

Humanity and the Future

KYOBO LIFE Sustainability Report 2021



About This Report



Humanity and the Future

At Kyobo Life, we firmly believe that people are our most precious asset, and that the company of the people, by the people, for the people, shall exist. Inspired by this philosophy, “Humanity and the Future,” we express our sincere commitment to people-centered management.

Report overview

Kyobo Life has published its Sustainability Report every year since 2011. The previous Report was published in August 2021, and this Report is the 12th Sustainability Report, published with the aim of sharing our sustainability management activities and achievements. The Company will continue to actively collect stakeholders’ opinions and reflect them in our management.

Reporting Standards

This Report was prepared in accordance with the Core Option of GRI (Global Reporting Initiative) Standards, which is an international standard guideline for Sustainability Reports. In addition, this Report applies the reporting standards and frameworks outlined by the TCFD (Task Force on Climate-Related Financial Disclosure), SASB (Sustainability Accounting Standards Board), and the UNEP-FI Principles for Sustainable Insurance (PSI), and reflects the 10 Principles of the UN Global Compact (UNGC) and the UN SDGs. The financial information included in this Report was compiled based on the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period

This Report covers our activities from January to December 2021, and some major activities show three-year data from 2019 to 2021 for trend comparison. In terms of important information that may affect stakeholders, it covers some activities before 2021 and from the first half of 2022.

Reporting Scope

The scope of this Report includes domestic operations such as headquarters and FP branches of Kyobo Life but excludes the Company’s overseas branches. In addition, our social contribution activities include the activities of Kyobo Life’s public foundation. Some data that do not correspond to the previous report are indicated separately.

Report Assurance

This Report has been subjected to a third-party assurance process administered by an independent assurance service provider, to enhance its credibility and quality. The Independent Assurance Statement is provided on page 138.

Additional Information

This Report is published in Korean and English, and can also be viewed and downloaded on the Kyobo Life website (www.kyobo.co.kr).

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QR Code for the Report

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CEO Message



**Dear stakeholders,
I would like to extend my heartfelt gratitude to all of you for your sincere interest and support.**

In 2021, we continued to face challenges due to the prolonged COVID-19 pandemic, economic recession, and increased volatility in financial markets. With accelerated digital transformation across the industry, we are also facing a big wave of change as big tech companies are entering the financial industry. Despite the difficult business situation, Kyobo Life declared its Vision2025 “To become the leading financial company delivering value in art & culture” by implementing future management strategies premised on digital transformation in order to ensure sustainable growth. By doing this, Kyobo Life will be reborn as a company that creates a special customer experience and value that encompasses culture and finance by strengthening the traditional insurance business and securing a foundation for future growth.

Kyobo Life carries out differentiated ESG management based on the human-centered management philosophy of “pursuing mutual growth with all stakeholders.” In 2021, we enhanced execution capabilities by operating the ESG Council and the ESG Working-Level Council, and established the Sustainable ESG Committee under the board of directors at the beginning of this year to secure the driving force and response system for ESG management. In addition, we established and disclosed ESG policy, the basis of ESG management, to strengthen our commitment to implementing the policy. Kyobo Life is deeply aware of the need to engage in resolving environmental issues to achieve a sustainable future for humanity. In 2021, we declared “Coal Phase-out Finance” to actively promote the transition to a low-carbon economy. Kyobo Life, as a member of the UN Global Compact, expresses its unwavering support for the 10 principles in the four areas presented by the UN Global Compact, and actively reflects them in the overall Company’s management. The implementation status will be revealed through the Sustainability Report.

Kyobo Life’s commitment to pursuing mutual growth with all stakeholders in 2021 is as follows:

Commitment to ‘being a company that provides optimal insurance coverage and ongoing service’

Kyobo Life develops products to provide optimal insurance coverage that meets customer needs. In 2021, we acquired the exclusive right to use in recognition of the originality of policy rider covering specific diseases related with relieved co-payment policy. We have endeavored to protect financial consumers by launching the “NICE KYOBO” campaign, which enhances the mindset and execution power for complete-subscription of all employees and financial planners. In recognition of these efforts, we received a commendation from the Fair Trade Commissioner at the “Consumer Centered Management (CCM) 2021” for the eighth consecutive times.

Commitment to ‘being a company that succeeds together with its Financial Planners’

Kyobo Life is strengthening the competencies of financial planners, believing that the professionalism of financial planners is the Company’s competitiveness. In order to overcome the challenges in face-to-face education due to COVID-19, we have built a digital learning platform to provide an environment where financial planners can learn at their convenience, anytime, anywhere. In addition, we help financial planners strengthen their service competitiveness by establishing a “Customer Profile-Based Life Event Prediction System” to provide customers with data-based personalized diagnostic services.

Commitment to ‘being a company that grows together with our employees’

Kyobo Life supports employees to secure suitable digital competency in the digital age. In 2021, we established the “Kyobo Digital School,” a digital talent development program, to improve the digital leadership capabilities of executives and team leaders and to strengthen the digital competencies of employees. In addition, we operated a digital leadership course for executives and team leaders, and conducted a training course on understanding data to help all employees better understand data and develop basic knowledge. In addition, we built “Kyobo LABS,” a mobile-based, two-sided learning platform that supports the spread of creation and sharing of knowledge and experience among employees in the workplace.

Commitment to ‘being a company that is attractive to investors’

Kyobo Life has continued preemptive risk management despite high volatility in financial market, actively defending the decline in recurring yield. We simultaneously conduct preemptive response to regulatory changes, such as the introduction of K-ICS by expanding asset duration and minimizing the mismatch of cash flow of assets and liabilities. As a result, we recorded a total asset of KRW 131

trillion, net income of KRW 489.3 billion, and 3.45% of operating asset yield based on the consolidated financial statement in 2021. In addition, we have created an investment environment that not only secures financial stability but also grows together with stakeholders by issuing the ESG-certified hybrid securities of KRW 470 billion for the first time in the industry.

Commitment to ‘being a company that wins together with partners and ecosystem players’

Since 2019, Kyobo Life has discovered, fostered, and collaborated with outstanding start-ups with innovative technologies in a wide range of areas such as healthcare and childcare through its “InnoStage,” an open innovation program. This program was recognized as a differentiated win-win innovation model and therefore won “Korea’s Win-win Management Leader Awards” in 2021. In addition, we are creating a digital ecosystem by creating the “Kyobo New Technology Investment Fund No.1” and discovering future growth engines in collaboration with investment targets.

Commitment to ‘being a company that grows together with the government and communities’

Kyobo Life operates “Impact Up,” a project that fosters ICT-based start-ups and creates social values for the future generations including children and youth in vulnerable positions. As a result, we have fostered 18 social enterprises over the past four years. In addition, we are striving to protect the environment for future generations by reducing paper consumption through the adoption of an electronic document system using digital technology at customer plaza windows nationwide and conducting the in-house environmental protection campaign “ECO Together.”

Kyobo Life will make an effort to promptly respond to the rapidly changing business environment through continuous innovation and achieve a new vision. In 2022, we will strengthen our core competitiveness in the digital era and accelerate our challenges based on the achievements in 2021, which established the initial infrastructure system for digital transformation throughout the business. Going forward, Kyobo Life will actively fulfill its social responsibilities as a corporate citizen and implement substantial ESG management to pursue mutual growth with all stakeholders while continuously communicating with stakeholders.

We sincerely appreciate and ask for your continued interest and support in Kyobo Life.
Thank you.

July, 2022
Chang Jae Shin, Chairman & CEO of Kyobo Life

Summary of 2021

Vision2025

Declaration of Vision2025

Kyobo Life held a "Vision2025" declaration ceremony in April 2021 and announced a new vision to become the "leading financial company delivering value in art and culture" by 2025. In line with Vision 2025, the company's core purpose has also been changed to 'holistically enrich everyone's lives through financial, intellectual and cultural growth.' Kyobo Life will increase insurance coverage of customers, the essential value of life insurance, and provide differentiated customer experiences and services in the art culture and finance & (non-insurance) investment sectors. In addition, we will enhance the competitiveness of the life insurance industry through continuous innovation and secure future growth engines.

 Refer to page 12 for details.

No. 1 for the 12th consecutive year

Ranked No. 1 in the life insurance sector of the "Korean Sustainability Conference 2021" for the 12th consecutive year

Kyobo Life ranked No. 1 in the life insurance sector of the Korean Sustainability Index at the "Korean Sustainability Conference 2021," which is an award for the 12th consecutive year since the life insurance evaluation began in 2010. The Company was highly praised for its contribution to creating a sustainable social structure by fostering social enterprises, supporting the underprivileged, and discovering start-ups. In addition, its active response to climate change received excellent evaluations.

A+ & A1

FitchRatings | Moody's

Acquired the highest credit rating in Korea's life insurance industry from Fitch Ratings and Moody's

Fitch Ratings and Moody's, which are the two most significant rating agencies in the world, have respectively given Kyobo Life A+ and A1 ratings. The Company is Korea's first life insurer to have the highest ratings in Korea's life insurance industry, and this shows their credibility for the Company's stable financial structures and risk management capacities.

Awarded the Excellent Prize



Awarded the Excellent Prize at the "Consumer Centered Management (CCM) 2021"

Kyobo Life was awarded the Excellent Prize and received a "Fair Trade Commissioner's Commendation" at the "Consumer Centered Management (CCM) 2021." The Company has been recognized for taking the lead in protecting financial consumers and leading a consumer-centered insurance sales culture and has maintained CCM certification for 15 years since 2007.

KYOBO's Highlights

Kyobo Life consistently creates business performances with a focus on the life insurance business, and carries out various activities in Environmental, Social, and Governance to achieve substantial sustainability management.

BUSINESS HIGHLIGHTS

Key achievements^(as of December 2021)

KRW131 trillion

Total assets

KRW 489.3 billion

Net income

KRW 9.149 trillion

Amount of claims paid

266.6%

RBC



4.25%

ROE

4.01 million

No. of policy holders



Credit ratings^(As of 2022)

Domestic

AAA

Three top Korean companies (National Information & Credit Evaluation, Korea Investors Service, Korea Rating) have awarded Kyobo Life the rating of AAA

International

A+

Fitch Ratings awarded an A+ rating for the 10th consecutive year

A1

Moody's awarded an A1 rating for the eighth consecutive year

KYOBO's Highlights

ESG HIGHLIGHTS (~2022)

E

Environmental

Global Initiative

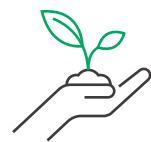
- Joined the TCFD (Task Force on Climate-related Financial Disclosures) and PSI (Principles for Sustainable Insurance)
- Joined the CDP (Carbon Disclosure Project)

Eco-friendly Workplace

- Created a paperless office
- Promoted an electronic subscription system

Green Finance

- Declared a Coal Phase-out Finance
- Issued the first ESG-certified hybrid securities (sustainability bonds) in the industry
- Expanded eco-friendly investments (KRW 3.7 trillion)



S

Social

Win-win Cooperation

- Recruited the Round-3 InnoStage (Start-up Development Program)
- Created 'Kyobo New Technology Investment Fund No.1'

Customer protection

- Acquired Consumer Centered Management (CCM) certification
- Awarded the highest grade in Assessment of Financial Consumer Protection Status announced by the Financial Supervisory Service

Human rights and diversity

- Established human rights policy and diversity policy
- Operated Employee Grievance Center
- Held Women Leadership Conference



G

Governance

Establishment of ESG Governance

- Established a Sustainable ESG Committee
- Operated ESG-dedicated organization

Ensuring Board diversity

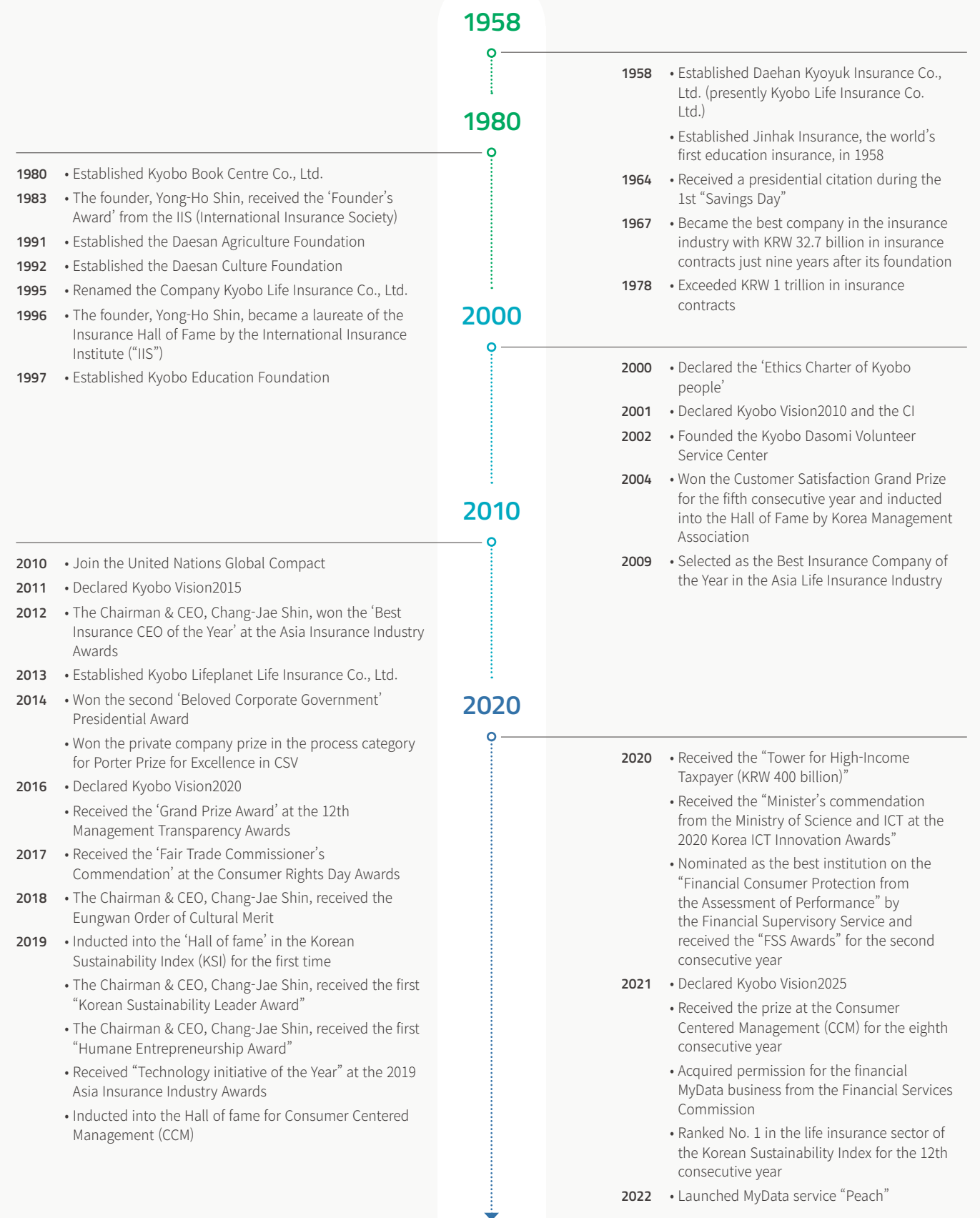
- Established Board diversity policy
- Appointed two females outside directors

Ethical management

- Kyobo Life Employees' Code of Professional Ethics
- Compliance Program (CP)



KEY MILESTONES



Company Overview

Since its establishment in 1958, Kyobo Life has walked the path of a life insurance company in its honest and sincere manner and led the industry by practicing our customer-centered core values to keep our commitments to our customers. In addition, based on human-centered management that “people are the most valued assets,” the Company shows solid trust and unchanging values to all stakeholders.

