of the business processes. With it to fully communicate within general public and all stakeholders that concerned with TFMI. We also hold the best wishes for those stakeholders will give advice and any feedback proposal to become the driving force as the sustainable operation and progress for TFMI.

Reporting Period and Coverage

The report is published for the year of 2020 (1 January 2020 - 31 December 2020) with the covering of specific action and performance data for the corporate governance, the economy, product services, the environment, and social commitment. Furthermore, for the full expression of issue disclosure and continuous improvement of performance, some of the content and implementation results will be backdated to 2020 or extended to the first quarter of 2021 information and data.

Report categories and boundaries

- ◆ TFMI has no significant changes in size, structure, ownership or supply chain in 2020 which means the scope of this disclosure is the same as in 2019, and there are no significant different major themes compare to the previous version.
- ◆ **The revelation for the scope of this report**
The performance of this report is mainly in Taiwan region of TFMI, with the information covers 43 operating locations of TFMI while the environmental category information only exposes Taipei Headquarter Office.
- ◆ **Data Boundaries**
By revealing the management policy while the related issues have a significant impact on the operation of TFMI; about the impact category of stakeholders, such as customers, investors, non-profit organizations, authorities, vendors, employees, and medias, which are also incorporated into the organization's external boundaries.

Quality of Report & External Verification

- ◆ TFMI makes the present report focusing on sustainability of key themes identified by enterprises and issues of relate stakeholders' consideration to further research for the data and information about the economy, environment, and social impact as well as respond. The information and data are collected and reviewed by colleagues from various departments and reviewed by supervisors before being submitted to the CSR Committee for reference; at the same time, refer to the external verification agency to confirm and improve the recommendations after completion.
- ◆ This report is qualified with Core Options of the Sustainable Reporting Guidelines for the Global Reporting Initiative, GRI Standards, and to be identified by British Standards Institution, BSI as the warranty; as well to follow the requires of AA 1000 specific principles of "materiality" , "inclusiveness" , "responsiveness" , and "impact" to perform validation.
- ◆ To ensure the reliability of the public information contained in the present report, the data are based on the following criteria :

The publishing unit	Project to follow
The Global Reporting Initiative, GRI	GRI Guidelines: Core Options
United Nations Environment Programme	Principles for Sustainable Insurance, PSI
Taiwan Stock Exchange, TWSE	Code of Practice for Corporate Social Responsibility of Listed Companies Measures for the Preparation and Application of Corporate Social Responsibility Reports by Listed Companies
United Nations	Sustainable Development Goals, SDGs

Feedback and contact information

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Letter from the Chairman

TFMI has established since March 12th, 1948 as the oldest property insurance company in Taiwan. To make the public understand better for the TFMI's non-financial performance information, the corporation issued the "2020 Taiwan Fire & Marine Insurance Corporate Social Responsibility Report" with fully expose sustainable social responsibility issues such as environmental protection, social participation and employee care to take action to implement the corporate vision of sustainable development.

As the first company of the industry, TFMI owns capital values NT\$3.622 billion with the adequacy ratio of venture capital up to 1,041.45% which is much higher than the requirement of decree. In 2020, TFMI continue to receive "A-" prospect to "Stable" by Standard and Poor's, S&P, and the good rating of "twAA" from Taiwan Ratings for the outlook forward Stability and others, which carries strong capital level and excellent solvency to demonstrate the determination to uphold the property safety for Taiwanese. By focuses on the insurance industry as our root business and creates shareholder value at the same time, TFMI upholds a steady operation and customer-oriented business strategy by following and implementing at executive the required regulations and policy from authorities; in addition to stick on the company management, fair customer hospitality, employee care, environmental protection and social care and others related regions for the sustainable development. Through the promote of diversity plan phases at environment, social, and governance, aligning with the Sustainable Development Goals of United Nations, SDGs, and then to develop and gain better along with whole society.

In 2020, the world has impacted by the epidemic situation of COVID-19 which is raising the public health issues among the government and people. TFMI collects the epidemic information at the very first moment and immediately to march an emergency response team to activate various support mechanisms to ensure the rights and interests of customers, the health of our employees, and the stabilize operation of the company. Furthermore, to create the epidemic prevention insurance policy which grabs highly attention from national public for it's the such needs of people, holding the core corporation philosophy as hoping to assume more social responsibility, to ensure the health and property safety of the people.

In an era of digital transformation, TFMI is brave to face challenge by full push at the corporation digital transformation to maintain interactive contact with policyholders, strengthen the brand image, and actively develop more internet insurance products with advantage taking of digital technology and social media; we expect that it is possible for consumers to purchase enough insurance to meet their needs in one stop, so that customers have a fresh product experience than in the past. TFMI will continue to serve as the more professional e-commerce platform, with perfect insurance products and services, as the most powerful pillar in case for the customers to face the risk.

In the area of corporate social responsibility, TFMI actively cooperates with the competent authorities to promote policy-oriented insurance. In 2020, TFMI re-awarded the first in "Residential Earthquake Insurance Excellence Award" by the competent authorities; third in Forced Car Liability Insurance Differential Management Competition; Performance Award and Sustainable Care Award in "Micro-Insurance Competition Merit Award". Meanwhile, TFMI combined with the related resources of "Taiwan Fire & Marine Foundation" which is established by the corporation, to committee to caring for the disadvantaged and living alone, improving the social and medical environment, supporting special education for children with learning disabilities, advocating anti-drug activities for youth, promoting arts and cultural activities and actively cultivating grass-roots sports talents such as youth baseball, women's softball, volleyball and others.

Look forward to the future, TFMI will continue to adhere to the "stable operations" and "customer-oriented" business strategy as the core values by using the wisdom of the team, make the good use of digital technology, properly adapted to respond and reduce the facing effecting, such as impact of the epidemic situation outbreak, further development of scientific and technology, as well as regulatory changes and others; with all-round development of insurance products to meet customer needs; providing the most reasonable service; to co-operate with the Government in implementing various policies; take the initiative to care for disadvantaged groups and support academic research and sports activities through the operation of the foundation to reach the acme of perfection for the corporation social responsibility, and then further to become the driving force for sustainable development with expectation for the better future creating within general public.



2020 Taiwan Fire & Marine Insurance Outstanding Sustainable Performance



- ◆ The premium amounted to NT\$6.512 billion.
- ◆ Earning per share of NT\$1.90.
- ◆ Top one market share for Residential Earthquake Insurance & Fire Insurance.
- ◆ Rating twAA of stable outlook from Taiwan Rating ; A-, Stable Rating from Standard & Poor Ratings, U.S.A..



- ◆ Received "2020 Sports Enterprise Certification" of Sports Administration, Ministry of Education.
- ◆ More than fifteen public welfare events were held, affecting thousands of people.



- ◆ Received the first place of "2020 Residential Earthquake Insurance Excellent Award" monitored by Financial Supervisory Commission.
- ◆ Received the third place of "2020 Differentiation Management Competition of Mandatory Car Liability Insurance" monitored by Financial Supervisory Commission.
- ◆ Received "Excellent Performance Award" and "Enduring Care Award" of 2020 Microinsurance Product monitored by Financial Supervisory Commission.
- ◆ Re-award of the Excellent Insurance Appraisal's "Best Quality of Service Award" .
- ◆ Continuous access to ISO 27001 Information Security Management System along past the approval of British Standard Institute, BSI.
- ◆ For 7 consecutive years, the CSR Report has been externally validated by BSI, the British Standards Institute.

Chap 1

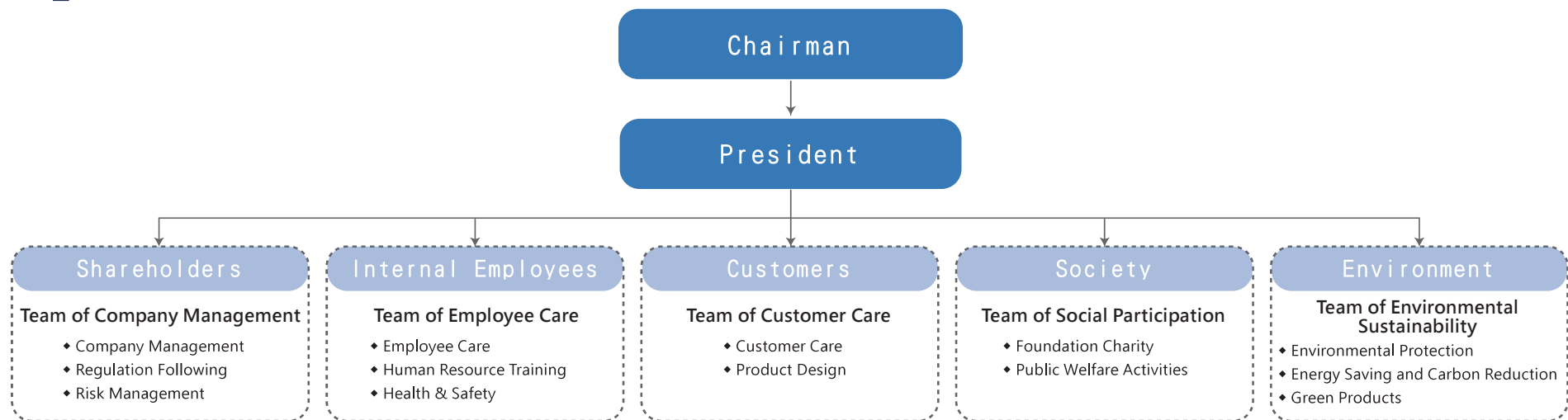
The Sustainable Enterprise

1-1 The vision for sustainable development

On the way of the sustainable development achieving, TFMI remains at “Stable Operations” and “Customer-orientated” operation strategy with insist on the original core business to start to provide the most excellent service to our customers. By the concept of “Taken from society; Give back to society” , TFMI Continues to build robust, professional, safe and convenient insurance services of both brick-and mortar store and digitally. Continuously refined into the insurance professional and innovative diversified products and services, and look forward to helping the community to bear more social risks, and then establish good connections and communication with the people. Furthermore, to create a protection network to conserve people's lives and property security, and jointly create a sustainable enterprise development and social environment. We will strengthen ESG's core governance principles and establish sustainable strategies and objectives by incorporating the operations of the relevant departments into ESG indicators and actions to develop short-, medium- and long-term objectives, and then further to deepen the business philosophy of the sustainable insurance principle.

Besides, we continue to strengthen the company's internal damage prevention, risk analysis and anti-obstruction professional ability and the construction of a perfect risk control mechanism, through the improvement of risk management system and policy norms. With the corporation's steady business operation policy to provide a strong level of capital and extremely excellent solvency, and expect to become a strong pillar of policyholders, employees and society as well as the most stable insurance company in the eyes of Taiwanese.

1-2 Structure of Corporate Social Responsibility Organization



TFMI establishes the "Corporate Social Responsibility, CSR, Committee" as the core dedicated organization that promotes corporate sustainability and social responsibility in the corporation to implement the related work of enterprise's sustainable operation. The organization which made the chairman as the most executive person in charge is established in 2014; meanwhile, the General Manager is tasked with leading the relevant departments to set up cross-unit groups, such as the "Corporate Governance Group", the "Customer Care Group", the "Employee Care Group", the "Environmental Sustainability Group" and the "Social Participation Group" with draft and executive each sustainable development strategies and project plans of the enterprise. All above mobilize all departments of the company to focus on and implement issues in the areas of sustainable development and CSR.

The "Corporate Social Responsibility, CSR, Committee" plans to hold regular semi-annual discussions with emphasize the mechanism of communication between departments, integrate internal and external resources, carry out as the specific project planning and management, as well as track and review performance on a regular basis to continue to develop to achieve the sustainable

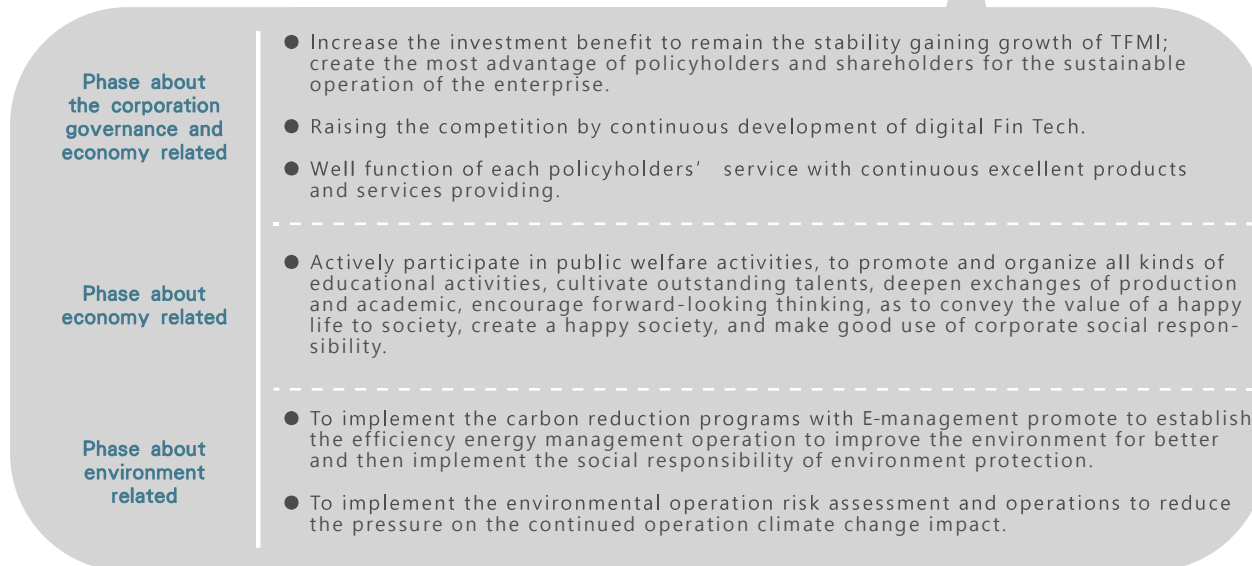
development principle of the enterprise. At the same time, TFMI publishes the "Code of Practice for Corporate Social Responsibility" to demonstrate fully demonstrate for the company in commitment to social responsibility-related work.

The Committee continues to pay attention to and grasp the development trend of social responsibility at the homeland and abroad to provide opportunities for all colleagues to participate in internal and external educational training and seminars, and expect for the continuous refine the peers for ESG sustainable thinking concept. Besides, while carries out business operation, TFMI also actively practices corporate social responsibility to be in line with international trends in balanced environmental, social and corporate governance development as well as to bear the responsibility of corporate citizens. In the creation of professional value at the same time, to convey the significance of insurance social enterprises, to create a good virtuous circle with stakeholders growing and getting better together, and then continue to achieve the sustainable operation goal with the three phases at the corporation governance, environment, and social participation.



short-term goals

medium- and long-term goals



1-3 Stakeholder Engagement

Since the issuance of the CSR Report in 2014, TFMI has collected and discussed economic, environmental, social and corporate governance issues of concern to various stakeholders through different channels, and learn about the topics and orientations of the focus on sustainable information, and refer to international sustainability standards such as GRI Standards, SDGs, PRI and other specific issues as the basis for stakeholder communication and feedback; to listen harder and deeper to understand and analysis the needs and expectations; and then to identify the major orientations in corporate governance, social co-prosperity, environmental management and happiness of the workplace and others in total for twelve material issues. Furthermore, to list as the company's sustainable business objectives and serves as the basis for this report.

Identification of Stakeholders

By holding the open mind and hope to build a bridge of close communication with all stakeholders, by receive the precious advice and comments through the discussion process to understand the actual needs and expectation of the stakeholders, and then to identify the possible risk and potential management opportunities of the enterprise within continuous readjust for the correspond of the enterprise sustainable operation philosophy.

This report follows the AA 1000 stakeholder protocol criteria for stakeholder level of attention identification; assess with five important orientations: influence, tension, responsibility, dependency, and diverse with CSR committee meeting along colleagues' feedback and discussion and analysis, to identify TFMI's Key Stakeholders of 2020.

There are seven main stakeholder types of TFMI which includes :



Compare with the report of 2019, there is no significant change for the stakeholders this year.

Communication Pipeline and Effectiveness of Stakeholders

Through internal communication and coordination and management assessment integration, for different types of stakeholders concerning issues a and the degree of concern for a matrix analysis, so as to understand the impact of the issues on the operation of the enterprise.

Stakeholder communication channels and concern issues

Stakeholders	Materiality for TFMI	Engagement Channels and Frequency	Material Issues	Key point of Communication and Performance in 2020
Employees	Employees are the most important and precious assets of TFMI, employees' unity and identity are the biggest foundation for the sustainable operation of the enterprise, but also the most important part of implementation for the corporate social responsibility. We provide compensation and benefits, build a safe workplace environment, maintain open communication channels, and establish a complete learning map to provide good career development.	<p>quarterly Labor-management meeting</p> <p>annually Performance appraisal</p> <p>irregularly Staff Welfare Committee, Occupational Safety and Health Commission, Labor Pension Supervision and Administration Commission</p> <p>irregularly Diversified education and training / courses</p> <p>permanent Employee internal e-mail, E-communication channels, sexual harassment complaints phone calls, E-digital learning platform</p>	<ul style="list-style-type: none"> Employee Welfare Operation Performance Corporation governance and integrity operation 	<ul style="list-style-type: none"> Regular labor-management meetings and labor pension supervisory board meetings are held on a quarterly basis. Transact annual performance evaluation, employee promotion and the process of increasing salary. Employee retention rate 89.8%.
Customers	Adhering to the "customer-oriented" business strategy, listening to the voice of customers, taking customer demand as the core, to continue providing innovative products and quality services, and then to ensure the adhesion and convenience of products and services, and strive to improve customer satisfaction.	<p>permanent With the company's service line, customer complaints platform, departments contact people, CSR dedicated units in specific</p> <p>TFMI official website, social media community platform information disclosure, free customer service line</p> <p>irregularly Conduct customer satisfaction surveys, hold presentations, community service, and others</p>	<ul style="list-style-type: none"> Operation performance Service quality and selling communication Customers privacy and information safety Integrity operation Social participate and public welfare attendance Sustainable financial 	<ul style="list-style-type: none"> Satisfaction up to score of 9 is 100% about traffic accident on-site handling.

Stakeholders	Materiality for TFMI	Engagement Channels and Frequency	Material Issues	Key point of Communication and Performance in 2020
Investors	To protect the rights and interests of investors and shareholders for fairness, implement corporate governance, continue to pay attention to and communicate with investment targets, and enhance information transparency.	<p>quarterly Board of Directors</p> <p>annually Annual reports and financial reports</p> <p>irregularly Official website information</p> <p>regularly Shareholders' meeting, investor conference</p>	<ul style="list-style-type: none"> ♦ Operation performance ♦ Integrity operation ♦ Corporation governance and integrity operation ♦ Risk management ♦ Environmental management and climate change 	<ul style="list-style-type: none"> ♦ Holding shareholders meeting on June 12th, 2020. ♦ Holding investor conference twice per year. ♦ Regularly announce financial and corporate governance information.
Government / Authorities	Actively cooperate with government policies, strictly follow the law, to build a steady and well function business system.	<p>irregularly Special lines, e-mail and meetings, official letters, official letters, Seminars, forums, public hearings and public information observatories reveal operational information</p>	<ul style="list-style-type: none"> ♦ Corporation governance and integrity operation ♦ Operation performance ♦ Service quality and marketing communication ♦ Social participate and public welfare attendance ♦ Environmental management and climate change 	<ul style="list-style-type: none"> ♦ Regular disclosure of operational information by information observatories ♦ Regular disclosure of complaint statistic data from Financial Ombudsman Institution.
Communities / Non-profit organizations	Combine community and non-profit organizations to integrate resources and make the most impact to make society better.	<p>irregularly Community activities and care, co-organizing public welfare activities, donations and sponsorships</p>	<ul style="list-style-type: none"> ♦ Social participate and public welfare attendance ♦ Environmental management and climate change 	<ul style="list-style-type: none"> ♦ To be put in more than ten public welfare-related events.
Media	Maintain good interaction with the media, provide and collect information, and strengthen the company's image.	<p>irregularly Dedicated lines, e-mail, social media websites and magazine reports</p>	<ul style="list-style-type: none"> ♦ Operation performance ♦ Environmental management and climate change ♦ Regulation following 	<ul style="list-style-type: none"> ♦ Actively interact with the media to present ESG implementation results. ♦ Post information such as introduction to new insurance products, insurance knowledge, and others.
Suppliers	Implement supplier management and work with suppliers to promote green businesses and a sustainable future.	<p>regularly Supplier evaluations and contracts</p> <p>irregularly Face to face visits of Vendors</p>	<ul style="list-style-type: none"> ♦ Operation performance ♦ Risk management in operation ♦ Supplier management mechanism ♦ Regulation following 	<ul style="list-style-type: none"> ♦ To include the CSR terms into the contract whenever signing a contract with a business entity.

A method of identifying material issues

Besides the usual communication with related stakeholders, TFMI also conducts regular surveys to Understand the issues of internal and external stakeholders which is based on the characteristics of the insurance industry, international trend reports, customer feedback and information from previous surveys to be the further select corporation concern issues; in accordance with the GRI Standards guidelines, apply the four principles of inclusiveness, sustainability, significance and integrity of the stakeholders, and use statistical analysis to assess the extent to which issues impact on the company and society, the environment and the economy, in order to prioritize material issues in order. The evaluation process as follows :



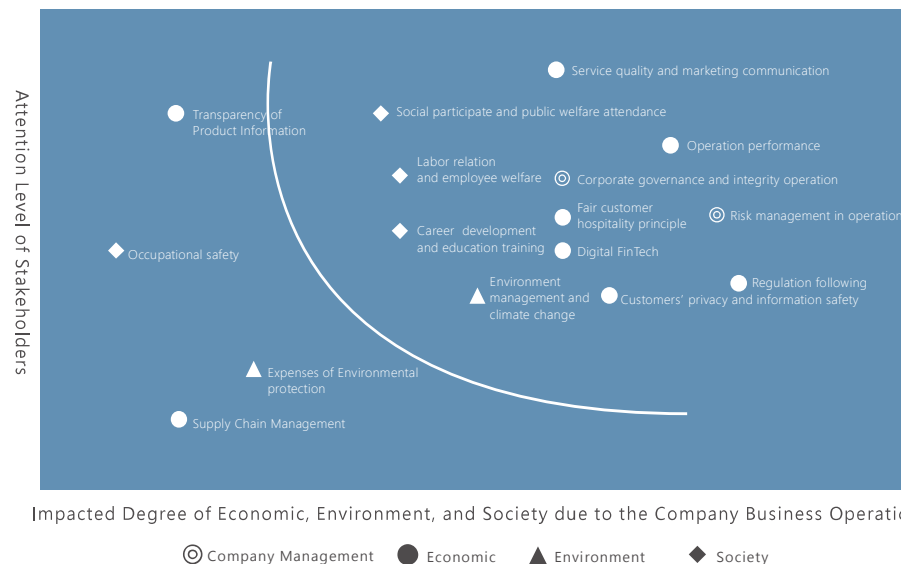
List and matrix of material issues

Item	Types	Material Issues
01	Economy	Operation performance
02	Society	Service quality and marketing communication
03	Corporate governance	Risk management in operation
04	Corporate governance	Corporate governance and integrity operation
05	Economy	Fair customer hospitality principle
06	Economy	Regulation following
07	Economy / Society	Digital FinTech
08	Economy	Customers' privacy and information safety
09	Society	Labor relation and employee welfare
10	Environment	Environment management and climate change
11	Society	Career development and education training
12	Society	Social participate and public welfare attendance

★ After identifying material issues, the current year's issue adjustments are described below

Issue to discuss of the present year	Annual variance	Readjust reasons and description
Environment management & Climate change	<div>New</div> New addition	The World Economic Forum released the latest Global Risk Report 2020 and listed environmental and climate change as among the top five risk projects, in response to the importance that stakeholders and today's society attach to environmental management issues, the CSR Committee, in accordance with the Task Force on Climate-related Financial Disclosures, TCFD, norms, included climate strategy, objectives, risk management and governance into the report, and listed the impact of climate change on business operations as the focus of corporate governance.

2020 Major Issues Matrix



A description of the substantive impact of material issues on TFMI

About the material issues description of the corresponding GRI theme, management policy and internal and external impact boundaries
Details are showed as the below table :

Material Issues	The description of importance to the operation	GRI Standard Specific Topics	Response section	Impact boundaries and degrees						
				Internal	External					
				TFMI	Investors	Customers	Suppliers	Communities / Non-profit organizations	Government / Authorities	Media
Operation performance	1. Steady operation and growth are the most basic commitment for shareholders and policyholders to create a surplus through the provision of diversified commodities, prudent investment and rigorous risk management, and to drive continuous innovation and sustainable operation.	GRI 201 operation performance	2. Create financial capital value	★	★	●	●		★	▲
	2. Increase investment returns and create a surplus for the company.									
Service quality & marketing communication	1. Starting from the needs of policyholders, to import innovative digital technology applications to improve service quality and bring new experiences to policyholders.	GRI 417 Marketing and Labeling	3. Sustainable service, considerate intentions	★		★				
	2. Continue to innovative and refined insurance products, to provide customers with a more professional and quality service experience, enhance service efficiency and added value, and improve customer satisfaction survey.									
Risk management of operation	3. Protect customer privacy and focus on personal data control.	GRI 102-11 Early Warning Principles or Guidelines	2. Create financial capital value	★	★	●	●		●	
	4. With a "stable operations" and "customer-oriented" strategy, continue to provide diversified and E-oriented insurance products and services, with simplify the process of insurance and other operations, and enhance the company's image.									
	1. Establish risk management mechanisms and the risk operation plans.									
	2. Take control of the related risks from processes such as risk identification, measurement, monitoring, and response to protect asset security and shareholder equity.									
	3. Set up a risk management committee to standardize the rigorous underwriting process and detect liquidity through capital adequacy analysis.									

