

# KGI Life Insurance Co., Ltd.

## Policy for Responsible Investment

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Article 1. For responsible investment and sustainable development, KGI Life Insurance Co., Ltd. (hereinafter referred to as “the Company” ) has formulated the Policy for Responsible Investment (hereinafter referred to as the “Policy” ) that incorporates Environmental, Social and Governance (ESG) standards as per the TWSE Stewardship Principles for Institutional Investors and the United Nations Principles for Responsible Investment (UN PRI).

Article 2. The Company’ s principal investment will be governed by the Policy.

Article 3. While evaluating and underwriting deals and managing portfolio, the Company will consider ESG aspects and execute stewardship to create value and facilitate sound development of the Company and the portfolio companies. Specific measures include:

- I. While the Company conducts pre-investment evaluation, it is imperative to consider ESG aspects, and exclude businesses having significant environmental, social or governance disputes as mentioned below:
  - (1) Environmental: Rainforest logging, tobacco industry, polychlorinated biphenyl (PCB), nuclear weapons.
  - (2) Social: Have concrete evidence of involvement in illegal gambling, pornography, drugs, money laundering, terrorist financing, slavery, child labor, or industries that violate human rights.
  - (3) Governance: Have concrete evidence that the Board of Directors’ execution of business has violated laws, regulations, and resolutions of the shareholders’ meeting, and has had a significant impact on the rights and interests of shareholders or investors.

- II. Investment teams will continuously monitor, analyze, and evaluate relevant information on investment targets. If business targets have interests in the criteria for exclusion during the investment period, the investment teams have to quickly review and evaluate if improvements have been made or planned and mention in the evaluation report if to alter investment strategies or lower investment.
- III. In cases where potential targets operate coal-mining businesses or coal/ thermal power plants and are penalized for material environmental pollution over the past 12 months, investment teams have to report if improvements have been made or planned.

Article 4. The following sub-policy governing voting procedure is formulated for shareholders' meeting of the portfolio companies for long-term benefit of the Company' s customers and shareholders:

1. The threshold for the Company to exercise voting rights: The principle is to directly attend the shareholders' meeting of the investee company or to exercise voting rights by electronic voting; in addition, in accordance with the policy of the Taiwan Depository and Clearing Co. (TDCC), if the investee company provides electronic voting, electronic voting will be the primary choice.
2. Before attending the shareholders' meeting of the investee company, the Company should carefully evaluate each proposal of the shareholders' meeting, communicate with the management of the investee company before the shareholders' meeting, complete the evaluation analysis before exercising the voting right, and submit the written report to the Board of Directors after exercising the voting right.
3. The Company respects the professional operation of the investee company. If it is a major issue that must be carried out in operation, the principle is to adopt a supportive approach. However, when it comes to major ESG-related issues, such as violations of corporate governance proposals (e.g. misrepresented financial statements, improper remuneration of directors and supervisors, etc.), negative impacts on the environment (e.g. environmental pollution) or social

(violations of human rights, exploitation of labor rights, etc.) or resolutions that have a significant impact on the long-term interests of the Company's customers and shareholders, they should not be supported.

4. The Company actively participates in the shareholders' meeting of the investee company, adheres to the Insurance Act and related regulations. Before exercising voting rights, the Company will carefully evaluate each proposal. If it is not allowed to exercise the voting right according to the law, it should be abstained.
5. In order to make the customers and shareholders understand better the Company's participation in shareholders' meetings of investee companies, the Company will annually disclose relevant information on the corporate website.

Article 5. The following sub-policy governing engagement with the portfolio companies or deals is formulated to generate adequate and useful information:

1. Any interaction and engagement that helps the portfolio companies or investment targets be recorded in the evaluation of investment strategies.
2. Investment teams shall ascertain from the portfolio companies or deals for the cause, development and handling of incidents, if there was any breach of laws, undermine the Company's ESG policy, or cause damage to the Company's long-term investment value.
3. Investment teams have to advise private equity funds yet to sign the Principles for Responsible Investment (PRI) to refer to the PRI while evaluating potential deals on side letter.

Article 6. The Company will share the PRI on its website, the implementation of responsible investment and related information in the annual sustainability report, and periodically train employees in ESG responsible for implementing the Policy.

Article 7. Relevant laws and internal regulations shall apply where the Policy does not adequately spell out details.

Article 8. Policy and future amendments come into effect on announcement of

approval by the Board of Directors.