

2020 Cathay Century Insurance PSI Disclosure Report



國泰產險
Cathay Century Insurance

Message from the President

Cathay Can Help Cathay Can Help

2020 was chaos! The Oxford English Dictionary, which has been able to select a word to represent each year, has had trouble deciding on a single word because too many major events happened in 2020. Looking back at 2020, the world was severely impacted by a pandemic, and "COVID-19" remains one of the trending words of the Oxford English Dictionary.

As the first property insurance company in Taiwan to comply with the UN Principles for Sustainable Insurance (PSI), Cathay Century Insurance utilized its core competencies as an insurance company to face the impact of the pandemic, and actively offered epidemic prevention policies, providing "Notifiable Infectious Disease Insurance Benefits" and "Child Stay Home Benefits" for Taiwanese people to transfer the risk of the pandemic. After the pandemic subsided, we supported the government's policy to promote domestic travel, and made the coverage of domestic travel insurance even more complete, so that people will not need to worry when they travel.

The social distancing policy implemented to stop the spread of the virus caused global personnel flow to become suspended, and industries were forced into the cloud. This has made digital financial services the choice of more and more people in the post-pandemic era. As the leader of Taiwan's property insurance industry in corporate sustainability, Cathay Century Insurance began preparations in 2017. We were the first to foresee this customer need and responded to ESG issues with digital technology and FinTech, implementing a digital transformation plan to expand from improving individual points in the industry's value chain to the upgrade of consumers' overall digital experience from all processes. We also reduced the industry's negative impact on the environment.

Cathay Century Insurance's successful transformation is there for all to see. We have accumulated over 240,000 digital members as of the end of 2020, and utilized InsurTech to reshape the insurance value chain from enrollment (e.g. personal insurance mobile app), quotation (e.g. commercial insurance quotation system), underwriting (e.g. automatic underwriting for vehicle insurance), to services (e.g. claims app, digital services platform, and chatbot – Alpha), and are actively creating an insurance ecosystem through cross-industry alliances, so that insurance will be more suitable for consumers' daily life situations, and satisfy their need for

personalized risk management. We launched the first e-commerce insurance enrollment platform "BeSafe" in Taiwan in 2020, Fragmented Insurance Products to provide people with all of the coverage they need.

The digital low carbon business operations of Cathay Century Insurance significantly reduce carbon emissions from manual and paper operations. Our digital services, electronic insurance policies, and QR code clauses reduced paper use by 34,120,000 sheets in 2020, reducing carbon emission by approximately 231 metric tons, up 1.7x compared to 2019 as we continue to contribute to the mitigation of climate change. In 2019, we led the industry in completed Product Category Rules (PCR) for property insurance services, and became the only property insurance company in Taiwan to obtain the carbon label from the Environmental Protection Administration (EPA) in 2020.

We believe that continuing to find ways to achieve sustainable development and making thorough preparations is the only way to show our resilience in the chaos brought by the pandemic, and we will seek breakthrough for society to jointly take strides towards a new future!

President, Cathay Century Insurance

Chen Wan-Hsiang



Principle 1: Incorporate ESG into the insurance company's decision-making

Aspect 1: Company Strategy

Dimension	Item
<p>Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations</p>	<ol style="list-style-type: none"> 1. Cathay Century Insurance integrates ESG issues into the decision-making of daily company operations, including the development and design of insurance products, underwriting, claims, investment, risk management, work environment, and community engagement. 2. Cathay Century Insurance's CS Team is subordinate to Cathay FHC CS Committee and supervised by independent directors. 3. Cathay Century Insurance's CS Team meets on a quarterly basis to discuss ESG issues with senior executives, and also discloses important work progress and outcomes of working groups. 4. Cathay Century Insurance's president serves as the convener of the Treating Customers Fairly Promotion Team, and regularly examines the implementation of treating customers fairly in all businesses. The report is submitted to the Board of Directors every six months, promoting the culture of treating customers fairly from a top-down approach to show our determination. 5. In response to the implementation of IFRS 17, Cathay Century Insurance carries out operations according to the schedule set by the competent authority, and reports work progress to the Board of Directors every quarterly. Important tasks completed in 2020 include a review of data fields and the first financial impact assessment. We completed plans for adjusting company strategies (product, investment, risk management, etc.), operating procedures, and internal controls in the first quarter of 2021.
<p>Dialogue with company owners on the relevance of ESG issues to company strategy</p>	<p>Independent directors are invited to attend meetings of Cathay FHC CS Committee each quarter to offer advice.</p>

Integrate ESG issues into recruitment, training and employee engagement programmes

1. The E-learning platform was used to promote anti-money laundering, information security, compliance, risk management, and treating customers fairly courses for overall compliance performance. The completion of all compliance courses reached 100% with 10,464 people completing 10,464 hours of training in 2020.

Course Name	Course Audience	Number of Trainees that Completed Training	Hours of training completed
Anti-money Laundering	All employees	2,197	2,197
Information Security	All employees	2,152	2,152
Compliance	All office staff	1,823	1,823
Risk Management	All employees	2,158	2,158
Treating customers fairly	All employees	2,134	2,134
Total		10,464	10,464

2. Pursuant to Article 5 of Cathay Century Insurance's Ethical Corporate Management Procedures and Guidelines, our Corporate Sustainability (CS) Team is responsible for supervising the results of ethical corporate management, and the Sustainable Governance Team reports the results to the president each year. Employee ethical conduct education and training results in 2020 are as follows:

Item/Contents	Inspection results
Number of individuals scheduled for training	2,120 persons
Number of individuals tested	2,120 persons
Completion rate	100%
Qualification rate (standard: 100 points)	100%

3. Cathay Century Insurance continues to provide ESG education and training for better understanding of international trends, principles, and practices of responsible investment. In 2020, a total of 157 participants received 94 hours of training.
4. Employees are encouraged to obtain the Certified Anti-Money Laundering Specialist (CAMS) certification, and 3 supervisors have obtained the certification.
5. Cathay Century Insurance became the first property insurance company to obtain the carbon label for property insurance services in 2020. We used the reward point collection app of the Environmental Protection Agency (EPA) for employees to better understand the environmental protection mark and become more conscious about purchasing eco-friendly products. Employees can easily collect reward points and redeem them for coupons using the app, which adds value to environmental protection actions and makes employees

friendlier to the environment during daily life.