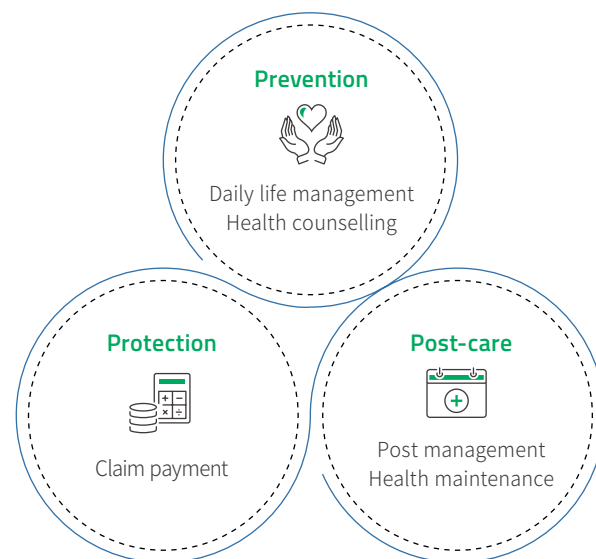
Company Profile

Company name	Kyobo Life Insurance Co., Ltd.
Business type	Life Insurance
Head office	Kyobo Life Insurance Co. Bldg., 1, Jong-ro, Jongno-gu, Seoul, Korea
Establishment date	August 7, 1958
Main business	Life insurance, Retirement pensions, Trusts
Relevant Markets	Republic of Korea, Japan, USA, China, U.K., Myanmar
Size of organization	No. of employees: 3,839 persons No. of Financial planners: 14,377 persons No. of branches: 496 branches
Affiliates	<p>Financial (8)</p> <ul style="list-style-type: none"> • Kyobo Securities Co., Ltd. • Kyobo AXA Investment Managers Co., Ltd. • KCA Claim Adjustment Co., Ltd. • Kyobo Asset Trust Co., Ltd. • A&D Credit Information Co., Ltd. • Kyobo Life Asset Management Co., Ltd. (Japan) • Kyobo Life Asset Management Co., Ltd. • Kyobo Lifeplanet Life Insurance Co., Ltd. (America) <p>Non-financial (4)</p> <ul style="list-style-type: none"> • Kyobo Book Centre Co., Ltd. • Kyobo Realco Co., Ltd. • Kyobo Information and Communication Co., Ltd. • KCA Service Co., Ltd.



Business Areas

Kyobo Life provides differentiated products and services, including whole life / term insurance, health / integrated insurance, education / child insurance, annuity insurance, and savings insurance, to help customers pursue their precious dreams with confidence throughout their lives. In addition, the Company provides various supplementary services for each product, from disease prevention through health management to post-care.



Major insurance products

Whole Life/ Term Insurance

To protect you and your family in the event of an unfortunate accident

- (No-dividend) Kyobo Budget Whole-Life Insurance (guarantee cost imposed)



Health/Integrated Insurance

To provide services for customers who want to be covered from both major illness and death

- (No-dividend) Kyobo Budget New Health Plus Whole-life Insurance (guarantee cost imposed)



Annuity Insurance

To provide services for customers who are concerned about living longer than the economically active period

- (No-dividend) Kyobo New Plan Pension Insurance



Education/Child Insurance

To provide education funds for your child and to cover illnesses/injuries

- Preview (No-dividend) Kyobo Variable Education Insurance
- (No-dividend) Kyobo My Precious Child Insurance (renewal type)



Savings Insurance

To help customers prepare funds for diverse purposes

- (No-dividend) Kyobo First Deposit Insurance III



Insurance for the Disabled

To provide services designed exclusively for people with disabilities

- (No-dividend) Kyobo Gomduri Coverage Insurance



New Products in 2021

(No-dividend) Kyobo Budget Increasing Whole-life Insurance (guarantee cost imposed)	(No-dividend) Kyobo New GI Variable Whole-life Insurance
(No-dividend) Kyobo Simplified Increasing Whole-life Insurance (guarantee cost imposed)	(No-dividend) Kyobo My Precious Child Insurance (renewal type)
(No-dividend) Kyobo Simplified Issue Health Insurance	(No-dividend) Kyobo My-fit Health Insurance
(No-dividend) Kyobo Super-simple Issue Health Insurance (renewal type)	(No-dividend) Kyobo Cancer Care Insurance (service optional)
(No-dividend) Kyobo New Plus Hybrid Variable Whole-life Insurance	

Major supplementary services

Integrated health-management service

To provide linked health management programs and programs for health improvement in our daily lives, as well as management of diseases with medical specialists, nurses, nutritionists, psychological counselors, sports therapists, etc.

- Kyobo Health Care Service (for VIP customers who subscribe to Whole Life and CI Insurance)



Education-support service

To help children find their dreams and talents, and to develop appropriate characters and desirable leadership and followership with experts in each field by providing affiliate programs with Kyobo Life and Kyobo Book Centre

- Kyobo Edu Care Service (for customers who subscribe to Education Insurance And Child Insurance)



Dementia-management service

To offer the dementia care services that carefully manage dementia according to the symptoms per stage

- Kyobo Dementia Care Service (for VIP customers who subscribe to Dementia Life and Whole Life Insurance)



Digital health-improvement service

To help customers improve their daily habits using mobile apps, and to provide coaching programs and personal counseling after analyzing their health age.

- Kyobo Health Coaching Service (for VIP customers who subscribe to CI Insurance)



Vision2025

Digital transformation has brought major changes not only in the insurance and financial industry, but also in the industry as a whole. The development of digital technology accelerated the entry of big tech companies into the financial sector, and market competition increased with emerging new business models. In line with the trend, Kyobo Life established a new strategy for the digital transformation to survive and grow. After that, Kyobo Life declared Vision2025 as “a leading culture/financial company delivering value beyond the insurance” in April 2021. The Company also changed its mission to “holistically enrich everyone’s lives through financial, intellectual, and cultural growth”.



2022 Management Directive and Major Initiatives

Management Directive

Establishment of foundation to succeed in Digital Era and Acceleration of Challenge

Major Initiatives

- we will strengthen competency of organization by securing digital talents.
- we will expand the provision of emotional customer experience based on the digital.
- we will establish the business ecosystem to secure new growth engine.
- we will focus on building the foundation to succeed in double-sided digital platform.
- we will strengthen the growth of insurance business by securing new customers.
- we will strengthen profit generation by advancing asset management.
- we will practice advanced consumer protection and prepare the foundation for ESG business management.

Major Affiliates



Kyobo AXA Investment Managers

Company Overview

Kyobo AXA Investment Managers Co., Ltd. was established as Kyobo Investment Advisory in 1988, and was reborn as Kyobo AXA Investment Managers in 2008 through a joint venture with AXA Investment, the best professional investment institution in France. Kyobo AXA Investment Managers assets by operating a transparent management system, and strict internal control and risk management system. With a mission to “support customers to achieve their financial goal through optimized asset management”, Kyobo AXA Investment Managers strives to generate stable profits higher than expectation.

Company Profile

(As of Dec 2021)

Name	Kyobo AXA Investment Managers Co., Ltd.
Address	15F, Kyobo Life Insurance Co. Bldg., 1, Jong-ro, Jongno-gu, Seoul, Korea
Date of establishment	July 7, 1988
Business	Collective investment business, investment advisory business & discretionary investment business
No. of employees	127 persons
Total assets	KRW 88.312 billion
Sales	KRW 45.211 billion
Operating profit	KRW 21.965 billion

Organization

In order to strengthen ESG investment, Kyobo AXA Investment Managers has formed the Responsible Investment Committee (RIC), the highest decision-making body related to responsible investment, supporting decision-making for responsible investment frameworks and policies. In addition, the Company has established systematic responsible investment organizations, including the Responsible Investment Consultation Group (RICG), which reviews responsible investment products, ESG evaluation methods and evaluation results, and the Responsible Investment (RI) Team in charge of responsible investing practices.

Key Competitiveness

Kyobo AXA Investment Managers has outstanding capabilities in the bond and index sector. In addition, the Company has established itself as a flagship fund representing the asset management industry in the power index fund, a representative product in the index sector, exceeding KRW 1 trillion in assets under management for the first time among publicly available index funds launched in Korea. Furthermore, the Company has established a responsible investment framework and governance in collaboration with AXA Investment Managers in France, expanding responsible investment in a wide range of fields.

ESG Performance

- Declared the “Coal Phase-out Finance” and “Green Walking Challenge”, contributing to the transition to a low-carbon society through ESG activities such as energy saving in the workplace
- Ensured simultaneous creation of financial and social value by launching Korea’s first climate change impact fund and multi-bond ESG-related private equity funds
- Applied “Kyobo AXA Investment Managers Responsible Investment (RI) Framework” and “RI (Responsible Investment) Business Regulations” at the company-wide level
- Established news RI (Responsible Investment) Team / Built a governance system composed of Responsible Investment Committee (RIC) and Responsible Investment Consultation Group (RICG)
- Promoted ESG asset management by regularly monitoring ESG Controversy and regularly publishing ESG Research Report

Awarded the Grand Prize

In the global IT sector at the 2022 Korean Fund Awards (RoboTech Fund)



Awarded the Best Asset Manager

In the domestic bond sector at the 2021 Korean Fund Grand Awards (Korea Economic Daily)



Established governance framework

Established responsible investment governance framework and formed a dedicated organization in 2021



Major Affiliates

Kyobo Securities



Company Overview

Since its establishment in 1949, as the first securities company in Korea, Kyobo Securities Co., Ltd. ("Kyobo Securities") has contributed to the development of the securities industry, guided by its clear vision and bold challenging spirit. In a rapidly changing business environment, the Company is enhancing customer value and creating a better future based on innovative financial services that connect new experiences and values. The Company is actively implementing ESG management and will become a company recognized as a global ESG leading company that can satisfy all stakeholders based on sustainable, transparent and ethical management.

Organization

Kyobo Securities is strengthening its operational expertise in business units and expanding synergies between business units under each representative system (General IB-WM, General Admin And Management). In order to establish a foundation for sustainable growth, the Company has established a new digital business unit, which is a new future growth engine, and added a new technology venture capital business.

Key Competitiveness

Kyobo Securities secured strong competitiveness in asset management and IB sector based on the excellent leadership of the top management and the professional competencies of the employees. The Company has increased profitability by developing financial products and strengthening risk management in asset management, and continuously expanded its revenue and market share by improving its capabilities in acquisition, arrangement and real estate finance in the IB sector. Through diversification of its business portfolio, the Company achieved record-high performance in 2021.

ESG Performance

1. Established and ran ESG governance (ESG Committee and ESG Management Council) / Built an ESG management strategy system
2. Established ESG financial investment principles to prevent potential financial and non-financial risks in advance
3. Provided ESG investment information through publication of ESG Report by Research Center
4. Joined UNGC (UN Global Compact), the corporate sustainable initiative

Company Profile

(As of Dec 2021)

Name	Kyobo Securities Co., Ltd.
Address	97, Uisadang-daero, Yeongdeungpo-gu, Seoul
Date of establishment	November 22, 1949
Business	Brokerage business, dealing business (stocks, bonds, other securities), OTC derivatives business, investment banking business, etc.
No. of employees	999 persons
Total assets	KRW 11.4838 trillion
Sales	KRW 2.2481 trillion
Operating profit	KRW 185.533 billion

Highest-ever net profit

Recorded the highest-ever net profit of KRW 143.3 billion in 2021



Joined UNGC

Joined UNGC(UN Global Compact), the corporate sustainable initiative in 2022



Awarded the Gold Prize

In the financial and capital market category at the LACP 2020 Vision Awards



Kyobo Book Centre



Company Overview

Since its foundation in 1980 aiming at creating and developing national culture and promoting national education, Kyobo Book Centre is creating a society where people read books and learn based on the philosophy of "People make books, books make people." Kyobo Book Centre provides a variety of knowledge and cultural contents through a convenient system to help people achieve intellectual and social growth. In addition, the Company carries out various activities to spread the reading culture, such as reading campaigns, a campaign to spread the handwriting culture, and support for the youth book token project. As a result, Kyobo Book Centre has been consistently loved by customers, ranking No. 1 in "Korean Customer Satisfaction Index (KCSI)" for the 25th consecutive year.

Organization

Kyobo Book Centre has established a book business promotion organization composed of E-Biz Division, Off-Line Division, and Distribution Business Division, and carried out various book projects. The Company has formed future business promotion organization composed of DT Promotion Office and NEXT Project Promotion Office, and Electronic Support Department composed of Strategic Planning Office, Management Support Office, and Value Innovation Promotion Office.

Key Competitiveness

Kyobo Book Centre has strong brand power as Korea's leading bookstore. In addition, the Company provides printed books and e-book services, available both on and offline, respectively, to create an environment where people can comfortably read books anytime, anywhere through both channels. The Company plans to continuously expand various contents.

ESG Performance



1. Supported books and transaction services (payment, MD) for win-win growth with local small and medium-sized bookstores
2. Created an opportunity to communicate and empathize with social issues by conducting a social empathy campaign "Link" with the theme of children, animals and the environment
3. Committed to revitalizing the reading community in communities and spreading the reading culture by conducting reading education and discussions for middle-aged adults
4. Minimized the use of synthetic resin materials by promoting eco-friendly packaging such as paper boxes and paper air caps

Company Profile

(As of Dec 2021)

Name	Kyobo Book Centre
Address	Kyobo Bldg., 1, Jong-ro, Jongno-gu, Seoul, Korea
Date of establishment	December 24, 1980
Business	Wholesale and retail of books, publishing, contents distribution, etc.
No. of employees	1,084 persons
Total assets	KRW 518.124 billion
Sales	KRW 790.899 billion
Operating profit	KRW 18 million

No. 1 for the 14th consecutive year

In the "2021 National Customer Satisfaction Index (NCSI)"



No. 1 in the large bookstore category

Of the "2021 Korean Customer Satisfaction Index (KCSI)", for the 25th consecutive year.



KRW 790.8 billion

Achieved sales of KRW 790.8 billion in 2021



Major Affiliates

Kyobo Realco



Company Overview

Since its foundation in 1979, Kyobo Realco has provided customized services for each customer's life cycle in real estate business areas, including real estate facility management, asset management, lease consulting, trading consulting, investment advisory, and construction management. Based on its core values "Tenacity and Creativity, Customer-oriented Honesty and Integrity," the Company has consistently practiced transparent and ethical management to build customer trust. In the future, we will create an environment to secure future growth engines and expand new and renewable energy businesses through new ESG businesses.

Company Profile

(As of Dec 2021)

Name	Kyobo Realco Co., Ltd.
Address	14F, Pine Avenue B, 100, Eulji-ro, Jung-gu, Seoul
Date of establishment	November 15, 1979
Business	Facility management, asset management, lease consulting, trading consulting, investment advisory, construction management, etc.
No. of employees	599 persons
Total assets	KRW 68.456 billion
Sales	KRW 118.622 billion
Operating profit	KRW 1.653 billion

KRW 118.6 billion

Achieved sales in 2021



Acquired CIMS¹⁾ certification

in 2020 (ISSA, Worldwide Cleaning Industry Association)

1) Cleaning Industry Management Standard



Awarded the First Prize

Kyobo Gwanghwamun Building subject to Kyobo Realco asset management, awarded the First Prize at the 12th Best Workplace in Safety Management Awards in 2019



Organization

Kyobo Realco consists of Operation Support Division, PM Business Division, Marketing Division, VA Business Division, Logistics Business Division, Safety Technology Support Division, Management Division, Digital Transformation Division, Risk Management Division.

Key Competitiveness

Kyobo Realco has excellent competitiveness in property management (PM) services for real estate finance companies and corporate real estate through years of building management know-how. Based on this, the Company has expanded business areas such as interior construction and laid the foundation for various profit creation.