Material Issues	The description of importance to the operation	GRI Standard Specific Topics	Response section	Impact boundaries and degrees						
				Internal	External					
				TFMI	Investors	Customers	Suppliers	Communities / Non-profit organizations	Government / Authorities	Media
Corporate governance & Integrity operation	<ol style="list-style-type: none"> Follow the ESG specification, from the environment, society and corporate governance for development to issue forward-looking strategic planning, strengthen the stability and transparency of enterprise operations. TFMI operates with the first priority of integrity, and indeed implemented in all operating management processes, abide by the law to comply with the law, to avoid major penalties which would affect the corporate image. Set short-, medium- and long-term goals to implement corporate social responsibility and achieve the corporate vision of sustainable development. 	GRI 102 General Disclosure / GRI 205 Anti-Corruption	2. Create financial capital value	★	★				●	
Fair customers hospitality principle	<ol style="list-style-type: none"> To the customer's standpoint, to provide customer transparency and quality service and care, from product design, sales, after-sales service to the appeals procedure process, located for the sake of customers, to protect customer rights and interests. Improve the awareness of the employees about financial consumer protection and related compliance, implement the principle of fair hospitality, and reduce illegal costs. 	Customize the major topics	3. Sustainable service, considerate intentions	★		★	▲		●	
The decree follows	<ol style="list-style-type: none"> Strengthen employees' awareness of law-abiding, maintain corporate image and reduce the operational risks and responsibilities of directors and managers. All departments of TFMI follow and cooperate with the policies and regulations of the competent authorities to carry out daily operations. 	GRI 205 Anti-Corruption / GRI 419 Socioeconomic Compliance	3. Sustainable service, considerate intentions	★	●				★	
Digital FinTech	<ol style="list-style-type: none"> Build FinTech's professional and convenient e-commerce platform that provides customers diversified products and service efficiencies and fully understands consumer behavior through big data analytics and statistics. Accelerate digital customer service systems to capture digital transformation business opportunities. 	Customize the major topics	3. Sustainable service, considerate intentions	★		★	▲		●	

Material Issues	The description of importance to the operation	GRI Standard Specific Topics	Response section	Impact boundaries and degrees						
				Internal	External					
				TFMI	Investors	Customers	Suppliers	Communities / Non-profit organizations	Government / Authorities	Media
Customer privacy and information security	<ol style="list-style-type: none"> Continue to promote the improvement of personal data management and information security management systems to manage and maintain the security of customer information and gain customer trust with the most rigorous and prudent attitude. Ensure a complete information security system and layout. 	GRI 418 customer privacy	3. Sustainable service, considerate intentions	★		★			●	
Labor relation and employee welfare	<ol style="list-style-type: none"> Caring for the employees, understanding and meeting the needs of employees, cohesion of internal efforts, and provide a diversified and equal promotion pipeline and all-round staff welfare, to create a happy corporate culture. Implement a multi-talent policy to create an inclusive, friendly and respectful workplace. Establish a fair and transparent promotion system to improve the compensation structure, optimize welfare measures, and establish a fair and transparent promotion system. 	GRI 401 Labor relation	4. Create a happy workplace and create a harmonious working environment	★						
Environmental management and climate change	<ol style="list-style-type: none"> Continue to focus on the risks to Taiwan or the global economy from extreme weather, incorporate the risks of climate change into operational decisions, and identify and manage risks. 	GRI-302 Energy / GRI-305 Emissions / GRI-307 Compliance with Environmental Protection	5. Implement green operation and achieve environmental sustainability	★	●			★	★	●
Career development with education and training	<ol style="list-style-type: none"> In line with the corporation operational policy needs, the establishment of digital learning platform to help colleagues enhance for competitiveness, to achieve personal career development. Improve the training mechanism to encourage employees to obtain professional skills and specific licenses, establish professional competence, enhance service awareness and market competitiveness. 	GRI 404 Education and Training	4. Create a happy workplace and create a harmonious working environment	★						
Social participation and public welfare activities	<ol style="list-style-type: none"> Strengthen the common prosperity of TFMI and society, give back to the society in the spirit of "taken from the society and return to it", integrate relevant resources through the TFMI Culture and Education Foundation and the Pilot Culture and Education Foundation, by actively participate in social welfare and charitable activities, and then establish a close connection with society. 	GRI 201 Economic Performance	6. Social participate and co-prosperity	★				▲		▲

Note: The extent to which a Material Issues impacts the organization indicates that ★ represents a direct impact, ● represents a shock, ▲ represents a business relationship

Management Approach of Material Issues

Material issues	Specific Management Approaches	Targets of 2020	Evaluation mechanisms and results of 2020	Achievement situation (Compliance Rate)	Targets of Medium-to long-term.	Complaint mechanisms and channels
Operation Performance	<ul style="list-style-type: none"> ◆ A stable operating strategy that emphasizes financial stability. ◆ Diversify the investments to disperse the risk; increase the interest rates, activate real estate investments, and stabilize the rental income. 	<ul style="list-style-type: none"> ◆ Stable operation with the overall growing business. 	<ul style="list-style-type: none"> ◆ Assess the rate of achievement with the annual revenue budget for the funds operate. ◆ Ranked the first place in the industry with the capital of NT\$3.622 billion. 	Achieve	<ul style="list-style-type: none"> ◆ Stabilize the financial for creating the most benefit of policyholders and shareholders. 	<ul style="list-style-type: none"> ◆ Financial Department of TFMI
Service quality and Marketing communication	<ul style="list-style-type: none"> ◆ Create a diversified communication and marketing approach to provide customers with a variety of service channels. ◆ Conduct regular customer satisfaction surveys. ◆ Two-way satisfaction analysis by marketing and customer service departments. 	<ul style="list-style-type: none"> ◆ Up to score 9 for the annual customer satisfaction. ◆ Provide micro-insurance policies and epidemic prevention commodities to help the community to tide over to over through the epidemic. 	<ul style="list-style-type: none"> ◆ Achieve score 9.01 for the traffic accident scene treatment satisfaction survey. ◆ Launch of statutory infectious diseases epidemic prevention expenses insurance policy and enterprise statutory infectious disease costs comprehensive insurance and other insurance commodities 	Achieve	<ul style="list-style-type: none"> ◆ By joining with digital FinTech within innovation to make financial insurance services more efficient and provide customers with better quality products. 	<ul style="list-style-type: none"> ◆ Provide 0800 toll free customer service line
Risk management of Operation	<ul style="list-style-type: none"> ◆ Establish a Risk Management Committee with independent directors as convener to implement risk management decisions and regularly review the development, establishment and effectiveness of the company's overall risk management mechanism with a complete risk control process built. 	<ul style="list-style-type: none"> ◆ Obtained the rating of "twAA Outlook Stability" from Taiwan Ratings and the Standard and Poor's Ratings for "A-/Stable". ◆ Implementation of money-laundering and anti-terrorist operations. 	<ul style="list-style-type: none"> ◆ Receive rating for "twAA Outlook Stability" from Taiwan Rating, and Standard and Poor's Ratings for "A-/Stability", and other awards. ◆ The stress test analysis report shows much higher than the statutory standard and based on various single-factor and multi-factor scenarios which proves TFMI has a strong financial condition and solvency. 	Achieve	<ul style="list-style-type: none"> ◆ For major operational risks, transfer of large premium expense risk, financial risk, policyholder personal data risk, natural disaster risk and other risks to develop appropriate and effective control and monitoring in mechanism. 	<ul style="list-style-type: none"> ◆ Risk Management Committee
Corporate governance and integrity operation	<ul style="list-style-type: none"> ◆ List each indicator for the Corporate Governance Evaluation. ◆ Establish a culture of corporate integrity, attach great importance to the implementation of corporate ethics and social responsibility, in order to implement the steady and sustainable governance for TFMI. 	<ul style="list-style-type: none"> ◆ Ranked the top 20% of Corporate Governance Evaluation. ◆ Regularly convene the Ethical Management Committee to discuss the implementation of the integrity management of the enterprise and report in the Board of Directors. 	<ul style="list-style-type: none"> ◆ For 6 consecutive years, stays the top 20% of Corporate Governance Evaluation. ◆ Held the Ethical Management Committee twice each year. 	Achieve	<ul style="list-style-type: none"> ◆ Sustainable operation of the enterprise ◆ Implement corporate social responsibility 	<ul style="list-style-type: none"> ◆ Board of Directors ◆ Audit Committee ◆ Ethical Management Committee

Material issues	Specific Management Approaches	Targets of 2020	Evaluation mechanisms and results of 2020	Achievement situation (Compliance Rate)	Targets of Medium-to long-term.	Complaint mechanisms and channels
Fair hospitality principle	<ul style="list-style-type: none"> Follow the relevant norms of the Principle for Financial Service Industries to Treat Clients Fairly by the Financial Supervisory Commission R.O.C. (Taiwan). 	<ul style="list-style-type: none"> There has been no penalty from the competent authorities for violating the principle of fair hospitality. 	<ul style="list-style-type: none"> No penalty imposed by the competent authority for violating the principle of fair hospitality. 	Achieve	<ul style="list-style-type: none"> Establish a corporate core culture with "fair hospitality", and enhance the company's corporate image. 	<ul style="list-style-type: none"> Provide 0800 toll free customer service line
The decree follows	<ul style="list-style-type: none"> To establish a Legal Compliance Department for decrees and to continuously cooperate with the decrees and norms of the Financial Supervisory Commission R.O.C. (Taiwan) and the competent authorities, keep an eye on changes in laws and regulations, and in response to its changes, promote the corresponding projects and the adjustment of the current management system. 	<ul style="list-style-type: none"> There are no major violations for the phase of environment, society, economy, information security. 	<ul style="list-style-type: none"> Regularly review the legitimacy of the company at each phase. No major corporate governance, environmental and labor-related violations have occurred. 	Achieve	<ul style="list-style-type: none"> Improve compliance by the employees with laws and regulations and reduce costs of breaking the law. 	<ul style="list-style-type: none"> Legal Compliance Department
Digital Fin Tech	<ul style="list-style-type: none"> Platform optimization: monitoring system stability, rich website digital information, to provide convenient insurance services. E-service : provide more insurance products to be insured online, simplifies the insurance process with member OTP certification, and provides electronic policies. Digital Marketing : Build digital marketing platforms such as blogs, LINE@ life circles, and FB fan groups to maintain good interaction between policyholders or consumers. 	<ul style="list-style-type: none"> E-commerce platform continuous optimization, to provide a more diversified digital marketing service. Provide more kinds of insurance services on the e-commerce platform. The ratio of electronic insurance policy is greater than 18%. 	<ul style="list-style-type: none"> The e-commerce platform is continuously optimized at E-service and digital marketing. Provide many types of online insurance on the e-platform, such as motor vehicle liability and arbitrary insurance, travel comprehensive insurance and personal injury insurance and others. The ratio of electronic insurance policies for car insurance is 20.7%. 	Achieve	<ul style="list-style-type: none"> Continuously optimize the e-commerce platform to provide one-stop insurance E-service. Continuously provide digital products to meet customer diversity and customized product needs. 	<ul style="list-style-type: none"> Provide 0800 toll free customer service line
Customer privacy and information security	<ul style="list-style-type: none"> Import information security management system (ISO 27001) job management specifications to comply with information management tasks. Actively develop digital Fin Tech business, with "information security" as the priority factor, strengthen information security management, improve the quality of information and services, through systematic and institutionalized management, to ensure the service of customers and transaction process information in risk control. 	<ul style="list-style-type: none"> Obtain ISO 27001 validation work and comply with the requirements of the competent authorities. Perform social walkthroughs on a regular basis. 	<ul style="list-style-type: none"> Continuous verification operations of ISO 27001, verified by BSI International Certification Organization, without major deficiencies were found. Complete the present year's Information Security Assessment job. There are no significant exceptions of performing social walkthrough results. 	Achieve	<ul style="list-style-type: none"> Expand the scope of import jobs and improve the quality of information services. 	<ul style="list-style-type: none"> Information Technology Service Department

Material issues	Specific Management Approaches	Targets of 2020	Evaluation mechanisms and results of 2020	Achievement situation (Compliance Rate)	Targets of Medium-to long-term.	Complaint mechanisms and channels
Labor relation and employee welfare Career development with education and training	<ul style="list-style-type: none"> ◆ To performance management-oriented for the implementation of job coaching and performance improvement plan, to accelerate the improvement of human resource quality and work effectiveness. ◆ To provide incentive compensation and benefits system, for the purpose of talents recruitment and retention. ◆ Handle job rotation to activate organizational human resource. Develop key talents, provide appropriate and differentiated education and training, and plan to cultivate insurance and management talents. 	<ul style="list-style-type: none"> ◆ The total number of hours spent on employee education and training is more than 30,000 hours. ◆ Provide appropriate and differentiated staff education and training. ◆ Continuously obtain sports enterprise certification. 	<ul style="list-style-type: none"> ◆ Total employee education and training hours 34,539 hours. ◆ Master the pulse of market compensation, combine the reward system according to peer performance and potential results, and establish the incentive bonus system of differentiation and fairness. ◆ Import e-learning online digital learning system, which reduces administrative work time and training costs, grasp the progress of learning to improve learning effectiveness, achieve effective management, develop the performance and competitiveness of talent training. ◆ Apply the Talent Nine Palace module to conduct a talent inventory, identify key positions and talents, and handle the Key Talent Individual Development Plan (IDP), the planned cultivation of talent. ◆ Provide a wide range of learning channels and training resources and encourage employees to obtain professional licenses. ◆ In 2020, to be certified by the Sports Department as a sports enterprise again. 	Achieve	<ul style="list-style-type: none"> ◆ Build a competitive compensation strategy to ensure that key talent compensation is competitive in the market. ◆ Strengthen performance-oriented compensation system, establish performance and talent-oriented organization and culture. ◆ In response to organizational development, actively cultivate key talents, develop and implement talent, retention, and education program. ◆ Implementation of the Talent Individual Development Plan (IDP) and succession plan, by the use of job rotation and cross-departmental internships and other organizational learning system, planned to cultivate talent, improve the organization and individual career development, training diverse talent. 	<ul style="list-style-type: none"> ◆ Human Resources Department ◆ Labor-Management Meeting
Environmental management and climate change	<ul style="list-style-type: none"> ◆ Analysis of the Group's climate change risks and opportunities and strengthening climate change governance based on climate-related financial disclosure proposals issued by the Task Force on Climate-related Financial Disclosures, TCFD. ◆ Continuously improve office environmental and energy management measures to enhance energy efficiency and reduce waste making. 	<ul style="list-style-type: none"> ◆ Analyze and expose the risks and opportunities the company faces in climate change based on TCFD. ◆ To complete the full LED luminaires and energy-saving general service equipment update in among of head office and other offices. 	<ul style="list-style-type: none"> ◆ The first TCFD Climate Change Risks and Opportunities Identification was completed in January 2021, with climate change issues as a key operational priority for the company. ◆ To complete the update of LED luminaires and some energy-efficient office equipment in the office. 	Achieve	<ul style="list-style-type: none"> ◆ Continuous cross-functional units in operations of the organization in accordance with the TCFD operating structure. ◆ Respond to climate change, create low-carbon products and services, and develop green products. 	<ul style="list-style-type: none"> ◆ Administrative center

Material issues	Specific Management Approaches	Targets of 2020	Evaluation mechanisms and results of 2020	Achievement situation (Compliance Rate)	Targets of Medium-to long-term.	Complaint mechanisms and channels
Social participate & public welfare activities	<ul style="list-style-type: none"> ◆ By join hands with the TFMI Culture and Education Foundation to promote local development, care activities, cultivate talents and other public welfare activities in different fields, as well as invest in various educational resources to help disadvantaged students and encourage employees to celebrate and create a better society altogether. 	<ul style="list-style-type: none"> ◆ Held more than 10 events in related sponsorships and community events. 	<ul style="list-style-type: none"> ◆ Involved more than 15 events in related public welfare activities. 	Achieve	<ul style="list-style-type: none"> ◆ Through the TFMI Culture and Education Foundation to transact public welfare activities, as well as care for the rural-related education sponsorship. ◆ To help solve social and environmental problems, expand the company's influence on society, and simultaneously enhance the social value of enterprises. 	<ul style="list-style-type: none"> ◆ Planning Department

We actively follow the 17 sustainable development goals of the United Nations and the framework for the establishment of ESG, by joining the ESG analysis and continuous improvement of the tracking mechanism; in addition to the original positive support for the economy, and more importantly, to expand the positive impact on society and the environment, and then fully demonstrate the combination of the core functions of public risk-sharing insurance, to fulfill social responsibility determination.



1-4 Responding to the UN SDGs Sustainable Development Goals

As the concept of enterprise sustainability continues to evolve, institutional investors are also pushing for the Principle of Responsible Investment, PRI, and incorporate the performance of investment targets in environmental, social, corporate governance; Environment, Society and Governance, ESG; into the investment analysis. Meanwhile; in September 2015, the United Nations also published 17 Sustainable Development Goals, SDGs, to expect to be achieved by 2030.

TFMI follows the "United Nations Sustainable Development Goals Corporate Action Guide, SDGs Compass", to assess the risks and opportunities posed to SDGs by operational process activities along the value chain and includes the corporation current or future positive or negative impacts in the scope of our operational objectives.

We identified 17 SDGs objectives and listed SDGs sustainability indicators for the present year in relation to material issues link to Product Insurance in Taiwan, demonstrating the spirit of our substantive input into SDGs, integrating them into the company's actual operating processes and setting targets. In the future, we will continue to work together through our company and our stakeholders to track SDGs performance regularly to conduct by CSR teams in the hope of actually improving global sustainability issues and playing the role of social citizen; by treating social responsibility as one of the links in operation, balance the economy, environment and society, and implemental to practice sustainable business strategy.



Corresponding to the material issues	Corresponding to SDGs topics	The corresponding SDGs breakdown	Corresponding Chapter
Operating Performance	8. Decent work and economic growth	<p>8.1 Maintain profitable growth based on gross domestic product in the nation.</p> <p>8.3 Promote development-oriented policies that support productive activities, job creation, business management, creativity and innovation, and encourage formalization and growth of enterprises, including access to financial services.</p> <p>8.5 Achieve full and productive employment, provide all men and women with good jobs, both young and physically and mentally handicapped, and then achieve equal pay for equal work.</p>	<p>Chap1. Sustainable Enterprise</p> <p>Chap2. Create financial capital value</p>
Quality of service and marketing communication	<p>1. Eliminate all forms of poverty everywhere</p> <p>12. Ensure sustainable consumption and production patterns</p> <p>16. Peace, justice and sound justice</p>	<p>1.5 Protect the poor and vulnerable through micro-insurance policies.</p> <p>12.6 To encourage enterprises to adopt sustainable business practices and to incorporate sustainable information into the reporting cycle.</p> <p>16.6 Develop effective, accountable and transparent systems at all levels.</p>	Chap3. Sustainable service, with considerate intentions
Corporate governance and integrity management	<p>12. Ensure sustainable consumption and production patterns</p> <p>16. Peace, justice and sound justice</p>	<p>12.6 To encourage enterprises to adopt sustainable business practices and to incorporate sustainable information into the reporting cycle.</p> <p>16.7 Ensuring that decisions at all levels respond to public opinion are inclusive, participatory and representative.</p> <p>16.b Promote and implement non-discriminatory laws and policies for sustainable development.</p>	<p>Chap1. Sustainable Enterprise</p> <p>Chap2. Create financial capital value</p>
Digital Fin Tech	8. Decent work and economic growth	<p>8.2 Improve economic capacity through diversification, technological upgrading and innovation.</p> <p>8.10 Provide a wider range of banking, insurance and financial services for all people.</p>	Chap3. Sustainable service, with considerate intentions
Customer privacy and information security	<p>8. Decent work and economic growth</p> <p>9. Establishment of industry, innovation and infrastructure</p>	<p>8.2 Increase the capacity of economies through diversification, technological upgrading and innovation, including by focusing on high value-added and labor-intensive industries.</p> <p>9.b Support developing countries' national science and technology research and innovation, including creating a policy environment conducive to diversified industrial and commercial development and increased value added to commodities.</p>	Chap3. Sustainable service, with considerate intentions

Corresponding to the material issues	Corresponding to SDGs topics	The corresponding SDGs breakdown	Corresponding Chapter
Labor Relation and Employee Benefit / Career development and education and training	10. Reduce inequality within and between countries 16. Peace, justice and sound justice	10.4 Adopt appropriate policies, particularly pay and social protection policies, and gradually achieve greater equality. 16.6 Develop effective, accountable and transparent systems at all levels.	Chap4. Creative support career field, establish a harmonious working environment
Environmental management and climate change	12. Ensure sustainable consumption and production patterns 13. Climate action	12.6 To encourage enterprises to adopt sustainable business practices and to incorporate sustainable information into the reporting cycle. 13.2 Make climate change measures are integrated into policies, strategies and planning. 13.3 Improve education, awareness and human and institutional empowering in the mitigation, adaptation, impact reduction and early warning of climate change.	Chap5. Implementation of green operation, to achieve environment sustainable
Social participation and public welfare	1. Eliminate poverty 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 8. Decent work and economic growth 12. Ensure sustainable consumption and production patterns 13. 氣候行動	1.5 Empower poor and vulnerable populations to recover from disasters and reduce their exposure of frequency and degree to climate extreme events and other economic and environmental disasters and the severity of their injuries. 2.1 End hunger and ensure that all people, especially the poor and vulnerable, have access to safe, nutritious and adequate food throughout the year. 4.5 Ensure that vulnerable groups receive all classes of education and vocational training, including for persons with physical and mental disabilities, includes Aboriginal people and vulnerable children. 8.6 Significant reduction in unemployment, out-of-school or untrained youths. 11.6 Reduce the harmful effects of cities on the environment, including with special attention to air quality, urban management and waste management. 12.1 Implementation of sustainable consumption and production. 13.3 Improve education, awareness and human and institutional empowering in the mitigation, adaptation, impact reduction and early warning of climate change.	Chap6. Social participation and co-prosperity

Chap 2

Create financial capital value

TFMI as the oldest and most robust product insurance company in Taiwan, has been working hard for more than 70 years since the establishment. With uphold the "Stable Operations" and "Customer-oriented" as our business strategy, TFMI steps forward with integrity and practical service attitude, to protect and innovate brand value, for customers, shareholders, employees and society to create common interests. Meanwhile, carry six major enterprise core values which are professional, loyalty, innovation, teamwork, care, and efficiency, to up lift the professionalism and administrative efficiency for the better value of customer service with expectation to become the priority product insurance brand for the customers.

TFMI manages the service base throughout Taiwan and some China mainland. At present, the company's capital amounted to NT\$3,622 million, ranking first in the product insurance industry. Lasts 9 years till 2020, TFMI rewards "twAA" for "stability" from Taiwan Ratings and "A-, Stable stability" rating from Standard and Poor's Ratings which fully demonstrate the steady financial performance of TFMI.

Looking ahead, TFMI will continue to strengthen corporate governance, uphold ESG sustainable governance planning and implementation, optimize a friendly workplace environment and improve business performance. Besides, we will be committed to digital innovation, promote the development of digital finance, instance compliance for the market demand, to improve customer experience and convenience as the core, and gradually develop a unique digital fintech. In 2020, we use blockchain, artificial intelligence, big data and more to lead our customers to a service experience that facilitates innovation and security.

■ Basic Information of TFMI Introduction

Item	Description
Company Title	Taiwan Fire & Marine Insurance Co.,Ltd (Stock code: 2832)
The nature of the company	Financial and insurance industry
The main product categories	Fire Insurance, Water Insurance, Automobile Insurance, new types of Insurance, Accident and Health Insurance, Liability Insurance, Reinsurance, and other Insurances
Operating locations	43 strongholds in Taiwan and 1 representative office in China mainland.
Establish Time	Year of 1948
The number of employees	901 heads (listed till 2020/12/31)
The amount of actual capital received	NT\$3.622 billion

With Service locations throughout Taiwan, TFMI provides efficient services in the localization

TFMI in response to the market demand for insurance commodities growth, to provide customers throughout Taiwan in the local and professional efficiency of the service quality experience; at the stage, we have set up branches and service centers throughout Taiwan in total of 43 operating sites.

North Taiwan

Business Development Dept. I
11F, No.49, Guanqian Rd., Zhongzheng Dist., Taipei City 100, Taiwan.

Wenshan Service Center
3F, No.43, Jingwen St., Wenshan Dist., Taipei City 116, Taiwan.

Shilin Service Center
6F, No.196, Sec. 4, Chengde Rd., Shilin Dist., Taipei City 111, Taiwan.

Keelung Service Center
7F, No.128, Ai 3rd Rd., Renai Dist., Keelung City 200, Taiwan.

World Trade Service Center
2F, No.131, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan.

Banchiau Branch
9F, No.3, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City 220, Taiwan.

Sanchung Service Center
9F, No.99, Sec. 3, Chongyang Rd., Sanchong Dist., New Taipei City 241, Taiwan.

Sinhuang Service Center
7F, No. 289, Zhongyang Rd., Xinzhuang Dist., New Taipei City 242, Taiwan.

Shuangho Service Center
13F, No.1, Baosheng Rd., Yonghe Dist., New Taipei City 234, Taiwan.

Linkou Service Center
1F, No. 149, Sec. 2, Wenhua 2nd Rd., Linkou Dist., New Taipei City 244, Taiwan.

Taoyuan Branch
10F-1, No.6, Minquan Rd., Taoyuan Dist., Taoyuan City 330, Taiwan.

Jhongli Service Center
11F, No.84, Sanguang Rd., Zhongli Dist., Taoyuan City 320, Taiwan.

Bade Service Center
1F, No.6, Ln. 10, Sec. 1, Jiesshou Rd., Bade Dist., Taoyuan City 334, Taiwan.

Hsinchu Branch
4F, No.118, Sec.1, Dongda Rd., East Dist., Hsinchu City 300, Taiwan.

Jubei Service Center
No.292, Shengli 12th St., Zhubei City, Hsinchu County 302, Taiwan.

Miaoli Service Center
No.223, Zhengfa Rd., Miaoli City, Miaoli County 360, Taiwan.

Toufen Service Center
No.20, Shangshun Rd., Toufen City, Miaoli County 351, Taiwan.

Yuanli Service Center
No.358, Zhongshan Rd., Yuanli Township, Miaoli County 358, Taiwan.

Industrial Technology Research Institute Service Center
Rm. B122, Bldg.52, No.195, Sec. 4, Zhongxing Rd., Zhudong Township, Hsinchu County 310, Taiwan.

China Area

Shanghai Representative Office
Unit 904, Shanghai Plaza, No. 138, Huai Hai Zhong Rd., Luwan District, Shanghai, 200021, P.R.C.

Eastern Taiwan

Yilan Branch
No.52, Gozgzhen Rd., Luodong Town, Yilan County 265, Taiwan.

Lanyang Service Center
5F., No.233, Sec. 2, Zhongshan Rd., Yilan City, Yilan County 260, Taiwan.

Hualien Branch
No.3, Datong St., Hualien City, Hualien County 970, Taiwan.

Taitung Service Center
No.434, Zhengqi N. Rd., Taitung City, Taitung County 950, Taiwan.

Central Region Of Taiwan

Taichung Branch
No.35, Jiguang St., Central Dist., Taichung City 400, Taiwan.

Fengyuan Service Center
No. 313, Sec. 1, Fengyuan Blvd., Fengyuan Dist., Taichung City 420, Taiwan.

Shalu Service Center
1,2F., No.477, Guanghua Rd., Shalu Dist., Taichung City 433, Taiwan.

Dali Service Center
No.52, Yonglong Rd., Dali Dist., Taichung City 412, Taiwan.

Caotun Service Center
No.363, Sec. 1, Taiping Rd., Caotun Township, Nantou County 542, Taiwan.

Shizheng Service Center
5F-1, No.540, Sec. 3, Taiwan Blvd., Xitun Dist., Taichung City 407, Taiwan.

Changhua Branch
5F., No.43, Xiaoyang Rd., Changhua City, Changhua County 500, Taiwan.