6. Cathay Century Insurance continues to raise employees' environmental protection awareness through environmental education. As of the end of 2020, we published 24 education presentations through the online green education website. We attracted the attention of employees using the theme "Dictionary of Green Operations", making environmental protection issues interesting and easy to understand, encouraging employees to participate in environmental protection and reduce the negative impact on the environment.
7. Cathay Century Insurance, Cathay FHC, and Hahow jointly developed an E-learning platform for employees in 2020, and encouraged the use of the platform via "learning leave" and "storyteller" events, creating a new education and training experience for employees. Employees' registration rate was 79% in 2020, and the cumulative number of course hours reached 5,279 hours. Statistics of the top five most popular categories of courses are as follows:

Field and type of course	Click rate
GAS negotiation skills: Scenario planning before business negotiations	42.3%
Practical Word skills in the workplace: Complete collection of shortcuts to double your work efficiency	36.7%
Key Excel techniques in the workplace: Understanding basic concepts	22.5%
Presentation: The first step to steady expression	21.3%
GAS negotiation skills: Advanced negotiation techniques to gain an upper hand	19.3%

8. We use results of the Employee Satisfaction Survey as a basis for planning employee care activities and various policies. The survey comprises five aspects, specifically corporate sustainability, employee happiness, organizational commitment, leadership management, and job involvement, in hopes of better meeting employees' needs. The overall satisfaction score in 2020 was 4.22, higher than the previous year.

Year	2018	2019	2020
Overall satisfaction	4.13	4.15	4.22

Aspect 2: Risk Management and Underwriting

Dimension	Item
<p>Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions</p>	<ol style="list-style-type: none"> 1. Cathay Century Insurance examines if the issues, contents, structure, and target customers of new insurance products comply with ESG according to the "Product Development ESG Checklist". A total of 302 products were submitted for review in 2020 and all passed the ESG assessment. 2. To promote ecology and environmental protection and sustainable economic and social development, Cathay Century Insurance integrated risk identification and assessment for ESG (Environmental, Social, and Governance) issues into the underwriting process: <ol style="list-style-type: none"> (1) Environmental issues: We support the government's policy to promote the green energy industry by underwriting risk on good renewable energy business, thereby promoting environmental protection. (2) Construction method issues: We offer opinions based on our loss prevention and underwriting experience to help construction companies determine if a construction method is suitable, if the construction environment is safe, and also assess the risks associated with construction facilities, target objects, or related personnel in the construction process, lowering overall cost of social security. (3) Risk planning issues: Emphasis is placed on whether or not the insured's assets and liabilities are given reasonable consideration and guarantee, ensuring that losses will be fully compensated to achieve social and economic stability. (4) Customer protection issues: Underwriter must look into the policyholder's insurance requirements and fit based on the following principles when taking a case. <ol style="list-style-type: none"> A. Determine if the applicant has insurable interests in the subject matter insured. B. Determine if the construction contract has insurance-related provisions to understand insurance requirements. C. Evaluate if the application conditions (or insurance terms of the construction contract) match the construction risk and scale. 3. In 2020, Cathay Century Insurance prioritized commercial insurance types (such as: commercial fire insurance and engineering insurance) for implementing the sensitive industry control mechanism, and raised the level of authorization required for underwriting involving the following 7 sensitive industries by one level according to the delegation of authority. We carefully assess the ESG risks of our businesses to fulfill out corporate social responsibility. <ol style="list-style-type: none"> (1) Tobacco production

	<ul style="list-style-type: none"> (2) Gambling industry (excluding sale of charity lottery tickets, lawful facilities in tourism hotels, and equipment manufacturing) (3) Sex industry (4) Nuclear proliferation (5) Biochemical weapons (6) Ammunitions and mine manufacturers (7) Tropical forest lumbering industry
<p>Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics</p>	<ol style="list-style-type: none"> 1. Cathay Century Insurance implements processes of the Personal Information Management System (PIMS) and Information Security Management System (ISMS), including internal and external issue evaluation, personal information inventory, risk assessment, performance indicator evaluation, management review, and internal and external audits, for better control over the PIMS and ISMS. We also obtained the ISO 27001: 2013 and BS 10012:2017 international security certifications, and implemented information security measures according to the "information security blueprint". 2. Cathay Century Insurance conducted a remote work drill in response to the impact of COVID-19 and information security threats, and commissioned Deloitte Taiwan to examine the information security risks of remote work with respect to Internet access, data protection, and connection management. Furthermore, we also attach importance to information security mechanisms and introduced white hat hacker red team drills in 2020. We also established a Security Operation Center (SOC) to monitor cyberattacks, and continue to strengthen system stability and security, providing customers with a safe and secure service experience. 3. Cathay Century Insurance is one of the top two largest property insurance companies in Taiwan. Insured assets will sustain more severe damages due to the risk of growingly severe climate change, and result in an increase in the company's claims. Hence, Cathay used scenarios RCP2.6, RCP4.5, RCP6.0, and the most severe RCP8.5, along with the typhoon and flood module, to analyze the potential damages of our exposure to typhoon and flood in the near future (present day-2035), middle of the century (2046-2065), and end of the century (2080-2100). This allows us to make timely improvements to our solvency and risks. The simulated loss in each scenario and period is expected to increase by an average of 1.4x the baseline (2020) based on analysis results for 2020. 4. Using natural disaster model on a quarterly basis, we assess our retained risks and estimate probable loss from natural disasters, such as earthquake, typhoon and flood. According to our latest assessment at 2020 Q4, our probable loss estimate was still within the limit of our catastrophe excess of loss treaty, which indicated our catastrophic risks

	<p>were still protected by our reinsurers. Meanwhile, climate change factors were also included in our stress tests, so we could examine the impact of typhoon and flood disasters in each climate change scenario on our solvency. Based on the results of the stress exam in 2020, the related risks were still acceptable.</p> <ol style="list-style-type: none"> 5. Our operations are mainly in Taiwan. Considering that the natural disaster risk model does not have accurate modules for Taiwan's future climate scenarios, we collaborated with the National Science and Technology Center for Disaster Reduction (NCDR) in December 2020 in planning a typhoon and flood loss model for property insurance, and used it to calculate changes in future loss caused by typhoon and flood. The model can be referenced by the property insurance industry in long-term climate risk management. 6. We need to be fully prepared and plan response strategies for climate change. In 2020, we planned a three-phase approach to climate change for 2020-2025. Each phase includes governance, strategy, risk management, and goals for indicators, and we make rolling adjustments according to goals set for Cathay FHC and Cathay Century Insurance. 7. Cathay Century Insurance considers the ESG participation of the insured during underwriting. In practice, premiums will be increased or reduced for some insurance products, such as: green vehicle insurance offers a 10% discount on premiums to encourage citizens to purchase hybrid vehicles, electric vehicles, and electric scooters, in hopes that drivers will participate in energy conservation and carbon reduction. Cathay Century Insurance began offering green vehicle insurance in 2013, and a total of 18,894 vehicles were insured as of the end of 2020. 8. Cathay Century Insurance not only monitors its capital as required by the law, but also completed its Own Risk and Solvency Assessment (ORSA) report in 2015 to better assess its solvency. We periodically assess our risk appetite to verify the coverage of the special reserve under the Company's equity and liabilities, and began including the identification of and response to emerging risks in the 2019 report. In 2020, we began to disclose the physical risks (e.g. quantified assessment using the RCP scenario module) and transition risks (e.g. offshore wind power insurance, public bicycle insurance, guava crop insurance; internal carbon reduction operations) of climate risk issues, and also formed a TCFD Team to regularly and systematically track developments.
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Aspect 3: Product and service development