ESG Performance



- Laid the foundation for eco-friendly energy construction projects such as winning orders for Yeonggwang Solar Power Plant and 22 other places
- Carried out low-NOx burner installation work in Sanggye-dong and 3 other buildings (Beon-dong, Incheon, Jeonju) to comply with the Clean Air Conservation Act

Sustainable Impact

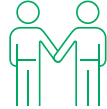


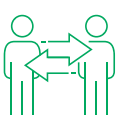




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KYOBO's Sustainability Management System

Based on the Company's sustainability management philosophy of "pursuing mutual growth with all stakeholders," Kyobo Life has established sustainability management system including its commitments and principles for each stakeholder. The Company will continue to achieve stable growth and continuous development by sharing values with various stakeholders.

philosophy of sustainability management **Based on the company's sustainability management philosophy of pursuing mutual growth with all stakeholders**

Stakeholders	Commitment	Principles	Details
 Customers	A company that provides optimum Insurance coverage and on-going services	<ol style="list-style-type: none"> We will listen to customers and manage the Company from the customers' perspective. We will enhance service quality throughout the policy life cycle, from underwriting to persistency and to benefits payment. 	Customers, Making their dreams to be true (46P)
 Financial Planners	A company that succeeds together with our Financial Planners	<ol style="list-style-type: none"> We will pay respect to and trust Financial Planners as our business partners. We will establish fair standards and help Financial Planners engage in their sales and service activities with peace of mind. We will help Financial Planners to grow into insurance experts. 	Financial Planners, Walking in Step (54P)
 Employees	A company that grows together with our Employees	<ol style="list-style-type: none"> We will continue on our corporate culture of joy, pride and trust. We will provide employees with equal opportunities and reward them based on fair performance evaluation. We will help our employees to become experts. 	Employees, Growing Together (60P)
 Investors	A company that is attractive to investors	<ol style="list-style-type: none"> We will continue to produce exceptional profit through good growth. We will increase the value of the Company through preemptive financial and non-financial risk management. 	Investors, Maintaining Trust (68P)
 Partners and Ecosystem Players	A company that cooperates with partners and ecosystem players	<ol style="list-style-type: none"> We will grow together with our partners through fair transaction. We will collaborate with ecosystem players to achieve win-win growth. 	Partners and Ecosystem Players, Living Together (74P)
 Government and Communities	A company that grows together with the government and communities	<ol style="list-style-type: none"> We will fulfill our tax payment and cooperation obligation by complying with the national tax and relevant laws. We will fulfill our social and environmental responsibilities as a corporate citizen. 	Government and Communities, Dreaming of Future (78P)

ESG Governance

Kyobo Life is achieving sustainability management from a long-term perspective by discussing major issues related to sustainability management through the ESG governance.



Sustainable ESG Committee

Kyobo Life established the Sustainable ESG Committee within the BOD to secure a driving force for sustainability management, which comes from the awareness of the need for an independent discussion body from a sustainability perspective within the BOD. The Sustainable ESG Committee consists of one inside director as the chairperson and three outside directors as members, including two female directors. The Committee, as the final decision-making body for sustainability management, discusses ESG strategic directions and key policies for the pursuit of mutual growth with stakeholders and deliberates on and decides environmental, social and governance (ESG) matters.

ESG Council

The ESG Council is a meeting body in charge of establishing ESG strategies and implementation plans, planning and monitoring major tasks, in which the president serves as the chairperson, and the executives in charge attend.

ESG Working-level Council

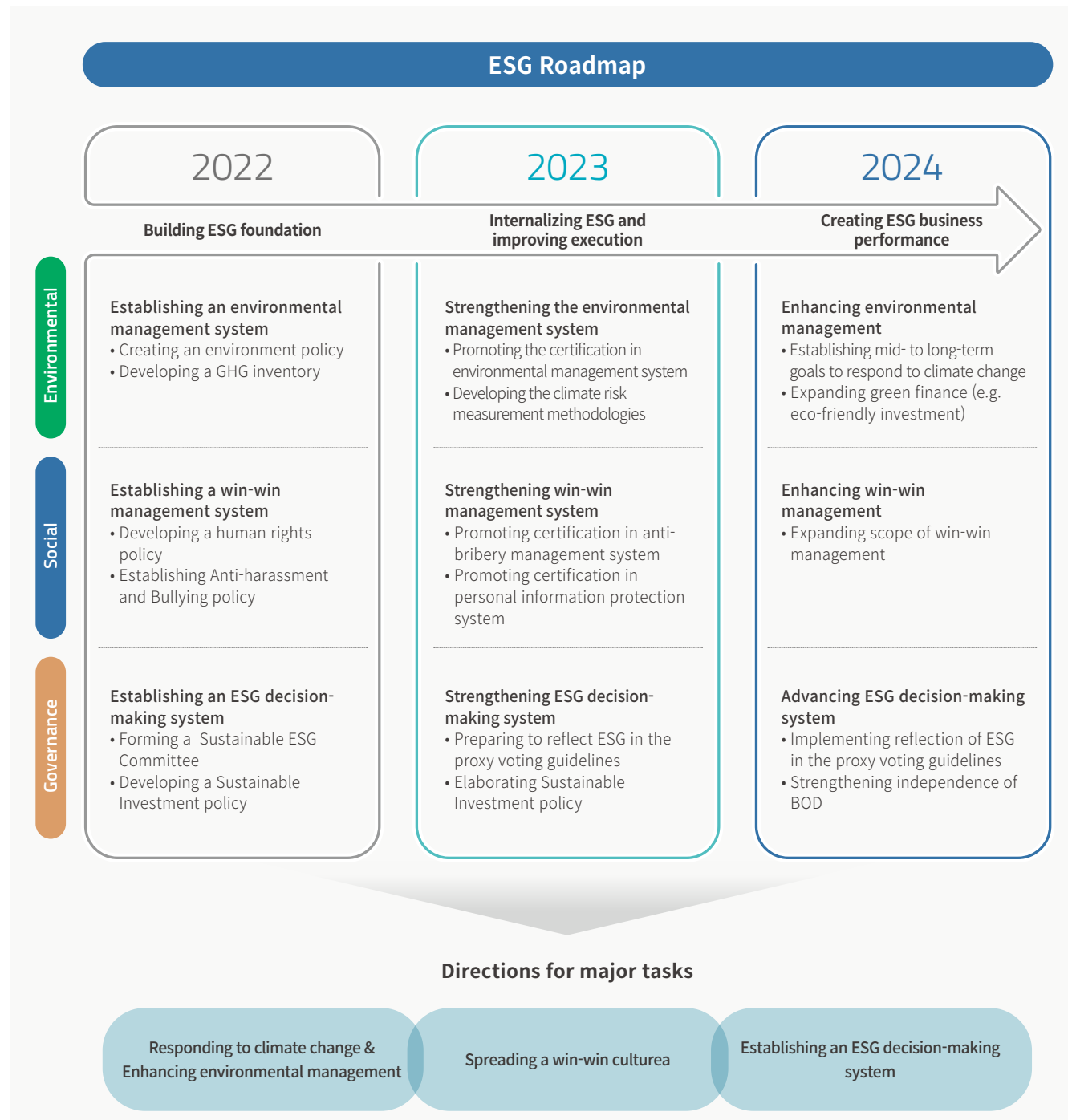
The ESG Working-level Council is in charge of discovering ESG issues and enhancing the execution capacity of ESG tasks, which is operated by business heads.

ESG-dedicated Department

The ESG-dedicated department helps business departments implement their ESG tasks and enhances the execution capacity of disclosure and other tasks.

ESG Roadmap

Kyobo Life has established its ESG roadmap by 2025 to systematically manage sustainability management-related tasks and create significant results. Major tasks were selected every year based on a total of three directions: responding to climate change and strengthening environmental management, spreading a win-win culture, and finally, establishing an ESG decision-making system. By declaring 2022 as the year for building the ESG foundation, the Company will focus on establishing a system for each field.



ESG Performance

Kyobo Life internalizes sustainability management, sets specific implementation policies, and carries them out to achieve various ESG outcomes.

Establishment of ESG Policy

In 2022, Kyobo Life established and disclosed ESG policy, which are external declarations on how to respond to each ESG issue. Kyobo Life will continue to manage and monitor ESG policy through cooperation between the department dedicated to sustainability management and related departments.



Internalization of Sustainability Management

Kyobo Life internalize the philosophy of sustainability management throughout the Company. Kyobo Life regularly publishes easy and fun card news to raise employees' awareness of ESG policies. In addition, the Company also conducted environmental education and environmental campaigns for all employees to encourage them to engage in voluntary environmental protection.



Issuance of Sustainability Bonds

In September 2021, Kyobo Life issued "ESG-certified hybrid securities (hereinafter, referred to as "sustainability bonds") to preemptively expand capital and enhance sustainability management. Sustainability bonds are issued for the purpose of socially responsible investment, such as environmental, social, and governance improvement, which are more meaningful as it is the first life insurance company in Korea. Kyobo Life has issued new hybrid securities worth KRW 470 billion as sustainability bonds to preemptively raise capital. The Company invested KRW 509.1 billion, equivalent to 108% of the issued capital, in ESG-certified green/social business sectors by December 2021, which resulted in a reduction of a total of 97,032tons of carbon emissions.

Refer to p.72 for details

Participation in ESG Initiative (2021~2022)



Expert Interview

In order to ensure systematic and substantial sustainability management, Kyobo Life collects opinions from experts in each field and actively reflects them in its management. In 2021, the Company interviewed experts in a wide range of fields to receive opinions to the most important trends related to sustainability management and to Kyobo Life's sustainability management direction.



Academia

“ Implementing sustainability management at the global level based on a deep understanding of ESG ”

With growing public interest in sustainability management, companies are announcing ESG-related policies one after another. In order to practice authentic sustainability management, companies should establish management directions and strategies based on a deep understanding of ESG. As the government regulations are strengthened every year and information disclosure standards in major countries becomes more stringent, companies should be able to read and preemptively respond to rapidly changing global trends for global-level sustainability management. Kyobo Life, which is a private investor with a long-term perspective, has consistently delivered messages for a better future. I hope that Kyobo Life will continue to reflect changes in environmental, social, and governance at the global level in investment and insurance products and to develop social contribution activities in order to practice sustainability management as a “long-term investor” which looks to the future.



Shin Cho. Professor of Graduate School of Information, Yonsei University

ESG Policy

“ Continuing implementation of customer-centered, human-centered management ”

In recent years, customers have become increasingly interested in corporate eco-friendly management, social responsibility, and governance. Companies that aimed for the pursuit of profits are now focusing more on fulfilling their corporate social responsibility for the community. Kyobo Life has implemented stakeholder-centric human-centered management, and established itself as a leader in Korea's insurance industry through management activities that put customer interests first. In the future, the Company needs to accelerate sustainability management through continuous communication with customers and the launch of products and services that reflect customer opinions. In addition, it is important to increase customer convenience and diversify communication channels through digital innovation in line with the rapid digital transformation movement across industries.



Dae-Jong Kim. Director of ESG Research Center, Korea Research Management & Economics Research Institute

ESG Evaluation

As a member who studies ESG evaluation, domestic & overseas ESG systems and trends, I believe that sustainability management is more important in the fact that the financial industry influences many different industries through investment. The growing role of finance for carbon neutrality at home and abroad, as well as strengthening not only disclosures related to climate change but also regulations on “greenwashing” abroad have increased the importance of finance. As a result, we need to establish a system that can reflect ESG standards in the process of selecting an investment target or project, and continuously monitor and manage it. It will be very important for Kyobo Life to build

Human Rights / Labor

“ Establishing a risk management and mechanism for the responsibility to respect human rights ”

The international community has been deeply engaged in the discussion of corporate social responsibility and human rights over the past few decades. Several countries, such as UK and France, have strongly demanded that companies should respect human rights. In addition, Germany and the EU have recently introduced or are in the process of introducing or promoting human rights due diligence in the supply chain. In line with this trend, Kyobo Life joined the UNGC in 2010 and firmly established itself as a leader in sustainability management in the life insurance industry. The “Vision2025”, which was declared in 2021, also has special significance as it reflects a human-centered management philosophy to satisfy the financial and emotional needs of customers. In the future, continuous sophistication and internalization are required through promotion of diversity and inclusion in the organization, establishment of mechanisms for human rights risk management and relief procedures, support for sustainability management for partners, and strengthening of compliance. It will be also important to increase reliability and access to publicly disclosed data, as well as to communicate with stakeholders through digital transformation.



Eun-Kyung Lee. Head of the Korean Association of UN Global Compact (UNGC)

“ Building an ESG investment-related system and securing a diverse pool of employees in the Company ”

a system to introduce and manage key ESG indicators such as carbon emissions in its investment portfolio. In addition, domestic financial institutions often lack diversity in the composition of not only the board of directors but also top management. I am aware that Kyobo Life has recently secured diversity through the appointment of a female director, and I hope that such activities will continue to achieve sincere sustainability management.



Seon-Kyung Lee. Director of ESG Division, Daishin Economic Research Institute

Climate Change

“ Providing financial services that can actively contribute to the response to the climate crisis ”

As sustainability management is becoming more common, we need a more advanced sustainability management, rather than simply recognizing the crises and opportunities that came with the advent of the climate crisis, and reflecting and disclosing them in financial statements. Stakeholders seek answers on how actively companies are participating and contributing to the sustainability of society. In other words, they want companies to fulfill their roles as “active contributors” rather than “passive participants”. Since the climate crisis is not a problem that can be overcome just with a successful climate response in one country, active contributions of companies are required. Therefore, I hope that Kyobo Life will expand its role to support the promotion of global climate crisis response projects by actively utilizing the characteristics of insurance and finance industry.



Byung-Il Jang. Green Idea Lab CEO

Stakeholder Engagement

Kyobo Life identifies stakeholders based on international standards (ISO 26000, AA1000SES, GRI Standards) on “Stakeholder Identification and Engagement” and establishes various communication channels to understand stakeholders’ needs. Since stakeholder engagement is essential to Kyobo Life’s practice of sustainability management philosophy of “pursuing mutual growth with all stakeholders,” Kyobo Life continuously expands various online and offline channels.

Stakeholder MAPPING

Essential for survival of company

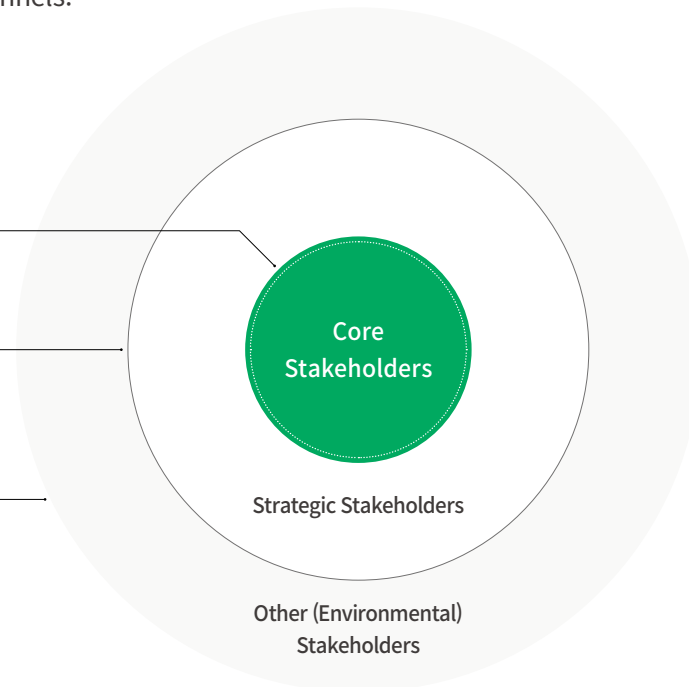
Employees, customers, shareholders and investors, Financial Planners

Essential for specific issues

Government and competent authorities, Community, Partners, Ecosystem Players

Other stakeholders except core and strategic stakeholders

Other stakeholders except core and strategic stakeholders



Definition of Stakeholders and Communication Channels

Classification	Definition	Communication channels
Customers	An individual or group of individuals subject to subscription or potential subscription of products created through Kyobo Life’s economic activities	Website, Customer panel system, Customer satisfaction survey, VOC system, VIP customer invitation event, Asset management seminar, Blog and SNS, etc.
Financial Planners(FPs)	An individual or group of individuals who are consigned by Kyobo Life to broker subscription of insurance policies and handle ancillary works for retention and management of policies	Company website for the FPs, FP satisfaction survey, Excellent FP group, MDRT, etc.
Employees	An individual or group of individuals who are employed by Kyobo Life and provide certain work or services and receives corresponding compensation	Internal communication channel(kyobo Talk, etc), Labor-management meeting/council, Brief on management status, Engagement survey, Newsletters, etc.
Investors	An individual or group of individuals who provide capital to Kyobo Life for the purpose of specific profit pursuits	Website IR, General shareholders’ meeting, BOD meeting
Partners & Ecosystem Players	An individual or group of individuals who has a business relationship with Kyobo Life. An individual or group of individuals who belongs to Kyobo Life’s business ecosystem, such as investment and partnerships	Website (reporting illegal conduct), Clean contract system, Open innovation program
Government and communities	Living communities directly or indirectly affecting or being affected by Kyobo Life’s corporate activities	Website (social contribution page), Social contribution meeting

Stakeholder Interview

Kyobo Life carried out in-depth interviews with various groups of stakeholders to listen to stakeholders’ opinions and reflect them in its business activities. In this written interview, each stakeholder representative provided their answers on key issues and future directions that Kyobo Life should pay keen attention in implementing sustainability management.