Yuanlin Service Center
8F., No.182, Nanping St., Yuanlin Township, Changhua County 510, Taiwan.

Chiayi Branch
8F., No.127, Zhongxing Rd., West Dist., Chiayi City 600, Taiwan.

Douliu Service Center
No.699, Sec. 2, Yunlin Rd., Douliu City, Yunlin County 640, Taiwan.

Beigang Service Center
No.414, Wenren Rd., Beigang Township, Yunlin County 651, Taiwan.

Southern Taiwan

Tainan Branch
7F., No.655, Sec. 1, Ximen Rd., South Dist., Tainan City 702, Taiwan.

Shinying Service Center
No.128, Minsheng Rd., Xinying Dist., Tainan City 730, Taiwan.

Yongkang Service Center
1F., No.52856, Siwei St., Yongkang Dist., Tainan City 710, Taiwan.

Kaohsiung Branch
4-5F., No.117, Zhongshan 1st Rd., Xinxing Dist., Kaohsiung City 800, Taiwan.

Gangshan Service Center
No.46, Renshi Rd., Gangshan Dist., Kaohsiung City 820, Taiwan.

Fengshan Service Center
1F., No.102, Zhongxin St., Fengshan Dist., Kaohsiung City 830, Taiwan.

Pingtung Service Center
Rm. A, 5F., No.125, Zhongzheng Rd., Pingtung City, Pingtung County 900, Taiwan.

Chaozhou Service Center
1F., No. 252, Beimen Rd., Chaozhou Township, Pingtung County 920, Taiwan.

Offshore Islands

Penghu Service Center
No.141, Zhonghua Rd., Magong City, Penghu County 880, Taiwan.

Kinmen Service Center
1F., No.19, Huanghai Rd., Jinhu Township, Kinmen County 891, Taiwan.

2-1 Market outlook and description

In 2020, TFMI continue to promote diversified products and make good use of the advantages of access, seize the niche market, as well as committed to the implementation of the principle of fair hospitality and financial friendly service, and further to improve customer service quality; all above benefit our annual premium income for NT\$6,512,206,000 with 4.59% growth rate. Among them, the residential fire insurance market share ranked first in the industry, standard and poor's (S&P) and Taiwan Ratings even consistently gave the company "A-/Stability" and "twAA" outlook "stable" credit rating.

In terms of corporate social responsibility, TFMI actively cooperates with the competent authorities to promote policy-oriented insurance, and won the First in "Residential Earthquake Insurance Excellence Award" by the competent authorities in 2020; Won the Third in "Forced Car Liability Insurance Differential Management Competition" ; as well as winning the "Performance Award" and "Sustainable Care Award" from Micro Insurance Competition. Meanwhile, collaborate the related resources of the TFMI Foundation related resources and TFMI for the implementation of disadvantageous caring and care for the elderly living alone, medication environment continuous improvement, special education for children with delays support, campus anti-drug advocacy for youth, arts and culture as well as grass-roots sports and other activities. This year, we assist the Eden Social Foundation in the purchase of a repair vehicle to promote the relevant care services for the elderly and vulnerable families in rural areas.

Look forward for the year of 2021, with continuous impact of COVID-19 outbreak worldwide, which leads the economic activities as well business operation decreasing dramatically. However, for the government's improved epidemic prevention measures and appropriate control overall along with following consumer revitalization measures programs providing, the island tourism industry and the overall economy will be managed steady to offset the negative impact from the COVID-19 outbreak. At the same time, because the competent authorities attach importance to digital finance and insurance technology applications, it is expected to enhance the development of e-commerce channels, increasing sales of new cars and motor vehicles, discipline the market rates and commodity supervision, that will avoid market price competition and help to stabilize the market operation; with the sharp increase in the international reinsurance market rate, the domestic insurance companies are expected to increase underwriting opportunities and premium income.

Accordingly, TFMI will continue to uphold a steady operation business and customer-oriented business policy, implement the principle of treat clients fairly and financial friendly services, and strengthen corporate governance, risk management and compliance with laws and regulations. About insurance, continue to expand good quality business, deep-till alliance access, optimize the digital portal, develop a variety of goods, and improve customer service quality; about investment, will be committed to activating assets and adopt diversified investments to enrich profitability.



2-2 Diversified and all-round portfolio products, providing an infallible comprehensive protection

TFMI operates with customer-oriented business strategy, combined with traditional basic core products by understand the market change and customer demands, and then continue to develop the further innovation products to Integrate innovation of digital technology and other trends for the tri-win sustainable portfolio among the customers, TFMI, and the society.

In addition, continuously optimize good business models, enhance professional education and training, and provide better services to introduce products to the daily using, strengthen interaction with consumers, so that consumers have a clearer understanding of financial insurance products, and then actively assist customers to establish disaster prevention and loss prevention risk control measures.

With the development of FinTech rapidly, TFMI is actively expanding the digital portal besides the traditional channels by research and development at various types of digital financial insurance products, the use of artificial intelligence (AI), big data and blockchain and other technologies to create a diversified platform for the customer access to services optimized with physical and virtual dual pathways combine, and the information gap between each other reduced, which could benefit all the customers to enjoy the fastest and the most convenience insurance process, and then to improve customers service experience overall the promotion.

Meanwhile, TFMI continues to develop the innovation insurance products, such as Automobile Insurance, Commercial Insurance, Liability Insurance which are all differentiated project merchandise and innovative commodity portfolio. By using statistical data analysis to achieve market segment strategy to meet the needs of consumer differentiation; make wise use of the advantages with the Diversity Strategy Alliance and group access, to expand operating energy and improve the company's overall operating performance.



Introduction to product insurance types

Personal insurance

Automobile Insurance	It is divided into compulsory and arbitrary insurances. Compulsory insurance is required by law to be insured, while arbitrary insurance is freely insured according to the needs of customers, and insurance items include car body loss insurance, third party liability insurance, theft insurance, driver injury insurance and other protections.
Residential Fire and Earthquake Insurance	Provide housing property security, which includes insurance items such as the specific matter of insurance target to fire, lightning strikes, explosions, theft, earthquakes and other dangerous accidents caused by the loss.
Accident Insurance	To cover the death, disability or medical as the insurance products which the insured has occurred due to the accident.
Health Insurance	Health insurance is an important part of life insurance to protect the health status of the insured, which is general to be divided into two categories, "medical payment" and "fixed payment". TFMI provides product of medical payment such as payment by hospital days to protect the insured's compensation while he/she is hospitalized due to illness; "Fixed-pay" commodities such as major illness or the major illness to be ensured with specific injury insurance.
Travel Comprehensive Insurance	Insured the policyholders for loss of travel itinerary by an insurance accident during the tour and medical payment for death, disability and injury, medical treatment for illness.
Travel Safety Insurance	Insured persons are paid for medical treatment such as death, disability and injury due to accidents during travel.
Injury insurance for overseas working holiday students	Provide overseas study-tour and study abroad, work vacation related group insurance coverage. Insurance items include disability, major burns, injury medical treatment, health care, and others.
Injury insurance for the elderly	The well-function establishment of injury medical protection specific for the elderly communities who are over 50 years old, due to the chances of accidental injury are much higher than other age groups in physiological factors such as bone joints, muscle system degradation, and osteoporosis. TFMI provides accident death, disability insurance, disability care and assistance insurance, injury hospital medical insurance per day, burning injury room daily payment and other protections.
Micro Insurance Commodities	Micro-insurance provides basic life insurance coverage for the economically disadvantaged for insurance with low premiums and simple content.

Commercial insurance

Commercial Fire Insurance	In the course of business operation, the fire danger will cause the enterprise to suffer great losses of uncertainty. Fire insurance allows compensation for plant, machinery, equipment, raw materials and finished products, and quickly restarts production lines.
Engineering Insurance	Contractors' All Risks Insurance, Erection All Risks Insurance, Contractors' Plant and Machinery Insurance, Electronic Equipment Insurance, Boiler and Pressure Vessel Insurance, Machinery Insurance.
Liability Insurance	Underwriting insurance for the insurer in case of compensation claims for liability in the event of an accident-causing damage to a third party as a result of a specific matter. TFMI underwrites general liability insurance and other professional liability insurances.
Marine Insurance	Marine Cargo Insurance, Cargo Liability Insurance, sea and air Carrier Liability Insurance, Marine Hull and Fishing Vessel insurance, Aviation Insurance.
Miscellaneous Insurance and Bond Insurance	Such as Fidelity Bond Insurance, Money Insurance, Bankers Blanket Bond Insurance, Fine Art Comprehensive Insurance, Electronic and Computer Crime Insurance, Precipitation Parameter Aquaculture Insurance.

2-3 Excellent business performance

■ Concise Consolidated Income Statement

Unit: NT\$100 million

	2018	2019	2020
The amount of capital		36.22	
Operating income	49.43	52.01	53.97
Operating costs	30.95	31.51	33.63
Comprehensive profit and loss	3.77	10.01	8.55
Earnings after tax per share (NT\$)	1.55	1.94	1.90

In 2020, the operation income of TFMI amounted to NT\$5,397 million, which is with net profit after tax was NT\$167 million, and earnings per share after tax amounted to NT\$1.90; signed premium income was NT\$6,512 million which has increased 4.59% over the same period last year; of which residential fire insurance achieved the first consecutive market share with continuously obtained.

In 2020, Taiwan has been less affected by the COVID-19 outbreak than the world, and there wasn't any major accidents or natural disasters on the island at all. Due to the innovative products investment and e-commerce platform marketing advantages, with the company's rigorous risk management and appropriate reinsurance arrangements, the operating performance of TFMI continue to step upper to a stable peak. In terms of operating performance, TFMI has signed premiums with an increase of 4.59% over the same period last year; liabilities as a percentage of assets were 51.07%.

The proportion of premium structure for signing in 2020

In 2020, the premium for Automobile Insurance sign up will be NT\$2,752,164,000 which is accounting for 42.26% of the total sign-up premium income of TFMI, as well as residential Fire Insurance (including policy Residential Earthquake Insurance, one-year Residential Fire Insurance) amounted to NT\$935,591,000 or 14.37% which is the first place taken in the domestic market; Compulsory Automobile Insurance of NT\$779,167,000 or 11.96%; Commercial Fire Insurance of NT\$716,711,000, or 11.01%; Accident Insurance was NT\$426,076,000 or 6.54%.

■ TFMI's 2020 annual premium income from written policy and the structure of each type of insurance and market share statistics

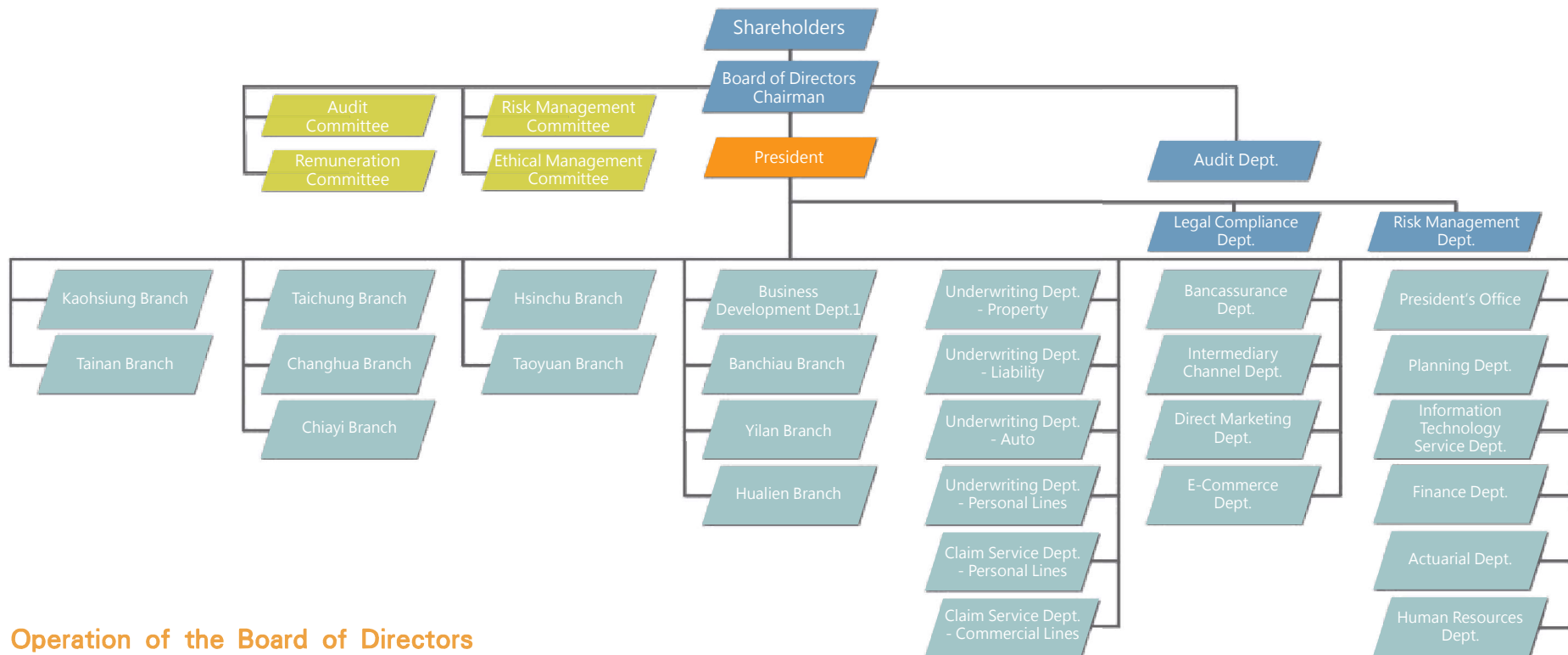
Unit: NT\$1,000

	insurance type	簽單保費收入	占 比(%)	市場占有率(%)
01	Automobile Insurance	2,752,164	42.26	3.34
02	Residential Fire Insurance	935,591	14.37	14.41
03	Compulsory Automobile Liability Insurance	779,167	11.96	4.25
04	Commercial Fire Insurance	716,711	11.01	3.29
05	Accident Insurance	426,076	6.54	2.26
06	Liability Insurance	238,774	3.67	2.04
07	Engineering Insurance	216,483	3.32	3.03
08	Miscellaneous Insurance	145,404	2.23	1.92
09	Marine Cargo Insurance	139,566	2.14	2.88
10	Others (Note)	162,270	2.50	
	Total	6,512,206	100.00	3.48

Note : Other insurance types that account for less than 2% of signed premium income are accounted for under other items

2-4 Corporate Governance

TFMI Organizational Chart



Operation of the Board of Directors

TFMI has been established for more than 70 years, uphold the integrity of the corporate culture and good corporate governance system, with professional management team and strict risk management and internal audit internal control mechanism, continued in stable growth, and further to achieve sustainable business vision and goals with the community in social prosperity.

All directors of TFMI shall, on the premise of the long-term interests of the company and all shareholders, ensure the effective and smooth operation of the board of directors in accordance with the high standard of corporate governance, exercise their directorships in an objective and independent manner, and abide by the norms of the "Company Act". In recent years, a number of internal regulations have been enacted, which includes "Corporate Governance Best Practice Principles", "Policy of the Principle for Financial Service Industries to Treat Clients Fairly", "Strategy of the Principle for Financial Service Industries to Treat Clients Fairly", "Sales Personnel Remuneration System", "Corporate Social Responsibility Principles", "Corporate Social Responsibility Policy", "Ethical Management Principles" and other Internal control specifications to supervise organizational activities and improve the company's management system and corporate governance effectively.

■ The Composition and Independence of Board of Directors

Position	Name	Selection/ Appointment date	Major Education & Career Experience
Chairman	Yongxin Development Co.,Ltd. Steve Lee	2017.06.16	Ph.D. in Political Economy, Nankai University Chairman of The Board of Directors of Taiwan Insurance Asset Management Co., Ltd
Director	Bank of Taiwan Co.,Ltd Tze-Yue Chen	2020.01.21	Department of Banking, National Chengchi University ; Manager of Songshan Branch of Bank of Taiwan Co., Ltd Manager of Minsheng Branch of Taiwan Bank Co., Ltd ; Manager of Nanxinzhuang Branch of Bank of Taiwan Co., Ltd Manager of Taiwan Operations, Bank of Taiwan Co., Ltd
Director	Bank of Taiwan Co.,Ltd Su-Chu Hsu	2021.01.25	Ph.D., Department of Finance, National Chengchi University Deputy Manager/Deputy manager on a temporary manager's behalf, Risk Management Department, Bank of Taiwan Co., Ltd Deputy Manager, Wuchang Branch, Bank of Taiwan Co., Ltd
Director	Bank of Taiwan Co.,Ltd Mei-Ling Wu	2018.10.12	Master of International Business, National Dong Hwa University Manager of Freshwater Branch of Bank of Taiwan Co., Ltd ; Manager of Luzhou Branch, Bank of Taiwan Co., Ltd
Director	Yongxin Development Co.,Ltd. Chung-Chou Chang	2017.06.16	Northorp University Institute of Computer Science
Director	Yongxin Development Co.,Ltd. Bin-Fu Chen	2017.06.16	EMBA Institute, National Taiwan University
Director	Yongxin Development Co.,Ltd. Charles Sung	2017.06.16	Master of Science and Research, National Taiwan University ; Director of the Corporate Residential Earthquake Insurance Fund of the consortium Vice Chairman, AON Aon Ban dow insurance broker ; General Manager of China Central Product Insurance Co., Ltd General Manager of AIA Products Insurance Co., Ltd ; The general manager of our company
Director	Yongxin Development Co.,Ltd. Carlos Lee	2021.01.11	Ph.D. in Economics, Shanghai University of Finance and Economics Master of Financial Risk Management, St. John's University, USA Master of Business Administration, Johnson and Wales University, USA ; Director of Guo ticket financial holding co., Ltd
Independent director	Cheng-Ching Huang	2020.06.12	MBA University of Tennessee, Knoxville ; Department of Business Administration, National Chengchi University Deputy General Manager of Taiwan Land Bank ; External Manager of Taiwan Land Bank ; Manager of Finance Department Manager of Ho Ping Branch ; Manager of International Finance Branch ; Deputy Director of Credit Review Department Inspector of TFMI ; Director of Taiwan Union Bank ; Director of the Agricultural Credit Guarantee Fund Director of the Trust Association ; Director/Inspector of the Ticket Association
Independent director	Nien-Tsu Chiang	2020.06.12	Ph.D., Faculty of Law, National Chengchi University ; Ph.D., Department of Business Administration Macau University of Science and Technology Master of Business Administration ; National Chengchi University Bachelor of Graduate Department of Law ; Fu Jen Catholic University ; Bachelor of Political Science, Tunghai University Assistant Professor in the Department of Business Administration, Nanhua University Consultant on the Reform Bill of the Foundation for Civil Justice Reform, a consortium legal person
Independent director	Jimmy Hsieh	2020.06.12	Bachelor of Economics, University of California, Berkeley Taiwan Fanheng Capital Co.,Ltd

Taiwan Fire & Marine Insurance Company, Ltd, TFMI, has 11 directorships in accordance with the articles of association, and holds seven board meetings in 2020, with an average actual attendance rate for higher than 90%.

Diversity policy for board members

TFMI, in accordance with the Measures for the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", clearly determines that the selection of directors shall take into account the overall allocation and composition of the Board of Directors, whose capability considerations are including operational judgment, accounting and financial analysis, management, risk management knowledge and ability, crisis management capabilities, financial insurance expertise, international market observation, leadership, decision-making, practical experience, and others.

The board also includes three independent directors which is with 27% of the seats held by independent directors. The nomination of an independent director has either been made through the board of directors or by a shareholder holding more than 1% of the total number of shares outstanding, and then elected by the shareholders in the shareholders' meeting. All to professional division of labor and independent aloof position are the guarantee for the company's major policies in supervision and implementation. The company also attaches great importance to the gender equality in the composition of the board of directors. the number of independent directors has increased by two women and overall there are five female directors.

Professional Governance

The Board of Directors follows the principles of corporate governance and refers to the "Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies" and the "Corporate Governance Best Practice Principles for Insurance Industry" to establish the "TFMI's Corporate Governance Best Practice Principles" for the good corporate governance system and culture establishment. By strengthen business performance and discuss important strategic issues, including economic, environmental and social shocks, risks and opportunities and others. All the important resolutions of the Board of Directors are immediately

posted on the Taiwan Stock Exchange Open Information Observatory and the TFMI's official website. Meanwhile, the platform announcement also includes information on corporate governance structures and rules, board of directors' operation condition, key company regulations, and communication and exchange of material issues and information with stakeholders to provide domestic and foreign investors with access at any time instantly.

Continuous professional training to enhance corporate governance capabilities

The Board of Directors also follows the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" and conducts director refresher courses from time to time each year. In 2020, the average number of hours for the regular training per director will be 7.45 hours, the cultivate topics are including the impact and response of IFRS 17 and ICS for the insurance industry, introduction to anti-corruption and money laundering prevention regulations and practical case studies and analysis, the latest developments and practices in preventing money laundering and combating capital fraud, the latest revision trend and analysis of company law, IFRS 17 impact on the insurance industry and response strategies, director and supervisor (including independent one) practical workshops, lectures on corporate governance, and others. All above are the continue cultivation to ensure the effectiveness of the Board's operations and in line with international trends.

Set up a functional committee

In order to achieve "the most valuable and trusted insurance company" from the company vision, inviting professionals from different fields to serve as independent directors and members of various functional committees; with the expertise drilling in, it helps further strengthen corporate governance and increases the participation of independent directors in TFMI's important business.

The board of directors and functional committees' operation in overall description

	Item	Description
Board of Directors	Overview of composition and functions	<ul style="list-style-type: none"> ◆ Within 11 members in composing along the chaired by Mr. Steve Lee, including 3 independent directors. ◆ The functions and powers of the board of directors include the confirmation of enterprises business objectives, the review of budget accounts, the formulation of surplus distribution, the formulation of capital increase and decrease, the validation of chapters, corporate governance and others.
	Operation of 2020	<ul style="list-style-type: none"> ◆ Held 7 meetings. ◆ Resolution "Employee and Director's Compensation Case" , "Amendment of Articles of Association" , "Annual Business Operation Report" , "Earnings Distribution Case" , and others. ◆ Resolution of the Company's donate to the legal person "Taiwan Fire & Marine Foundation".
Audit Committee	Overview of composition and functions	<ul style="list-style-type: none"> ◆ Huang independent director Cheng-Ching as convener, Chiang independent director Nien-Tsu, Hsieh independent director Jimmy as a member, with a total of three members. ◆ Supervise and ensure that the Company's financial statements are expressed, internal controls are effectively implemented, compliance with relevant legal regulations and controls of the Company's existing or potential risks. ◆ A director has accounting or financial expertise.
	Operation of 2020	<ul style="list-style-type: none"> ◆ The auditors met a total of five times in the year of 2020. ◆ The appointed accountant shall explain to the Audit Committee the financial report review in the semi-annual report and shall communicate in both directions with independent directors on the implementation of internal control tests, findings and recent statutory updates.
Remuneration Committee	Overview of composition and functions	<ul style="list-style-type: none"> ◆ Huang independent director Cheng-Ching as convener, Chiang independent director Nien-Tsu, Jimmy Hsieh independent director as a member, with a total of three members. ◆ Regularly review the organizational procedures of the Pay and Compensation Commission and make recommendations for amendments. ◆ Establish and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers. ◆ Regularly assess and determine the remuneration of directors and managers.
	Operation of 2020	<ul style="list-style-type: none"> ◆ Met 3 times for the remuneration commission in the year of 2020. ◆ Assess and review the annual performance and remuneration of directors and senior managers, and review the annual directors' remuneration and employee remuneration amounts.

	Item	
Risk Management Committee	Overview of composition and functions	<ul style="list-style-type: none"> ◆ Elected Huang Cheng-Ching, an independent director with a background in financial insurance and finance, as the convener, and appointed the remaining members to be the certain commissioners, except for the general manager and the head of the risk management office. ◆ Develop risk management policies, structures, organizational functions, and establish management standards for quality and quantification. ◆ Report regularly to the Board of Directors and respond to its execution scenario on risk management implementation and make necessary recommendations for the further improvement. ◆ Executive the risk management decisions of Board of Directors and regularly review the development, establishment and effectiveness of the company's overall risk management mechanism. ◆ Assist and supervise departments in risk management activities. ◆ Adjust the risk category, risk limit allocation and commitment according to the environment. ◆ Coordinate risk management functions for cross-department of interaction and communication. ◆ Assessment of capital adequacy. ◆ Risk-adjusted performance management.
	Operation of 2020	<ul style="list-style-type: none"> ◆ The Risk Management Committee met a total of five times in 2020 and be convened at any time if necessary. ◆ Report the overall risk management report to the Board of Directors at least semi-annually.
Ethical Management Committee	Overview of composition and functions	<ul style="list-style-type: none"> ◆ Huang independent director Cheng-Ching as convener, Chiang independent director Nien-Tsu, Jimmy Hsieh independent director as a member, with a total of three members. ◆ To assist in the integration of integrity and ethical values into the company's business strategy, and in conjunction with the statutory system to ensure that integrity management of the relevant anti-harm measures. ◆ To formulate a plan to prevent dishonesty, and in each program to set the work business-related standard operating procedures and behavior guidelines. ◆ Plan internal organization, preparation and function, and place mutual supervision and checks and balances on business activities with higher risk of dishonesty within the scope of business. ◆ Integrity policy advocates the promotion and coordination of training. ◆ Plan the whistleblowing system to ensure the effectiveness of implementation. ◆ To assist the Board of Directors and management to review and evaluate the effective operation of the preventive measures established by the integrity management, and to regularly assess compliance with relevant business processes and report on them.
	Operation of 2020	<ul style="list-style-type: none"> ◆ The Ethical Management Committee has met 2 times in 2020, and at any time as needed. ◆ Report regularly to the Board of Directors.

2-5 Operating with Ethical

Implementation of good faith management and anti-corruption

In order to establish a culture of corporate integrity, attach great importance to corporate ethics and social responsibility, the establishment of a "Ethical Management Committee" is the method to implement the Ethical Management Policy, commit to strengthening the business philosophy of operational and information-linked, transparent and accountable for the operation believe, and formulate an integrity-based corporate business policy that is implemented in internal management and external business activities.

TFMI sets up the "Ethical Management Committee" under the board of directors to promote the integrity of the management as the dedicated unit, which is responsible for the integrity management policy of business conglomerate to be formulated and amended with all independent directors serve as committee members. To ensure the implementation of the Integrity Business Policy, the Company reports to the Board of Directors at least once a year "performance of the integrity business situation and enforcement measures", and then the Integrity Management Committee will report to the Board of Directors on the implementation of TFMI's Integrity Management Policy for the yearly condition and review the improvement measures for the further cultivation.

The ethical management committee organization of TFMI procedures which the main responsibilities of ethical management committee's are:

01
To assist in the integration of integrity and ethical values into the company's business strategy, and in conjunction with the statutory system to ensure that integrity management of the relevant anti-harm measures.