Dimension	Item														
<p>Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management</p>	<p>Cathay Century Insurance implements various loss prevention projects, and incorporates ESG issues into product development, underwriting, and services processes. The explanation is as follows:</p> <ol style="list-style-type: none"> 1. Green Insurance <ol style="list-style-type: none"> (1) Renewable energy <p>Cathay Century Insurance provides construction insurance products suitable for the green energy industry's risks during the construction stage, and has been undertaking construction insurance for hydroelectric power plants and solar power generation equipment since 2010. Cathay Century Insurance became the first property insurance company in Taiwan to provide offshore wind turbine insurance, and served as the fronting company for the Cathay United Bank (CUB) offshore wind power syndicated loan in 2016, providing basic insurance for the development of the green energy industry. Our insurance performance is as follows:</p> <table border="1" data-bbox="544 999 1513 1579"> <thead> <tr> <th rowspan="2">Name of insurance product</th> <th colspan="2">2020</th> <th colspan="2">Cumulative amount as of 2020</th> </tr> <tr> <th>Number of policies</th> <th>Premium income (NT\$10,000)</th> <th>Number of policies</th> <th>Premium income (NT\$10,000)</th> </tr> </thead> <tbody> <tr> <td>Hydropower (Contractors' All Risks Insurance, Erection All Risks Insurance, Comprehensive Machinery Insurance)</td> <td>10 (includes insurance endorsement)</td> <td>102.5 (includes insurance endorsement)</td> <td>85 (includes insurance endorsement) (2010 to 2020)</td> <td>11,268.5 (includes insurance endorsement) (2010 to 2020)</td> </tr> </tbody> </table> 	Name of insurance product	2020		Cumulative amount as of 2020		Number of policies	Premium income (NT\$10,000)	Number of policies	Premium income (NT\$10,000)	Hydropower (Contractors' All Risks Insurance, Erection All Risks Insurance, Comprehensive Machinery Insurance)	10 (includes insurance endorsement)	102.5 (includes insurance endorsement)	85 (includes insurance endorsement) (2010 to 2020)	11,268.5 (includes insurance endorsement) (2010 to 2020)
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Name of insurance product	2020		Cumulative amount as of 2020	
	Number of policies	Premium income (NT\$10,000)	Number of policies	Premium income (NT\$10,000)
Solar power (Contractors' All Risks Insurance, Erection All Risks Insurance, Electronics Equipment Insurance, Comprehensive Machinery Insurance)	1,359	8,449.1	4,646 (2015~2020)	22,178.4 (2015~2020)
Offshore wind power (Windcar & Windop)	6 (includes insurance endorsement)	30,594.9 (includes insurance endorsement)	19 (includes insurance endorsement) (2016 to 2020)	85,998.8 (includes insurance endorsement) (2016 to 2020)

(2) Low carbon transportation

Cathay Century Insurance began offering the first green vehicle insurance that incorporates the concept of environmental protection in Taiwan in 2013, and increases people's willingness to purchase green vehicles through a 10% discount on premiums. In 2016, we launched the industry's first bicycle insurance program to fill in the gap of bicycle riders not having any insurance coverage. Cathay Century Insurance offered the first "Public Bicycle Accident Insurance" and "Public Bicycle Third-party Liability Insurance" in Taiwan in June 2018 at the request of the Non-life Insurance Association of the Republic of China. The insurance encourages more people to join the ranks of bicycle riders. As of the end of 2020, Public Bicycle Accident Insurance was provided to Taipei City, New Taipei City, Taoyuan City, Tainan City, Kaohsiung City, Hsinchu County, Miaoli County, Pingtung County, Kinmen County, and Chiayi County, meeting the diverse needs of green consumers and supporting the transition to green transportation.

Name of insurance product	2020		Cumulative amount as of 2020	
	Number of policies	Premium income (NT\$10,000)	Number of policies	Premium income (NT\$10,000)
Green Vehicle Insurance	2,810	3,657.6	18,894	33,640.2
Bicycle Insurance	1,550	401.9	6,465	1,520.5
Public Bicycle Accident Insurance	21	766.8	46	1,219.6
Public Bicycle Liability Insurance	12	1,784.1	22	4,301.8

2. Inclusive Finance

We promote inclusive finance in coordination with the United Nations to create a financial system that effectively and comprehensively provides services to all levels and groups of society. We use our core competencies in insurance to provide the following coverage:

(1) Economically Disadvantaged

Besides providing micro insurance for the underprivileged to gain basic coverage, we also subsidized the micro insurance premiums of the underprivileged to increase financial inclusion. We provided better protection for the disabled in coordination with the Financial Supervisory Commission (FSC) in 2020, striving to make the social insurance network more complete.

Number of organizations for the underprivileged that received subsidies for micro insurance in 2020	Cumulative number of organizations for the underprivileged that received subsidies for micro insurance as of 2020	Cumulative amount of micro insurance subsidies provided to organizations for the underprivileged as of 2020
At the expense of policy holder: 10 Sponsored by Cathay: 32	At the expense of policy holder: 50 Sponsored by Cathay: 57	At the expense of policy holder: NT\$938,113 Sponsored by Cathay: NT\$3,349,515

(2) Farmers

For farmers to be fully compensated whenever they sustain losses from natural disasters, so that they can carry out subsequent repairs and not rely on the weather, Cathay Century Insurance offers various agricultural crop insurance and jointly safeguards farmers' economic security together with the government. As of the end of 2020, there were 997 insured cases of Cathay Century Insurance's agricultural insurance with premium income reaching NT\$13.48 million; there were 137 claims cases with claims amount exceed NT\$2.94 million.

Year insurance product was offered	2016	2018	2019	In planning
Name of insurance product	Government Disaster Relief-linked Mango Crop Insurance	Regional Harvest Mango Crop Insurance	Guava Crop Insurance (typhoon wind speed and rainfall)	Development of Loquat Crop Insurance began in 2020 and formal sales is expected to begin in 2021

(3) The scope of coverage of Cathay Century's long-term care institution liability insurance includes environment safety in the institutions, and also covers the liability of the institutions' operators from improper management or negligence of caretakers, creating a work environment where caretakers are protected. As of the end of 2020, we provided insurance to 300 long-term care institutions and their caretakers, and premium income reached NT\$9.02 million.