“Establishing a systematic system to create a safe working environment”



Customers Byung-Jin Kang

As one of Kyobo Life’s customers, I was very impressed to learn that Kyobo Life is committed to establishing a structure for a sustainable society, such as fostering social enterprises, creating jobs, supporting start-ups with innovative technologies, and promoting eco-friendly environments. In particular, I am aware that Kyobo Life is taking the lead in “creating a safe and healthy workplace” in line with the recent enforcement of the Act on the Penalty of Fatal Accidents. It was also very good to know that, while most organizations are made up of office staff in the financial and insurance industry, Kyobo Life preemptively practices safety management by building a safety and health center. Customers want the Company to establish safety management regulations, conduct risk assessments regularly, provide employee training, and implement emergency preparedness training in order to ensure systematic practice of safety management. This is because creating a safe working environment for employees not only achieves sustainability management, but also creates a virtuous cycle structure that can ultimately provide better insurance services to customers like me.

“Laying the foundation for stable asset management taking environmental changes into account”



Employees Seo-Jeong Cho

Kyobo Life expands investment by enacting Sustainable investment policy in uncertain market conditions due to prolonged COVID-19. I’m aware that the Company has speeded up sustainability management by issuing sustainability bonds in 2021 and matching the funds early. As a member of the Company, I feel so proud that the Company has improved its profitability through management at higher rates than the funding rate. I think, in order for Kyobo Life to secure profitability and long-term competitiveness through sustainability management, laying the foundation for stable asset management should be a top priority. It is important to expand portfolios and investments taking environmental changes into account, and to manage risks preemptively in order to respond to climate change. To this end, I hope that the Company will lay a stable foundation for the Company’s physical and transitional risk management by establishing a carbon emission goal and climate risk model from a long-term perspective. In addition, I hope the Company actively communicates with stakeholders as well as employees to build positive values of “coexistence.”

“Expanding the scope of social contribution activities for the future generation, children and youth”



Communities Young Woon, Cho. Secretary General of the Snail of Love

Kyobo Life carries out social contribution activities by focusing on helping future generations who will lead the era of the 4th industrial revolution, children and youth, grow into creative talents and become financially independent in a rapidly changing environment. Seeing that Kyobo Life pursues continuous support rather than a one-time effort and conducts talent development projects that actively reflect the needs of children and youth, the founding philosophy of Kyobo Life, “Promotion of National Education,” came to my mind. I thought that differentiated social contribution activities that offer ICT-based higher education and opportunities for personal growth were very meaningful. In the future, I hope that children and youth that are disadvantaged not only in Korea but also in other countries in worse circumstances can enjoy the same benefits. In addition, I hope that the Company will go forward to create sustainable social values in collaboration with its business partners.

“Leading digital transformation by actively utilizing the in-house venture system”



Ecosystem Partners Jin-Young Kim. The Invention Lab CEO

In order for a company to achieve sustainable growth in the era of digital transformation, I believe that it is important to establish a challenging and creative organizational culture and to nurture digital talent with entrepreneurial spirit. Also, I think we need to promote new businesses according to the Agile* and Lean Startup** methodology, and it is the in-house venture system that can make this possible. Kyobo Life is the first insurer to introduce an in-house venture system, and has attracted attention as a company that succeeded in establishing the in-house venture system with all nine in-house venture teams while receiving government support. Above all, Kyobo Life’s in-house venture system has a great advantage in that a number of employees engaged actively in the project at a company-wide level to form an in-house venture team regardless of position and age, as well as head office and sites. In the future, I hope that Kyobo Life will encourage employees to actively engage in the in-house venture system and create an atmosphere in which in-house ventures can gradually spread to its affiliates.

1) Agile: A type of development methodology that carries out customized development through continuous communication with customers
 2) Lean Startup: A strategy that rapidly prototypes ideas and then reflects the market response to the next product improvement

How KYOBO Create Our Value

Kyobo Life operates the entire process of value chain, including product development, insurance payment, and customer management, based on stakeholders, thereby distributing economic value developed to all stakeholders.

INPUTS

Financial Capital

Assets	KRW 131 trillion
Liabilities	KRW 119 trillion
Capital	KRW 12.0 trillion
Capital stock	KRW 102.5 billion

Human Capital

No. of employees	3,839 persons
Total training hours	345,749 hours

Social Capital

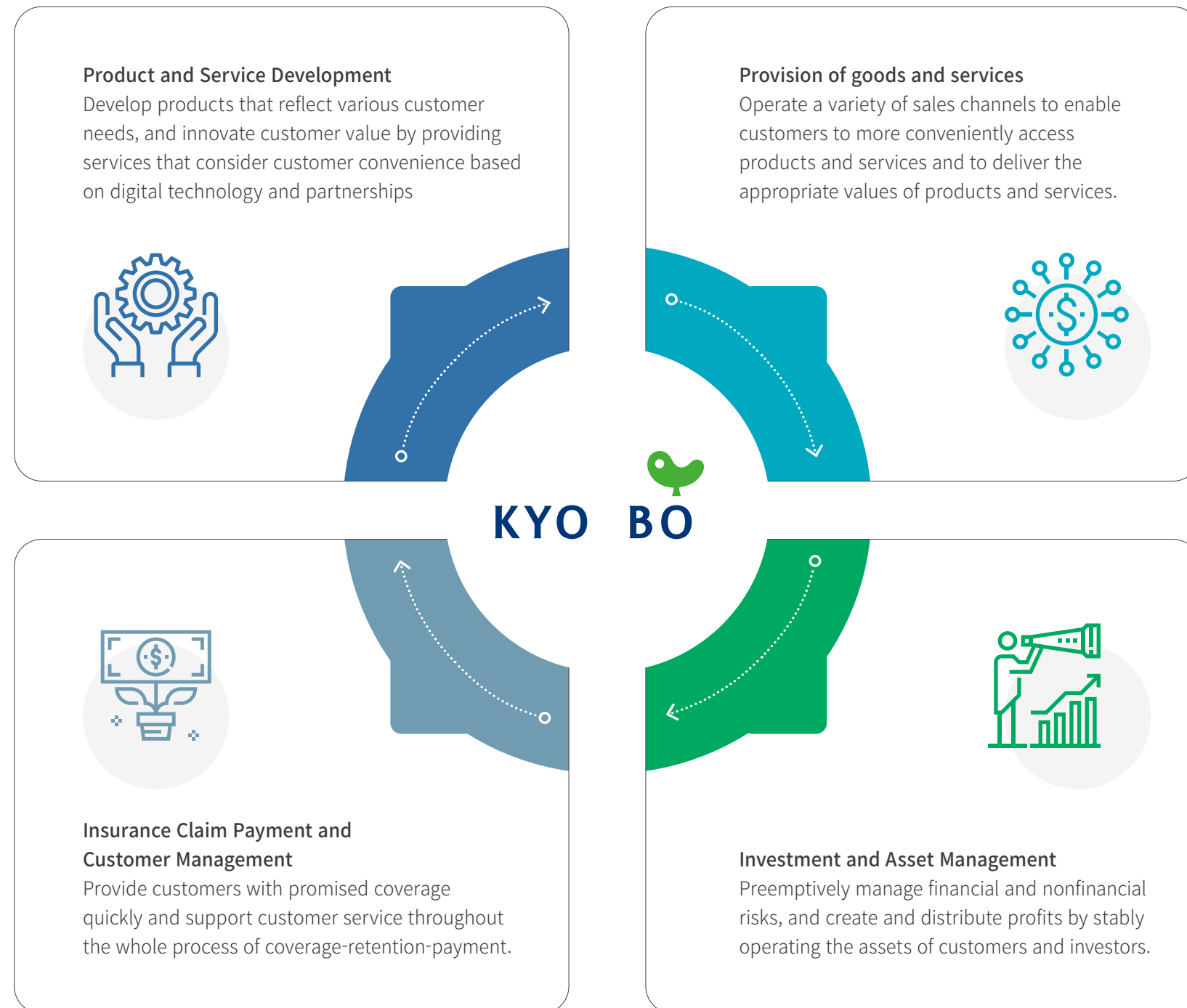
Total social contribution hours	12,586 hours
Employee participation in social contribution ¹⁾	6,078 persons

1) Total number of employees (cumulative)

Natural Capital

Energy consumption	614 TJ
Eco-friendly financial investment	KRW 3.7 trillion

VALUE CHAIN



OUTPUTS AND OUTCOMES

Customers

Claims paid	KRW 9.1 trillion
Reserve fund for claims	KRW 8.1 trillion

Financial Planners

Fees to FPs	KRW 627.7 billion
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Employees

Salary	KRW 466.6 billion
Employee benefits	KRW 68.3 billion

Investors

Dividends	KRW 153.8 billion
Socially responsible investment	KRW 9.1 trillion

Partners / Ecosystem Players

Purchase cost ²⁾	KRW 11 billion
Strategic investment in digital(accumulated)	KRW 248 billion

Government and Communities

Tax ³⁾	KRW 198.4 billion
Social contribution expense	KRW 3.9 billion
Donation	KRW 7.3 billion

2) Based on money transferred for e-purchasing system

3) Consolidated income expense base

SPECIAL REPORT

Responding to Global Risk & Megatrend

How Will Insurers Respond to New Changes?

Climate Change

Climate change is now threatening the survival of humanity, affected by frequent natural disasters that had never been experienced before and rising global temperatures. Responding to this, the insurance industry is introducing eco-friendly management and joining efforts towards building a shared future. There are four representative ways the insurance industry responds to climate change. The first is reorganization. Kyobo Life is laying the foundation for eco-friendly management across the Company by establishing a new Sustainable ESG Committee within the BOD and forming an in-house consultative body that carries out systematic ESG-related tasks. Second, the Company has established a goal of carbon neutrality by declaring “Coal Phase-out Finance,” officially expressing its will to comply with international standards by joining global initiatives. Third, the Company is moving towards eco-friendly investment. As part of the efforts, the Company expands investment in new and renewable energy and eco-friendly facilities, and continues to increase the size of its investment in the socially responsible investment funds. Fourth, the Company continues to launch insurance products that consider the environment. The Company increases the use of eco-friendly vehicles and promotes the use of public transportation by selling insurance products that can reduce carbon emissions, such as electric vehicle and e-bike insurance.

Digital

Digital transformation has become an unavoidable huge trend and the major challenge to growth in a wide range of areas. The insurance industry is also keeping pace with the times by utilizing digital technology in the entire process from product development to product sales, customer management, and asset management. Here are three key ways the insurance industry is undergoing a digital transformation: First, Kyobo Life has enhanced digital channels. Insurers are currently launching insurance products that customers can purchase only on digital channels, or building digital channels where clients can purchase insurance products directly after seeing products online. Second, Kyobo Life has created a digital work environment by adopting the E-signature system and simplifying insurance contract review. Third, Kyobo Life has worked together with platform companies. The Company is striving to transform its platform into an advanced, life-friendly platform.



Climate Change: Raising the Anchor of Sustainable Future

01



Climate Change from our View

The risks in the life insurance industry due to climate change may affect life insurers in different ways, including insurance, market, and operational risks, in the process of insurance underwriting and asset management. In particular, an abnormal climate may cause an outbreak of infectious diseases and an increase in the number of elderly deaths, which may have a negative impact on insurance payments in the long term. In addition, the value of investment assets may decrease due to the government's regulatory policy on carbon-intensive industries, thereby negatively affecting the Company's financial soundness. Kyobo Life is expanding ESG investment by declaring "Coal Phase-out Finance," investing in new and renewable energy, and issuing sustainability bonds. The Company also conducts a project to present a systematic approach in identifying and analyzing climate risks, and to develop a climate change risk management model. Going forward, Kyobo Life will establish a climate risk management process.

Advanced Efforts to Dream of a More Distant Future

Commitment to Eco-friendly Management Declaration of "Coal Phase-out Finance"

Kyobo Life has officially declared "Coal Phase-out Finance" to reduce carbon emissions, the main driver of global warming. Following the declaration of coal phase-out finance, in May 2021, the Company pledged not to engage in project financing (PF) for the construction of new coal-fired power plants at home and abroad, not to underwrite bonds issued by special purpose companies (SPCs) for the construction of coal-fired power plants or any bonds issued for the purpose of constructing coal-fired power plants, and promised to expand eco-friendly investments in consideration of ESG factors, such as investment in new and renewable energy.

Joining the Global Initiative

In order to respond to climate change that meets international standards, Kyobo Life continues to join the global environmental initiative. The company joined the CDP (Carbon Information Disclosure Project) in 2021 to move toward the realization of eco-friendly management. In 2022, the Company joined the PSI (Principles for Sustainable Insurance), a global initiative of the United Nations Environment Programme Finance Initiative for the sustainable development of the insurance industry. In addition, the Company is cooperating to reduce climate risks by joining the TFCF (Task force on Climate-related Financial Disclosures) that voluntarily discloses corporate financial impacts from climate change.

ESG-centered Investment Culture

Establishment of Sustainable Investment Policy

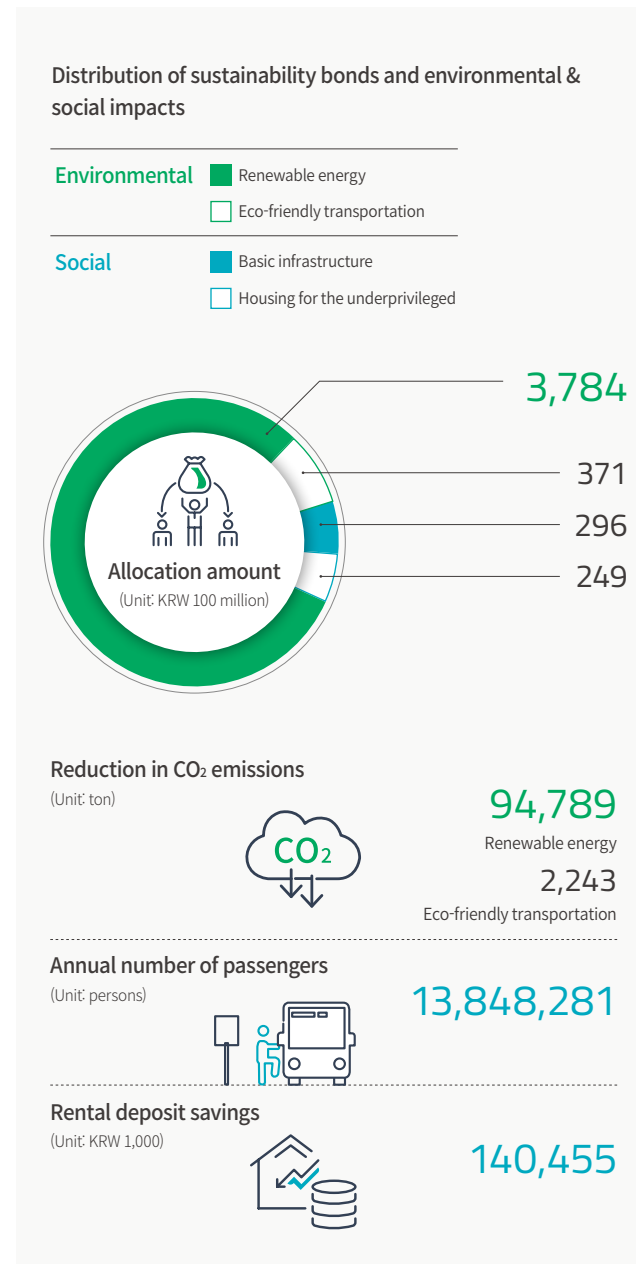
Kyobo Life established sustainable investment policy to achieve stable profits and secure competitiveness in the investment market, where risk factors and volatility have increased due to the climate crisis. In this way, the Company plans to conduct responsible investment by reviewing both risk and opportunity that consider ESG in the investment decision-making process.

