# Shin Kong Life Insurance Co., Ltd.
# Sector specific guidelines

Formulated on June 6, 2023

## I. Guidelines for Controversial Industries

(1) Guidelines for the tobacco industry

Considering that direct support in the tobacco industry through investments with the Company's own funds is inconsistent with the Group's objectives of health promote and disease prevention, in order to reduce the health risks associated with tobacco and reputation risks to stakeholders, investments in equity and fixed-income products, as well as financing transactions, shall not be conducted with counterparties whose revenue from tobacco-related industries, including tobacco cultivation, manufacturing, and sales, exceeds 50%.

(2) Guidelines for the gambling industry

Considering the potential governance risks related to illegal money laundering and organized crime activities, and regarding the negative reputation risks to stakeholders, investments in equity and fixed-income products, as well as financing transactions, shall not be conducted with counterparties whose revenue from gambling activities exceeds 50%, except for non-profit gambling enterprises.

(3) Guidelines for the fur trading industry

The Group believes that illegal fur trading violates international animal welfare regulations and raises concerns about inhumane animal farming practices and the lack of measures to mitigate negative impacts on animals. To eliminate such practices and reduce risks to animal welfare and stakeholder reputation, investments in equity and fixed-income products, as well as financing transactions, shall not be conducted with enterprises engaged in black market fur trading.

(4) Guidelines for the tropical rainforest logging industry

The Group recognizes that biodiversity challenges are an extension of climate action, and degradation of ecosystems accelerates climate change, leading to the destruction of pristine natural habitats. Tropical rain forest logging, in particular, destroys natural carbon sinks and releases greenhouse gases, contributing significantly to climate change and biodiversity loss. To mitigate climate change and biodiversity risks, investments in equity and fixed-income products, as well as financing transactions, shall not be conducted with enterprises whose raw materials for business operations come from tropical rain forest timber.

## II. Carbon-intensive industries

(1) Guidelines for the coal-related industry chain:

Considering the adverse effects of coal mining, processing, and usage, including air pollution and the generation of substantial solid waste annually, as well as the higher risk of fatal injuries to miners, in order to mitigate the potential risks associated with the coal industry, such as climate change, environmental impacts, biodiversity loss, and labor hazards, investments in equity and fixed-income products, as well as financing transactions, shall not be conducted with counterparties whose business operations involve coal mining and equipment, coal trading, and coal transportation, or with counterparties in the power sector whose power generation source exceeds 50% from coal-fired generation and there is a lack of active transition to using renewable energy sources.

(2) Guidelines for the unconventional oil and gas industry:

Considering the threats posed by unconventional oil and gas exploration and extraction, including tar sands, shale oil & gas, Arctic oil & gas, ultra-deep-water oil & gas (water depth exceeding 5,000 feet), and liquefied natural gas from unconventional fossil fuels, to climate and environmental ecosystems, in order to reduce the potential climate change, environmental, and biodiversity risks associated with unconventional oil and gas industries, investments in equity and fixed-income products, as well as financing transactions, shall not be conducted with enterprises where over 50% of their revenue comes from unconventional oil and gas exploration.

(3) For investment targets that do not fall into the above two categories of carbon-intensive industries, actions shall be followed according to Article 3, Paragraph 2 outlined in the Policy and procedures.