02
To formulate a plan to prevent dishonesty, and in each program to set the work business-related standard operating procedures and behavior guidelines.

03
To create internal organization, preparation and function, by setting up mutual supervision and checking and balancing mechanism for business activities that have the risk of dishonest behavior within the scope of business.

04
Promotion and coordination of training in specific at integrity policy advocate.

05
Plan the whistleblowing system to ensure the effectiveness of implementation.

06
To assist the Board of Directors and management in verifying and evaluating the effectiveness of the preventive measures established by the implementation of the integrity management; as well as regularly report on the assessment of relevant business processes and compliance

In order to bring the behavior of employees of TFMI into line with the corporation ethical standards, the internal setting regulation specific at the "Code of Integrity Conduct", the "Handling System of Whistleblowing Cases", and the "Main Points for Prevention of Dishonest Behavior", to assist employees, supervisors at all levels, and board members to be more aware of the ethical standards that govern the performance of their duties, and then be able to uphold the requirements of self-height. Meanwhile, also follow TFMI's whistle-blowing case processing system, with the establishment of whistle-blowing e-mail mailbox (EthicalManagement@tfmi.com.tw), for internal or external personnel can follow the proper whistle-blowing pipeline, to be able to find matters contact the dedicated unit to deal with, and implement the whistleblower protection mechanism, not only provide the protection of whistleblowers' identity, but also make the corporation operations more transparent.

Not only to requiring employees to comply with ethical values and practices, but also for the strictly prohibited whether suppliers or related persons to create, or may cause conflicts of interest. In addition to requiring suppliers not to provide improper benefits to their related persons, TFMI may terminate the cooperate relationship or the contract if it is involved in dishonesty behavior.

The management level of TFMI strictly adheres to the principle of integrity, for each department leaders are also responsible for anti-corruption advocacy within departments to instill the correct thought to employees. For the effective advocacy, TFMI did never commit any illegal acts between 2019 and 2020, and all personnel were 100% in line with ethical regulations and implemented the business philosophy of integrity.

Summary of the Key Points of the Code of Ethical Conduct

1

Prevent conflict of interest

To state proactively for what may exist a potential conflict of interest with TFMI.

2

Avoid opportunities for self-interest

When the company has a chance to make a profit, it is responsible for increasing the legitimate benefits that the company can obtain.

3

Responsibility for confidentiality

The Company itself or its upstream and downstream suppliers shall have an obligation to keep confidential, except for the disclosure of the information authorized or required by law.

4

Fair trade

Company suppliers, customers, competitors and employees should be treated fairly. Information that is based on information available to them on the basis of their position may not be manipulated, concealed or misused.

5

Protect and use company assets appropriately

All employee and stakeholders are responsible for protecting the company's assets and ensuring that they are used effectively and legally on official business.

2-6 Responsible Investment Management, Perfect Sustainable Responsibility

By following the norms of Article 4 from the “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies” published by the Stock Exchange, which guides the financial and insurance industry should strengthen the disclosure of specific policies on the environmental and social aspects of corporate financial products or services; along according to the above policy, to encourage and focus on customers or other clients within the scope of an agreement or transaction, to follow the operating procedures required by financial and insurance providers for environmental and social aspects, and to achieve reasonable performance indicators. The aforementioned corporate financial commodities should include at least lending, project financing, mutual funds, insurance and investments by the enterprise itself and others.

Facing the increasingly serious environmental pollution, climate change, crisis of energy supply and demand and other ecological relates matters, as well as social and industrial economy and other issues, TFMI builds on the base of “Regulations Governing Investment” by the Stock Exchange and “Principles for Responsible Investment (Principles for Responsible Investment, PRI, listed by United Nations)” in developing the “Investment Management Process Practices”, to Include social responsibility as a consideration for corporate investment. While selecting the investment targets, TFMI is also complying with the relevant financial norms, which considers whether the investment target is to do its best to protect the environment, corporate integrity and social responsibility in order to implement corporate social responsibility for the community.

2-7 Rigorous Operational for Risk Management

To carry customer risks and protect customer rights and interests, along to enable individuals or organizations to develop in a robust and safe environment, TFMI remains the most important key factor, the stability of the operation of enterprises, to protect the rights and interests of the vast number of policyholders. With fully analyses and identifies possible risk factors in the course of the operations and has a “Risk Management Committee” under the Board of Directors to effectively control risks, once the possible risk has been identified, which include market risk, credit risk, operational risk, insurance risk, liquidity risk and asset-liability matching risk, and others, TFMI develops risk management policies and related management guidelines for compliance by all units to follow.

The “Risk Management Committee” is chaired by an independent director who implements risk management decisions assigned by the Board of Directors and regularly reviews the effectiveness of the establishment, development and implementation of the corporation’s overall risk management mechanism in functions. Besides, the “Risk Management Department” is responsible for the assessment, measurement and monitoring of risks and regularly provides risk management reports and stress tests for members of the Committee to examine the company’s resilience in the event of a major financial shock; through the self-risk and liquidity assessment report to evaluate that whether the company’s business objectives and the risk appetite is commensurate with the risk management strategy proportionality, and then to set a risk manager to assist the unit supervisor in real-time control of possible risks for each business unit.

Specific Dedicated Unit for the Risk Control Operation

TFMI has set up a dedicated unit, the "Risk Management Department", which plays the core function of the Company's operational risk management competency, to work within each business executives to extend the needs and effectiveness of risk management to the overall operations of the company through mutual communication and distribution of responsibilities for the implementation.

The Risk Management Department is dedicated to the development of risk measurement models, the planning and implementation of risk monitoring systems, as well as providing risk information to facilitate management's decision-making on risk response, such as risk aversion, risk transfer, risk control, risk taking, capital requirements, and others. On the other hand, the Risk Management Office communicates in both directions on a regular basis with all business executives to assist and cooperate in the implementation of the risk identification or control planning operations, and others for the capability of front-line risk management responsibilities perform to achieve the efficacy of pre-prevention and early warning, and then further to well comprehend the company as a total capable for reflecting the real effectiveness of risk management.

Extreme Weather Risk Assessment

According to the increasing frequency of extreme weather which caused by climate change is a natural disaster risk to business that could result in significant losses in the company's operations; thus, by citing risk simulations from risk models such as Risk Management Solutions® (RMS) and AIR Worldwide® (AIR), the well-known foreign natural disaster models, to perform the natural disaster risk simulation, and then to transfer some risks by arranging appropriate reinsurance. Recently, through the result of analysis, it shows that the financial structure of TFMI is sound, and it has sufficient and steady liquidity to bear the risk of natural disasters that faced by customers.

Identification and Response of Major Risks

During operation, TFMI considers the internal and external operation process management requirements through structural and systematic means, as well as to apply reference to the "Insurance Risk Management Practice Code" which is established by "The Life Insurance Association of Republic of China" and the "The Non-Life Insurance Business Association of Republic of China" and adopted by the competent authorities. Within identifying all possible causes and consequences of potential risk events, to establish a holistic risk management strategy, and assess the effectiveness of internal controls as a basis for risk indicators creating and quantifying risks to ensure operational objectives are met. After identification, the company's operations may be at risk, such as market risk, credit risk, operational risk, insurance risk, liquidity risk, asset-liability matching risk and others, to formulate risk management policies and related management mechanisms through the Risk Management Committee by strict requirements for all units to follow.

Through appropriate credit risk management mechanism, the credit rating of counterparties, issuers, guarantee institutions, etc. is carefully assessed, and the risks that may arise are kept within reasonable and bearable limits and continuous tracking of counterparty credit status.

In the course of the execution of each business, risk reduction or control will be reduced or controlled to a reasonable and affordable extent through the risk loss that may result from operational negligence and through the system of collection, discussion, notification and early warning of risk information.

Through appropriate market risk management procedures, the risks associated with the identification, measurement and control of investment plans are controlled to a reasonable and affordable extent from changes in interest rates, equity securities, exchange rates and real estate prices.

Through appropriate commodity design procedures, underwriting policies, claims policy, rate review, reinsurance risk management plans, stress testing and various reserve assessment procedures and other management mechanisms, commodity design and pricing risk, underwriting risk, reinsurance risk, catastrophe risk, claims risk and reserve risk, such as loss due to unexpected changes, within a reasonable and bearable degree.

To form, execute, monitor and revise asset and liability-related strategies to achieve the intended financial objectives to the extent that they are affordable through appropriate asset-liability and risk management mechanisms.

Reduce the risk of non-performance by taking appropriate liquidity risk management measures to avoid excessive concentration of funds, establish emergency fund contingency mechanisms, hold appropriate amounts of cash or immediately realizable marketable securities, and others.



Emerging Risks

In recent years, TFMI has also listed emerging risks as part of the risk assessment program, as well as the potential increase in emerging risks (e.g. risks of personal information security, climate change, etc.). To assess regularly for emerging risks that could possibly affect TFMI's future business, relevant credit measures should be developed to construct a response to the risks projects and management mechanisms, and in accordance with the requirements of the competent authorities or changes in the economic environment, timely addition and revision of the risk management chapters and monitoring indicators.

Emerging Risk of Taiwan Fire & Marine Insurance

CLIMATE CHANGE

Possible cause impact to Taiwan Product Insurance

- ◆ The failure of extreme weather events and climate change adaptation has had an impact on the operations of policyholders, society and companies, and raising operating costs.
- ◆ Causes impairment of the value of the holding assets.



Responses or approaches

Identify climate change risks and opportunities and establish management and response mechanisms in the framework of the Climate-Related Financial Disclosure Proposals issued by the Task Force on Climate-related Financial Disclosures, TCFD.

GLOBAL INFECTIOUS DISEASES

Possible cause impact to Taiwan Product Insurance

- ◆ In 2020, a global outbreak of new coronary infectious diseases, COVI-19, resulting in a serious global social and economic impact, affecting the company's continued operation and operating performance.



Responses or approaches

Develop emergency response management methods for infectious diseases, monitor the situation of infectious diseases at home and abroad in real time, activate emergency mechanisms in a timely manner, reduce the health and safety risks of colleagues, and ensure that the continuous operation is not interrupted.

INFORMATION SECURITY

Possible cause impact to Taiwan Product Insurance

- ◆ A large number of cyberattacks, security issues for the operation of the core key projects.
- ◆ The disclosure of personal data was accidental and caused economic losses.



Responses or approaches

Strengthen the hardware and software control scheme of information security management, strengthen internal and external control norms, and carry out regular simulation exercises and internal education and training to reduce the risk of financial security.

High Standard of Capital Adequacy Rate, with Fully Adapted to the Stress Test

According to the "Regulations Governing Capital Adequacy of Insurance Companies" published by Financial Supervisory Commission, the insurance industry needs to test and assess the financial position of insurance companies by using factors under the assumption of extreme event scenarios to simulate the financial pressures that may arise from the company as an assessment of the effectiveness of the company's solvency.

TFMI has maintained a high capital adequacy ratio in recent years; according to the results of the stress tests, the corporation's capital adequacy ratio can still be maintained above 700% under the influence of various extreme events, and that is well above the statutory standard of 200%. The condition proves that even in the term of significant risks impact, the liquidity of Product Insurance in TFMI will not have a significant shack, demonstrating the soundness of the corporation's operations in steady.



Implementation of anti-money laundering and anti-terrorist operations, with the establishment of relevant measures and customer scoring system

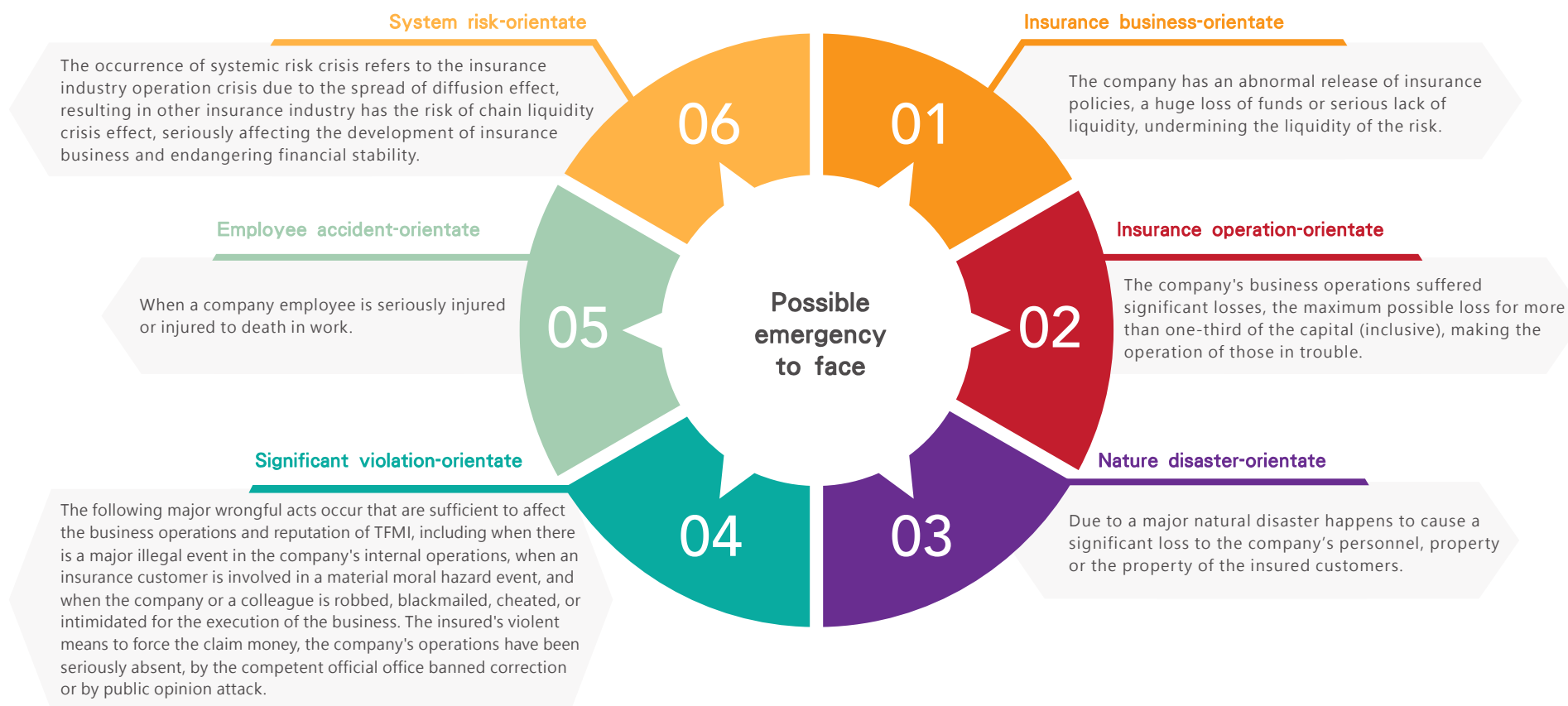
Preventing money laundering and combating capital fraud are the material issues globally; to implement the relevant implementation as the first task, TFMI continues to strengthen all levels of supervisors and enhance the general, field colleagues for money laundering and risk prevention awareness. In accordance with the evaluation specification requirements of the "Asia / Pacific Group on Money Laundering, APG", a database of name-checking software and risk lists has been set up to strengthen the education and training of colleagues and confirm that colleagues understand how the system is used, and then further to ensure whether the guarantor, the insured, the object of payment of insurance, the subject matter of investment of the Finance Department or the person employed by TFMI and other relates, who has business dealings with the corporation or the company that is the target of sanctions published by bodies such as the United Nations or the Bureau of Investigation.

Furthermore, to hire external professional institutions for cooperate engagement with the competent authorities for the providing laws and regulations for anti-money laundering and anti-terrorist related issues which include "Money Laundering Control Act", "Regulations Governing Anti-Money Laundering of Financial Institutions", "Guidelines of Insurance Companies Regarding Assessment of Money Laundering and Terrorism Financing Risks and Adoption of Prevention Programs", and "Regulations Governing Implementation of Internal Control and Audit System for Anti-Money Laundering and Countering Terrorism Financing of Insurance Companies, Post Offices Engaging in Simple Life Insurance Business and Other Financial Institutions Designated by the Financial Supervisory Commission"; all above are the key factors to review regularly whether the corporation's relevant internal regulations are implemented on a case-by-case basis.

Formulate standard crisis management procedures to prevent significant operational impact risks

In response to major operational crises, TFMI has formulated the “Operational Key Points of the Operational Crisis Management Group” to ensure that in the event of a major operational crisis, the situation is quickly, accurately, and properly disposed of to certain the safety of employees, property and the company losses reduction.

In the main operating points, the following items are included in the relevant business crisis accidents :



2-8 Internal Control Audit

Internal Control System

In order to accurately manage the correctness of the internal control and operating procedures process of TFMI, the Company requires all management units to review whether the internal procedures are consistent with external regulations and to avoid operational risks or illegal absences; meanwhile, by requiring all units to cooperate with the regular implementation of self-examination, which specific at management supervision risk identification, control activities and division of duties, information and communication, supervision activities and correct measures and other projects to assess. In the individual work performance goal, the internal control execution effect, the system following the law implementation effect, and other related matters are included in the appraisal content to ensure the performance of risk management.

Internal Audit System

The audit unit of TFMI is under the board of directors, in accordance with the annual audit plan adopted by the board of directors, "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises", to conduct a general check of financial, business, information and other management units at least once a year; Conduct audit operations from an objective and impartial perspective and provide recommendations to reasonably ensure the implementation of internal control systems, as well as to check as the specific project according to the actual needs. The auditing unit shall carry out the improvement tracking of the handling situation by the competent authorities, accountants, internal audit (including the internal audit unit of the financial holding company) and the inspection opinions or the examination of the missing items listed by the self-examination. The General Audit reports audit operations to the Board of Directors and the Audit Committee at least semi-annually to implement corporate governance.

Internal Audit Operation Process



2-9 Strict Compliance with Regulations

TFMI has long been concerned about internal and external related insurance and legal environment specifications and latest condition updates; with establishment of "The decree follows the system" to promote the requirements of the units to implement, in order to establish a law-abiding corporate culture; the organization has a Legal Compliance Department, continue to cooperate with the "Financial Supervisory Commission Republic of China (Taiwan)" and other relevant units of the decree and norms. The head of the Legal Compliance Department shall report to the President every six months that TFMI's decrees shall follow the implementation of the business, regularly implement the decrees and follow the risk assessment, and then report to the board of directors for the immediately cooperate with the changes or lack of implementation of the decrees, and timely review and amend the compliance system of the Company's decrees. In 2020, there isn't any case that has been fined more than NT\$1 million by the competent authorities in major cases in TFMI.

Each unit shall, in conducting business, indeed follow the norms of internal and external laws and regulations and, if necessary, establish the rules for the internal implementation of the operation. In the event of a violation of the Act, to effectively improve the deficiency, the compliance unit also urges the unit to carry out a cause analysis which may affect the implementation assessment of the lack or disadvantage of the compliance of the ordinance, and then make suggestions for improvement furtherly. If the relevant deficiencies or shortcomings are significant deficiencies, the board of directors needs to be immediately reported to the directors for the well capability to grasp the relevant information in real time and make decisions.

TFMI regularly organizes laws and regulations to follow the relevant education and training as business guidance, and continuously enhance the staff laws and regulations to follow knowledge and ability, real-time updates and requirements for full implementation, to ensure that the operating procedures 100% in line with the relevant regulatory requirements.

The Main Duties of the Act Follow the Legal Compliance Department

- 01 Communication, coordination and implementation of internal decrees
- 02 Continuously strengthen TFMI's good compliance with the laws and regulations of the culture, strengthen the management system
- 03 Formulate internal management practices
- 04 To assist in the organization of laws and regulations to follow the advocacy and education training, enhance TFMI's internal regulations culture and awareness
- 05 Evaluation and Promotion tracking of Relevant laws and regulations

2-10 Actively participate in guild organizations

List of participating public associations in 2020

	The name of the organization	commissioner representative
01	Taiwan Chamber of Commerce & Industry	Chairman Steve Lee serves as a director
02	Taiwan Enterprise Reconstruction Association	Chairman Steve Lee, Vice chairman Charles Sung
03	Taoyuan Enterprise Chamber	Chairman Steve Lee
04	Taiwan Listed Companies Association	Chairman Steve Lee, Vice chairman Charles Sung
05	Insurance Society of the Republic of China	Vice chairman Charles Sung, President John Chen
06	The Non-Life Insurance Association of the Republic of China	Vice chairman Charles Sung as a director, President John Chen
07	Chinese Insurance Service Association	Vice chairman Charles Sung
08	Risk Management Society of Taiwan	Vice chairman Charles Sung
09	Taiwan Financial Services Roundtable	Vice chairman Charles Sung
10	Nuclear Insurance Association	Vice chairman Charles Sung
11	Taiwan Residential Earthquake Insurance Fund	Vice chairman Charles Sung
12	Cr Classification Society	Vice chairman Charles Sung
13	General Chamber of Commerce of the Republic of China	Vice chairman Charles Sung
14	Residential Earthquake Insurance Foundation	Commissioner of the Co-insurance Organization Committee
15	Engineering Insurance Association	Commissioner

In order to promote the development of the domestic insurance finance industry, TFMI actively participates in relevant unions, associations, institutions and other organizational activities with actively participate in various matters, conduct intensive communication and exchanges with industry members frequently; meanwhile, to reply the exchange results to the community and customers, and continue to introduce closer to customer needs of all kinds of insurance products and services, in order to promote the consolidation of the sound and sustainable development of the insurance industry.

At the same time, TFMI abides by the relevant insurance self-regulation convention norms formulated by the "The Non-Life Insurance Association of the Republic of China" .

A photograph of two people in business attire shaking hands over a laptop, symbolizing a partnership or agreement. The image is partially obscured by a white curved shape at the bottom.

Chap 3

Sustainable Service with Thoughtful & Attentive Care

Consistent at our operation strategies, “Stable Operation” and “Customer Orientation”, TFMI provides our service in well quality to our customers by the concept to develop more insurance products to meet the demand of policyholders. By offering the well-structure product, fulfilling the guarantee more completely, with competitive and reasonable insurance fee, as well as outstanding service efficiency, settling claims in active and fast, and all the related high-quality excellent services, TFMI continues to step forward as the property insurance company for the full coverage and comprehensive industry insurance in guarantee as the goal to achieve by renew product development and innovation breakthrough continually. In the part of social responsibility, TFMI is involving actively at disadvantageous improvement, agriculture and fishery industry, environment protection and green sources as well as other related insurance product to pay a tiny effort for the Taiwan society as our corporation social responsibility fulfill with capability to reveal as the core strength to stabilize the society economic.

Nowadays, TFMI replies the government policies and social economic environment by setting FinTech digital platform which joins the industry experience over 70 years, to develop further innovation insurance design, customization in business model, establish digital era platform, provide high efficiency, thoughtful and attentive service. Furthermore, by internal talents education training cultivation in memorization and benefits, create and design insurance product closer to the public need; all above are the determination for TFMI mean to transform in the new generation for the achievement of customer expectation and the offering of comprehensive overall protection.



TFMI Notifiable Infectious Disease Prevention Expense Insurance

Since begin of 2019, the daily life style has been changed due to the exploration of COVID-19 worldwide, and also affects the related medication cost to be increased directly. To consider the possibility of facing the medication stress in the such high-risk condition and assist our compatriots to stabilize the mental condition while the insured accident happening as well as to provide compensation according to the related expenses, TFMI provides a risky translate mechanism by creating a new product, "Taiwan Products Statutory Infectious Disease Prevention Expense Insurance" to lower the burden in both mentally and physically.

Thus, TFMI started to provide "TFMI Notifiable Infectious Disease Prevention Expense Insurance" on December 22nd, 2020 with simple

insurance rule, and it spark the public discussion in high and ensure the guarantee items which includes five kinds of isolation and quarantine condition; Due to certifiable disease, such as COVID-19 in 2019, to be required for home isolation, centralized isolation, isolation treatment, home quarantine, or centralized quarantine, the insured could receive compensation from NT\$50,000 to NT\$100,000 according to the vary insured amount which could be maximum in NT\$500.

At the end of 2020, along within the local spread / the epidemic heats up in Taiwan, this anti-epidemic policy turned to be the hottest topic. Without expectation for the such unprecedented sales, TFMI dispatched all the employees to assist insured related service for public for the demand of numerous clients on the date of sale discontinued. To exert he spirit of "hungry and hunger, drowning and drowning," TFMI does our part to provide comprehensive service to the needed public.

However, to management the corporation operation risky and ensure the well-care of all insured benefit, TFMI discontinue the insurance product on January 25th, 2021. Meanwhile, among the national insurance industry, TFMI operates with good financial physique and has the highest capital adequacy ratio, RBC/Risk Base Capital, required by government regulation to insurance company.

To uphold in spirit of corporate citizenship, respond the facing of public health safety risk, TFMI provide the anti-epidemic policy with low fee and simple claim methods. Through the concept of the insurance is the way to share the risk together, TFMI avoids the public worrisome by facing the medication burden due to the epidemic infected.

In the future, TFMI will continuous to develop high public identify innovation products, and expect ourselves as the most powerful backing of public.

3-1 Move Service base by Customer-Oriented

Operation of Customer Care and Specification of Work

For different customer groups, TFMI assist for the designing and programing of the well-function proposal and risky control plan according to the vary characteristic of insurance products and clients. The execute management is the determination to fulfill the priority spirit of "Customers Come First", from customers self-insured, security, till the final claim service processes that TFMI provides the most professional service team with well management in work division to upgrade service quality for better and lower the possible risky for customers to face within actual process. As well as to build a progress management with monitor mechanism, and then act in concert with our new style digital insurance-technology streaming services which manages the processes in digitalize, specialize, and lean; meanwhile, by continuous internal education training, specific orientation, department follow-up and investigate the related process and performance regularly, all above will help to enhance in both pre-sales and after-sales services, and then to establish the well service process and quality with insurance product diversities. As the result, to lift the customer loyalty and salinification.

Besides, we will report the monthly-customer-reply consideration information as the conclude data in our regular management meeting to readjust for the better programmed plan with progress tracking, the continuous optimization at service process of customer relationship, collocation of digital technology; moreover, TFMI sets ourselves as the wise operation, active and intimate customization service platform as the goal to achieve, and further to be the customer priority choice of high quality property insurance company.

Diversified service platform and communication channels

TFMI also set up a customer service center which includes 0800 special-purpose phone line, e-mail, fax, online and various channels, to

provide customers the intimate and convience One-Stop service. By doing that, the product consulting satisfaction, the approval of guarantee, inquiries such as claims process and case progress, all above could save valuable time with customers, not to mention it could receive the customers direct expression and complaint to solve the problems and then reply the ideas to the related departments to conduct ongoing review developments and process improvements. As the result, to be able to provide the better quality and higher efficiency customer service.