Implementing ESG Self-Assessment Checklist

In order to make more effective ESG investment by specifying ESG evaluation criteria, Kyobo Life has introduced the "ESG Checklist," a scoring method that reflects the characteristics of the evaluation target, for domestic companies and project financing (PF) for investment. The ESG score is calculated on an A-to-E scale: A (excellent), B (good), C (average), D (poor), and E (very poor). Each grade is maintained for a certain period of time, and may be re-evaluated in the event of an ESG-related issue. In the case of harmful industries or companies specified in the Company Regulations, the lowest grade is automatically given without scoring evaluation items. The results of the ESG checklist are used as a reference indicator to gauge the impact of ESG on corporate credit ratings and investment asset examination, and investment may be restricted according to the ratings.

Issuance of Sustainability Bonds

Kyobo Life is the first Korean life insurer to issue "ESG-certified hybrid securities (hereinafter referred to as Sustainability bonds)." Sustainability bonds are issued for socially responsible investments, and Kyobo Life has issued the first bond worth KRW 470 billion and invested KRW 509.1 billion in ESG, or 108% of the bond issuance, until December 2021. The Company also issued overseas ESG-certified hybrid capital securities worth USD 500 million in June 2022.

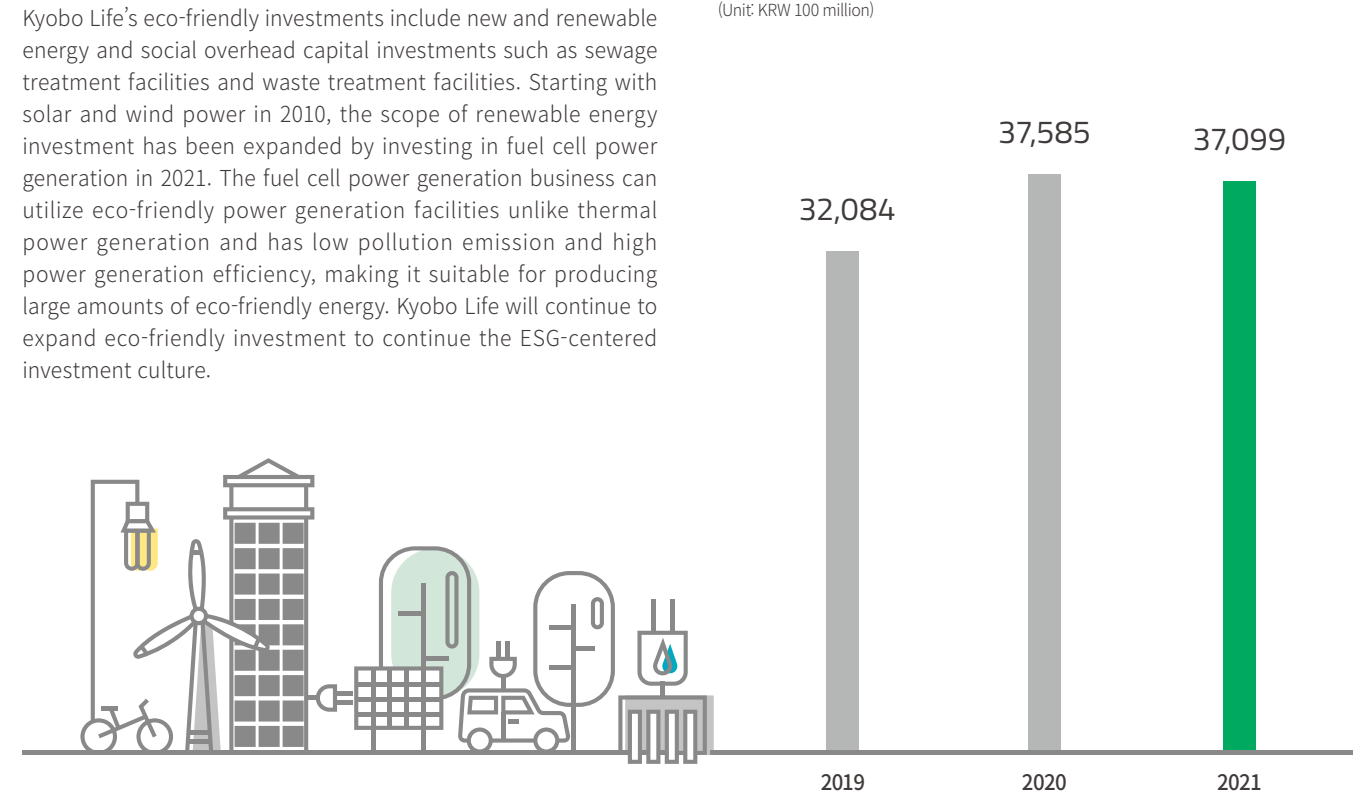


Eco-friendly Investment

Kyobo Life's eco-friendly investments include new and renewable energy and social overhead capital investments such as sewage treatment facilities and waste treatment facilities. Starting with solar and wind power in 2010, the scope of renewable energy investment has been expanded by investing in fuel cell power generation in 2021. The fuel cell power generation business can utilize eco-friendly power generation facilities unlike thermal power generation and has low pollution emission and high power generation efficiency, making it suitable for producing large amounts of eco-friendly energy. Kyobo Life will continue to expand eco-friendly investment to continue the ESG-centered investment culture.

Status of Eco-friendly Investment

(Unit: KRW 100 million)



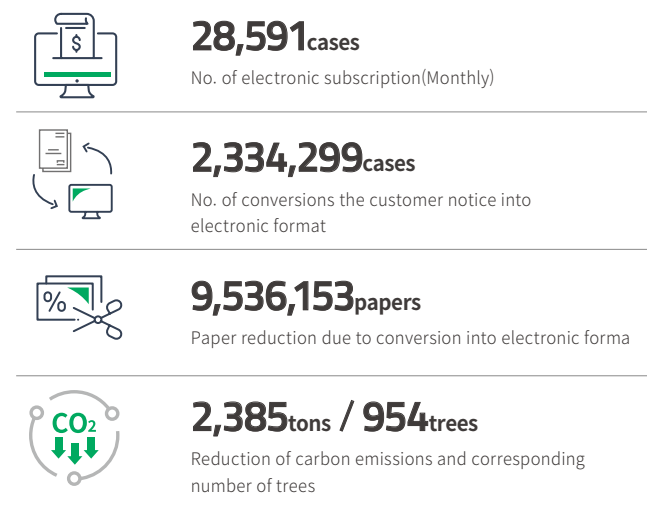
Eco-friendly activities at the Company Level Creating a Paperless Office Environment

Kyobo Life has been implementing environmental protection by creating a paperless environment in the process of sign-up, retention, and payment. An electronic subscription system is used for subscription, and the customer notice has been converted from paper to electronic format. In addition, the electronic document system was introduced at Customer Plazas nationwide to replace paper forms. The paperless environment boosts customer convenience by shortening the processing speed, and helps to improve accessibility of the elderly customers by zooming in on the touch screen. In addition, information security can be strengthened as the risk of information leakage such as loss of documents is reduced, resulting in an increase in customer trust. The burden of work such as scanning documents or storing receipts is also reduced, thereby reducing the cost and manpower required for documentation.



Testing electronic document system

Testing electronic document system(2021)



Special Report

Eco-friendly Campaign

Kyobo Life launched a new campaign "Eco Together" to encourage employees to voluntarily participate in environmental protection activities and fulfill their social responsibilities. Employees who participated in the campaign suggested environmental protection ideas in the intranet and shared environmental protection practices to encourage employee participation. As a result, more than 800 people participated in the campaign and contributed to the creation of the Company's environment protection culture.



Conducting the campaign "ECO Together"

Mini Interview

"Individual small actions to slow climate change"



I believe that everyone should think about and solve the problems of global warming and the climate crisis, but our solutions seem a bit vague. However, if each individual thinks "I should join the movement!" instead of thinking, "I'm just one person," such individual actions will be able to create meaningful results in responding to the climate crisis. As I participate in the eco-friendly campaign "Eco Together," I realized that every single action I take in my daily life can be part of the movement to protect the environment. My little habits, such as separate collection after removing labels off plastic bottles and washing them, organizing unused plugs, and use of a personal tumbler got me to think that I can protect the environment, too! I would like to help slow the climate crisis by actively engaging in other environmental protection activities in the future.

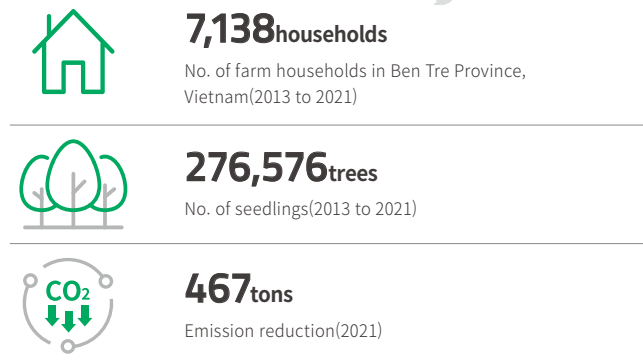
Heon-Chil Kwon, Channel Marketing Team

Social Contribution Projects

Kyobo Life has made every endeavor to incorporate eco-friendliness into its social contribution projects in recognition of the severity of climate change. The seedling project is one of these efforts, based on the idea that tree planting can have a positive effect on carbon emissions and help poor farmers become more economically independent. The seedling project, which has been in effect since 2013, is targeting the poor farmers in Ben Tre Province, Vietnam, and providing improved grapefruit seedlings, agricultural tools, and eco-friendly agriculture education for more than 30,000 poor farm households living on less than \$37 per month. In particular, these easily cultivated grapefruit trees have become a sustainable source of income for food, wood, and fertilizer, contributing to job creation for many women. As a result, the monthly income per household has increased approximately 9 times to \$329 from the fifth year of support, and the beneficiary households shared some of their income with other poor farmers, solving the problem of poverty and spreading a culture of sharing. From an eco-friendly perspective, the Company reduced its carbon emissions by 467 tons in 2021 through tree planting.



Social Contribution Projects



Dasomi business of global trees with hopes for economic independence



Digital: Setting Sail for Digital Transformation

02

Background of Kyobo Life's Digital Transformation Promotion

Kyobo Life has started a journey of digital transformation to secure a sustainable growth engine and enhance corporate value. The development of new digital technologies is completely changing most industries. As big tech companies step up their efforts to enter the market, the boundaries of the industry are blurred, and the system of unlimited competition is entering. In addition, structural innovation is required to provide products and services suitable for the digital environment as customer expectations change after COVID-19. In this completely new world, the need for a strategy suitable for the digital age has emerged.

“DBS” based on “Ambidextrous Management”

In order to actively respond to changing business environment, Kyobo Life's future strategy based on digital transformation, 'Digital Transformation Based Strategy (DBS)' has been established. Digital transformation is a process that bring changes all aspects of company management, including organizational culture, leadership, work processes, internal communication methods, and business models, in line with the digital age. Kyobo Life is striving to establish strategies based on two pillars: “Securing New Growth Engines” and “Upgrading Traditional Insurance Businesses” to implement DBS.

“Securing new growth engines” is aiming to build a platform-based digital ecosystem by consolidating the capabilities of Kyobo Life and its affiliates. To this end, the Company is actively promoting investment to create an ecosystem for expanding business. “Upgrading traditional insurance businesses” is made by improving the business model by strengthening the competitiveness of the traditional sales model based on digital technology and attracting new customers to generate profits. Kyobo Life has set goals for 2021, the first year of DBS: “Establishing a Foundation to Succeed in the Digital Age.” To this end, the Company implemented nine key tasks in four areas: group infrastructure construction, group DBS construction, life DBS construction, and traditional insurance business innovation.



Bringing Digital Transformation to Kyobo Life

Digital-centric Organization

Kyobo Life has partially reorganized its organization to promote its DBS strategy. This aims to strengthen its position as a life insurer leading change and innovation and the first step was to expand and reorganize the existing Digital Innovation Support Office into a DT (Digital Transformation) Support Office to operate and manage company-wide digital transformation. In addition, the Company established a DT Facilitation team that supports company-wide digital business to build a new digital-based business model. In December 2021, the Company established a digital-dedicated organizational framework to accelerate DBS implementation by establishing a Platform Division in the Digital Sector directly under the Insurance Business Division and expanding and reorganizing the Digital Strategy Division. The Platform Division develops a platform to provide customers with unique experiences and values, and the Digital Strategy Division establishes and promotes strategies for expanding digital financial business.

Digital-based Customer Service

The first insurance company to obtain permission for the personal credit information management business

Kyobo Life obtained permission for the personal credit information management business (MyData service) in July 2021 for the first time in the insurance industry. The MyData service integrates customer financial information dispersed around each financial company into one based on customer-tailored services. Kyobo Life's MyData service "Peach" consists of a total of six areas such as finance, health, education, culture, and lifestyle. In addition, the Company maximizes its professional expertise through health fund management and insurance-related services, and provides Kyobo's unique services through creative experiences by providing financial education and (art) cultural contents.

Peach's differentiated services

Classification	Description
Customized financial planning	Customer-tailored insurance planning according to financial and non-financial asset status and consumption patterns
Improving credit score based on insurance retention	Kyobo Life's exclusive service that raises credit score based on the long-term excellent insurance retention history
Preparation for protection assets based on health data	Predicting future outbreaks based on health data and present solutions for preparing protection assets based on the outbreaks
Customized life-time asset planning	Advancing life-time asset planning based on the MyData asset status to enable users to precisely and accurately plan funds for the purpose of retirement

Kyobo Life's MyData service "Peach"



Digital Transformation to Improve Work Efficiency

AI-based Underwriting System "BARO"

Kyobo Life developed "BARO," an AI underwriting system using big data in 2019. "BARO," based on natural language processing, is the world's first AI underwriting technology that uses big data launched by Kyobo Life. When it receives an insurance policy subscription, the AI underwriter analyzes the subscription application and automatically approves the contract. And the AI answers to a Financial Planner when asked a question during the subscription process. Since its development in 2019, it has been continuously updated, and in 2021, the Company improved both work efficiency and customer satisfaction by handling about 60% of all new contract reviews and 89% of pre-questions with AI.

AI-based Insurance Fraud Detection System "K-FDS"

As fraudsters get more sophisticated, Kyobo Life has developed the insurance fraud detection system "K-FDS (Kyobo Fraud Detection System)" to protect financial consumers from intelligent insurance fraud. It is the first system in the industry to combine insurance fraud detection and digital technology by integrating the know-how of the Company's Special Investigation Team against insurance fraud with AI machine learning technologies.

AI of the K-FDS learns the characteristics of insurance fraud and finds suspects exhibiting similar behavior, enabling a preemptive response compared to the previous method, which relied solely on intuition or experience from working as insurance fraud investigators. Since the pilot operation of the K-FDS in July 2018 to May 2022, its accuracy and usability have been improved, and the Company has detected over 400 suspected insurance fraud cases, uncovered 30 cases among them, and prevented KRW 2 billion of illegitimate insurance payment.

Video Consultation System

Kyobo Life implements non-face-to-face digital financial services by operating a video consultation system and is actively responding to deregulating regulatory restrictions on insurance solicitation. The video consultation service includes product proposals and supplementary service information, insurance coverage analysis, lifelong care service, recruiting process, sharing of training and consultation materials, and pension plan reports. It enables customers to access the video consultation system without a separate app, and convenience of use through third-party invitation, data sharing, and consultation memo functions.



Robo-Advisor System in Asset Management

Kyobo Life introduced the Robo-Advisor system to meet the needs of customers who want systematic asset management. The Robo-Advisor system is an artificial intelligence (AI) asset management service that manages portfolios based on big data analysis and advanced algorithms. The system recommends an asset allocation strategy tailored to their investment propensity and investment purpose to customers. In addition, it monitors the financial market regularly and provides various information related to the financial market.



Digitalization of Retention Service

Kyobo Life actively utilizes digital technology to enhance customer convenience and satisfaction. The Company introduced "Smart Delegation Service," so that when a customer designates an agent via mobile, the agent can receive insurance money even if the agent visits the branch without documents. In addition the Company launched its business process service through the digital certificate by the Ministry of Public Administration and Security. Customers are able to apply, issue, and submit necessary certificates at once through a mobile application. The 'Kakao Pay Invoice' enables customers to pay premiums and repay the principal and interest of loans, and improved customer business processes by introducing 'PASS' authentication to the call center. In addition, Kyobo Life established an "All-In-One Authentication Service" for the first time in the industry so that customers can conveniently authenticate when using digital services. Through this, customers can conveniently complete identity authentication through simple authentication and financial certificates at all Kyobo Life digital contact points such as mobile windows and PC homepages.