(4) Cathay Century Insurance launched the online insurance enrollment website "BeSafe" in 2020, applying InsurTech to Fragmented Insurance Products and provide micro insurance that better meets individual needs. The innovative shopping cart model allows consumers to purchase all of the products they need, giving them a friendlier and more convenient insurance enrollment experience.

3. The Insurance Bureau approved the first "Usage Based Insurance (UBI) and Dynamic Pricing Big Data Analysis" project of a property insurance company in 2020, and also approved the sale of "Cathay Century Insurance UBI Rider", using GPS to record actual driver behavior and adjusting the premium rate accordingly. Drivers are divided into ordinary/excellent/outstanding and can enjoy discounts of up to 20% on their premiums. Furthermore, drivers can view their own driving habits through the app and understand their driving risks, which raises their safety awareness so that they drive safely.

Name of insurance product	2020		Cumulative amount as of March 2021	
	Number of policies	Premium income (NT\$10,000)	Number of policies	Premium income (NT\$10,000)
Cathay Century Insurance UBI Rider Additional Clauses	285	396.3	466	667.7

4. In light of the impact caused by COVID-19, we upgraded the coverage of our health insurance project in 2020, and made it available to people between the ages of 3 and 64. The coverage includes "Notifiable Infectious Disease Insurance Benefits" and "Child Stay Home Benefits", compensating people who are diagnosed with notifiable infectious diseases and when children under the age of 15 need to apply for leave of absence or when school is suspended due to such diseases. The additional coverage will continue to show its value after the pandemic subsides and continue to support policy holders.
5. The domestic travel market rapidly rebounded when the pandemic subsided, and Cathay Century Insurance offered the "domestic travel value-added plan" for citizens when traveling in Taiwan and to offshore islands, offering different packages for independent travel and group travel. We designed suitable coverage items for people who are driving their own car, renting a car, and going island hopping, providing more complete coverage so that policy holders will not have anything to worry about.
6. **Loss Control**
Cathay Century Insurance provides numerous professional services to help customers with ex-ante loss control, and organized 1 loss control seminar and 7 corporate lectures in 2020. We also provided electrical equipment safety inspection services for a total of 92.5 work days and 10 vehicle insurance loss prevention services for corporate customers, reducing the risk of customers sustaining losses by helping customers establish risk management awareness and plans.
7. **Low-carbon Marketing**
The digital low carbon business operations of Cathay Century Insurance significantly reduce carbon emissions from manual and paper operations. We reduced paper use by 32,210,000 sheets in 2020 via electronic insurance policies, QR code clauses, digital services platform, and the mobile insurance enrollment/claims app, reducing carbon emission by approximately 231 metric tons, up 1.7x compared to 2019 as we continue to contribute to the mitigation of climate change.

<p>Develop or support literacy programmes on risk, insurance and ESG issues</p>	<p>1. Cathay Century Insurance established the "comprehensive identification of risks for all ages" strategy based on the loss control vision of "loss prevention education for all ages", exercising our core competency of loss control for social care. We have promoted knowledge of risk management in hopes of raising citizens' risk awareness through education and promotion. Our goal is to lower the frequency and scale of accidents, and continually develop and expand the long-term effects of loss control:</p> <p>(1) Student Safety Protection – Accident-free Schools Initiative</p> <p>Starting in July 2021, our promotions have targeted playgrounds of elementary schools, where the highest ratio of accidents occur on campus. We designed and planned activities for first and second graders for them to correctly use facilities and play games on campus. We implemented the first campus loss control project in the country – Accident-free Campus, which educates elementary school students on campus safety concepts in an entertaining way, making it safer when children are playing on the playground. As of the end of 2020, we completed safety inspections of 77 elementary schools, 106 events, and reached over 19,800 elementary school and kindergarten students. These events were held in 13 counties and cities from northern Taiwan to southern Taiwan.</p> <p>(2) Revolutionizing Scooter Safety Education –Accident-free Riders</p> <p>Traffic accidents mainly occur in the 18-24 year olds age group. Cathay Century Insurance thus began to promote scooter safety courses for college students in 2015. Events were held in 15 counties and cities around Taiwan. So far we have organized a total of 156 campus activities and reached over 16,265 students. We jointly promoted the project with a team from Cathay Life to expand its impact in 2020, reaching every corner of campuses through the network to strengthen students' traffic safety concepts and achieve preventive education. As the first property insurance company in Taiwan to obtain the SROI certification, the Accident-free Riders Project passed the certification of Social Value International on February 18, 2020, in which the project's SROI is 3.30, meaning that each NT\$1 invested by the Accident-free Riders Project will create NT\$3.30 in social value. The Project achieved excellent results and led to different levels of impact and changes in stakeholders.</p> <p>(3) Bicycle Safety Education – Accident-free bicycle</p> <p>With consideration to the frequent traffic accidents in recent years, we mainly targeted teenagers between the ages of 10 and 15, and led the property insurance industry in implementing the Accident-free Bicycles Project in 2020. We used AR technology together with the student group insurance services of Cathay Life, and held bicycle safety promotion events on campus. We provided services to a total of 62 schools in Taipei City, Taichung City, Changhua County, Nantou County, and Yunlin County, held 92 safety promotion events, and over 2,800 students and teachers</p>
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	<p>participated in the events. We were invited to participate in the "New Taipei City Information Education Results Presentation" on November 20 and 21, 2020, and was the only property and life insurance company to participate in the event, communicating concepts of safe riding and gradually developing towards the goal of "comprehensive identification of risks for all ages."</p> <p>2. Promotion of Regular Exercise for All – Cathay Triathlon Team</p> <p>Cathay Century Insurance is promoting the triathlon and cultivating national athletes, combining charity with employee activities to create a win-win situation for athletes, employees, and the public. We trained 15 athletes who participated in 22 competitions in Taiwan and overseas in 2020, winning 10 championships, 10 second places, and 8 third places. Internally, we utilized their sports expertise to organize physical fitness, road running, and bicycling riding events. A total of 163 employees participated in the events, which strengthened employee care and health promotion.</p>
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Aspect 4: Claims Management