Communication channels	Communication item
 <p>The official website</p>	<ul style="list-style-type: none"> Provide complete product information Insurance service consultation Professional customer service, by understand customer needs and insurance products matching, to save customer time Digital platform to meet the needs of fast insurance demand
 <p>Free service line, EMAIL, network insurance platform</p>	<ul style="list-style-type: none"> Set up 0800 specific service line, with quickly respond to customer needs and information providing To provide the most complete product information and fast insurance channels from network insurance platform
 <p>Official FB/BLOG</p>	<ul style="list-style-type: none"> Provide people's insurance-related knowledge, to understand insurance commodities, establish people's insurance and disaster prevention as well as loss awareness Provide the latest information to protect the rights and interests of the policyholders and social news sharing
 <p>Official LINE account</p>	<ul style="list-style-type: none"> The latest news Offer promotion product information Provide small encyclopedia information of production insurance, to strengthen the adhesion of customers
 <p>Official press releases from time to time</p>	<ul style="list-style-type: none"> Provide important information such as investors, policyholders, and others Describe general condition of corporate governance and operations Caution to social issues
 <p>Hold lecture forums</p>	<ul style="list-style-type: none"> From time to time, hold financial lectures to enhance the policyholder's awareness of financial management and insurance, and to provide the latest news and market developments

Thoughtful customer service

TFMI strengthens the propaganda for weather our claim service department officers really listen to the actual needs of the customer serious enough to lower the complaint happening through our internal education training regularly. Higher attention to each promise guarantee of policyholder with implement the spirit of the Financial Consumer Protection Act along for the further innovation and revolution, better efficiency of financial insurance service could achieve, and then the better quality of product service that TFMI would be able to provide for our customers.

By adding FinTech digital technology, providing claim application service online, the insured would be able to deal with claim process through the platform which is not only lower the complication of claim application, but also increase the convenience. Meanwhile, TFMI could also complete image identification and analysis, digitize claims related documents and archives through the function of AI (artificial intelligence) capabilities for digital system. This will increase the claim efficiency and provide the fastest and most immediate claims service.

For Automobile Insurance, the property insurance with a higher rate of cases at production insurance commodities, TFMI provides the dedication and efficient service by our internal colleagues while the client who insured Automobile Insurance happens the accident; once the accident occurred, TFMI will soon dispatch the professionals to arrive at the scene site, with the most professional dealing, we are able to lower the customer insecurity feeling within the present chaos and become the most powerful backing of the insured while he/she is outdoor somewhere.

A policyholder who applies for assistance in handling a traffic accident, we will proactively call for a customer satisfaction survey after assisting with traffic incidents on site. In 2020, we achieved a highly satisfactory score averaging more than 9 points. To look forward to the future, we will continue to provide active care and assistance to provide the most efficient and professional intimate service continuously in order to satisfy the customers need.



3-2 Implement the Principle for Financial Service Industries to Treat Clients Fairly

TFMI implements the “Principle for Financial Service Industries to Treat Clients Fairly” promulgated by Financial Supervisory Commission, Executive Yuan. The company considers fair hospitality issues and related agendas regularly as well as to formulate the “Policy of the Principle for Financial Service Industries to Treat Clients Fairly” and the “Strategy of the Principle for Financial Service Industries to Treat Clients Fairly” and the related requirement. To optimize and improve the customer experience for customer-related processes digitally and pay good attention to customer consumption feelings, TFMI expects to bridge the information gap between financial services and financial consumers by this principle, and then to implement Customer-Centric business philosophy. All the effort is to ensure all departments of TFMI provide our product and service from design, advertisement, selling, contract commitment, customer complaint dealing, claim progress and all process could treat customers equally and fairly.

The company regularly presides over fair hospitality review meetings by the President, to supervise the determination and implementation of the company's fair hospitality principle within consideration of related cases, which will assist clients in the handling of complaints with full concentration as well to establish relevant improvement programed, and then report regularly to the Board of Directors on the implementation.

According to the nine principles of treat clients fairly established by the competent authorities, to establish a core value of corporate culture with “Treat Clients Fairly” , as well to structure regulations for insurance products and services for the further All-Round promotion of customer identity and corporate image.

	Principle	Specific basic content and implementation key points
1	The principle of fairness and integrity in contracting	The liability of consumers shall not be pre-agreed to limit or exempt, and the contract with the customer shall be based on the principles of fairness, reasonableness, equality, reciprocity and integrity, and if the contract is in doubt, it shall be favored in the interests of the customer.
2	The principle of caution and faithful obligation	To do the best to be kind managers to engage in insurance business when providing insurance commodity services.
3	Principle of truth for advertising solicits	All advertisements or contents produced and published must be true and correct and without being exaggerated or falsely advertised.
4	The principle of suitability for products or services	Before entering into a contract with a consumer, with a good understanding of the consumer's data to ensure that the products or services are appropriate for the consumer
5	The principle of disclosure and description	Ensure to inform Important rights and obligations in insurance commodities fully, and even take the initiative to prompt and emphasize the risks, burdens and costs that may arise, so as to avoid policyholders from insuring policies that do not meet their risk level ability if they are unable to grasp the full picture of the risks.
6	Complexity High Risk Commodity Sales Principles	Sales of complex products should be recorded or filmed to ensure that the sales process is legal and complete, that the policyholder has a complete and clear understanding of the characteristics and risks of the products.
7	The principle of equal pay and performance in balance	When calculating and issuing commissions, due consideration should be given to non-financial indicators such as quality of service and compliance by decree, and performance should not be used only as the sole criterion for remuneration.
8	The principle of complaints protection	Establish an open and accessible channel of complaint so that any policyholder may file a complaint with the Company in a pluralistic manner and undertake to deal with the policyholder's complaints fairly and expeditiously.
9	The principle of professionalism of business personnel	Business personnel are required to comply with statutory qualifications such as insurance clerk management rules to ensure the necessary expertise.

3-3 Digital Finance Establishment and Information Security Enhancement

Looking ahead to the future development trend of the insurance industry, in response to the advent of the digital age, the era and transformation direction of insurance digitalization is the general trend of the future. FinTech has been heavily used in the form of insurance services in recent years. Through the combination of insurance and technology, it allows companies to develop more diverse, personalized, and accurate service offerings that reach more consumers fields.

In recent years, the corporation is committed to promoting the overall development of digital platforms by increasing and enhancing the development of digital platforms. According to the Financial Supervisory Commission, Executive Yuan, the "Precautions Lists for the Insurance Industry e-commerce Business" to develop network insurance and digital platform services, which combines three major development-oriented in Inclusive Finance, Intelligent Finance, and Scene Finance, along to provide consumers differs from traditional cost, experience, and platform values. Furthermore, to E-processes in the five main value chains of insurance business, such as product development, marketing services, channels, pricing and claims by establish a strong IT platform to implement a complete control and monitoring mechanism, and then to bring customers convenient, fast and transparent information complete network insurance service platform, to create new services from digital technology.

Continue to optimize the digital platform

Recently, TFMI already build a complete and diverse e-business platform based on meeting the needs of consumers' life, tourism and other aspects of insurance protection which includes not only the original car insurance, travel insurance, and personal injury insurance services, but also other actively development of online insurance products. We are expecting to allow consumers to purchase all the seeking insurances at one stop to meet their needs. By Combining with the line and offline virtual dual path, TFMI wishes to provide policyholders with comprehensive, effective and complete service

with fasten insurance operation by receiving more adequate and complete protection; meanwhile to begin planning personalized services gradually for the insured to be more convenience and more instantly to check personal insurance related information.

E-commerce platform provides various of product information, which includes "Automobile Compulsory Insurance", "Third Party Liability Insurance", "Working Holiday Insurance", "Travel Safety Insurance", "Travel Expenses Compensation Insurance" and other products. With clear and comply fair hospitality principle for the product descriptions, TFMI provides transparent and complete product information as consumer reference.

Besides, "In-Site Search" feature is also added into the platform to assist users to quickly find the information they need effectively and resolve customers questions. When consumers have an insurance need, the "Premium Free Trial" section can be accessed through the web interface to get immediate insurance quote information and further to complete the insurance application. TFMI expects the benefit and convenience of e-commerce platform would let policyholders gradually accept and get used to the new and convenient innovative digital marketing model.

Till 2020, The total number of members of the company's network increased by 29,119 people which is already add up to 118,734 people, and growing 32.5% compare with 2019. Another change in consumer behavior and online network insurance rate preferential policies, the willingness to insure on the official website has increased significantly such as the number of car insurance network insurance policies in 2020 reached 28,387 cases with the insured amount summed to NT\$79,736,042. The online coverage rate has increased significantly and being popular with new generations of consumers.

After the digital platform insurance online, consumers gradually get used to electronic policies, which makes 20.7% of e-policies in 2020 as Annual growth rate in the such staggering 87%. It is clear that policyholders have accepted the convenience of change in the digital age. Through the sending of electronic policies, consumers are not at risk of losing their policies, but companies can also send electronic policies for consumers to retain immediately through digital services, which reduces the environmental impact of mailing and paper, and protects the planet from greenhouse gas emissions.

Digital platform optimization theme

Theme	Optimization Item
Platform instant monitoring and optimization	Daily monitoring of the stability of the website platform services, strict control of information security and privacy protection, for effectively reduce the error rate and avoid hacking
Insurance Life blog	<p>In September 2020, e-commerce blog service was launched, adding 13 new articles (https://ec.tfmi.com.tw/blog) by the end of 2020 to share insurance knowledge through life cases information, including car insurance, travel, housing and other related content as the title of the article :</p> <ol style="list-style-type: none"> 01. What to do if the mandatory insurance expires? Forgetting to pay can lead to penalties! 02. How to insured your car insurance? Five minutes to figure it out in between "Compulsory Insurance" and "Third Party Liability Insurance" . 03. How to purchase locomotive insurance? Five minutes for novice riders learning the necessary types of locomotive insurance. 04. Beware! Is there any way to compensate drivers who are injured in traffic accidents?Public release for how the driver's injury insurance compensation works. 05. Does domestic travel insurance need to be insured? Is the premium expensive? Complete analysis strategy of domestic travel insurance in one go. 06. 3 minutes quick understanding of domestic airline flight precautions; reassure for which to bring or not to bring. 07. What insurance should you buy when you go abroad for working holiday? The details you must know! 08. Must! Revealed Key Points of Comprehensive Home Moving Insurance! 09. Must Beware! What are the passenger claims protection when a friend is involved in a car accident? What if the compulsory insurance is not enough to compensate? 10. Public release of buying a new vehicle's key points; additional showtimes, how to buy car insurance? 11. Be careful when buying a used car, nor to insure without care. 12. Fulfill the passion to go; well-skilled for locomotive circle island in one go! 13. When will the motor locomotive road rescue be useful? What differences are the free road rescue sent by the insurance company and credit card?
Automobile insurance claims online reporting service	Besides to in-person visiting company and fax channels, TFMI adds online car insurance claims reporting services, so that policyholders can go online to fill out the application for claims information, no need to go to the company's service in person base to file a report application which greatly improve the convenience of service.
LINE personalized service	Using LINE's instant and personal media features, the development of LINE personalized services, members can receive personal related service information through LINE, such as real-time car insurance expiration renewal notice, quick inquiry personal insurance policy, electronic compulsory certificate can also take with you, no longer have to remember the location of the website, but also by clicking on the link to immediately view the information.
FB (official Facebook page)	By the end of 2020, line official accounts had 29,105 friends, adding 4,315 new people a year, an annual growth of 17.4%. The number of fans of the FB official Facebook page) that went live in December 2017 has exceeded 10,000, with a growth rate of 27%. Strengthen community services and contacts, close to the relationship between c onsumers and TFMI with providing correct insurance concepts and information throughout the year by continuous postings in FB's official fan group.
Enrich the site's product description	Add more information on insurance products, including "Home Movables Comprehensive Insurance", "Residential Gas Insurance", "Ticket Cost Loss Insurance", "Travel Comprehensive Insurance", "Working Holiday Insurance", "Travel Safety Insurance", "Travel Expenses Compensation Insurance", "Automobile Compulsory Insurance", " Physical Damage Automobile Insurance", "Third-Party Liability Insurance", "Excess Liability Insurance", "Loss of Capacity Increase Insurance" and other commodity descriptions.
In-site search for information quickly	The website's "in-site search function" has reached 2,635 searches, effectively assisting users to quickly find the information they need, increasing their willingness to stay, and jumping out at a rate of only 0.17%, with an average site view time of 12 minutes.

Digital platform service highlights

Optimize Item	Description
Compulsory insurance electronic insurance certificate service	Policyholders in the official website to insure the Automobile Compulsory Insurance; since the day after the order, he/she can receive the system to actively send out e-mail notification, the policyholder can download the compulsory insurance electronic insurance certificate on the website, effectively save mailing time.
Insured televisual survey vehicles	When using the network e-commerce platform to insure "A/B Physical Damage Automobile Insurance" or "Theft Insurance", they can use "network video to protect the vehicle service" to carry out the operation of the vehicle survey, and then reduce the travel time between the policyholder and the surveyor with improve the efficiency of the service.
Online policy inquiry	Insured policyholders of the Company's Automobile Insurance can check the insured Automobile Insurance policy information through the official website. Policyholders can always query the car insurance products and maturity date and other details, convenient for policyholders to directly renew the insurance or problem advisory services.

Strengthen Security and Customer Privacy Protection

Recently, TFMI puts the efforts for the continuous investment in enhanced information security management, in-advanced information security governance system and protection capabilities to plan and execute the corporation information security in operations through an independent and dedicated security team.

With the establishment of a large number from digital information platform and master a large number of digital information and personal data volume, all the company's operating procedures not only to compliance with strict norms of Taiwan's laws and regulations, we also adopt strict confidentiality measures and management system which imports ISO 27001 Information Security Management System Verification. As the result, there has been no major astute data leakage or major verification deficiencies occurred in recent years.

We take the privacy of information very seriously for all policyholders as well as respect the rights and interests of the parties in the collection, processing or use of personal data, in accordance with honest and credit methods. We strictly control individual capital and resourceful information in an attitude that "all businesses shall not be above risk and beyond regulations" and in accordance with the Company's code of "personal data collection and notification matters".

In the face of the rapid development of digital financial technology in the market, the proportion of online digital transactions and high-tech applications will increase sharply; in the face of the increasing threat of network security, the times of coexistence of network risks should be responded to; thus, we will continue to work with the company's E-platform architecture, fully implement the protection of personal data, show great importance to the security of personal data for policyholders commitment and adherence, and further to establish the highest security and efficient digital service platform environment.

Practices of TFMI in information security and personal information protection

Establish “Personal Information Management Committee” , effectively prevent the risk of policyholder’s personal information

To ensure the well protection of policyholders’ personal information, TFMI establishes “Personal Information Management Committee” as the management unit of risk control for the matters. By take it serious importance to the protection of the personal data of policyholders, there are two regular personal data management review meetings held each year in TFMI. With a comprehensive review of individual maintenance implementation results, develop a personal data management policy, standardize the system and operating procedures, weather if there’s any personal data leaking situation, the standard operating procedures are initiated in accordance with the internal specifications within the “personal data leakage contingency process”.

Comprehensive protection of information security through the following security management measures:

01

For current processes, safety controls, equipment safety and related matters, executive force for “personal data management” and “information security management system” by conduct a comprehensive inventory and risk assessment analysis on a regular basis.

02

Establish e-mail self-filtering system, actively intercept scanning related jobs, and strengthen network information security.

03

Regularly update the firewall system, set up IP defense control system and anti-malware intrusion, coupled with the introduction of whitelist management system, and others for greatly strengthen the system's personal data protection operations.

04

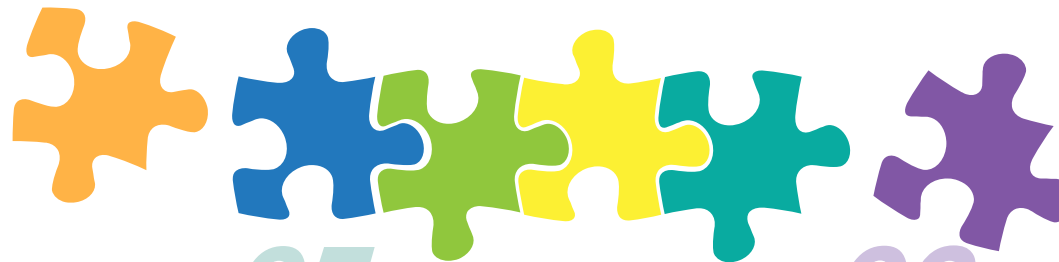
Apply Information classification and PC installation procedure in control, the establishment of Internet isolation and blocking of network attack facilities along with continuous monitoring of external threats.

05

With attach great importance to the preservation of customer privacy, the protection of astute information, the respect of intelligent property and the application of electronic communications, as well as implement the protection of customer privacy and personal data in a systematic and organized manner.

06

Regular emergency simulation exercises to enhance information security incident resilience.



Strict implementation of management, with continuous verification through ISO 27001 certification

TFMI imports information security management system and continuously passes the external verification of ISO 27001 information security management system, reduce the information security weaknesses of the organization's processes through the risky identification. Along cooperate with the management system to attach importance for prevention and contingency preparedness. From the security management, security defense, monitoring and response, information gathering, personal data protection and other strategies all-round process in control to ensure information security, provide customers with the most security protection with clam, and to show the company to be ready to meet the era of insurance technology, improve the performance and determination of information security at the same time.

Deepen the culture of information security awareness

We have made personal data education and training compulsory for all employees and continue to cultivate our colleagues' awareness and resilience to the management of personal data protection. Through the standardized process of information security management system, regular education and training for all colleagues in information security protection management, advocating the strengthening of the latest relevant laws and regulations for information, the implementation of personal data protection awareness and concepts which can be deeply rooted in the daily operations of colleagues.

Regular social engineering drills

With the threat of malicious mail and phishing mail becoming more and more serious, the light disclosure of personal account password, computer poisoning, and the heavy result of the company suffered fraud loss of a large amount of money, or attack confidential information leakage, enterprises within addition to the use of mail security products filtering and detection, enhance user awareness of security matters, strengthen the last line of defense, are the necessary emphasize practices in recent years continually. In 2020, TFMI will conduct four internal social engineering simulation exercises to promote employees to be more alert to information risks such as fishing letters and others.

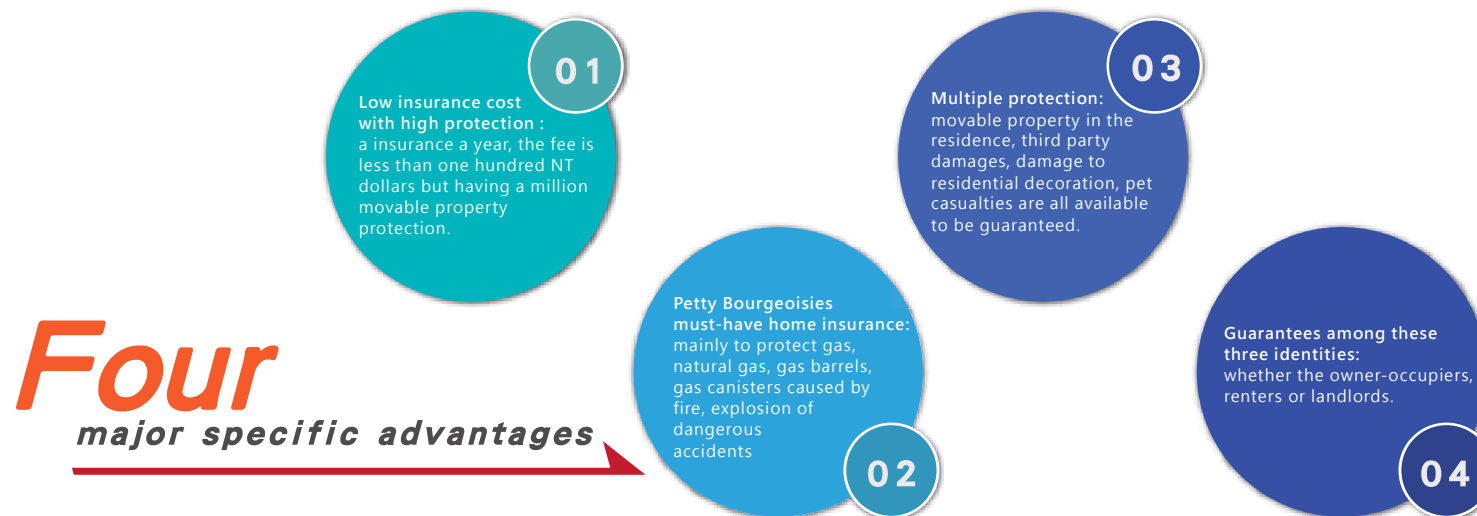
The exercise project content is included

- Education colleagues are alert to unexplained e-mails.
- Assess whether the unit under test is adequate for the communication of mail security.
- Collect a list of colleagues with low alertness as a target for future efforts to enhance publicity and education and training.
- Reduce the possible damage and risk to the unit under test by e-mail from hackers and interested individuals

Through the exercise, it can improve the alertness of colleagues to unknown e-mail, arise the risk management of mail in various units, strengthen the training and advocacy of low alert employees, avoid the risk of leakage of sensitive confidential information of the company, and enhance the effectiveness of the operation of the internal information security protection system.

3-4 Design a various product to meet the diverse needs of customers

Residential gas comprehensive insurance - guarantees the loss of movability due to gas/gas fires and explosions.



Ticket fee loss insurance - the protection to whom has full love for the concert.

Concerts, cultural performances and sporting events have flourished in recent years, and these entertainment activities are sold in the form of "advance ticket sales" and the tickets are often sold in seconds within minutes of opening sale. Due to weather, sudden illness or accident, transportation delays and other unpredictable variables, resulting in the day cannot participate in the performance before the show begin. In the event of an accident, there is a loss of expense for the high cost of the ticket; at the situation, "Ticket fee loss insurance" could protect the total of 8 unexpected accidents in 3 categories.

3-5 Share the operational risk transfer through reinsurance

While carry on the risk, the insurance company can use the international peer reinsurance company to jointly bear and transfer the risk. Especially in the environment where the risk of natural disasters has increased dramatically due to climate change, the risk factor has increased significantly, and it is even more necessary to choose to share the extreme risks faced by the company with reputable reinsurance providers who value risk management and can operate sustainably, and then with the support of reinsurance companies, TFMI's risks can be dispersed, expand underwriting energy, stable loss experience and technical exchanges to achieve the goal of sustainable operation.

The Reinsurance Providers of TFMI include insurance companies and reinsurance companies that operate reinsurance businesses. For the matter, TFMI follows the related rules by "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms", and then establishes "Reinsurance risk management practice guidelines" and "Operation main point of Reinsurance exchanges maintenance and control management" for the selection and regulation of reinsurers and reinsurance brokers.

We continue to understand the operation direction of reinsurance companies, underwriting policies, risk management, credit rating, compensation amortization efficiency and profitability. With stay up-to-touch with reinsurance companies and maintain good and long-lasting interactions within them, regular quarterly reinsurance review meetings are held with the Ministry of Commodities to understand the use of reinsurance contracts, new reinsurance needs, changes in the company's business, changes in the international reinsurance market, changes in the domestic insurance industry market, compensation development, and etc.... At the same time, TFMI's reinsurance business unit colleagues, are regularly held in the internal (external) Department

of reinsurance education and training courses, enhance the professional ability of reinsurance personnel, select suitable reinsurance conditions and resources, to provide the company's operation as the stable and strong backing.

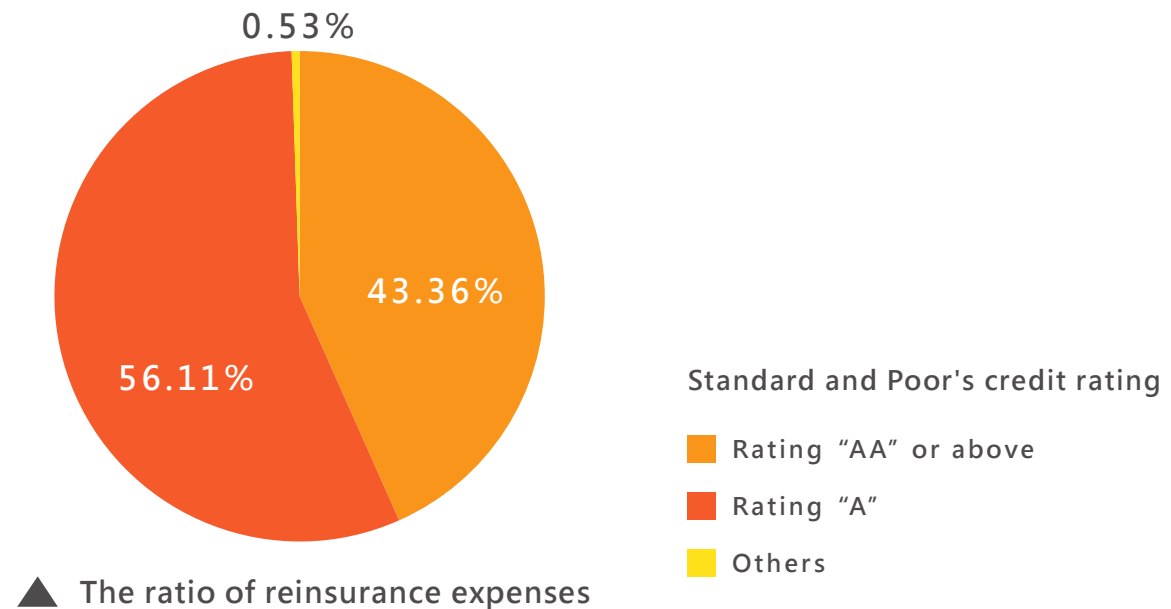
TFMI's choice of reinsurance providers is subject to the following stringent standards :

- With the competent authorities approve the insurance industry that specializes in or operates reinsurance businesses in Taiwan.
- A foreign insurance company that, with the permission of the competent authority, specializes in or operates reinsurance business in the territory of the Republic of China.
- A foreign reinsurance or insurance organization with an international credit rating of a certain level or above.
 - BBB rating for Standard and Poor's Corporation
 - B-plus rating for A.M. Best Company
 - Baa2 rating for Moody's Investor Service
 - BBB rating for Fitch Ratings Ltd.
 - TwA-plus rating of Taiwan Rating Company
 - Other credit rating agencies accredited by the competent authorities are rated as equivalent

- Reinsurance organizations, insurance organizations or risk dispersion mechanisms that may operate reinsurance business in accordance with the laws of our country.
- Other reinsurance organizations, insurance organizations or risk dispersion mechanisms approved by the competent authorities.

In addition, in the case of reinsurance broker selection specifications, the reinsurance brokers selected by TFMI for reinsurance division business must be approved by the competent authorities in Taiwan and have a practicing certificate. In 2020, credit rating of TFMI's reinsurance providers, standard and Poor's credit rating of A-level reinsurance achieved 99.47%, The credit status is in good condition.