Impact on Society

In the Belief that Companies Will Solve Social Challenges, Impact Up!



Impact Company

An economic entity that uses products and services that produce social value to achieve business growth and financial stability and to support the underprivileged.

“Impact Up”

Kyobo Life’s social contribution project that helps underprivileged children and adolescents (future generations) and fosters companies that strive to solve social problems.

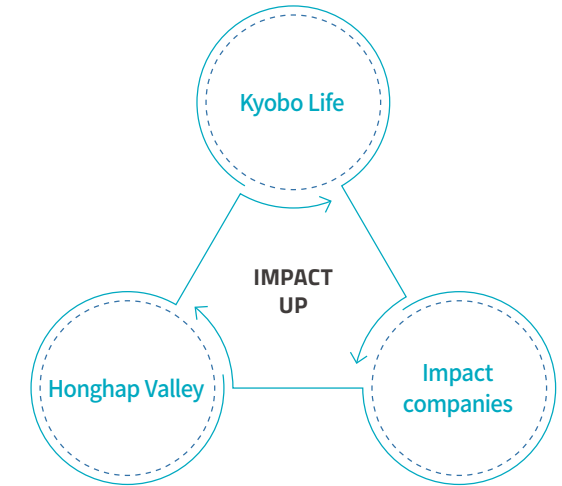
Three elements of the business model of “Impact” Company



Introducing “Impact Up,” which implements social contribution by fostering digital companies

With the advent of the 4th industrial revolution, boosting the digital capabilities of business has become more important than ever, but there are still vulnerable groups who have difficulty accessing digital devices among future generations: the widening digital divide needs to be addressed for young children and adolescents. This can lead to social and economic inequality as well as information asymmetry. With the belief that companies can solve such social problems, the Kyobo Life’s movement “Let’s Make an Impact on the World! Up! (hereinafter, referred to as Impact UP)” has begun in 2018. This movement is the Kyobo Life’s social contribution project that supports ICT-based services for the future generations in vulnerable positions, and fosters companies that create social values.

How It Works



The previous social contribution projects had a limitation in that support was easily terminated as soon as service resources were exhausted. Kyobo Life continues to provide support with the belief that it should help with the survival of impact companies to ensure that the services provided to future generations in vulnerable positions are not reduced to one-time acts of charity. Kyobo Life guides impact companies in their early stages of business to advance their business models. In addition, the Company supports marketing and provides opportunities to attract investment to ensure that the products and services they create can settle in the market. Kyobo Life ultimately helps impact companies to continuously create social values, helping them build a system that pursues both corporate growth and social performance. To ensure more effective impact-up business activities, Kyobo Life has formed a partnership with Honghap Valley, which is recognized as a professional accelerator in the impact field. By doing this, the Company has created a virtuous cycle in which services for the underprivileged can be continuously created and provided by actively fostering impact companies. As a result, it has created social and environmental impact worth three times the amount of resources invested.

Three Goals of Impact Up

- First**, we provide opportunities for future generations in vulnerable positions to acquire ICT-based digital knowledge and skills.
- Second**, we discover and foster impact companies that provide ICT-based digital services to future generations in vulnerable positions.
- Third**, we build a new social contribution framework to overcome financial limitations and create sustainable social value by innovating our social contribution framework.

Make an Impact in the World!

Project process (Rounds 1 to 4, 2018-2022)

Year	Round-1 Impact Up	Round-2 Impact Up	Round-3 Impact Up	Round-4 Impact Up	
2018	<p>Feb Recruited Round-1 Impact Up 52 teams applied</p> <p>Mar Business briefing session 86 teams attended</p> <p>Apr Document review 52 ⇒ 20 teams</p> <p>In-person interview 20 ⇒ 10 teams</p>	<p>Jul Interim evaluation 10 ⇒ 5 teams</p> <p>Dec Demo Day & Investment Provided 5 teams with linked investment services</p>	<p>2019</p> <p>Mar Recruited Round-2 Impact Up 30 teams applied</p> <p>Business briefing session 70 teams attended</p> <p>Apr Document review 30 ⇒ 10 teams</p> <p>In-person interview 10 ⇒ 3 teams</p> <p>Jul Interim evaluation Selected the final 3 teams</p> <p>Dec Demo Day & Investment Provided 3 teams with linked investment services</p>	<p>2020</p> <p>Feb Recruited Round-3 Impact Up 143 teams applied</p> <p>Business briefing session 220 teams attended (Untact)</p> <p>Apr Document review 143 ⇒ 23 teams</p> <p>In-person interview 23 ⇒ 10 teams</p> <p>Sep Interim evaluation 10 ⇒ 5 teams</p> <p>Dec Demo Day & Investment Provided 2 teams with linked investment services (differentially)</p>	<p>2022</p> <p>Mar Recruited Round-4 Impact Up 201 teams applied</p> <p>Apr Document review 210 ⇒ 22 teams</p> <p>In-person interview 22 ⇒ 10 teams</p> <p>Jul Interim evaluation 10 ⇒ 5 teams</p> <p>Sep Demo Day & Investment Provided 4 teams with linked investment services</p>

“Impact Up” Performance
2018 ~ 2021

Companies discovered/supported

18
companies



- Education and learning support for 7 companies
- Safety & health and health care for 6 companies
- Job creation for 3 companies
- Self-reliance support for 2 companies



No. of future generations in vulnerable positions

45,696
persons

- Education and learning support(7 companies): 19,177 persons
- Safety & health and health care(6 companies): 12,400 persons
- Job creation(3 companies): 14,029 persons
- Self-reliance support(2 companies): 90 persons

Amount of assistance for future generations in vulnerable positions

25.9
KRW 100 million

Amount of services provided by 18 companies to 45,696 beneficiaries

Training, networking and mentoring hours

845.5
Hours



- Marketing and public relations: 188 hours
- Business model development and advancement: 137.5 hours
- Technology development: 134.5 hours
- Business management, law, administration: 134 hours
- Social value creation: 104 hours
- Investment linkage, company evaluation: 147.5 hours

Investment (linkage)

51.8
KRW 100 million

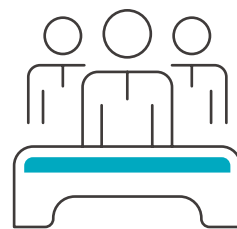
14 out of 18 companies (78%)



Facilitators (mentor, instructor, etc.)

116
persons

- Venture company representatives and senior entrepreneurs: 39 persons
- Employees of large companies: 28 persons
- Professional VCs and accelerators: 21 persons
- Lawyers, accountants, patent attorneys: 18 persons
- Professors: 10 persons



Mini Interview

NuviLab

NUVI lab



Q1 What does NuviLab do?

A NuviLab was established in November 2018 with the motto of “Earth Care, Health Care.” The Company provides customized solutions based on dietary patterns by analyzing individual consumption and leftover data. To provide the right solution, it scans the plate before a meal to input the type and amount of food, and then scans and analyzes the actual amount of food and nutritional information after a meal.

Q2 How does NuviLab’s technology create social value?

A By converting the food consumption based on the food scan into data, it can optimize the amount of ingredients that are put in. Reducing food waste also can protect the environment and preserve resources. NuviLab’s main targets include hotels, restaurants, and public catering centers that serve large-scale meals. The cost saved by reducing the food waste from catering services is again invested in improving the quality of the food, which in turn increases satisfaction for the caterer. This healthcare solution that analyzes nutrients, calories, meal time, etc. is beneficial to the health of each employee.

Q3 How was your time with Impact Up?

A I participated in “Impact Up” every week and it greatly helped me to get useful business insights. In particular, the impact companies’ unique investment strategies and advice for early start-ups were very helpful in attracting investment, so I was able to get “Pre-series A” from three investment companies, including NAVER D2SF, and selected for TIPs (Tech Incubator Program for Start-up).

Happiness & Growth with Stakeholders



- 46 Customers, Making their dreams to be true
- 54 Financial Planners, Walking in Step
- 60 Employees, Growing Together
- 68 Investors, Maintaining Trust
- 74 Partners and Ecosystem Players, Living Together
- 78 Government and Communities, Dreaming of Future



Links to SDGs

Customers, Making their dreams to be true

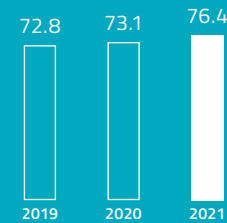
Management Approach

Responding to rapidly changing customer needs, Kyobo Life always thinks about the customer’s point of view, and continues to challenge and innovate to provide higher-level products and services. While continuously striving to improve the quality of customer-related services through annual customer satisfaction surveys, the Company is expanding its product range by continuously developing customized products that reflect customer needs. As a result, Kyobo Life acquired additional exclusive rights* in April 2022, holding a total of 20 exclusive rights. Kyobo Life, which has consistently practiced customer-centered core values since its foundation, will continue to take the lead in customer satisfaction management.

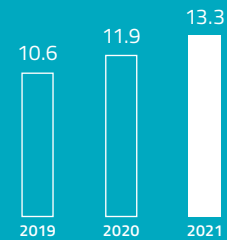
1) Exclusive right: The right to exclusively sell a newly developed product for a certain period of time in recognition of the product’s originality

Key Performance Index

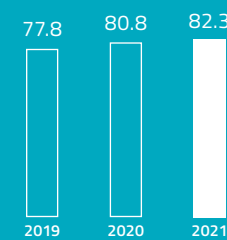
Customer satisfaction level (Unit: Points)



Market share ratio²⁾ (Unit: %)



Persistency ratio³⁾ (13th month), (Unit: %)



2) The market share rate is based on Premium Income

3) Persistency rate = (In-force premium/New contract premium) × 100

Highlights



Granting the Consumer Centered Management (CCM) certification eighth consecutive times



Acquiring over 20 exclusive rights



Launching MyData service “Peach”

Customer-centered Product Management

Product development reflecting customer needs

Product development meeting customer needs is an important issue for business. Kyobo Life is actively identifying the life-stage needs of customers and develops and launches products tailored to the changing customer needs depending on the circumstances. In 2021, we launched “(Non-dividend) Kyobo Cancer Care Insurance”, “(Non-dividend) Kyobo Budget Life-long Whole-life Insurance”, “(Non-dividend) Kyobo Simplified Issue Health Insurance” and six types of insurance for eligible insured to strengthen the product line-up for customers who experienced difficulty in purchasing insurance. In addition, Kyobo Life listens to honest customer feedback through the customer panel system and actively reflects it in the process of launching products and services.






Kyobo Life’s Product Development Process



Launching products that create social value

Kyobo Life provides products and services to create social value in regard to aging, lifestyle changes, and financial access for the underprivileged.

Social issues	Social background	Social needs	Products	Services
 <p>Growing health problems caused by population aging</p>	<p>The world is entering a "super-aged" society due to the increase in life expectancy from medical advances.</p>	<p>Reducing the burden of care and medical expenses due to longer life expectancy.</p>	<p>(Non-dividend) Kyobo Dementia Care Insurance</p> <ul style="list-style-type: none"> - A specialized insurance that can receive not only dementia diagnosis costs but also living expenses, which provides coverage for mild and moderate dementia with high incidence to severe dementia with high care costs - With the aging trend, the insurance plan is available for seniors up to the age of 75, with full maturity at insured age 90 or 95 	<p>Kyobo Dementia Care Service</p> <ul style="list-style-type: none"> - Dementia care services that support dementia patients and their families, from dementia prevention to care - Service in the stages of dementia such as caregivers and housekeepers depending on the severity of dementia at the time of diagnosis - Dementia prevention services.
	<p>Korea's medical expenditure is increasing in OECD countries, which is expected to accelerate with the aging population.</p>	<p>Launching a product that lowers the eligibility threshold for seniors and eligible insured who are in insurance blind spots.</p>	<p>Kyobo Simplified Issue Health+ Whole-life Insurance</p> <ul style="list-style-type: none"> - Simplified whole-life insurance that combines health protection, Lifetime coverage for general illness (GI) as well as death through the main contract - Hospitalization within the last 3 months, hydrocephalus, or past medical history are also available. - Other six types of insurance for eligible insured 	<p>Kyobo Health Coaching Service</p> <ul style="list-style-type: none"> - Digital health promotion services that encourage people improve their lifestyle and health through smart health management using mobile apps - Walking challenge, health maintenance challenge, analysis of health examination results, and expert consulting service
 <p>Lifestyle differences between generations</p>	<p>There is a growing need for a new customer base who thinks differently from the old generation.</p>	<p>Launching a new concept of "Mini" insurance product in line with the rising trend of "Minimalism."</p>	<p>(Non-dividend) Kyobo Mini-Coverage Insurance</p> <ul style="list-style-type: none"> - Protection-type insurance that reduces the burden of hospitalization and surgery costs due to illness and accident with lower premiums - Enhanced coverage of hospitalizations and surgeries that easily occur in daily life to ensure a wide range of customer coverage 	<p>Kyobo Mini-Health Care Service</p> <ul style="list-style-type: none"> - Health care service for those who have signed up for the first "Mini" insurance in the industry - Services offering 1:1 health consultation with professional medical staff in the VAS(value added services) app, providing information on specialized hospitals and medical staffs in case of illness, supporting medical appointments with the doctor
	<p>Corporate commitments to expanding financial access across the community.</p>	<p>Resolving the difficulties of customers with limited financial access.</p>	<p>(Non-dividend) Gomduri Coverage Insurance</p> <ul style="list-style-type: none"> - Insurance product designed exclusively for people with disabilities, which provides cancer coverage for the disabled who are unable to receive the previous insurance benefits <p>(Non-dividend) Kyobo One-mind Welfare Insurance</p> <ul style="list-style-type: none"> - Group insurance products for people with disabilities in the workplace, and is the first product exclusively for people with disabilities in the industry 	
 <p>Underprivileged with limited financial access</p>				

Acquisition of Exclusive Rights

An exclusive right is a type of patent granted to original financial products, and is an indicator of the Company's product competitiveness. In 2021, we acquired the exclusive right to use in recognition of the originality of the policy rider covering specific diseases related with relieved co-payment policy. In April 2022, Kyobo Life acquired the 20th exclusive rights from the Life Insurance Association for four types of special products, including the "Policy Rider for esophageal-related disease diagnosis (renewal type)." The Company adds value from the customer's point of view by providing original financial products.



Acquisition of Exclusive Rights

Winning the Grand Prize at the 7th Korea Retirement Pension Awards

In 2021, Kyobo Life won the grand prize at the Korea Retirement Pension Awards in recognition of its stable retirement pension management and risk management system. Kyobo Life has a retirement pension management reserve of KRW 9.1461 trillion as of December 2021. The rate of return on a defined benefit (DB) pension plan was 1.88%,

ranking 5th among 43 retirement pension providers and 1st among insurance companies. Retirement pension requires stable long-term return management since it is accumulated over a period of time. To this end, the Company provides 1:1 retention services, such as sending quarterly management reports by a retirement plan recruiter for customers who have signed up for defined contribution (DC) and individual retirement pension (IRP) plans.