Dimension	Item
<p>Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood</p>	<ol style="list-style-type: none"> 1. Cathay Century Insurance has a claims section on its official website, and provides easy to understand categories and descriptions to provide customers with the information and documents they need for claims. Customers can also use the convenient online claims progress inquiry function to view their claims progress and records. Furthermore, Cathay Century Insurance’s digital services platform uses a graphic design to show the reporting process and progress of cases. It also uses push notifications of Line to update customers on important information, such as claims progress. 2. Cathay Century Insurance systematically assigns cases for bulk sales of auto insurance. A claims officer will actively contact the customer within 24 hours and explain subsequent operations or matters requiring cooperation based on the situation of the case. Text messages or Line push notifications are sent to update customers on the progress of their claims. 3. Cathay Century Insurance implemented the chatbot – Alpha in coordination with the Group's digital development strategy. Starting in September 2020, Cathay users can enjoy 24/7 personalized services provided by Cathay Century's chatbot – Alpha, including: travel insurance and vehicle insurance inquiry and traffic accident notification, which is expected to significantly reduce telephone traffic during the peak season for travel. Alpha can also immediately handle emergencies, such as changes to the period of travel insurance and call roadside assistance. Customers can resolve complex issues through simple dialogue with Alpha. 4. Cathay Century collects customers' recommendations for individual insurance claims settlement services (including vehicle insurance and health insurance claims settlement) through Net Promoter Score (NPS), and periodically examines results during internal meetings to continue making improvements. The average NPS of individual insurance claims settlement nodes in 2020 was 83, which was higher than the average of 34 points of the insurance industry overseas, showing that most policy holders are satisfied with and willing to recommend our claims services. 5. We established "Cathay Century Insurance Consumer Dispute Settlement Procedures" to improve the efficiency of handling consumer complaints and protecting consumers' rights and interests. We also established a Customer Service Center to handle customer complaints received through different channels. Customers can file a complaint via mail, fax, telephone, external institution (Financial Ombudsman Institution, FSC Insurance Bureau, elected representatives, and consumer protection groups), or by visiting the Company's business unit. Complaints are handled within 30 days after being accepted and

	<p>a response is given to customers.</p> <ol style="list-style-type: none"> 6. According to the complaint and review rate of insurance companies in 2020 announced by the Financial Ombudsman Institution, the complaint rate and review rate of Cathay Century Insurance was 0.00124% and 0.00028%, far lower than the average of 0.0025% and 0.00056%, both the best among domestic property insurance companies, which shows how much Cathay Century Insurance attaches importance to treating customers fairly. 7. Cathay Century Insurance commissioned Focus Survey Research to conduct a survey in 2020 and found that up to 97.3% of policy holders were satisfied with Cathay Century Insurance’s overall service performance; satisfaction with claims services and administrative operations related to insurance enrollment reached 93.3% and 97.3%.
<p>Integrate ESG issues into repairs, replacements and other claims services</p>	<p>Cathay Century Insurance incorporated considerations of ESG issues into the claims process to make the process smoother and also to manage risk.</p> <ol style="list-style-type: none"> 1. Moral issues: When claims personnel of Cathay Century Insurance are handling claims cases, they will report any moral hazard or suspected fraud to their supervisors. Personnel check diagnosis certificates and if claims are filed for different benefits. AML/CFT review operations are also carried out and internal controls have been established. 2. Cathay Century Insurance established a natural disaster and material event response team for major environmental and social disasters, and has response measures and handling procedures for underwriting and asset control. We also established a material/news event reporting system. After the claims department is notified of an incident, it will immediately begin horizontal communication and integrate information across departments using the exclusive app Cathay Team+. The major incident reporting platform is used for supervisors at each level to gain information of the incident within 24 hours, so that they can immediately adopt response measures and provide the best services.

Aspect 5: Sales and Marketing

Dimension	Item									
<p>Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns</p>	<p>1. Underwriting and claims personnel completed 10,857 hours of education and training as required by law in 2020, ensuring their specialized knowledge and skills and awareness of regulatory compliance.</p> <p>2. Cathay Century Insurance began planning the "Accident-free Riders" and "Accident-free Bicycles" loss prevention projects in 2020, and transferred technology to the student group insurance team of Cathay Life via the "Charity" × "Marketing" approach. Through a series of project presentations, event observations, and teaching videos, we completed training for the events and the first event evaluation, accelerating the impact of public welfare services for schools while giving consideration to project efficiency and event quality. Technology transfer results of the projects in 2020 are as follows:</p> <table border="1" data-bbox="528 860 1501 1055"> <thead> <tr> <th data-bbox="528 860 927 904">Technology transfer project</th> <th data-bbox="927 860 1214 904">Accident-free Riders</th> <th data-bbox="1214 860 1501 904">Accident-free Bicycles</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 904 927 949">Events organized by Cathay Life</td> <td data-bbox="927 904 1214 949">43</td> <td data-bbox="1214 904 1501 949">83</td> </tr> <tr> <td data-bbox="528 949 927 1055">Number of students reached by events organized by Cathay Life</td> <td data-bbox="927 949 1214 1055">2,666</td> <td data-bbox="1214 949 1501 1055">2,716</td> </tr> </tbody> </table> <p>3. Cathay Century Insurance uses a variety of digital channels, such as the mobile insurance app, official website, and Line push notifications, to provide internal and external customers with various electronic documents and information on services. This increased the utilization of Cathay Century Insurance's digital operations and services, reduced carbon emissions from paper operations, and realized the goal of low carbon operations.</p>	Technology transfer project	Accident-free Riders	Accident-free Bicycles	Events organized by Cathay Life	43	83	Number of students reached by events organized by Cathay Life	2,666	2,716
Technology transfer project	Accident-free Riders	Accident-free Bicycles								
Events organized by Cathay Life	43	83								
Number of students reached by events organized by Cathay Life	2,666	2,716								
<p>Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood</p>	<p>Cathay Century Insurance is in full compliance with laws and regulations on insurance product design, review, and sales preparation. Information of insurance products is disclosed on the Insurance Market Observation Post System, the product inquiry area on the website of Taiwan Insurance Institute, the official website of Cathay Century Insurance, and the online platform for consumers to access.</p>									