Reinsurance providers that work with TFMI have the function of dispersing risk liability, expanding underwriting energy and stabilizing loss experience; besides, we also work with them to enhance the professional competence of our colleagues in the training and analysis for the ability, which is an important key to mutual assistance in the industry. By doing that, offers domestic and foreign educational training courses and occasional seminars on underwriting, claims and reinsurance. It also provides incisive analysis and experience sharing for catastrophe risk, emerging risk and international reinsurance market development trends sharing. With the experience of underwriting, actuarial specialty and insurance market in other countries, we actively assist the corporation in the development of new commodities. Reinsurance providers, not only to spreading the company's risks, can also rely on their professional ability as a firm backing for the company's business development.





Chap 4

Establish for wonder career environment with harmonious working space

Treasure each employee as the most valuable assets, TFMI understand human resource is the key factor for the company sustainable development. Thus, we devote at understanding for the employees' multi-fields demands, and treasure our employees as family member to care and concern, and continue to build a blessed, safe, and healthy kind career culture. In the place, TFMI provides reasonable space for each employee to show the impressive talents, and expect it to help our colleagues to be the best professional officers. Meanwhile, TFMI also create a well communication channel in between labor and management sides. By listening carefully to employees' real voice, TFMI provide the great balance point in between employees' career and family life, and further to forward the joy and happiness to our customers and society.

Facing the future development, we will remain to nutrient our employees within multi-acceptances, professional leading, strong in self-motivation and embrace of digital technology, to respect each other by work through team work, stimulate their creativities, form an even better career environment along employee welfare for leading all employees upper to the greater jump up.

4-1 Human Capacity Building & Development

Complete System of Talents Cultivation

TFMI believes that talented employees will be the most important company assets and the key foundation of continually operation. Through the multi-function recruitment methods with industry-academia collaboration to hunt up talents of the industry field. As well as structure all types of training blue print according to the company direction of operating policy and target.

Once the new joining employees attend, TFMI will formulate the complete cultivate training plan from basic level to advance with specific terms and various fields, to fulfill the need of employees for every position with vary working skills seeking. Besides, promote employees for various training due to their specific skills and development plan, which will improve the professional level of colleagues. Meanwhile, combine four phases at “Internal Self-Create Seminar, External Organization Training, Internal Department Workshop, and Overseas Professional Drill” as the base of profession, to assist employees for the long-term career development and growth. As well as encourage employee the motivation of training courses attendance, to receive business related certificates, work innovation proposal, and all the methods to upper the professional capabilities. And then, to list the professional certificates as the bonus item of the annual performance evaluation.

Through the well-organized cultivation plans, TFMI develops the employees’ professional and management abilities by human capability development plans establishing to upper the effecting and affection of human resource distribution, which will locate the right person at the right position in order to increase the company production and affection. Through the establishment of various of further

advance training courses in plan, there are two kinds in OJT, On Job Training as well Off-JT, Off Job Training courses. To relate by functions and position for the individual training along with new attendant seminar, and self-motivation development and other methods to enhance the deepen of the employees, upper the specific professions, implement the employee transformation in multi-fields, and then further to strength the core business professional capabilities of colleagues with professional knowledge on Fin Tech and all the technology applying abilities.

According to the specific management level, TFMI formulates the talent development training courses to provide reasonable management skills and knowledge to enhance the management logic in leading in both corporation and colleagues. With the setting, the communication and cohesion of the team is getting stronger along to well-handle the market movement, inspiration for departments and team motivation, and further to upper the working affection and management performance of departments.

Meanwhile, TFMI encourage for the self-motivate learning of all the colleagues to further develop for career skills and professional knowledge. The internal establishment such as book club and the certificate workshop of Underwriting and Claims Section to improve the internal professional knowledge exchanging. Also, TFMI also provides “Rewards of Professional Certificate Test” to offer the financial subsidy for the external certificate test related application fee, study material cost, study leave, the reward for the test pass, and all kinds of generous welfare.

Historical Data of Education Training in 2020

	Internal Training (Hour)		External Training (Hour)		Total Amount of Hours (Hour)	Average Amount of Hours (Hour)
	Male	Female	Male	Female		
Management Position	1,430.0	274.0	773.5	182.5	2,660	14
Non-Management Position	13,589.5	15,370.5	1644.0	1275.0	31,879	44.84
Total Amount of Hours (Hour)	15,019.5	15,664.5	2417.5	1457.5	34,539	-
Average Amount of Hours (Hour)	37.83	31.08	6.09	2.89	38.33	-

Main Items of Training Courses of 2020

Name of Courses	Description	Object	Participation Rate
Principle for Financial Service Industries to Treat Clients Fairly	<ul style="list-style-type: none"> ★ Introduction to the Financial Consumer Protection Act and the Principles of Treat Clients Fairly ★ Recognize the principle of Treat Clients Fairly and case analysis ★ Review system, process introduction ★ Review and claims case sharing 	All	100%
Education Training of Sexual Harassment at Workplace	<ul style="list-style-type: none"> ★ Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace 	All	100%
Education Training of Principle for Insurance Industry Financial Friendly Service	<ul style="list-style-type: none"> ★ Insurance Financial Friendly Service Guidelines ★ The friendly service quality commitment of TFMI ★ Practical Operations Question and Answer Set (Q&A) 	All	100%
Education Training of Corporation Ethical Management	<ul style="list-style-type: none"> ★ Listed on the cabinet company's code of ethical management code ★ Prevent key points of dishonesty ★ A system of reporting wrongdoing behavior 	All	100%
Orientation –Act to Implement the Convention on the Rights of Persons with Disabilities	<ul style="list-style-type: none"> ★ In order to implement the United Nations Convention on the Rights of Persons with Disabilities of 2006, safeguard the rights and interests of persons with disabilities, guarantee their equal opportunities to participate in society, politics, economy, culture, and others as well as promote their self-reliance and development. 	All	100%



In 2020, the total education training amount hour is 34,539 hours within all employees, which is the average training attendance hour for 38.33 hours per person; to differentiate by position, the management position employees have been trained in average of 14 hours while non-management employees have been trained in average of 44.84 hours.

TFMI believes in that the continues to put into effort for enhance employees at human capability cultivation, which will lead the following innovation plan and self-breakthrough, increase the talents development, root down intensive training for the system up lifting, benefit employees at the career capability, ensure the equal share of the career training and the education pathways for every level. It's certain to make employees to come out the best affection and working performance by siting the talents into the right position. Thus, the corporation strength and competition will further to improve.

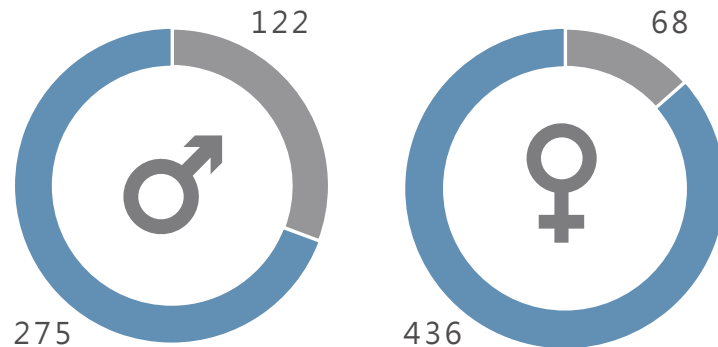
Integrity Management, Education training of treating clients fairly,
total training hour and the statistic for training rate of employees

	Participants / Total Amount of Training Hour	Training Rate
Corporation Ethical Management (2hrs)	988 heads / 1,976.0 hours	100%
Money Laundering Prevention (2hrs)	1590 heads / 3,179.5 hours	100%
Clients Treatment Fairly (3hrs)	1759 heads / 3,517.5 hours	100%

4-2 Employee Composition and Diversity

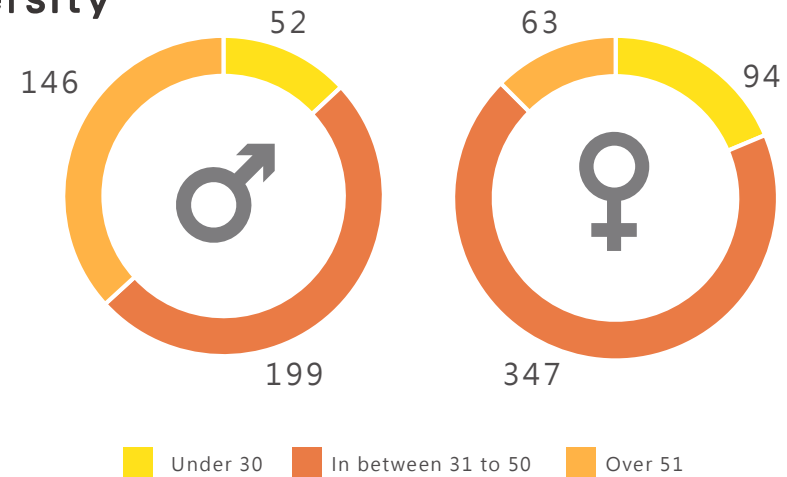
Till the end of 2020, TFMI employ 901 workers, which includes 190 management level and 711 general staffs. The occupy of management employee is about 21.1%, which male manager in 35.8%. Within all staffs, there are 397 male employees which is about 44% while there are 504 female staffs which is about 56%. To distribute according to age, the employee under 30 is about 16.2%, the employee in between 31 to 50 is about 78.9%, and the employee over 50 is about 23.2%. Besides, the colleagues with upper graduate diploma is about 11.1%.

Staff composition table

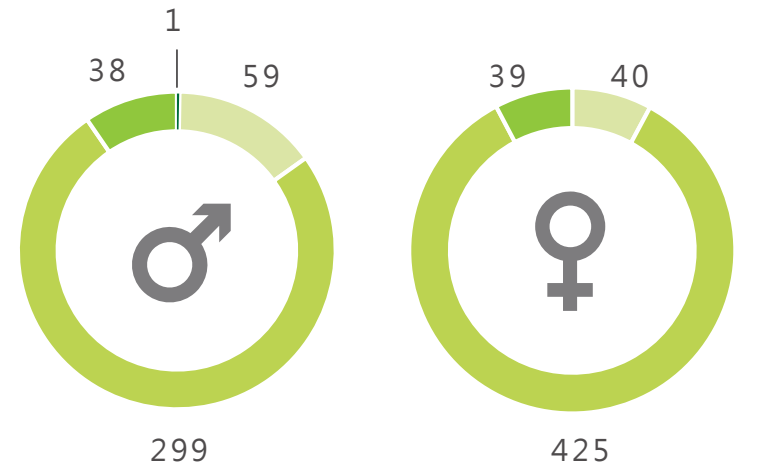


Management Level of Department Regular Staffs

Classification by Position



Classification by Age



Doctorate Degree Master Degree College Degree Secondary School Degree

Classification by Education

The statistical data is counted till 2020/12/31

4-3 Talents Attraction and Retention

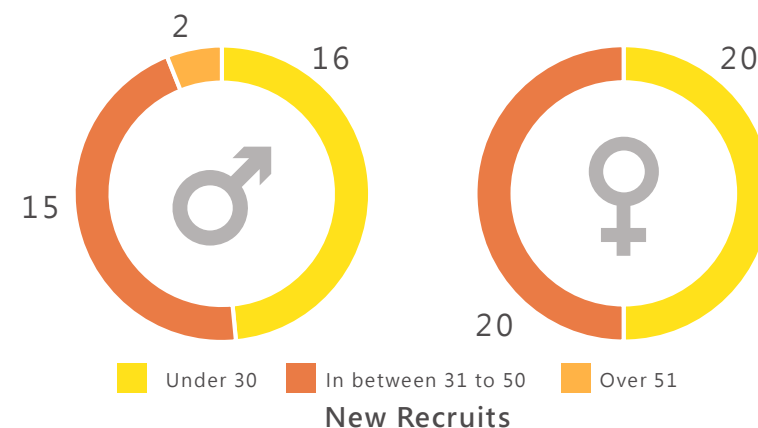
The recruitment policy of TFMI is based by equality, which includes hiring, testing, recruiting, distributing, on-job practical, salary and welfare, promotion, education training, and the retirement plan. It's no different among race, level, language, thinking, religion, party, hometown, birth place, sexual, sexual orientation, age, marriage, look, five senses, disable or not, or union status. At the same time, TFMI also follow the related rules of international human rights of labors, to apply freedom of association, labor force free, prohibition of child labor, and all the social respo-nsible policies, which is 100% follow the Labor Standard Act and the norms of International Labor Organization, ILO. We provide sexual equality development opportunity totally, and hope to implement the diversities of employees. At this stage, all employees are the full-time workers with employment contract signed. In the way, TFMI is ensure for the full rights provide for our employee in full employment and group labor protection. To be further, all management levels are Taiwanese to guarantee for the local job opportunity.

TFMI fulfill the job opportunity for the disable groups which meets the regulation requirements. Till the end of 2020, TFMI hires 9 workers by providing well interview pathway and job opportunity. To assist for the individual need of disable colleagues, TFMI provide suitable job position and the necessary evaluation and help to create a friendly equally working environment which helps disadvantageous could also be sited in theright position for the equality and respective career environment.

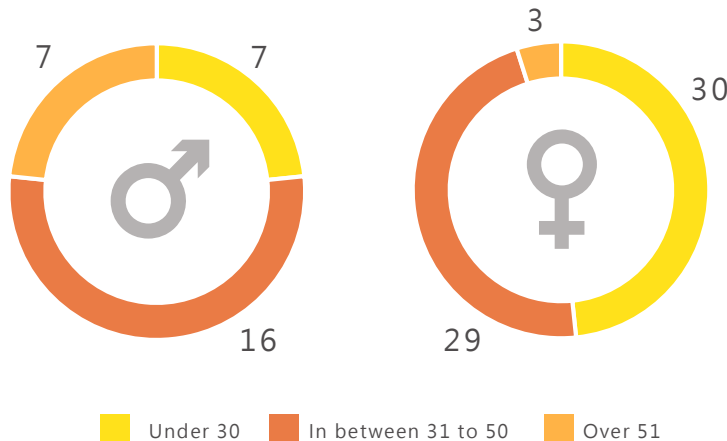
To dedicate for the continuous happy enterprise atmosphere career environment of TFMI, we provide well function at the career welfare methods and salary payment system to expect for lower turnover rate. TFMI will keep devote at the management of working performance evaluation mechanism with equality principle and respect each vary background diversity, and then provide and offer individual career opportunity with plan. Function the difference reward and promotion mechanism with open and fair condition, TFMI expects to provide our employee in equitable, transparent, and promising future from our well complete recruitment process in order to achieve the goal of appoint people on their merit at the right spot.

About the employee retention in 2020, there are 92 people in total which is about 10.2%. To devise in detail, the male resign is 30 people, while the female resign is 62 people.

About the new recruits in 2020, there are 73 people in total which is about 8.1%, which includes male newbie in 33 people and female rookie in 40 people.



4-4 Healthy and friendly Happy Workplace



Resigned

P.S.

- ★ 1. New Recruits Rate : Average New Recruits Rate = (Headcount of New Recruits/ (Full Time Employee Amount at the Beginning of the Period + Full Time Employee at the End of the Period) / 2) * 100%
- ★ 2. Turnover Rate : Average Turnover Rate = (Resigned Amount/ (Full Time Employee Amount at the Beginning of the Period + Full Time Employee at the End of the Period) / 2) * 100%

To smooth the situation, TFMI enhance for the balance in between work and life by raising specific management capability and offer the well-planned career development opportunity to our employee for the retain the post; meanwhile, TFMI encourages our staffs grow other professional ability by crossing vary department positions. With the reasonable talent cultivation, and public award of the annual excellent employees in performance in the annual year-end banquet, to affirmative the outstanding performance and attract the retention and remain TFMI in all corporation resources competitiveness and the business operation endurance.

To create a well working environment, TFMI takes each colleague as the important family member no matter he/she is the new recruit or senior staff. To remain staffs' health in both physically and mentally, inspire passion and cohesion of employee, TFMI provide multi-methods for the employee health management mechanism and benefit. We cultivate "Happy Enterprise" as the only goal by creating a kind, warm and friendly working environment and atmosphere. We expect our dedication could benefit our employee in the balance of career and family, and further to build the corporation identity and belonging among colleagues.

With the working performance evaluation for all employees each year regularly, TFMI provides promote the position, salary raising, annual recognition conference, awards of year-end merit bonus and all related welfare and care to inspire our colleague for the continuous force to keep with work dedication.

TFMI also holds all kinds of Physical Education and Art and Entertainment Activities regularly, such as the monthly joint birthday party for colleagues, corporation social activities, company trip and others to enhance the relationship among employees, and further to achieve the health and optimistic employability. At the same time, we also provide the well-planned employee welfare plan, which includes holiday bonus, year-end bonus, welfare grant in such insurance, subsidy, leisure and other kinds; as well as to provide gift money for marriage, birth, birthday, travel subsidy, annual health test, and all kinds of insurance benefit such as labor, health, and group insurance. Besides, the retirement pension, emergency aid and related pensions are also the list of our various welfare policy.

Detail Description for the key employee welfare policy and system as following:

Main Employee Welfare in Eight Items

Benefit Item	Detail Description
Employee Health Management	<ul style="list-style-type: none"> ◆ Besides to labor insurance and universal health insurance, there are also comprehensive staff group insurance, including occupational disaster insurance, life insurance, cancer insurance, accident insurance, and others. ◆ Every year, a health check-up is held for all colleagues to care about their physical and mental health.
Staff Welfare Committee Establishment	<ul style="list-style-type: none"> ◆ The Welfare Committee is responsible for the planning and implementation of welfare projects that close to the needs of colleagues, including the Mid-Autumn Festival, Dragon Boat Festival, wedding and funeral cash gifts / condolence money and travel subsidies, department stores / stores gift rolls, dinner networking and other diversified welfare options.
Fair and reasonable and competitive pay policy	<ul style="list-style-type: none"> ◆ Employees are the Company's largest asset and are encouraged to work with the Company to improve the Company's operating performance and achieve the goal of sustainable operations. TFMI upholds the concept of "internal fairness, external competitiveness" of the concept of fairness, the formulation of a performance management system, linking the company's overall strategic objectives and colleagues' personal work objectives, for outstanding colleagues to give a high degree of recognition and reward, to ensure that the salary level is competitive in the market, and establish a fair and reasonable pay structure to ensure internal fairness. ◆ The starting salary of new grass-roots entry employees is better than the minimum basic salary with more than 21.8% as standard pay required by the government. ◆ TFMI's salary is mainly considered for personal experience, job responsibilities and performance, and it does not vary depending on gender, race, religion, marriage, and others; the proportion of women and men paid is essentially the same in order to fully implement the concept of gender equality.
Well-developed of the full functional retirement system	<ul style="list-style-type: none"> ◆ In accordance with the "Labor Benchmarks Act" and the "Labor Pensions Ordinance", a pension of 6% of the monthly wage is allocated to the employee's personal pension account with the Labor Insurance Bureau, and a complete employee retirement system is in place to provide absolute protection for the retirement of colleagues.
Specific urgent assistance and care for the youth and elder	<ul style="list-style-type: none"> ◆ Especially the family's economic difficulties or natural disasters caused by property damage colleagues, take the initiative to care for, visit and understand, and then according to the case situation to provide substantive assistance to help colleagues through the difficult times.
Diversified Cultural & Entertainment Activities	<ul style="list-style-type: none"> ◆ Hold Birthday Celebration for colleagues, staff travel activities, year-end party and luck draw activities, so that colleagues can also take into account the balance of mind and body after work.
Community Supports	<ul style="list-style-type: none"> ◆ TFMI obtained sports certification enterprises, and in 2019 and 2020 respectively obtained smoke-free workplace health certification and sports enterprise certification, in order to enhance the physical and mental health of employees, long-term subsidy company community activities; nowadays, there are in total of 10 employees spontaneously set up associations, so that employees contact each other and cultivate the body and mind.
Each Benefits Support	<ul style="list-style-type: none"> ◆ Encourage colleagues to continue their studies and provide further education grants for obtaining professional certificates.

Average salary of a full-time employee who is not in a supervisory position

(Unit: NT\$1,000)

Item	Year of 2019	Year of 2020
Total salary of a full-time employee who is not in a supervisor's position	829 head	825 head
Number of full-time employees who are not in a supervisor's position	946	949
"Average salary" for full-time employees who are not in supervisory positions	708	715

Average benefit expenses for employees who are not in supervisory positions

(Unit: NT\$1,000)

Item	Year of 2019	Year of 2020
Total employee benefit expenses for non-supervisory positions	882,454	884,895
The number of employees in a non-supervisory position	866	865
Average employee benefit expenses per non-supervisory position	1,019	1,023

Note

Expose the average benefit expenses of employees who are not in a supervisory position in the year and the differences from the previous year by following Article 4, item 3, of the Taiwan Stock Exchange's "Operation Measures for the Preparation and Filing of CSR Reports of Listed Companies"

Statistic Table of Employee's application for parental leave in 2020

To show solicitude for the colleagues who have to take care for young children, TFMI provides corporation leave in family care, paternity, childcare leave without pay, and others; to comfort female employees with physiological leave and tocolysis leave; if the employees has childcare need, he/she could apply the childcare leave without pay from the related methods offered by TFMI. While the leave is done and ready to return to the position, TFMI will replace the same position of the same department as its priority arrangement. For the encouragement of balance in both work and life, TFMI takes childcare need as the important matter for our employees. We wish the employees are not only concentrating at the career development but also take good care of family responsibility.

Item	Male	Female	Total
Headcounts of childcare leave without pay in using in 2020	22	29	51
Headcounts of childcare leave without pay in applying in 2020	1	7	8
Headcounts of employee who should be reinstated in 2020	1	3	4
Headcounts of employee who is actual reinstated in 2020	0	3	3
Reinstatement Rate % (B/A)	0%	100%	75%
Headcounts of reinstated employee in 2019 (C)	1	0	1
Headcounts of reinstated employee after childcare leave without pay, and continue to work over 12 months. (D)	0	0	0
Retention Rate (D/C)	0%	0%	0%

Note

- ♦ Reinstatement Rate = (Actual reinstated heads of 2020 / Should be reinstated heads of 2020) * 100%
- ♦ Retention Rate = (Headcounts of actual reinstated employees who are still in the position over 12 months in 2019 / Actual reinstated heads in 2019) * 100%
- ♦ According to Gender Equality in Work Act, TFMI agrees the employee to apply for the childcare leave without pay till the participants' children in age of three only when he/she has on duty for 6 months and the children aren't over 3-year-old; but not to be leave over two years.

4-5 Communication Channel with Open and Unobstructed

To ensure the corporation internal communication channel stays in open without obstructed to hear through each voice of employee directly and effectively, TFMI structures diversity of communication platforms. With them, all colleagues are free to apply any advice, complain, or even appeal issues to the general manager and each department manager through the email directly, and the matter will be handled properly. With respect, equality, and open with obstructed communication channel to listen to each employee's thinking to learn from each other, and further to grow corporation identify and cohesion of employees, to step forward to the next promise milestone along with TFMI.

With implement of confidentiality principle, the company seal the employees' treasure comment and advice to protect the rights. As the result, there isn't any single labor dispute cases occurred in 2020.

Discussion Issues of Communication in between Employer and Employee	Description of Conclusion
Management & Labor Council	<ul style="list-style-type: none"> ◆ Harmonious labor-employment relations are an important part of a happy workplace; in accordance with the "Measures for the Implementation of The Labor Conference", TFMI holds a quarterly labor conference, in which all employees formally vote to elect representatives of the labor side, and the management appoints representatives to form a joint composition, to establish a good channel of staff co-operation. And then post the records of the meeting to all employees after the meeting is complete. ◆ In accordance with the "Guidelines for the Organization of the Supervisory Committee on Labor Retirement Reserves for Public Institutions", TFMI holds quarterly "Labor Retirement Reserve Supervisory Board". ◆ In the face of major labor welfare issues, TFMI will provide close communication with the management and the labor side, through full communication and discussion with employees, to promote good labor-employment relations, which will help to provide a good working environment and reduce the turnover rate of employees, in order to maintain employee satisfaction and enthusiasm.
Prevention of Sexual Harassment	<ul style="list-style-type: none"> ◆ Establish a friendly workplace, provide employees with a work environment free from sexual harassment, and advocate comprehensively for sexual harassment in the workplace to avoid incidents of sexual harassment in the workplace. ◆ Cooperate with the competent authorities to revise the "Measures for the Prevention and Control of Sexual Harassment in the Workplace, Complaints and Punishment Measures", and set up a specific telephone line for staff complaints with acceptance of all employees sexual harassment complaints, fulfill business implementation, create an equal employment environment along to protect the rights and interests of employees.
Notice Period of Major Operation Metamorphosis	<ul style="list-style-type: none"> ◆ TFMI will inform the employee of the change in advance with the shortest notification time for the job movement, such as closed, transferred, loss-making, tight business market, or an employee is determined to be incompetent for the job he/she is performing; in accordance with the provisions of the Act, depending on the employee's seniority before 10 to 30 days to announce the termination of the labor contract, with the notice reveals and informs the competent authorities and labor representatives for the labor conference of the dismissal plan.

4-6 Implementation of Human Right Protection and Gender Friendly

With totally follow under labor-related laws and regulation, protect all the legal rights of employees, devote at the gender equality, implement for equal rights for men and women, support and identify with "United Nations Universal Declaration of Human Rights" , and "The ILO Declaration on Fundamental Principles and Rights at Work" and all the human right related convention worldwide, TFMI admits to fulfill and provide all employees in human rights guarantee with respective treatment as well to reject any possible behavior of impingement or violation in order to achieve the corporation responsible for both internal and external members to be treated equally and respectively as reflection of the respective and human right protection.

To respond for United Nations Gender Equality as the company sustainable development goal, TFMI devotes at recruitment, performance evaluation within promotion, education training, and all kinds of management methods for equal treatment of men and women. According to the statistics till the end of 2020, full-time female employees occupy 55.93% which includes the female management level is at 35.79% and the general level female employees is at 61.32%, and this proof the corporation creates a reasonable friendly career environment for gender fairly.



By stipulate and propaganda actively "Act of Gender Equality in Employment" expressively along with Sexual Harassment Prevention and all related policy and methods, TFMI arise the voice for the "Non-Discrimination" and "Fairness Focus" concept to assist for employee to respect and cooperate each other, which hopes to implement the gender equality in workplace into the daily workplace. Furthermore, TFMI will continue to encourage the employees to behave actively for the sexual discrimination elimination, equal gender work right in reality as the final target, and then to deepen a friendly workplace completely.

To dedicate at the good care of employee with human right and gender equality fulfill, TFMI lists the related regulations into the "Staff Code and Conduct" . Plan the human right related issues into new recruit orientation and on-job employee training courses for raising the concentration of human rights among colleagues which includes each single employees. Gratefully, TFMI achieve the annual training for 100% occurred in 2020. In the future, TFMI will continue to have the risk evaluation for human rights regularly while drawing for better and enhance methods and system by evaluation result, to step forward for the zero human right unequal events as the goal continue to cultivate.