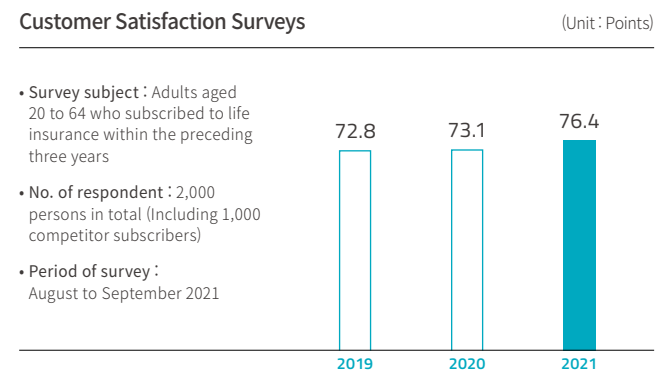
The 7th Korea Retirement Pension Awards



Practicing Customer Satisfaction Services

Customer Satisfaction Surveys

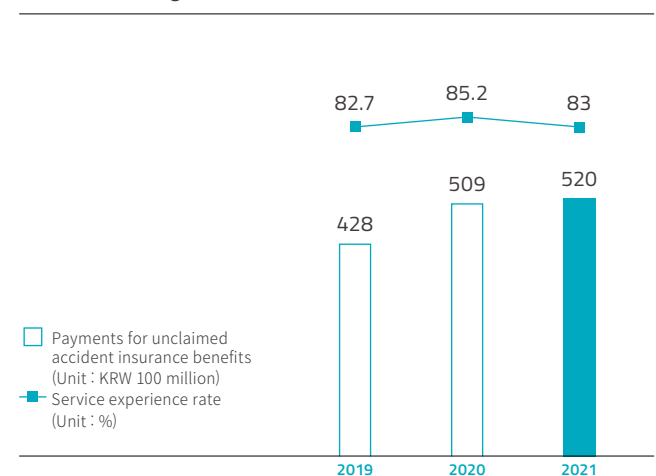
Kyobo Life has conducted an annual customer satisfaction survey. The overall customer satisfaction increased by 3.6 points year on year to 76.4 points in 2021. The 2021 survey results showed that customers who used non-face-to-face channels had higher satisfaction with insurance payments and claims. As a result, the Company will expand the insurance payment process using non-face-to-face channels. Going forward, Kyobo Life will continue to upgrade its products and services by listening to the voices of customers to increase customer satisfaction.



Implementing “Lifelong Care Service” from Subscription to Payment

Kyobo Life has been implementing the “Lifelong Care Service” since 2011 and providing balanced services for the entire process of subscription-retention-payment in insurance. All Financial Planners of Kyobo Life pay regular visits to customers and provide services such as applying for unclaimed benefits, checking coverage details, and providing healthcare information.

Status of Lifelong Care Service Provision



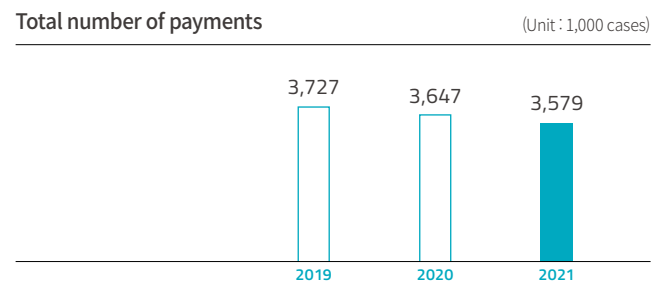
Happiness & Growth with Stakeholders

Enhancing Convenience in Claim Payments

Kyobo Life operates 38 Customer Plazas and 60 window for customer service to disburse insurance payouts as of December 2021. The Company helps customers who are unable to visit the window for customer service in person claim and receive insurance payouts through financial planner insurance claim proxy filing and insurance payout home delivery services.

Status of claims payment through the service

Classification	Unit	2019	2020	2021
Total number of payments	1,000 cases	3,727	3,647	3,579
Accident claim filed by proxy	KRW 100 million	5,473	5,276	5,451
Benefit payment service via home delivery	KRW 100 million	2,079	2,138	2,364



Cultural Performance Services

Kyobo Life strives to increase customer satisfaction through arts & culture programs. Since 2012, The Company has held the “Kyobo Nobiliaire Concert” for VIP customers, and in 2022, it will be held in major metropolitan areas in collaboration with world-class maestro Chung Myung-whun. In addition, the Company is committed to developing arts & culture and realizing cultural welfare in the community by holding a small chamber music concert, “For You Concert,” in small and medium-sized towns.

DA-WIN Service

“DA-WIN” service means the win-win growth and development of Kyobo Life and partners, and it is a win-win management program to achieve shared growth with corporate customers such as public agencies, medical agencies, and general companies. The Company is practicing its management philosophy of sharing and helping by providing free CS education and an organizational activation program, and statutory education (covering the prevention of sexual harassment in the workplace, and the protection of personal information).

Status of DA-WIN service

Classification	Unit	2019	2020	2021
Partners	Numbers	1,430	833	787
Service recipients	Persons	62,388	29,296	29,430

Kyobo Life’s DA-WIN service

- CS improvement**
Improving the company's competitiveness in service sector by increasing customer service skills
- Organizational activation**
Achieving competitive human resource advantage by creating a healthy organizational culture and a pleasant workplace
- Statutory training**
Providing statutory training that must be conducted every year
- Welfare benefits**
Helping employees live a life that is balanced mentally and economically

Increasing Accessibility to Financial Services and Practicing Inclusive Finance

Provision of Information to Protect Elderly Financial Customers

Kyobo Life added key information, including withdrawal of subscription, contract cancellation, and handwritten signatures, in the product brochure to enhance the understanding of elderly customers over the age of 65. The brochure has been revised, making it easier to read by enlarging the font size of the information and using capital letters.

Consulting Services for Foreign Customers

Kyobo Life implemented the first monitoring of new contracts made in foreign languages (English and Chinese) in the insurance industry in 2019. Starting with consultation on some products, from 2020, the consulting service for foreign languages in English and Chinese was expanded to all products. This enabled the Company minimize mis-sells and provide a better quality of service to foreign customers by increasing the understanding of foreign customers who have difficulties in contracting in Korean.

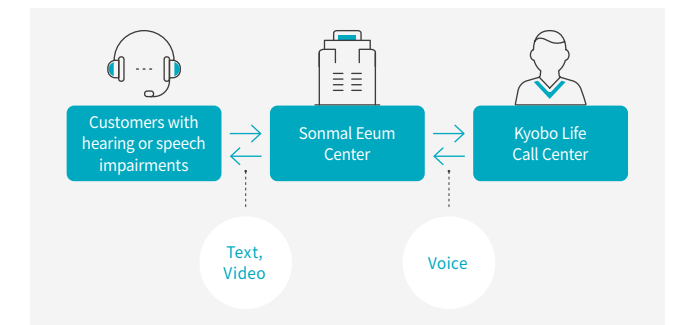
Mobile Customized Terms & Conditions Mailing System

By establishing a system that sends customized terms and conditions on mobile devices, consisting of only the main contract and the special contract selected by the customer, we have increased customer convenience, thereby contributing to full subscription.

Consulting Services for Customers with Hearing or Speech Impairments

Kyobo Life provides a consultant service that allows customers with hearing or speech impairments to use financial services at the “Sonmal Eeum Center,” which is operated by the National Information Society Agency. When the customer sends a message to the Sonmal Eeum Center, where they are assisted by a sign-language interpreter via video streaming (sign language) and text message, The interpreter then delivers the message to the Kyobo Life call center consultant by voice. The service enables customers with hearing or speech impairments to obtain detailed information about insurance products, along with information on how to pay insurance premiums, and apply for insurance claims.

Consulting services for customers with hearing or speech impairments



Launching “Group Insurance for Less Than 5 People”

In 2021, Kyobo Life launched “Group Insurance for Less than 5 People,” which was designated as an innovative financial service by the Financial Services Commission. “(No-dividend) Kyobo High Class Employer’s Liability Coverage Insurance” and “(No-dividend) Kyobo Group Liability Insurance” provide coverage for the death, injury and illness of workers of small businesses with more than two and fewer than five employees, and offer differentiated additional services such as legal/labor services, education services, and health consultations to the employers. With the launch of insurance for less than five employees, Kyobo Life has contributed to reducing the burden of industrial accident risks in small businesses with fewer than five employees and enhancing employee welfare.

Support for Customers Affected by COVID-19 or Wildfires

Kyobo Life has been actively supporting customers affected by COVID-19 and wildfires. The Company has provided special support to affected customers, such as deferment of insurance premium payments and loan principal and interest repayments. The Company has also temporarily relaxed the subscription diagnosis process for customers in some areas that have been severely affected by aforementioned disasters.

Strengthening the Protection of Customers' Rights and Interests

Awarded the Excellent Prize at the Consumer Centered Management (CCM) 2021

Kyobo Life's endeavor toward customer satisfaction management is recognized externally. In June 2021, the Company received the Excellent Prize at the Consumer Centered Management (CCM) 2021, granting the certification eighth consecutive times. The Customer-Centered Management (CCM) certification is a system to assess whether a company organizes all activities that it is conducting from the customers' perspective, and continuously improves the relevant management activities. The Company was positively evaluated as a company that set "customer-centered" as its core value and took the lead in protecting consumers and promoting their rights and interests.

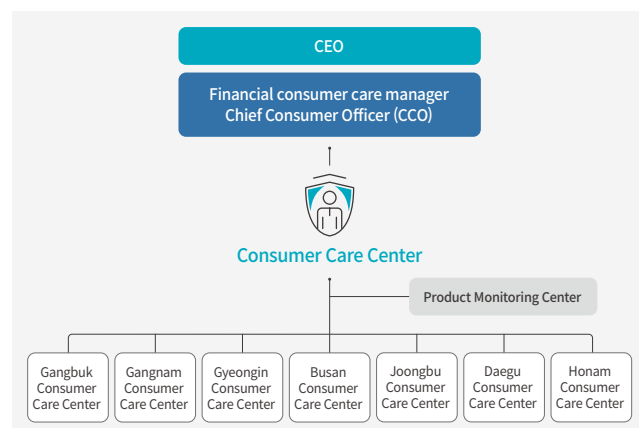


Awarded the Excellent Prize at the Consumer Centered Management (CCM)

Consumer Protection System

Kyobo Life has established a consumer protection framework to protect consumer data and rights. By establishing independent consumer protection centers in seven regions nationwide, CS managers provide "Visiting Consumer Protection Services" that visit customers in person and listen to their opinions. And through this, the Company strives to accurately catch and respond quickly to customers' complaints.

Consumer Protection Organization Chart

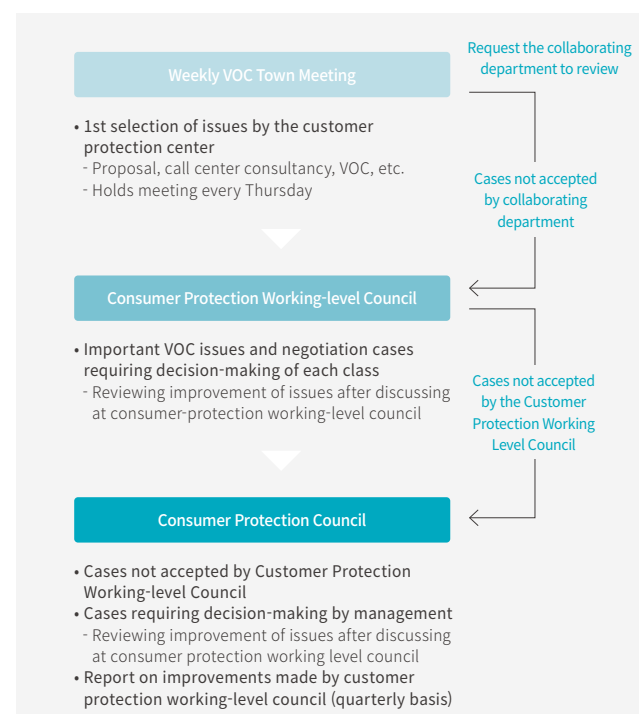


Happiness & Growth with Stakeholders

Consumer Protection System

Kyobo Life operates various systems such as customer panel meeting, consultative group, and VOC Management Support System to protect consumers. At the weekly VOC Town Meeting, each department endeavors to prepare and actively improve customer protection measures based on VOC. Important issues are brought up to the Consumer Protection Council after they go through the Consumer Protection Working-level Council, and improvements are quickly implemented through discussions among key management members. As of the end of December 2021, Consumer Protection Council held a total of 15 times of meetings (12 working-level meetings and 3 Council meetings), and out of 28 proposals made, 20 proposals were improved, and 3 proposals are currently under improvement. With respect to the improved proposals, non-face-to-face mobile processing has been expanded for customers staying abroad for a longer term and who have difficulty using face-to-face services during the medical expense reimbursement process. The system has also been improved for customers with pension savings who have difficulty changing their pension receipt form after the start of pension. In addition, the Consumer Protection Council held a briefing session on the Act on the Protection of Financial Consumers (hereinafter referred to as the Act), in accordance with the implementation of the Act in March 2021, to enhance understanding for preparations for the implementation of the Act. The Consumer Protection Council has consulted for external legal advice to check the adequacy of preparations for the implementation of the Act, established internal control standards for consumer protection and consumer protection standards, and found new Consumer Protection Council to stipulate all matters for the protection of consumer rights and interests.

VOC process for Consumer Protection



"NICE KYOBO" campaign to spread consumer protection culture

Kyobo Life launched the NICE KYOBO campaign season 2 following 2020 to lead a consumer-centered insurance sales culture. Through the NICE KYOBO campaign, we conducted programs such as cyber education for all employees and participatory events to help them understand the financial consumer law. From April 2021, the 'Consumer Protection Self-Inspection Day' has been operated every month.

* Meaning of 'NICE'
 N(Needful): Essential to customers, I(In time): to provide customers in a timely manner, C(Careful): Considering and caring for customers, E(Emotional): Emotional interaction with customers

Consumers' Plaza

Kyobo Life has set up the "Consumers' Plaza" section on the website and mobile platform to listen to customers' voices through various channels and to improve its performance. The Consumers' Plaza allows customers to freely express their opinions, providing useful information to consumers, such as best practices for consumer protection, financial consumer protection status evaluation results, and civil complaints.

Putting into Practice Faultless Insurance Sign-up

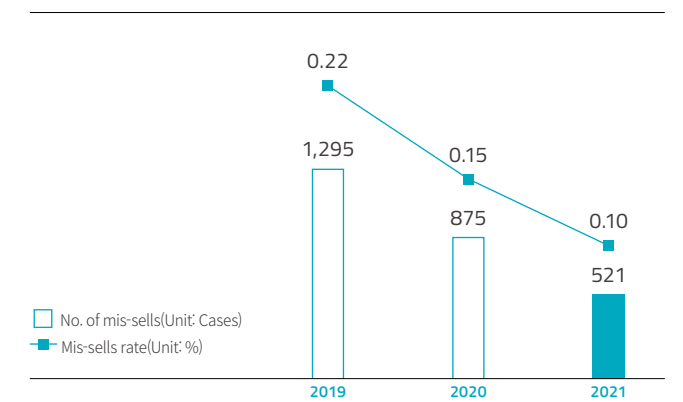
Kyobo Life is educating all of its Financial Planners on the importance of faultless insurance sign-up to ensure that customers can properly recognize the value of life insurance and receive legitimate rights in accordance with the Act on the Protection of Financial Consumers. Faultless insurance sign-up refers to a contract signed with the policyholder aware of important matters about the product when purchasing insurance. Kyobo Life has established internal standards and reflected the details in the contract process, and enables FPs to thoroughly carry out them to prevent mis-sells. In addition, insurance policy guides and summary are provided for all products¹⁾ to help customers better understand the vast amount of insurance policies that need to be checked when signing up.

Faultless Insurance Sign-up

- Compliance with three principles**
 - Issuance of a contract containing the personal signatures of the insured and subscriber
 - Delivery of insurance policy and providing full explanation on the contract
 - Delivery of contract copy to the subscriber
- Notification of requirements before signing**
 - Clients are advised to fill out all the requirements on the form in person prior to signing
- Full explanation of information that customers need to know**
 - Clients receive a detailed and accurate explanation of all items requiring explanation, such as product characteristics and coverage

1) Group products excluded

Mis-sells Status²⁾

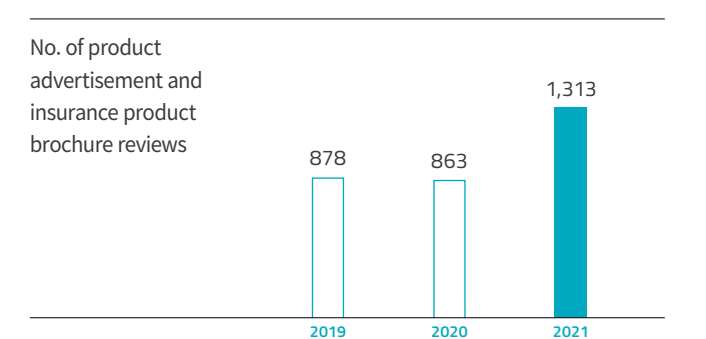


2) The Mis-sells status based on FP Channel is reported from 2021 (Previous: based on FP channel)

Prevention of Unfair Transaction

Kyobo Life operates a system that requires compliance officers to approve product advertisements or insurance information materials in advance. The Company strives to prevent inappropriate judgments of customers or unfair trade practices such as false, exaggerated, deceptive, slender, and unfair comparisons.