Aspect 6: Investment Management

Dimension	Item
<p>Integrate ESG issues into investment decision- making and ownership practices</p>	<p>Cathay Century is mainly in the property insurance business and uses its own capital and various reserves for investment. We have always insisted on making sound investments, as the connection between companies, society, and the environment becomes growingly closer, we believe that corporate sustainability is shareholders' profits, customer satisfaction, and employee happiness. Our vision regarding sustainability is "lead the way in sustainable insurance and ensure the happiness of society". Hence, we will continue to align ourselves with sustainability trends of multinational companies, take ESG into consideration when utilizing the funds of as an institutional investor, and exert influence on the market and investee companies to become a responsible institutional investor.</p> <ol style="list-style-type: none"> 1. Clear Investment Policy <p>Cathay Century Insurance clearly stipulates in the "Cathay Century Investment Management Process" and "Cathay Century Investment Policy" that the PRI must be taken into consideration when engaging in capital utilization. Cathay Century moreover periodically evaluates whether companies that are investment targets fulfill their responsibilities in environmental protection, ethical corporate management, and CSR. We hope that by using internal and external data to monitor industry trends and changes over a long period of time, we can mainly make investments in industries on an upward trajectory. Our investment decisions take into consideration financial indicators, information transparency, protection of fundamental human rights, whether or not there is a good workplace environment, respect for consumer rights, investment in environmental responsibility, and if the company aims to achieve sustainable development. This will allow our funds to have a positive economic effect, and also create sustainable value for the capital market and general public.</p> 2. Integrating ESG factors into investment decision-making <ol style="list-style-type: none"> (1) Eliminating controversial investment targets: Cathay Century Insurance implements the top-down supervision mechanism of Cathay FHC. We comply with Cathay FHC's Negative Investment and Lending Policy and our own Control Mechanism for Sensitive Industries, and place controversial industries that systematically violate international human rights or involve countries with major disputes, and that involve high environmental, social and, moral risks that lead to negative social impacts (e.g., the tobacco industry, gambling industry, sex industry, nuclear proliferation and biochemical weapon related industries, and tropical forest lumbering industry) on the "investment exclusion list", which we review on a yearly basis. (2) ESG risk assessment: For publicly traded stocks, corporate bonds, and financial

	<p>debentures, we examine the ESG performance of investee companies by using the database of international ESG research institutions before making an investment, and regularly track the investee's performance after investment.</p> <p>(3) Sustainability themed investing: Based on the definition and standard for sustainability themed investment established by Cathay FHC, we focus our investments in five themes, namely low carbon, water resources, infrastructure, aging society and health, and community and inclusive finance. We examine and update our investment watchlist each quarter, utilizing our core competencies to invest in a sustainable future.</p> <p>(4) Cathay Century Insurance supports the development of the renewable energy industry, and has paid more attention to low carbon and green industries. Our low carbon and green energy investment amount reached NT\$250 million in 2020, and total investment amount in other ESG themes reached NT\$80 million.</p> <p>3. Stewardship measures for institutional investors</p> <p>(1) Cathay Century Insurance signed the Stewardship Principles for Institutional Investors and issued its Statement of Compliance with the Taiwan Stewardship Principles for Institutional Investors: Cathay Century Insurance became the first property insurance company to sign the Taiwan Stewardship Principles for Institutional Investors in 2017. The Taiwan Stewardship Principles for Institutional Investors was amended in 2020 in coordination with the latest version Corporate Governance Blueprint (2018-2020) of the TWSE, international trends in stewardship, and operations of domestic institutional investors. Cathay Century Insurance also updated its statement and will gradually implement the stewardship principles for institutional investors according to the amended principles, in order to raise overall return on investments and improve the quality of Taiwan's capital market.</p> <p>(2) Issue stewardship reports each year: Cathay Century Insurance visits companies or attends shareholders' meetings to appropriately communicate and interact with the management of companies it invests in, and thereby implement the Taiwan Stewardship Principles for Institutional Investors. We disclose related information in the annual stewardship reports (attended the shareholders' meeting of a total of 88 companies in 2020, and exercised voting rights in 93.55% and above of annual shareholders' meetings; frequency of visits to companies reached 106 times/year). Our 2018 stewardship report was selected into Taiwan Stock Exchange's List of Companies Most Compliant with the Taiwan Stewardship Principles for Institutional Investors.</p> <p>4. Outsourcing management</p> <p>Cathay Century Insurance takes responsible investment into consideration when signing contracts with mandated asset management companies to ensure they fulfill their duties as</p>
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	asset managers, in hopes that they will attach greater importance to ESG risks and opportunities.
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Principle 2: Make customers and business partners attach greater importance to ESG

Aspect 7: Clients and Suppliers

Dimension	Item								
<p>Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues</p>	<p>1. Cathay Century Insurance is actively implementing control procedures for Socially Responsible Investments (SRI) through mandated investment institutions. The mandated institution reports its actual approach and procedures on a quarterly basis to ensure the implementation of responsible investments. Of the asset management companies providing services to Cathay Century Insurance in 2020, 100% are signatories to the PRI or stewardship principles.</p> <p>2. Cathay FHC and its subsidiaries began implementing ISO 20400 Sustainable Procurement Guidance in 2018. Cathay Century Insurance further complies with the "Cathay FHC Sustainable Procurement Policy" and "Supplier CSR Guidelines" to effectively embed the spirit of sustainable procurement, and also implement the Group's ESG value strategy. Procurement performance in 2020 is shown in the table below:</p> <table border="1" data-bbox="523 1088 1514 1335"> <thead> <tr> <th data-bbox="523 1088 1227 1137">Item</th> <th data-bbox="1227 1088 1514 1137">Performance</th> </tr> </thead> <tbody> <tr> <td data-bbox="523 1137 1227 1187">Sustainability Training for Suppliers</td> <td data-bbox="1227 1137 1514 1187">100%</td> </tr> <tr> <td data-bbox="523 1187 1227 1283">Local procurement ratio (Local procurement amount/Total procurement amount)</td> <td data-bbox="1227 1187 1514 1283">90%</td> </tr> <tr> <td data-bbox="523 1283 1227 1335">Green procurement amount</td> <td data-bbox="1227 1283 1514 1335">NT\$18,900,000</td> </tr> </tbody> </table>	Item	Performance	Sustainability Training for Suppliers	100%	Local procurement ratio (Local procurement amount/Total procurement amount)	90%	Green procurement amount	NT\$18,900,000
Item	Performance								
Sustainability Training for Suppliers	100%								
Local procurement ratio (Local procurement amount/Total procurement amount)	90%								
Green procurement amount	NT\$18,900,000								
<p>Provide clients and suppliers with information and tools that may help them manage ESG issues</p>	<p>1. Cathay Century Insurance communicates with the TCFD Team of Cathay FHC, and utilizes its property insurance competencies. Besides assisting internal customers (Cathay Life and Cathay United Bank) with assessing the impact on losses of self-owned real estate and mortgage collateral using the typhoon and flood risk model in 2019, the Chief Risk Officer convened the property insurance TCFD Team, which is formed by commercial insurance, loss prevention, reinsurance, and risk management departments, in 2020, and periodically tracked internal and external measures in response to climate change. We also organized a corporate loss prevention seminar, which covered issues on climate change, to strengthen the risk management concepts, disaster prevention strategies, disaster trends, and loss assessment of corporate customers.</p> <p>2. We utilized our loss prevention expertise to look into high risk areas and hazards in factories, and assessed the maximum potential loss of assets in various scenarios. Besides providing individual customers with recommendations, we also organized a large loss prevention seminar to update customers on the latest risk trends and response methods,</p>								