As the honor, TFMI receive no single discrimination, sexual harassment, employee compel or related violation of employee rights situation happened in 2020.

Fulfill of specific implementation guidelines and practices for personnel and gender equality

Enforcement Policy	Specific practices
Provide a safe and healthy working environment	<ul style="list-style-type: none"> With the goal of creating a "friendly workplace", the office carpet is replaced and the office environment is renovated from time to time to provide a comfortable workspace; moreover, there is a lactation room so that colleagues who return to work after childbirth can juggle family and work. TFMI has a "Code of Practice on Safety and Health" to raise a high level of safety awareness through ongoing labor safety and health education training courses. As well as in accordance with the provisions of the "Occupational Safety and Health Law", set up occupational safety and health supervisors and first responders. In order to effectively detect indoor air quality and prevent the concentration of carbon dioxide in the air in the office environment is too high, by following to the "Labor Working Environment Monitoring Implementation Measures", providing the annual regular detection of environmental carbon dioxide to maintain the health of the respiratory system for employees; and regularly carry out water quality water bacteria content testing
Equal payment among men and women	<ul style="list-style-type: none"> There' s same payment conditions among TFMI' s male and female employees , regardless of gender or other factor.
Eliminate illegal discrimination and ensure equal opportunities for work	<ul style="list-style-type: none"> TFMI upholds the principle of equal opportunity, attach importance to the diversity of employee backgrounds and do not discriminate on the basis of race, class, language, ideology, religion, party, place of origin, place of birth, gender, sexual orientation, marriage, appearance, five officials, age, physical or mental disabilities, and etc...
Child labor is prohibited	<ul style="list-style-type: none"> According to the Labor Benchmarks Act, employees under the age of 16 are not employed either illegal.
Forced labor is prohibited	<ul style="list-style-type: none"> When the employment relationship with the employee is established, a written labor contract is signed in accordance with the law, which states that the employment relationship is based on the mutual agreement before the establishment of the relationship, without forced and compulsory labor.
Keep the independent complaints mechanism open	<ul style="list-style-type: none"> Establish a "staff complaint handling method" , and provide a good communication channel for employee advice and complaints. Holds quarterly labor meetings and meetings of the Labor Pension Supervision and Administration Commission, and then set up the personnel assessment committees to handle the rights and interests of employees in a fair and impartial manner, and further to implement relevant provisions on poor management, recruitment operations, childcare leave without pay and sexual harassment prevention as well as treatments in accordance with the norms of the Gender Equality Act.

4-7 Employee Evaluation of Working Performance

Employee Evaluation of Working Performance System is the core value of the corporation talents development, management, payment setting and bonus designing with blue print. It allows both management level and general staffs to inspect the annual working performance, and then readjust the further working targets.

To start from multi-phases evaluation structure, the department managers and staffs would implement the mission along the working performance evaluation institutions and systems; This is not only focus the annual key mission target to achieve, but also value the daily working behavior in results within instant feedback. By the cycle of annual working performance management to assist the corporation for further well-function training plan establishing, to provide all kinds professional knowledge and skills according to the job position for the individual working efficacy motivation, mutual communication in between managers and staffs advance, the potential of the team and individual inspiration, and further to upgrade the overall operating performance organizationally.

The working performance evaluation contains all employees, and then the performance appraisal will be evaluated annually as the foundation for the career promotion and bonus issuance. To ensure the objectivity of the working performance evaluation, TFMI will provide annual summary of related issues for each manager as reference of year-end working performance. For the less performance evaluation employees, the manager will assist the specific project counseling to readjust the work content for the performance output improvement. For the well performance evaluation employees, TFMI will provide the opportunity of promotion and salary raising, as well the year-end bonus which is provided according to the annual corporation operation appraisal and individual working performance. Managers could connect the target in both corporation and employee by working performance management, inspect and evaluate the capability development of the employees, and further to achieve the final goal in win-win situation for both the company and the individual.

Gender and employee categories, percentage of employees who received targeted performance reviews



4-8 Safe Work Place

To dedicate at comfortable and safety workplace, TFMI take the employee career safety seriously, and expect to form a better safe working environment by lower the occurring ratio of dangerous happenings. TFMI also provide the "Code of Practice on Occupational Safety and Health" with continues related education t raining courses to inspect the possible workplace injury risk, and implement the education training of occupational safety and health which will allow our colleagues to be familiar at each kind of emergency accident handle, fire strain, career safety and all related situations to form a extremely sensitive for the safe conscious. Besides, according to the law and regulation requirements, there are settled eleven heads of occupational safety and health operations in management level and seven first responders for emergency condition and it is higher than regulatory standards.

Besides, according to "Fire Protection Law" , TFMI executes the fire and emergency drill rehearsal at each office building in Taiwan every half year, and also insured the public accident insurance for each office site which could decrease the possible risk occurred from workplace affectively as well as raise the safety workplace and self-protection conscious to the employees. Also, we dedicate at female health protection issues to assist female staffs for the reasonable workplace and content arrangement.



Set up AED equipment and personnel

In the headquarter office building, with AED emergency rescue equipment, and the over-staffed first responders, to strengthen the health of the company's employees.

Implementation of safety and health education and training

According to the regulations and norms, each unit of occupational safety and health business supervisors, first responders and fire prevention management personnel license initial re-training. In addition, for new employees, arrange a three-hour occupational safety training, three years and three hours of occupational safety training courses for active employees to enhance personnel safety awareness.

Office air quality testing

In order to effectively detect indoor air quality, to prevent the office environment air carbon dioxide concentration is too high, resulting in employees not easy to concentrate on work and endanger health, the headquarter follows by the "Measures for the Implementation of Environmental Monitoring of Labor Operations" , environmental carbon dioxide is regularly tested annually to maintain the health of the respiratory system of employees; at the same time, Co2 concentration monitoring is carried out on a regular basis twice a year, and the test results are better than the statutory permissible standard specifications to create a healthier working environment for employees.

臺灣產物保險 股份有限公司

「臺灣產物保險是擁有
年輕活力且歷史最悠
久的產險公司」

臺灣產物保險積極參與社會公益活動，
設有桌球社、有氧舞蹈社、瑜珈社、登山社、健行
社、保齡球社、游泳社、籃球社、網球社、射擊社、
排球社、高爾夫球社及網球社等社團，亦曾點閱
仁們多項外聘專業教練登山健行、推車、保齡球及
高爾夫球等活動。此外，公司積極推廣體育活動，
除了女籃及少棒賽外，更與桃園市政府共同合作，
以「精製臺灣美境排球賽」參加企業排球聯賽，
期望透過比賽力量吸引更多優秀專業運動人才。



Number of injuries for men and women in 2020

	male	female
Amount of Incident	3	5
Amount of Time (Hour)	1,736	96

2020 incompetent injury statistics

Category of work injury	gender	Statistics Data
Disabling Injury Frequency Rate (FR)	male	0%
	female	0%
	total	0%
Disabling Injury Severity Rate (SR)	male	0%
	female	0%
	total	0%
Frequency-Severity Indicator (FSI)	male	0%
	female	0%
	total	0%
Absence Rate (AR)	male	0.38%
	female	0.91%
	total	0.67%

Notes

- ★ The number of hours of leave in 2020 was 1,946.5 hours, sick leave for 4,834.5 hours, and work injury leave for 1,832 hours.
- ★ Disabling Injury Frequency Rate (FR) - The total number of inactivity injuries per million work hours. The total number of injuries caused by incompetence is calculated as; includes the total number of people who died, permanent total deactivation, permanent partial deactivation, and temporary total deactivation.
- ★ Disabling Injury Severity Rate (SR) = The total number of days lost per million hours of work in which the loss of energy was occurred.
- ★ Frequency-Severity Indicator (FSI) = F.R times S.R. and then divided by the square root of 1000.
- ★ Absence Rate (AR) = (Total absence days / Total working days) x 100%.

4-9 Perfect Indemnity in both Physically and Mentally, to Benefit the Health and Life of the Employees

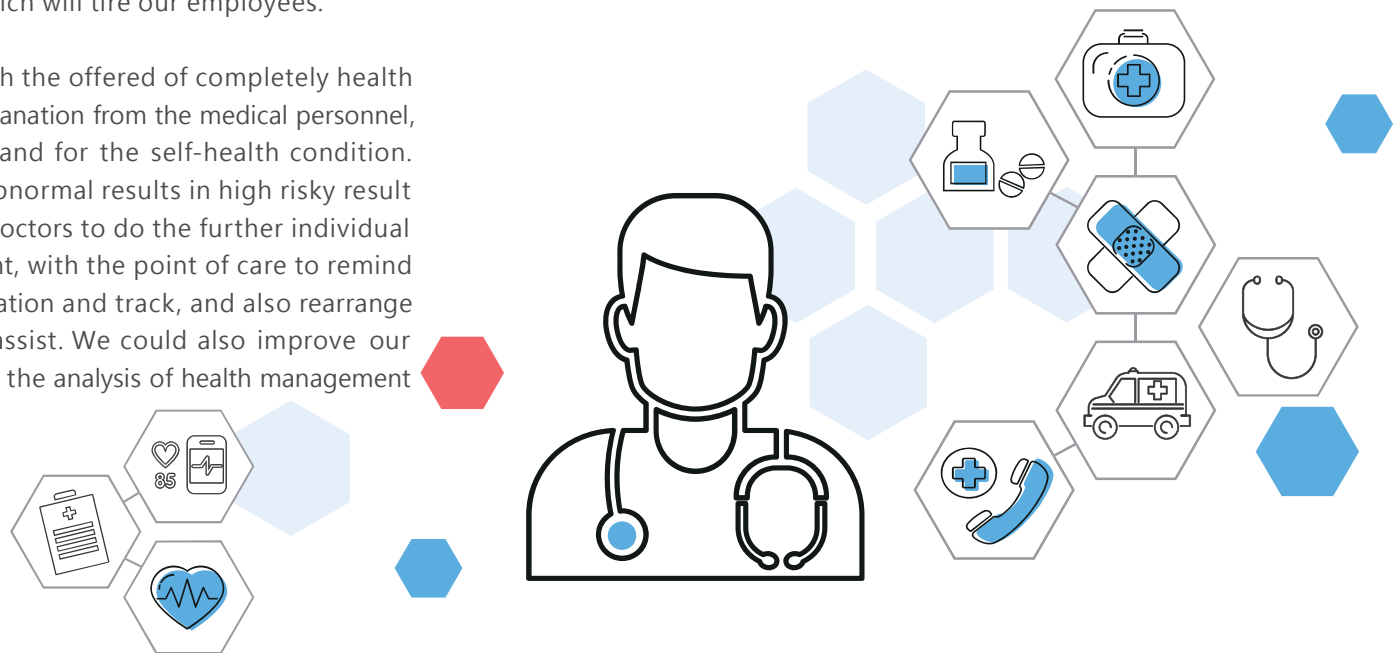
To provide well-established and perfect indemnity for the on-active duty employees, TFMI offers the employee group insurance which contains life, accident, health, cancer and all other related insurances.

Besides, TFMI also programs the annual employee health examination plan by setting specific unit to manage the employee health care related issues; We hire the well qualify health examination group to be in the corporation sites to provide our employees with all the checking items which are better than what the government regulation requires. The additional checking items are Abdominal Ultrasound, Carcinoembryonic Antigen, CEA, specific at ovarian cancer, Prostate, Colorectal cancer, Liver cancer and other extra screening lists; this on-site health test could not only provide the employees the better function health protection but also cut the transportation labor which will tire our employees.

After the health examination, with the offered of completely health check report and the professional explanation from the medical personnel, our employees have better understand for the self-health condition. Meanwhile, in connection with the abnormal results in high risky result colleagues, we assign our contract doctors to do the further individual inspection and regularly management, with the point of care to remind for the continually follow-up consultation and track, and also rearrange the work connect with reasonable assist. We could also improve our internal employee health condition by the analysis of health management statistic data.

We even hire nursing staffs and professional doctors with contract to provide health education related forums and consults to benefit our colleagues' health further; the service contains health related instruction, and the first aid treatment emergency workplace injury accident prevention, and by the demand of safety and health to propaganda all related concept and knowledge in the internal website irregularly, in order to ensure the balance condition among work, physical, and mental of employees.

At the same time, TFMI also publishes "Weekly Health e-News" to assist and direct all employees in health management with professional information from medical specialist experts, which contains the latest health related news and issues internal and external the company.



4-10 Establish risk management mechanisms and emergency response plans in response to global infectious diseases

In 2020, the sudden outbreak of Covid-19 has claimed many precious lives and health worldwide. And the relevant epidemic prevention measures have also changed our living habits and economic patterns. To reduce the chance that colleagues may be infected or become the source of infection, TFMI immediately in March 2020, convened various departments to set up an emergency response team to immediately start the outbreak response, strengthen the control measures and risk management of restrict epidemic prevention, to avoid the company due to the risk of operational disruption caused by the epidemic factors.

Government epidemic prevention mobilization level	Risk and impact assessment	Responses
Level I (No confirmed cases)	Outbreaks in China and other countries which may be incoming and cause an epidemic that needs to be responded as early as necessary.	1. Monthly fixed distribution of health e-newsletters to promote epidemic prevention knowledge. 2. Confirm the inspection of the company's epidemic prevention and response measures and set up a notification system. 3. Prepare epidemic prevention equipment (masks, disinfection alcohol, hand sanitizer, forehead (body) warm guns, etc.).
Level II (Confirmed cases of overseas migration)	1. Personnel attendance : employees with travel history or contact history have fever or respiratory symptoms, employees are quarantined, their family members are quarantined, colleagues are quarantined, etc., resulting in insufficient manpower in the company. 2. Business promotion part : The business promotion may be affected due to the impact of the business climate.	1. Start a major emergency response plan. 2. Infrared detection is set up at the entrance to the head office building's Hall Entrance to prevent fever (the branch is measured with a fore temperature gun). 3. Colleagues are required to observe epidemic prevention matters and wear masks at work. 4. Implement preventive measures in the workplace and confirm and continuously supplement the equipment to prevent the disease. 5. Measures to respond to the continued operation of the enterprise : (1) Establishment and launch of the Head Office of Assistance, (2) Draw up a branch backup plan, (3) VPN Home Office Rehearsal, (4) Each unit confirms and implements the agent mechanism, (5) Start flexible work, divert epidemic prevention set for work, (6) Avoid cluster infections and suspend non-essential activities (e.g. official travel abroad, conferences, educational training, travel, etc.), (7) Suspend the flow of branches to avoid cross-infection. 6. Company official website announcement in response to statutory infectious disease policy provider service measures. 7. Other policy measures : (1) In accordance with the provisions of the Insurance Bureau, carry out relevant management and notification, (2) The extent of the epidemic may vary from region to region, and health authorities may issue guidelines for individual areas, so attention should be paid at all times to obtaining real-time and accurate outbreak information at the location, in conjunction with the provisions of the Central Outbreak Command Center and local health authorities, (3) In the event of a confirmed or suspected case by an employee, the central outbreak command center should be deployed with the central outbreak command center to adjust the epidemic, and confirm its contacts, and require contacts to cooperate with home isolation, other personnel are required to carry out independent health management, while disinfecting the relevant workplace, and as needed to start a backup plan, (4) Establish messaging pipelines and processes to communicate epidemic prevention plans and the latest outbreak information to all employees and business partners through Line groups and intranets.
Level III (Second wave of infections caused by cases of overseas migration)		

Level IV

(Socially popular, but under control)

1. Personnel attendance part :

the company appears suspected cases, employees cannot go to work due to diagnosis, other personnel must be isolated or at home self-health management cannot work normally attendance, and may even be infected by cluster, so that a large number of colleagues and employees' families need to be isolated, resulting in the company's manpower constraints seriously inadequate.

2. Office part :

The workplace or place of operation must be closed and unopenable.

3. Business development part :

the business climate continues to be affected, affecting the business development.

Level V

(Popular all over the country,
but under control.)

Level VI

(Nationally popular,
but out of control)

1. Improve epidemic prevention regulations and measures :

- (1) Take the body temperature twice a day and do record it,
- (2) Regular disinfection of the environment, the building common areas using bleach to strengthen environmental disinfection, improve the scope and frequency of disinfection,
- (3) Employees are required to wipe their seating environment with alcohol when they go to work every day.

2. Measures to respond to the continued operation of the enterprise :

- (1) Continue to implement the measures of the previous phase,
- (2) Start a branch backup program or VPN home office, depending on the development of the outbreak and the need for epidemic prevention,
- (3) Insured households in the affected areas are not required to apply individually and TFMI shall, on its own initiative, grant a deferred premium payment in accordance with the areas announced by the Government,
- (4) Due to the shortage of manpower due to personnel isolation, quarantine or leave, the head of the unit should be deployed to deal with, if necessary, to the head office for support.

3. Other policy measures :

- (1) Always pay attention to obtain real-time and accurate information on the outbreak at the location, in cooperation with the central outbreak command center and local health authorities to make appropriate responses,
- (2) Continuously communicate epidemic prevention plans and the latest outbreak information to all employees and business partners.

-
1. Continuously require the implementation of epidemic prevention provisions, pre-implementation disclosure of enterprise operations and other co-ordination measures.

2. Adjust the way you work, attend, or travel to reduce employee interactions :

- (1) Suspend all travel
- (2) Suspend all training and meetings

4-11 Promote the Healthy Workplace

By past the Sports Company Certification again in 2020, TFMI has invited to attend "Sports Company Certification Charter Ceremony and i-Sports Forum" for the awards presentation in November 11th, 2020. Meanwhile, TFMI also past the "Non-Smoke Healthy Workplace Promotion Certificate" from National Health Service, Ministry of Health and Welfare on December of 2019 by creating a healthy working environment of smoke free and harm free place.

With various of energetic and passion employees, TFMI plans related budgets to support variety clubs founded by colleagues, and expects all employees would benefit from the club activities in both physical and mental health after the work. At this stage, there are ten various clubs established by employees spontaneously, which includes Table Tennis Club, Aerobic Dance Club, Yoga Club, Mountain Climbing Club, Hiking Club, Bowling Club, Swim Club, Basketball Club, Slow Softball Club, Archery Club, and Billiard Club. With encourage for the colleagues to found teams and join any sport competition, TFMI expects the continuous of activities would lift the team cohesiveness for the further honor achievement.



Besides, TFMI also devotes at the basic physical education activities support in the long-term, such as sponsor for grassroots baseball League Championship, title sponsor for University of Taipei Women's Softball Team to promote women softball sport nationally. Recently, to cooperate with Taoyuan government by establishing "Taoyuan TFMI Men's Volleyball Team" to attend Top Volleyball League. In the future, the passion to support the development of national physical education will continue to grow, not only to pay a tiny effort for the sport industry but also expect to help our country for the cultivation of excellent sport talents, and then to lights-out in the world sports.

By having well exercising habits in the workplace, our employees will improve not only the balance health in both physical and mental, but also raising the working efficiency, strength team work spirit, as well as create the stronger motor to push for the enterprise upgrade for better and ever.



Chap5

Implement of Green Operation to achieve Environmental Sustainability

To be well responsible for the society, TFMI will investigate all the consume and nature sources using condition within our business operation to replace more green products from the equipment of higher energy consumption. We wish it could not only lower the impact of environment but also decline the carbon emission in the process. Along with our positive response to the climate changing issues, TFMI responds to the global environmental protection and green energy policy of government to establish a new green business operation mode and further to help for environmental sustainability continually development.

5-1 Climate Change

Climate change, the core risky of insurance industry operation, has become the important issue for TFMI emphasizing at its related adaptabilities and managements. To lighter the sequence of management crisis, we made the environmental protection group of corporation social responsibility committee to discuss the matters with each department in the company. According to the guideline of Task Force on Climate-Related Financial Disclosures, TCFD, it identified and checked the inventory of potential risks and opportunities due to the climate change along with the financial effect and then to graph the

characteristics at risk and opportunity matrix diagram. According to the analysis, to develop a risk management strategy for significant risks in necessary actions and methods.

Furthermore, TFMI will assign each executive manager from departments to assist to set the short-term, mid-term, and long-term plan for avoiding the climate changing risk. The execution results will report to the board of directors regularly for the continue discussion to fulfill the climate governance and management.

Disclose of TFMI Index with structure and actions

Core Factors	Description	Actual Actions of TFMI
Governance	Disclose of TFMI governance of climate related risk and opportunity	<ul style="list-style-type: none"> ◆ Board of directors has subsumed climate change issues as part of Enterprise risk management, ERM. ◆ TFMI developed procession of service and reshaped company product structure according to the ESG related environmental issues. ◆ Board of directors remain monitor at the movement of climate change to form the related operation target and plan with execution discussion improvement regularly.
Strategy	Climate change related impact Countermeasures at business, strategy along financial plan, for the current reality and potential situation	<ul style="list-style-type: none"> ◆ Identified the facing climate change related risk and opportunity in among short, middle, and long-term condition, to analysis the industry risk for the reason, and enhance the company bear capability with financial structure improvement. ◆ Fit and plan the climate change related considerations into TCFD according to the government regulation requirement. ◆ Within product plan and innovation, put climate change factors as the evaluation and actuarial terms, to respond for the further serious environmental condition and perform the social value and tenacity of insurance industry.
Risk Management	Disclose the identify, analysis, and management methods due to related risk of climate change	<ul style="list-style-type: none"> ◆ Set the related regulations with restriction methods for identification, adjustment, monitor, and well in control due to climate change. ◆ Emphasis the identification ability in between climate change risk and opportunity in each company department to upper internal notification awareness.
Index and Target	Disclose the index and target of climate change related issues specific at the important information	<ul style="list-style-type: none"> ◆ Risk management committee continues to follow up the results of company environmental strategy and risk management procession, to form the related risk and opportunity index and plan. ◆ Disclose the main greenhouse gas emissions data of TFMI from the CSR, and devote at the emission density decreasing for the further low-carbon service goal.

Recognition climate change related risk and opportunity of TFMI

climate change related risk

Type	Item	Impact of TFMI	Response steps due to risk impact
Exist risk	Immediacy	<p>Extreme Weather</p> <ul style="list-style-type: none"> ◇ Possible damage of company internal construction facility, equipment, information safety, transportation and employee security matters due to higher in extreme weather frequency for the climate change. ◇ Causing the increase of claim amount and possibility due to higher disaster loss risk for policyholders from climate change, and that also affect company operation cost to be higher. ◇ Damage of investment target cause assets lost. 	<ul style="list-style-type: none"> ◆ Put accurate risk due to climate change into TFMI risk management committee as the key discussion issues with the evaluation regularly, and set it into the risk management system to execute it firmly.
	Immediacy	<p>Storm or Typhoon</p> <ul style="list-style-type: none"> ◇ Business operation shut down and assets lost due to damage of company equipment. ◇ Company faces the risk of compensation due to huge lost occurred to policyholders. 	<ul style="list-style-type: none"> ◆ Due to the extreme weather, require the headquarter and the sub-companies in the country to develop a emergency responding plan for the possibly happening. To manage it earlier to lower the possibility for the actual lost and employee harm risk.
	Immediacy	<p>Extreme high or low temperature</p> <ul style="list-style-type: none"> ◇ Increasing energy consumption of offices and operation environment due to increasing days of extreme high and low temperature each year. ◇ Causing higher employee illness rate which danger the employee health and affect the company operation continually. 	<ul style="list-style-type: none"> ◆ In the future, TFMI will be more active to take extreme weather factors as the consideration for new location selection. At the same time, we will inspect all over the exist operation sites or assets for the actual condition. And then to improve or enhance employee for the relate concept, such as physical waterproof gate, uninterruptible power system, and others necessary facilities to ensure our operation won't be blocked.
	chronicity	<p>Sea-level rise</p> <ul style="list-style-type: none"> ◇ Causing part of operation sites or equipment to be flooded. 	

Type	Item	Impact of TFMI	Response steps due to risk impact
	Policies and regulations	International Convention or Proposal norms ◇ According to the requirement of International Convention or Proposal norms, company should formulate the coping methods due to the climate change.	
	Policies and regulations	Latest national laws and regulations update ◇ Environmental related regulations and policies according to Taiwan Intended Nationally Determined Contribution, INDC, which plan to achieve 20% of renewable energy using.	◆ According to TCFD guideline in specification for the climate change, TFMI responds the related risk information and coping method plan. Also, we make it in our performance target to discuss and improve regularly.
	Technology	Service in low-carbon product ◇ To serve with low-carbon product, we have to put more effort and cost for its development and investment, as well to reform the exist operation process which is possible to cause the time to adapt the transformation.	◆ To build digital service platform to communicate with convenience and completely information along to assist policyholders and public to be familiar at E-platform and rely on it, which is the method to achieve the low-carbon service target.
	Marketing/ Reputation	Customer behavior changing/ Rise of Environmental awareness ◇ Due to the rise of environmental awareness from policyholders or public, the service and product in renewable/environmentally friendly/ low-carbon consumption is required.	◆ Design and exploit the green energy related insurance product to relevant to the environmental management issues, to respond the expectation of policyholders and public.

Opportunity of climate change

Type	Item	Opportunity to TFMI
Opportunity	Product and Service	Demand and Service requires of green product ◇ To follow public demand in the market, respond to environmental protection issues nationally or globally, seeking for a new market model or new market as the opportunity to create a new research and development of green product and low-carbon service in electronic way which could not only lower the operation occurred to environment impact, but also rise the company operation affection and the insured clients' satisfaction. ◇ Execution of energy saving management policy all over the operation sites national-wide to decrease the electricity using and greenhouse gas reduction according to the government policy.

5-2 Electronic E-service for brand new digital experience

Electronic E-service, brand new digital experience

With the continues development of financial technology, Fintech, there are sharply upgrade for all kinds of electronic information technology. TFMI remains in between sides of intra and inter E-process to ensure the lower paper using, energy saving, no waste for posting with most of administration process in the firm.

Since 2016, TFMI started to provide and design the policy paper in E-document. With the online process, the policyholders could avoid paper singing neither document faxing and complete the insured process online through the website, which is not only decline the insured process time and work with less resource consumption, but also lower the greenhouse gas emission for the traditional transportation or mailing. For certain, it is a great model to provide the effective financial service in low-carbon basis.

Paper free policy document to save paper using and lower-carbon

Nowadays, the growing of compulsory car insurance, any car insurance and other online insured product has presented in steady path annually. In 2020, there are up to 28,387 online insured cases occurred, which includes 20.7% of car related insurance in growth rate of 36.99%, which could be inferred there will be more than 100,000 pieces of paper had been saved without printing as paper insurance policy document, and it also supply the large affection at greenhouse gas emission and energy consumption. It's not just a great model to work with higher process effectiveness in work field, but also support the care of Earth in action to implement the green value chain in reality along to share the nature environment friendly.

Future ahead, we will continue to consummate the E-platform in establishment and functional to lead the guiding and promote insured clients to choose online insured process with E-policy document as the best selection. At the time to make customers feel convenience at the instant service, with gathering care to protect our environment and step forward for the totally paper free condition one day.