	<p>such as: information security and natural disasters, in order to lower operational risks and raise the industry's risk awareness. We have held loss prevention seminars for 16 consecutive years starting in 2005, and completed a total of 40 events; over 4,179 customers have participated in the events.</p> <p>3. With consideration to the concerns of torrential rain and flooding caused by extreme weather, Cathay Century Insurance provides corporate customers with flood simulation and analysis as well as vulnerability evaluation services, verifying whether or not drainage facilities in surrounding areas have sufficient capacity and vulnerable areas prone to flooding. This provides the basis for flood warning and improving drainage facilities at factory sites, reducing the risk of flooding and preventing asset loss.</p> <p>4. Cathay Century Insurance carries out field surveys and data collection to assess whether or not solar panels can withstand the strong winds of a typhoon without being damaged, and also provide improvement recommendations to help solar power operators manage their risks. It also lowers the risk of losses caused by natural disasters during the operation and maintenance phase, and will improve the quality of the overall solar power industry. This will help the government achieve policy goals for the green energy industry. As of the end of 2020, we have completed the assessment of 47 project sites.</p>
<p>Integrate ESG issues into tender and selection processes for suppliers</p>	<p>1. Procurements of Cathay Century Insurance comply with the Regulations for Procurement Management. CSR is listed as a basic condition for procurement contracts, and ESG issues will also be incorporated into provisions as well. We will continue to support the development of green products through our purchasing power, and jointly create a sustainable supply chain.</p> <p>2. Cathay Century Insurance established the "Supplier CSR Guidelines" in hopes that all suppliers of Cathay Century Insurance, as well as all members of the supply chain directly or indirectly related to suppliers, will jointly fulfill their CSR according to local laws and regulations, industry characteristics, geographic environment, operating conditions, organizational scale, and employee structure.</p> <p>3. In addition to the "Supplier CSR Guidelines", we also added related text descriptions into contracts. In the case of the multi-function printer contract signed last year, we added a CSR clauses requiring vendors to comply with our "Supplier CSR Guidelines" .</p>
<p>Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework</p>	<p>1. Cathay Century Insurance began complying with the United Nations' Principles for Sustainable Insurance (PSI) in 2017, becoming the first property insurance company in Taiwan to comply with the PSI. Compliance results of 2020 will continue to be disclosed in 2021, and customers and suppliers can download the PSI Compliance Report from the website of Cathay Century Insurance to use as reference for compliance.</p> <p>2. Cathay Century Insurance began preparing CSR reports in 2020 in coordination with the Green Finance Action Plan 2.0 implemented by the Financial Supervisory Commission (FSC). In the future, we will prepare reports in accordance with the GRI framework, and</p>

	<p>obtain assurance from an accounting firm. We plan on disclosing Chinese and English versions of our CSR report on the company website in 2021, providing the reports for reference by customers and suppliers.</p>
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Aspect 8: Insurers, Reinsurers and Intermediaries

Dimension	Item
<p>Promote the adoption of the Principles</p>	<p>Cathay Century Insurance diversifies its risk through reinsurance to ensure the company’s stable operation. When dealing with reinsurers, we not only consider the price, underwriting and claims services, but also their commitment to CS and measures. Of the insurance, reinsurance companies, and reinsurance agents we are currently working with 27 companies are signatories to the PSI.</p>
<p>Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry</p>	<p>Cathay Century Insurance ensures the promotion of ESG issues by insurance brokers and agents through propaganda and services.</p> <ol style="list-style-type: none"> 1. Insurance brokers and agents are encouraged to use EDM and reduce the use of printed materials for environmental protection. 2. Corporate customer risk lectures, loss control seminars, auto insurance loss prevention training and services are provided to insurance brokers and agents; teaching materials are provided via digital files and digital media to reduce paper use. 3. Besides cooperating with the government’s paperless policy, we are also promoting the use of electronic certificates for compulsory auto liability insurance and other insurance policies. 4. We developed online and mobile insurance enrollment services for insurance brokers and agents to provide more efficient services while delivering a great customer experience and reducing paper use.

Principle 3: Jointly promote ESG issues with the government and insurance supervisors

Aspect 9: Governments, Regulators and Other Policymakers

Dimension	Item
<p>Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues</p>	<ol style="list-style-type: none"> In response to government promotion of FinTech innovation and development, Cathay Century Insurance is actively applying for patents. We have obtained 10 patents approved by the Intellectual Property Office (IPO), Ministry of Economic Affairs since 2017, in which our "VR driving behavior risk assessment system" and "Smart Go APP for Auto Insurance" received invention patents from the IPO. The Council of Agriculture began offering agricultural insurance on a trial basis in 2015, in hopes of providing greater protection for farmers through insurance. We have developed a number of agricultural crop insurance products, including mango crop insurance and guava crop insurance. We began developing loquat crop insurance in 2020 and continue to develop new products. The FSC encourages innovation in the insurance industry. Hence, Cathay Century Insurance worked together with other insurance companies in using insurance blockchain technology to apply for "Security/Claims Alliance Chain" services on a trial basis. When a policy holder submits an application for contract change or claims to any insurance company, it can be processed by any of the other insurance companies, thus simplifying the application process for policy holders and shortening the time for applying for claims and security services. The service was approved by the Insurance Bureau to be offered on a trial basis in January 2021.
<p>Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions</p>	<ol style="list-style-type: none"> Cathay Century Insurance began actively participating in meetings of the of Insurance Bureau in 2016. After communicating with the county/city governments and operators, we began integrating their opinions to offer "Public Bicycle Insurance" in 2018. The injury insurance for riders is the first real-name policy in the industry that requires the rider to complete registration on Youbike's official website to enjoy coverage free of charge. Cathay Century Insurance integrated internal and external resources to increase the real-name registration rate of YouBike in 2019, so as to raise public awareness of insurance enrollment to cover riding risks. The registration rate steadily rose at an average rate of 1.2% each month in 2020.

	<ol style="list-style-type: none"> <li data-bbox="497 226 1520 539">2. Cathay Century Insurance settles premiums for public bicycle insurance with county and city governments on a monthly basis, and the reduction in administrative costs reflects on the lower premiums, which increases the frequency it is used by citizens. We integrated the format and interface for data on insurance documents, and claims applications received by customer services or the mobile claims app are rapidly approved, creating a win-win situation for government agencies, bicycle riders, operators, and the insurance industry. <li data-bbox="497 562 1520 965">3. Cathay Century Insurance began developing insurance products exclusive for long-term care institutions since 2016, and has interacted with the Ministry of Health and Welfare, Federation for the Welfare of the Elderly, and many long-term care institutions over the years, discussing their long-term care risks to design the perfect product for their needs. We led the property insurance industry in offering long-term care institution liability insurance in February 2020, which provides complete coverage for the potential liabilities of long-term care institutions and the caretakers they employ. This will make people more willing to work in the long-term care industry, and thereby increase the manpower required for long-term care. <li data-bbox="497 987 1520 1256">4. We began working with Tainan City Government Bureau of Transportation and National Yang Ming Chiao Tung University in 2020, combining the resources of industry, government, and academia to jointly draw the traffic risk map of the campus in Yongkang District, Tainan City. The map indicates 17 traffic accident hotspots in Yongkang District, and traffic improvement projects for 11 hotspots were arranged with government assistance. The projects will effectively improve traffic safety in the area.
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Aspect 10: Other Key Stakeholders

Dimension	Item
<p>Dialogue with intergovernmental and non-governmental organizations to support sustainable development by providing risk management and risk transfer expertise</p>	<ol style="list-style-type: none"> <li data-bbox="504 387 1520 663">1. In 2020, Cathay Century Insurance worked together with the Institute of Financial Law and Crime Prevention and Nan Shan General Insurance Co., Ltd. in implementing the "Usage Based Insurance (UBI) and Dynamic Pricing Big Data Analysis" project. The project's UBI is the first of its kind and is an important innovation in the property insurance industry, formally offered on a trial basis as of October 29 after obtaining approval from the Financial Supervisory Commission (FSC). <li data-bbox="504 674 1520 949">2. Cathay Century Insurance and the National Science and Technology Center for Disaster Reduction (NCDR) jointly compiled disaster maps and built a property insurance typhoon and flood loss model in December 2020. Factors required for building the model were determined in a NCDR meeting, and related underwriting and claims data were collected to provide a basis for long-term climate risk management by the property insurance industry.
<p>Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies</p>	<ol style="list-style-type: none"> <li data-bbox="504 965 1520 1290">1. Cathay Century Insurance is a long-term sponsor of triathlons, bicycle races, and group training of athletes based on the philosophy to "cultivate Taiwanese athletes and promote sports development", in hopes of cultivating national level cycling athletes. We utilize the sports expertise of triathlon athletes to improve the health of employees in the Cathay financial group through exercise. We assisted employees in the group with organizing physical fitness training, road running, and bicycle riding events. A total of 163 employees participated in 4 events held in 2020. <li data-bbox="504 1301 1520 1671">2. The Vehicle Insurance Loss Prevention Section of Cathay Century Insurance and the Chinese Taipei Ultra Triathlon Association (CTUTA) co-organized the "Accident-free Bicycles" campus safety promotion in 2020, and utilized sports expertise in loss prevention while jointly promoting bicycle safety education. We co-organized 10 events with the CTUTA in 2020, and a total of 273 students received individual guidance for cycling. The events were both interesting and practical, and make up for the insufficient practice in conventional courses, hoping that every student will understand that knowledge and action should go hand in hand. <li data-bbox="504 1682 1520 1906">3. Cathay Century Insurance began replacing old computers of the IT department in 2020, and worked with the ASUS Foundation in repairing usable computers and donating the computers to underprivileged groups, thereby eliminating digital divide. The donations are also a way of cherishing our planet and reducing waste. As of the end of 2020, we donated a total of 614 computers and reduced 4,973 kg of waste.

<p>Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business</p>	<ol style="list-style-type: none"> 1. According to statistics of the Ministry of Education Campus Security Report Center, on average 3.5 college students die in traffic accidents every week in Taiwan, causing losses to the country and society that cannot be compensated. Cathay Century Insurance utilized its professional competencies in vehicle insurance loss prevention along with practical experience of National Yang Ming Chiao Tung University, and planned the "campus traffic risk map" project for the roads used by students, hoping to bring the attention of teachers and students to traffic accident hotspots on campus, in order to reduce the occurrence of traffic accidents. We completed campus traffic risk maps for National Yunlin University of Science and Technology, Asia University, and National Pingtung University of Science and Technology starting in 2017. In 2020, we targeted Yongkang District, which had the highest frequency of traffic accidents in Tainan City, in which schools in the area include Tainan University of Technology, and Southern Taiwan University of Science and Technology. 2. Cathay Century Insurance jointly offered FinTech courses with National Taiwan University Finance/Information, National Cheng Chi University College of Commerce, and Soochow University School of Big Data Management in 2020. Students who take the courses implement research projects in groups. This increases channels for recruiting different types of talent, and retains outstanding talent in advance.
<p>Dialogue with media to promote public awareness of ESG issues and good risk management</p>	<ol style="list-style-type: none"> 1. Cathay Century Insurance has used its Facebook fan page to share information on risks in daily life with the public, and topics include daily risks, new knowledge of risks, Cathay's risk management products, services, environmental protection, and corporate sustainability, hoping to "grow tall and strong like a tree" and continue to "protect your beautiful homeland". As of the end of 2020, over 50,000 people were following the fan page. 2. Cathay Century Insurance uses the triathlon team's self-media (Facebook) to promote correct knowledge of sports and daily life values, and also organizes events to raise awareness of risk prevention during cycling and sports events. We have achieved high visibility in our target customer group, and made a positive impact on social media, successfully contributing to public physical and mental health, protection against risks, and promotion of loss prevention concepts. 3. Cathay Century Insurance and Youtuber Howhow jointly produced two clips "Don't be nervous if you crash into a supercar – Let Howhow explain" and "Visit a haunted building with Howhow" in 2020, using an interesting and dramatic scenario with the packaging and influence of a Youtuber. The clips were uploaded on the Facebook page and Youtube channel of Howhow, as well as the Facebook fan page of Cathay Century Insurance, reaching over 7 million people in 2020. The clips had over a million views and successfully merged insurance education with consumers' daily life scenarios, achieving education through entertainment. 4. Cathay Century Insurance's digital services platform along with the messaging app Line on

	<p>a mobile device is the perfect combination. Besides providing customers with personalized insurance services, we share posts containing insurance knowledge and issues that the public is concerned about in our Line group, allowing customers to understand the essence of insurance. We also use social media and events to attract customers to join the platform. We analyze customers' potential needs based on digital interactions, and provide them with more accurate contents and risk management messages. As of the end of 2020, we have over 500,000 Line friends, in which over 248,000 were members (personalized notifications are provided).</p> <p>5. Cathay Century Insurance issues a PSI Disclosure Report every year on its compliance with the four principles of the PSI. We plan to include contents of PSI disclosures into the Cathay Century Insurance Sustainability Report in coordination with the FSC's development plans for Green Finance 2.0 in 2022.</p>
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