113,548 piece



Reduce of greenhouse gas emission

2,222.702Kg-CO₂e

note

1. Estimation method, submit 18g carbon dioxide per each A4 paper
2. Estimation method, submit 6.3g carbon dioxide per each actual document in shipping.
3. Source of estimation unit, is according to the provide unit coefficient of Carbon Footprint Calculation Platform.

Multiplied online insurance products with convenience and eco-friendly service platform

The current online insured platform available for online process includes:



Through the well establishment of online service platform in various option to provide instant policy trial calculation and 7/24 non-stop convenience insured service. With online platform in process and payment functions to complete all the insured process easily, which is not only benefit the convenience matter, but also reduce the cost of transportation time and paper printing waste and all other related process. E-platform ensure insured clients enjoy the advantages of technology as the wonderful experience, but also decrease the greenhouse gas emission in huge amount, and then further to build the innovate service process in low-carbon in better consummately way.

Year	Automobile Insurance - Online insured performance	Automobile Insurance - Ratio in E-policy document selection	Growth rate
2018	16,013	10.95%	-
2019	20,790	15.11%	37.99%
2020	28,387	20.7%	36.99%

5-3 Low-carbon operation and Circular Economy

E-process of Office work process

TFMI built the “Cloud E-platform” system for the service as the leader in the industry to implement both official document and working process totally in paper free, which not only can save energy with low-carbon by reducing official paper using and shorten the in between transportation as the strength, but also have the strict management in controlling of confidential document through the system to lower the information leaking possibility and risk. Nowadays, TFMI has already implemented paper free policy in specific at internal meeting, general official matters, training/lecture issues, as well as all the administration process, such as ask for leave, requisition, official document signing, asset changes applying, fee requests, and all kinds of general affairs application, business and operation, design and develop, and the financial request and all the other related process for its electronic signature mechanism system. Through the platform system, TFMI promote notification and conference record and others in E-document to fulfill the energy saving and low carbon benefit.

Green investment

Green finance plays an important role in maintaining economic growth and realizing environmental protection, including supporting investment and lending activities related to environmental sustainability issues. As a member of the global financial system, the company is committed to integrating environmental, social and corporate governance (ESG) issues into investment decisions (green investment) to fulfill the principles of corporate responsible investment.

To ensure substantial development of environmental ecosystem, TFMI set the green-low-carbon enterprise environmental establishment as our core target by applying all methods with low-carbon operation, as well to publish the idea of environment protection, greenhouse gas management, decline energy consumption amount, build green energy mechanism facilities in management water, waste, and all the relate substantial actions, to show TFMI’s social responsibility as the Citizen of the Earth to deduct the impact of environment bearing.

To respond the trend of global environment, TFMI remains to hold all kinds of resource improvement, green service with the related integration plan. At the hardware, TFMI replaces energy saving facility with office equipment updating, apply various energy saving methods, decrease the waste amount, and more to follow the global green energy saving trend. At the software, TFMI established the electronic service platform, merge internal working process through electronic digital functions, to implement the energy saving, carbon reduction, environment protection and paper using decrease within transportation. We are proud to be one of environmentally friendly enterprise to put our effort for the mother earth environment.

In recent years, TFMI fulfill our green purchasing by creating i-Cloud E digital office system, replace to improve indoor LED lighting system, statistics of water and electricity consumption in long-term, monitor the accurate carbon emission to well distribute the resource by these data to forward step as the best leading practitioner for the responsibility of environmental protection.

Related measures of TFMI in action

Energy Saving Item	Description
Electricity Distribution System	<ul style="list-style-type: none"> ◆ For the excellent result of TFMI electricity and water saving management, the headquarter dropped the “Contract Capacity” of total electricity using effectively, which used to be 900KW to the present 750KW, and lower the power grid burden of Taiwan Power Company.
Air-conditioning equipment	<ul style="list-style-type: none"> ◆ TFMI headquarter, Huai-De Building, has installed two 400ton-Central A/C to supply the air condition for the whole building. In recent years, we implement the related energy saving actions to reduce the lower-carbon and energy saving target effectively. ◆ TFMI sets “Upper the Air Conditioning Efficiency” , and “Lower the Air Conditioning Electricity Using” as two main directions to further develop the engine room management. Promote and set the A/C temperature to be upper than 26oC in the summer with less windows and doors in open. ◆ Specific measure at cooling water tower cleansing and maintenance every half year, which may vary in adjust due to water quality of water tower for more or less. ◆ With flexible adjustment of A/C operation by seasons, which is to delay its starting time up at 7:30am with early its shutting time at 17:30pm from May to September. As well to delay its starting time at 8:30am with early its shutting time at 17:00pm from October to April.
Lighting Devices	<ul style="list-style-type: none"> ◆ To respond for “Earth Hour” of World Wide Fund for Nature, WWF, TFMI shuts the office lights for an hour in our lunch break time, and then to turn off non-using lighting devices after office hour. This is also the way to decrease the electricity consumption and lower the temperature for Earth. ◆ Replace the LED lighting devices in the latest model among headquarter and sub-company offices.
Recycle	<ul style="list-style-type: none"> ◆ Upper the paper utilization, and having the double sides using at the non-confidential documents. ◆ Emphasize recycle idea to lower the waste. ◆ For regenerate items, to be unified by certificated company to destroy and recycle.
Water Resource Management	<ul style="list-style-type: none"> ◆ Adding water saving devices on water tap and restroom to adjust the water output in order to well manage the water source.
Cloud Office	<ul style="list-style-type: none"> ◆ Promote the Cloud E-office by establishing all kinds of cloud working system, which includes ask for leave, requisitioning, official document signing, asset changes applying, fee request, all kinds of general affairs application, business and operation, design and development, as well as financial request and all the other processes, to make it electronic signature for the energy saving and lower-carbon seeking. ◆ No paper document printing for the meeting.

Energy Saving Item	Description
Green Supplies Purchasing	◆ Due to the unavoidable printing of insurance policy, TFMI selected environmentally friendly toner cartridges as the printer supplies. This is an important environment protection strategy and the continues action for TFMI to purchase the material in poison free and environmentally friendly toner cartridges, to implement the green purchasing for the lower environment impact cause by waste.
Business Trip Expense Decrease	◆ Through video meeting system, apply remote conferences and internal training seminar to lower the cost of employee business trip time and expense.
Drinking water safety	◆ Provide well quality and safety drinking water to lower the waste for employee purchasing in bottle water and drink.

Management of greenhouse gas emission

According to the statistic, the main item of office electricity consumption in TFMI will be the greenhouse gas emission. We generate how monthly electricity energy consumption to calculate the carbon dioxide emission due to the electricity using to get the amount. Since 2019, TFMI added electronic business department and restructure various of energy saving equipment for government regulation, the total emission seems to be larger than before. However, we will continue to figure how to lower the greenhouse gas emission step by step with better function system in well management.

P.S. According to the statistic of electricity discharge coefficient from Bureau of Energy, Ministry of Economic Affairs in 2019, each kWh of electricity will produce 0.509 Kg carbon dioxide.

	2020 year
Total Electricity Amount	1,789,138
Total joules (MJ)	6,440,896.8
Source density (total joules per person)	7,148.61
Total carbon dioxide emission (ton)	910.671
CO₂ Emission per person	1,010.73

Water Resource Management

TFMI, includes headquarter and all related sub-companies, are using water from the supplement of Taiwan Water Corporation in 100% without any usage of groundwater neither other water sources. Each building only provided for employee daily using, which includes drinking, washing, A/C, and environment cleansing. All the waste water will be emission into the drainage system without obvious impact to both of the environment and water source area.

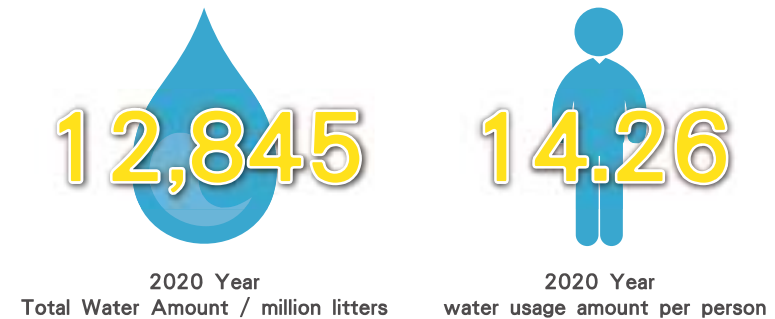
TFMI remains at the avoiding of water leakage by enhance the related equipment, the regular cleansing of water tower in the office building, addition of water saving facility in the office and any necessary management action with slogan posters and employee propaganda to impress water saving notification to the employees; meanwhile, to provide the employees safety and clean water.

Management of Waste Decrease

TFMI encourages the motivation of environmental recycle of employees' daily working and environment management. Currently, daily waste is our main office litter. With the actual fulfill of administration department at daily waste decreasing and the resource recovery mechanism with the three main recycle rules, reduction, recovery, and recycle, of each local government to separate office waste into generate, able to recycle, and food scraps kinds. Once we collected and separated it ready, the cleaning company will gather to do the centralized management and then later to pass to the certificated waste clearance company for the further process.

Besides, TFMI offices use environmental toners for our printing equipment, and return the cartridges to the professional company for the recycle, which would lower the possible pollution and sources waste. To decrease our internal waste, we implement at smoking free, drinking package separation, and further encourage the employees in habit of reusable cups, straws, bags, and eco-friendly tableware using, not just for waste decrease but also put the effort for natural environmental protection and mother Earth treasure.

Information on water consumption and unit density:



P.S. The total usage of electricity and water in this yearly report, which includes Taipei headquarter and all other operation sites over the country, is different than past reports before year of 2019 in the involve area. In the future, the disclose of all operation sites in electricity and water usage amount will be the involve area.



Chap 6 Participation and Prosperity of Society

Promote Social Prosperity, and Create Bright Future

To continue sustainable development within economic, environment, and society related phases, Taiwan Fire & Marine Insurance Co., Ltd. Keeps its cultivations at social cares and further assists at the multi-cultures' revolutions of the society. Taiwan Fire & Marine Insurance Foundation which found in September of 1915, upholds the philosophy of "Treasure the present moment, and guard the future", to express love seed even further and wider by upgrading the culture level in quality, cultivating talents, caring for the disadvantaged groups, and serving our nation and society as its own aim. As well as to focus at the support of the vulnerable disadvantaged, medication environment development, the social gap ameliorations, community education expansion, and continue services as volunteers. Through over the realistic actions and remains the integration of resources to benefit disadvantaged cares, medication environment improvement, foster talents support, specific education of delay children development, anti-drug activities for teenagers, arts, cultural, and sport activities sponsors to exert our heart and strength to be part of establishment for the better Taiwan society future.

Through the cooperation with leading parent company, to determine and embrace the local disadvantageous care, promote ideas of nationality health by blending with four main spindles, which are education, charity, sports, art and culture activities, in positive concentration. Combine with local groups collaboration to expect not only to "see the need", but also "inspire human heart" to enhance "involvement and participation" as more kindness cycles firing. With our action expanding larger as water ripple for more and more volunteering services from people to accomplish self, deeper positive motivation creations to find better solution for social problems and work in concert with government related regulations. Hope the enlarge of love cycle could establish firmly corporation social responsibility to merge enterprise with society pulsation, and continue its effort to build an even better society future.

Charity Donation List of 2020, Taiwan Fire & Marine Insurance Foundation

University of Taipei women's softball Team

Taiwan women's softball team has the great competitiveness in the global competition. To promote the softball culture in Taipei city as well as enhance the sport image along the urban marketing creation, TFMI, Department of Sport of Taipei City Government, and University of Taipei are holding a three-way cooperation among industry, government, and academic files to support the sport of women's softball, with expectation of the promise future for the players to be well-known worldwide, as well as to achieve best record for schools and the country.



CTVBA

In 2004, Chinese Taipei Volleyball Association established "Top Volleyball League" to improve the competitiveness of Taiwan volleyball sport.

In 2020, TFMI and Taoyuan Government together to form "Taoyuan Taiwan Fire & Marine Insurance Men's Volleyball Team" to participate the 16th of Top Volleyball League.



Cultural and Educational Foundation of C. K. Chen

To enhance nationality health and promote the atmosphere of physical workout, Taiwan Fire & Marine Insurance Co., Ltd continues to support "Teenager Baseball National Cup of C. K. Championship", which is the national baseball game held by Cultural and Educational Foundation of C. K. Chen, Department of Sports, Taipei City Government, and Taipei Municipal Athletics Federation Baseball Association.

TFMI has been the long-term sponsorship which makes 2020 as the 12th year; by holding National Little League Championship, to implement both emotional and technical exchanges among the domestic junior baseball players as well as further cultivation for the athlete spirit.



"Take Turn by Love", CTBC Youth Baseball Project held by CTBC Charity Foundation

Since 2014, CTBC Charity Foundation start to launch the CTBC Youth Baseball Project, "Take Turn by Love". In addition to helping with development of baseball teams, the project funds meals, after-school tutoring, and sports equipment upgrades, to ensure the team players for the healthy physical and mental development continuous, as well as providing more and better life support and care.



30th High School Street Dance Festival

Dance 30, co-founded by Wesley Girls High School and Taipei First Girls High School in 2002, has run its 18 competitions successfully. With the pre-match registration, selection from competitions, to the final, picking up the best 30 schools to have an on-stage competition in one shot, all of the students dance with their passion to create the unique dancing performance. As the sponsor of 18th competition, TFMI supports this dance competition for youth interflow and vitality expression.



Wealth Invest Weekly

Recent years, to see remain health as the more serious issue than earning more fortunes in life, TFMI cooperates with Wealth Invest Weekly, a well-known finance magazine, to hold a "Forum of Financial Management & Health Trend" as public health and fortune importance in balance reminder. To announce that "Prevention is better than cure" and provide the latest preventive health care information to encourage people not only seeking for wealth but also emphasize at health maintenance.

Paper Wind Mill Theatre, Taiwan

Recently, TFMI fulfill our strength at "Save Faust" plan found by Paper Wind Mill Theatre, Taiwan, to have hundreds of anti-drug dramas and hope to improve the serious drug over use situations happening in the present society. By holding the plane, we wish to decrease the harm of drugs to our national seeding generation.

Through the way of interesting drama performances, we will be able to guide teenagers in correct thinking direction from roots to ground in a short time with various methods to face the problems. As well to reject any chance of drug using.



Andrew Charity Association

By holding four major core values in “disadvantaged assistance, emergency relief, disaster support, and education promotion”, Andrew Charity Association helps disadvantaged children in between their physical health and mental growth, and wishes to assist for these struggle children to be raised among physical, mental, and spirit in well all-round development. Also, the charity provides daily supplies in facilities and food to homeless, poor, illness, weakness groups for their emergency relief in both individual person and family to express the love seed and upper the kindness atmosphere in the society national wide.

Gathering love and support from society, Andrew Charity Association continues to provide food box for needed families to go through the tough bravely and steady in steps toward the better and promised future.

The Affiliated Special Education School in Taipei of The First Social Welfare Foundation

The First Social Welfare Foundation, the first professional establishment of non-profit institution for disable groups, it determines at the reasonable respect and education for these mental disability children. It structures “Individual Service Plan, ISP” to assist peers in individual improvement needs in the golden period of development within multi-professional officers in cooperation service mode for early intervention of pre-school children, independent life training of youths over 15-year-old, employment consultation, and security housing service of middle and aged group in vary functions. With its strict plan structure along numerous and interesting lessons/activities, it involves cognition, language, communication, rehabilitation and all related fields to benefit children growth as the second chance to achieve their own sky.



Foundation of Spinal Cord Injury Potential Development Center of Social Service Organization in Taoyuan City

The Spinal Cord Injury Potential Development Center is the only professional institution to provide the spinal cord injurers for the possible rehabilitation and training site in our country. The center holds the total obstacle free learning environment for trainees' stress less practicing, and also provide professional training programs for potential abilities. Wish to help the injurers restructure among physical, mental, and socialites. It grabs the assistance of spinal cord injurers for future independence, upper life quality, refresh the life value, as well as recall their self-confidence and dignity. Through all the determinations, it also wishes to arouse the voice of health treasure and life passion of publics. According to thisvarious experience, it also plans to benefit social welfare and medical care in better functions.

Eden Social Welfare Foundation

According to the present statistic, there is an aged person who is over 65 out of every 5 people in Taiwan. Facing the super aged society coming, elder care becomes a society issue to discuss in this aging country. Through the support to “Day care plane of rural elders” which is held by Eden Social Welfare Foundation, TFMI earns our chance to help the elders in economic disadvantageous, disabilities, or sub-health conditions. We wish our effort would postpone the elders in deterioration and continue to enjoy their natural span of life.

They could be pleased by gathering their friends to improve their socialites, to postpone their disabilities and dementia by joining multi-functions classes, to be accompanied by applying nursing Aide of home care to the hospital or stores. There shouldn't be only a plan life when they are growing old. To supply them for family stress decrease, elder functions of mental and physical upgrades, community familiars, till the nature calls. Without quitting our support, TFMI devotes at disable families care by assisting both family members and elders themselves. For the best wishes to restructure their life better and believe that once a person in help, a family earns a chance to step out the struggle situation and forward the bright future journey.

TFMI serves social welfare as the backstage driving force for Eden Social Welfare



Facing the low birth rate and aged population issues, the estimated report of National Development Council said that, Taiwan is going to enter our super-aged society about 2025 which is much earlier than our expectation. Our elder population will be over 20% and it will affect differences in between urban-rural gap among resources for disadvantaged families and aged citizens. Due to the occurrence, since 2018, Taiwan Fire and Marine Insurance Co., Ltd started our donation and supporting of Eden Social Welfare Foundation specific at overall service plan of disadvantaged family and aged people in rural area. We wish to improve the living area environment in structures, floors, armrests, kitchen utilities, and bathroom/restroom equipment for better accessible and safety facilities through "Safety House & Repair Group" which is found by Eden Social Welfare Foundation.

TFMI is well experienced the toil of volunteer service group, and provided a van as Eden maintenance specific use in 2020. Hope our small action could help Eden's transportation among donated supporting facilities, furniture, and decoration building materials all over the society could be more effective and shorten the repair process in time as well to decrease the relay and payment to logistics companies. We wish it could further help for disadvantaged and lonesome aged in rural area for a safety home. To show our greatest support and care, the general manager of TFMI, Charles Song, attended personally for the presentation ceremony held by Eden Social Welfare Foundation.

In the future, TFMI will remain at our steady operation performance, provide our clients for the professional service in high quality, and fulfill customer treatment fairly. Meanwhile, we will focus on the social welfare activates, such as support of developmental delay children in specific at education, emphasis of disadvantaged children, and the shut-in elders as well as every grassroots sports and arts and cultural activities. Gradually, we will continue to follow up aged society, teenager anti-drugs issues with our enterprise citizen responsibility to carry out our corporation social responsibility with motivate merge all related sources from Taiwan Fire & Marine Insurance Foundation, the institution TFMI found to make social service in better quality.



Appendix

- GRI Standards Comparison Table



INDEPENDENT ASSURANCE OPINION STATEMENT

Taiwan Fire & Marine Insurance Co., Ltd. 2020 Corporate Social Responsibility Report

The British Standards Institution is independent to Taiwan Fire & Marine Insurance Co., Ltd. (hereafter referred to as TFM) in this statement and has no financial interest in the operation of TFM 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 TFM only for the purpose of assuring the statements relating to its corporate social responsibility (CSR), more particularly described in the Report 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, once any person by whom the independent assurance opinion statement may be used.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by TFM. 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 omissions that may arise by virtue of the independent assurance opinion statement or matters relating to it should be addressed to TFM only.

Scope

The scope of engagement agreed upon with TFM includes the following:

1. The assurance scope is consistent with the description of Taiwan Fire & Marine Insurance Co., Ltd. 2020 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the TFM's adherence to AA1000 Accountability Principles (2010) in this report is conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information 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 Taiwan Fire & Marine Insurance Co., Ltd. 2020 Corporate Social Responsibility Report provides a fair view of the TFM's CSR programmes and performance during 2020. The CSR report subject to assurance is free from material misstatement based upon review within the boundaries of the scope of the assurance. The information and data provided by the TFM and the sample taken, the below that the 2020 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrates TFM's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR expert assessors 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 TFM's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards Core option 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 TFM's position to provide a check on the appropriateness of statements made in the report;
- discussion with management on approach to stakeholder engagement. However, we had no direct contact with external stakeholders;
- 10 interviews with staff involved in sustainability management, report preparation and provision of honest 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 the 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

The report has reflected a fact that TFM 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 economic, social and environmental information in this report, so that appropriate planning and improvement can be supported. In our professional opinion the report covers the TFM's inclusivity issues.

Materiality

TFM has established material topics that will substantially influence and impact the assessments, business, culture and performance of TFM and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgments about the TFM's management and performance. In our professional opinion the report covers the TFM's material issues.

Responsiveness

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

Impact

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

GRI Sustainability Reporting Standards (GRI Standards)

TFM provided us with their self-declaration of in accordance with GRI Standards Core (Core option) for each material topic covered by a topic-specific GRI standard, comply with all reporting requirements for at least one topic-specific disclosure. Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the TFM's social responsibility and sustainability topics.

Assurance level

The CSR report is the responsibility of the TFM's chairman as declared in its report. 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

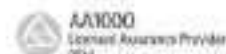
BSI's responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and formal in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14004 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-Testing Code of Practice.

For and on behalf of BSI:


Peter Fu, Managing Director BSI Taiwan



Statement No.: SRA-TW-2020001
2020-05-06

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BSI Taiwan is authorized to conduct assurance activities.

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Disclosure Number	Disclosure Title	核心选项	Page	Note
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General Disclosures

GRI 102 General Disclosures				
GRI-102-01	Name of the organization	V	26	
GRI-102-02	Activities, brands, products, and services	V	26	
GRI-102-03	Location of headquarters	V	27	
GRI-102-04	Location of operations	V	26	
GRI-102-05	Ownership and legal form	V	26	
GRI-102-06	Markets served	V	26	
GRI-102-07	Scale of the organization	V	26	
GRI-102-08	Information on employees and other workers	V	68	
GRI-102-09	Supply chain	V	60	
GRI-102-10	Significant changes to the organization and its supply chain	V	01	
GRI-102-11	Precautionary Principle or approach	V	41	
GRI-102-12	External initiatives	V	23	
GRI-102-13	Membership of associations	V	48	
GRI-102-14	Statement from senior decision-maker	V	05	
GRI-102-15	Key impacts, risks, and opportunities	V	41	
GRI-102-16	Values, principles, standards, and norms of behavior	V	38	
GRI-102-18	Governance structure	V	09	
GRI-102-40	List of stakeholder groups	V	11	

Disclosure Number	Disclosure Title	核心选项	Page	Note
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GRI-102-41	Collective bargaining agreements	V		No guild, NO collective bargaining agreement
GRI-102-42	Identifying and selecting stakeholders	V	11	
GRI-102-43	Approach to stakeholder engagement	V	12	
GRI-102-44	Key topics and concerns raised	V	12	
GRI-102-45	Entities included in the consolidated financial statements	V	31	
GRI-102-46	Defining report content and topic Boundaries	V	16	
GRI-102-47	List of material topics	V	15	
GRI-102-48	Restatements of information	V		no information update
GRI-102-49	Changes in reporting	V	15	
GRI-102-50	Reporting period	V	01	
GRI-102-51	Date of most recent report	V	01	
GRI-102-52	Reporting cycle	V	01	
GRI-102-53	Contact point for questions regarding the report	V	02	
GRI-102-54	Claims of reporting in accordance with the GRI Standards	V	01	
GRI-102-55	GRI content index	V	98	
GRI-102-56	External assurance	V	96	

GRI-103 Management Approach

GRI-103-01	Explanation of the material topic and its Boundary	V	19	
GRI-103-02	The management approach and its components	V	19	
GRI-103-03	Evaluation of the management approach	V	19	

Disclosure Number	Disclosure Title	Core Options	Page	Note
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Topic-Specific Standards

GRI-200 Economic

GRI-201 Economic Performance

GRI-201-01	Direct economic value generated and distributed	V	31	
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GRI-202 市場地位(2016)

GRI-202-01	Ratios of standard entry level wage by gender compared to local minimum wage	V	69	
GRI-202-02	Proportion of senior management hired from the local community	V	67	

GRI-205 Anti-corruption

GRI-205-02	Communication and training about anti-corruption policies and procedures	V	65	
GRI-205-03	Confirmed incidents of corruption and actions taken	V		No Corruption Incidents

GRI-302 Energy

GRI-302-01	Energy consumption within the organization	V	89	
GRI-302-03	Energy intensity	V	89	

GRI-303 Water

GRI-303-03	Water withdrawal	V	90	
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GRI-305 Emissions

GRI-305-02	Energy indirect (Scope 2) GHG emissions	V	89	
GRI-305-04	GHG emissions intensity	V	89	

Disclosure Number	Disclosure Title	Core Options	Page	Note
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GRI-307 Environmental Compliance

GRI-307-01	Non-compliance with environmental laws and regulations	V		No Violation of the law
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GRI-400 Social

GRI-401 Employment

GRI-401-01	New employee hires and employee turnover	V	67	
GRI-401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	V	69	
GRI-401-03	Parental leave	V	70	

GRI-402 Labor/Management Relations

GRI-402-01	Minimum notice periods regarding operational changes	V	71	
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GRI-403 Occupational Health and Safety

GRI-403-03	Occupational health services	V	77	
GRI-403-05	Worker training on occupational health and safety	V	75	
GRI-403-06	Promotion of worker health	V	77	
GRI-403-09	Work-related injuries	V	76	

GRI-404 Training and Education

GRI-404-01	Average hours of training per year per employee	V	64	
GRI-404-03	Percentage of employees receiving regular performance and career development reviews	V	74	

GRI-405 Diversity and Equal Opportunity

Disclosure Number	Disclosure Title	Core Options	Page	Note
GRI-405-01	Diversity of governance bodies and employees	V	66	
GRI-406	Non-discrimination			
GRI-406-01	Incidents of discrimination and corrective actions taken	V	67	
GRI-407	Freedom of Association and Collective Bargaining			
GRI-407-01	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	V	67	
GRI-408	Child Labor			
GRI-408-01	Operations and suppliers at significant risk for incidents of child labor	V	67	
GRI-417	Marketing and Labeling			
GRI-417-01	Requirements for product and service information and labeling	V	53	
GRI-417-02	Incidents of non-compliance concerning product and service information and labeling	V		No Violation of the law
GRI-417-03	Incidents of non-compliance concerning marketing communications	V		No Violation of the law
GRI-418	Customer Privacy			
GRI-418-01	Substantiated complaints concerning breaches of customer privacy and losses of customer data	V		No Violation of the law
GRI-419	Socioeconomic Compliance			
GRI-419-01	Non-compliance with laws and regulations in the social and economic area	V		No Violation of the law

臺灣產物保險

Taiwan Fire & Marine Insurance Co., Ltd.

TFMI 2020 CSR REPORT

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