Status of product advertisement and insurance product brochure reviews



Classification	Unit	2019	2020	2021
No. of Violation related to product advertisement and insurance information	Cases	0	0	0

Financial Planners, Walking in Step



Links to SDGs

Management Approach

Financial Planners are key business partners that connect Kyobo Life and customers. Along with the diversification of customer needs, Financial Planners have a deep understanding of and expertise in products and services and deliver correct product information and values at all points of customer contact. To this end, Kyobo Life conducts tailored training by dividing new Financial Planners from existing Financial Planners to provide competency-based training programs. By actively utilizing digital channels, the Company has established a system that allows FPs to learn anytime, anywhere, and motivates them to work by supporting sales activities such as Kyobo MDRT Day and the FP brand campaign. Kyobo Life will continue to strengthen competency and support their sales activities for sustainable growth and job satisfaction of Financial Planners.

Key Performance Index



¹⁾ Financial Planner settlement ratio = (No. of advanced Financial Planners/No. of newly registered Financial Planners) × 100, Financial Planners Settled in the 13th Month includes those who sign one or more new contracts and retain 10 or more contracts signed as of the 13th month

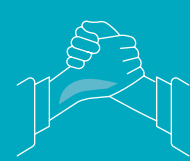
Highlights



Implementing MDRT Day



Operating Consultant Inconvenience Support Center



Conducting FP Brand Campaign

Training Programs to Strengthen the Competency of Financial Planners

New Financial Planners

Kyobo Life is providing close coaching programs for new FPs at the Rookie Training Center, which was established in 2019 to raise the competency of new FPs. The Rookie Training Center targets FPs within the first three months of commencing employment and provides systematic training to improve knowledge and competencies of FPs, such as knowledge on products, IT and digital application. After new FPs are transferred to the FP branch, the FP branch and FP regional support unit work closely each other to provide new FPs systematic training every month.



The Rookie Training Center

Existing Financial Planners

Kyobo Life provides customized training programs for each competency to support existing Financial Planners with over one year of experience. For each group, branch/regional support unit/financial planning center provide customized training for each level of the group. For high-performing Financial Planners, the Company provides training on finance/tax as well as training with diverse content including cultural study and liberal arts to upgrade their financial planning skills.

Digital-based Self-directed Learning Support

Kyobo Life has been operating various education channels so that Financial Planners have self-directed learning anytime, anywhere. The Company allows Financial Planners to access “Live Talk” (a real-time education platform), “M-Learning” (a video education platform), and “E-Book” (online textbooks) in one app, and helps Financial Planners strengthen their competencies by their own by constantly updating educational content.

Provision of Health Management Information

Kyobo Life provides health-related statistics, information for health check-ups and health management support. This has helped Financial Planners to learn areas where they can provide consultation service in compliance with the medical laws, and support customers to lead healthy lives in customer-facing situations.

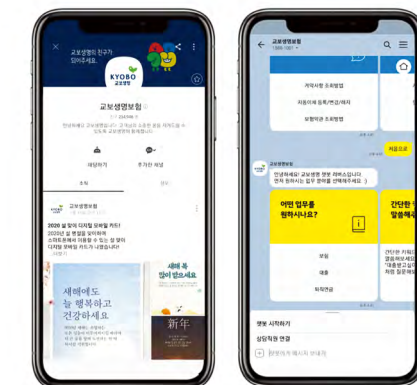
Marketing Approach for Financial Planners

Customer Life Event Prediction System

Kyobo Life has established a “Customer Profile-based Life Event Prediction System” to provide customers with data-based personalized diagnostic services. The Company optimizes the matching between customers and FPs by synthesizing customer-related data, statistics, external data such as academic journals, and FP data, and provides suitable diagnostic services suitable for each customer. This has helped Financial Planners to better understand customer needs and increase customer value based on personalized information.

“DAMOA” System

Kyobo Life operates the “DAMOA” system to enable Financial Planners to provide accurate and prompt information to customers’ inquiries. The DAMOA system is a kind of knowledge management system that collects all (“DA” means “All”) knowledge of insurance consultation and enables all (“DA” means “All”) members of all customer contact points, such as Financial Planners, sales channels, and counselors, can use it. Since all insurance-related information of Kyobo Life is included, FPs can check the information required for customer consultation through real-time searches and acquire quick and accurate information anytime, anywhere in the mobile environment through “Lubbers,” the internal chatbot service.



“Lubbers,” the chatbot service for customers

Happiness & Growth with Stakeholders

Consulting services in specialized fields

Kyobo Life supports the sales activities of FPs through financial planning centers in seven regions nationwide. The Financial Planning Center offers a variety of solutions, including financial investment and real estate consulting services, tax savings and legal consulting on inheritance/gift, and family business succession consulting, for customers' concerns about asset growth, asset protection, and asset succession. It is operated based on the Kyobo Asset Management System (KAMS), and wealth managers with international certified Financial Planners (CFP) qualifications provide comprehensive financial solutions according to changes in the customer life cycle and financial environment. In addition, it helps FPs strengthen their competencies by providing various support such as legal and tax-related education.

Prestige Center

Kyobo Life established the Prestige Center under the Gangbuk/Gangnam FP headquarters in November 2021. The Prestige Center provides comprehensive asset management consulting services such as retirement preparation, inheritance, finance, and real estate to top-tier customers, including joint activities with a dedicated wealth manager, financial management seminars for securing its customer base, and advice from an external expert.

Kyobo Asset Management System (KAMS)

Wealth manager

CFP(Certified Financial Planner), Consulting leader

- Customized asset management, comprehensive proposal

Laws

Law Firm(Attorney at law)

- Comprehensive legal consulting for individuals and companies

Labor affair

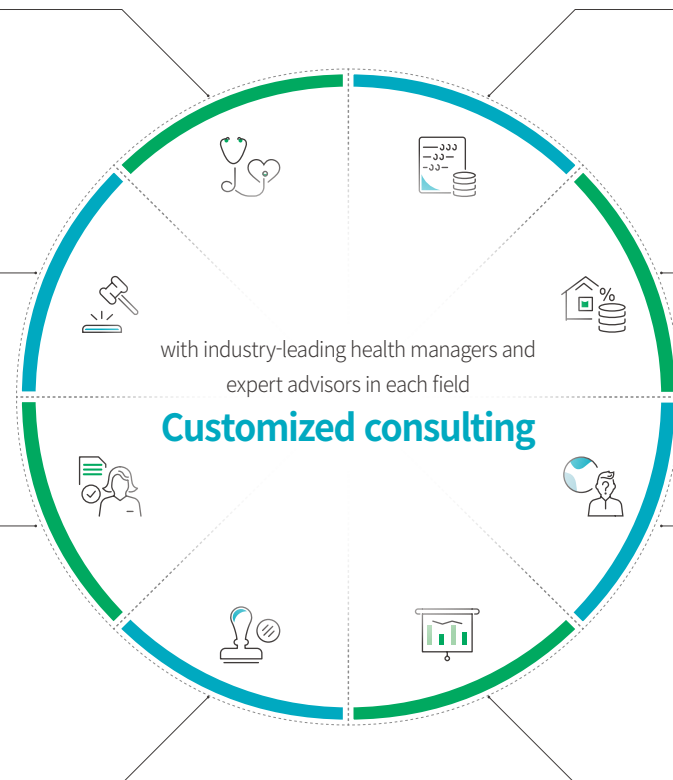
Labor corporation (labor attorney)

- Advice on HR management and risk response

Patent

Patent corporation (patent attorney)

- Comprehensive consulting on patents from discovery to application



Tax/Account

Tax/Account (tax accountant/accountant)

- Tax saving strategy, response to tax risk

Real estate

Professor/appraiser/asset management corporation

- Comprehensive consulting on investment advice, location analysis

Studying abroad

Aptitude test for studying abroad and related consulting

KAMS

Kyobo Asset Management System

- Providing customized and optimal proposals based on various system analysis by field

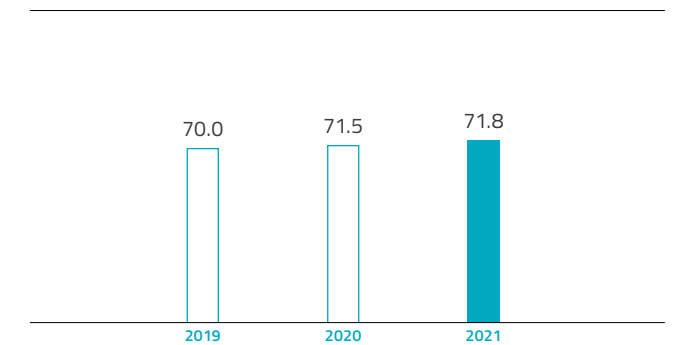
Activities to boost FP satisfaction

Financial Planner Satisfaction Survey

Kyobo Life conducts FP satisfaction survey every year to assess the competitiveness of Financial Planners compared to other companies, and to derive directions for improvement. The satisfaction level of Financial Planners in 2021 was 71.8 points, an increase by 0.3 points from the previous year.

Financial Planner satisfaction level

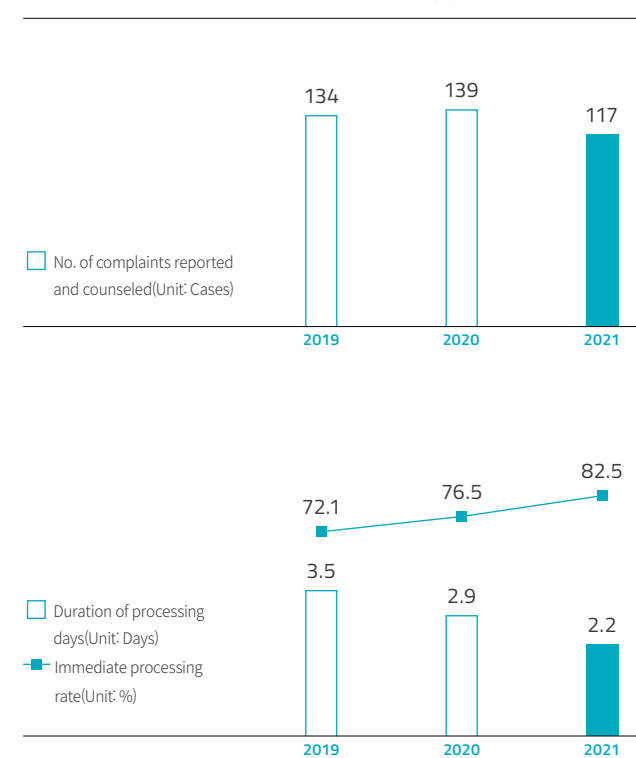
(Unit: Points)



Consultant Inconvenience Support Center

Kyobo Life established the first "Consultant Inconvenience Support Center" in the insurance industry to protect the rights and interests of Financial Planners and to actively resolve grievances. When any grievances or inconveniences are received online or on the phone, such requests are relayed to the corresponding departmental managers to ensure quick processing. Among them, important company-wide issues are brought up to the Consultant Inconvenience Support Council to discuss solutions. An average of 117 cases were reported per month to the "Consultant Inconvenience Support Center" in 2021, a decrease of 22 cases from the previous year.

Status of Consultant Inconvenience Support Center¹⁾



¹⁾ The no. of complaints reported and counseled, duration of processing days, and immediate processing rate are all average monthly figures.

Case Study

Complaint reported to Consultant Inconvenience Support Center

Matters reported

"The speed of the screen transition is too slow when filling out forms to sign up for a plan on a smartphone, and it takes too long to read and go to the next step after displaying the e-signature on the device. Please make it easier and faster to fill out forms."

Answer

"We reflected your feedback (promptly proceeding with signing up for insurance on a smartphone) in collaboration with the relevant team to simplify the e-signature so that there is no inconvenience in using it. In addition, we have upgraded the section that fills in forms so that you can proceed without delay."

Happiness & Growth with Stakeholders

COVID-19 Support

In order to protect Financial Planners from COVID-19, Kyobo Life provided supplies such as masks, quarantine kits, and self-test kits, including COVID-19 testing costs worth KRW 30 million. Kyobo Life carried out special support to financial planners in the event of confirmed cases of COVID-19 at the business site, and provided KRW 6.6 billion including support for revitalizing non-face-to-face sales to Financial Planners who have suffered loss.



Support for High-performing Financial Planners and Support for Cultural Activities

Kyobo MDRT Day

Kyobo Life has held the “Kyobo MDRT Day” every year to help more Financial Planners grow in early stages through programs such as special lectures, sharing of best practices from Financial Planners, and encouragement session to inspire self-confidence and create a more mature Kyobo MDRT¹⁾ culture.

1) MDRT (Million Dollar Round Table): The Association for Financial Professionals, made up of insurance and Financial Planners in the life insurance industry, that puts the customer first

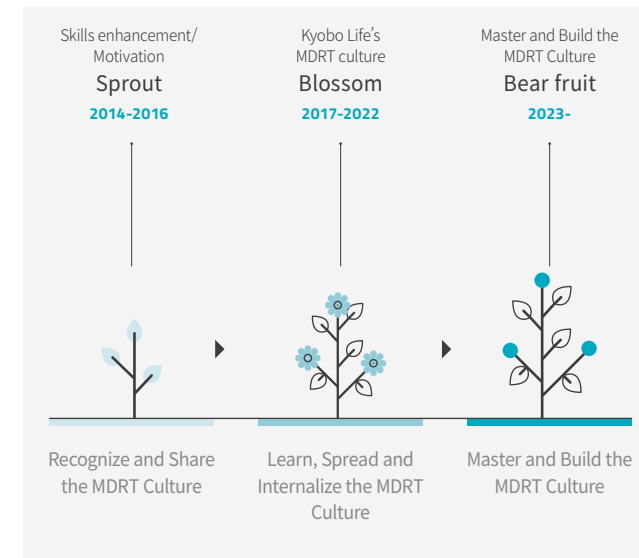
Kyobo Life’s MDRT Culture

- 1 Achieve even greater success by giving generously.
- 2 Work with passion to achieve one’s goals with a sense of duty.
- 3 Be cheerful, optimistic and perform challenging work dynamically.
- 4 Show a passion commitment to learning (training).
- 5 Seniors lead juniors with genuine heart, and juniors show respect to seniors.
- 6 Aim for long-term, continuous success.
- 7 Provide a lending hand to neighbors in difficulty (social volunteer work).



Kyobo MDRT Day

Establishing Kyobo’s MDRT Culture



FP Prime Leaders Club

Kyobo Life selects the best Financial Planners who lead a good sales culture as FP prime leaders. FP Prime Leaders Club supports not only activity fund, but also provides continuous competency development programs such as regular workshops and AMPs. The FP Prime Leaders Club provides an opportunity to meet with the best Financial Planners, thereby fostering juniors and contributing to the formation of a high-performing FP culture.



Prime Leaders Club Conference

FP Honorary Officer

Kyobo Life’s FP honorary officers present new career paths for excellent Financial Planners who serve as positive role models in every way and create a good image for excellent Financial Planners, contributing to the establishment and development of a high-performing FP culture. FP honorary officers contribute to fostering junior Financial Planners by sharing their sales know-how and customer discovery skills based on their sense of responsibility and pride, and further improve sales culture.

Overseas Language Program for Children of High-Performing FPs

Kyobo Life has been providing the “Overseas Language Program for Children of High-Performing Financial Planners” to Financial Planners with high performance. This first program in the insurance industry gives the children of FPs with high performance the opportunity to go overseas to participate in the carefully selected language study program every summer and winter season. The selected children can experience different cultures and receive customized English classes from a native speaker based on their language proficiency through the language training.

FP Brand Campaign

Kyobo Life is carrying out a campaign to encourage Financial Planners to take on new challenges in order to get closer to customers by allowing FPs to show their passion and become more familiar and approachable to customers. In 2020, through the “Let’s Start a Band” project, a band was formed through auditions nationwide and performed at the concert hall in Hongdae, Seoul. In 2021, the Company conducted “Lifetime Body Challenge” to support individualized exercise programs and body profile photography.



Lifetime Body Challenge

Employees, Growing Together

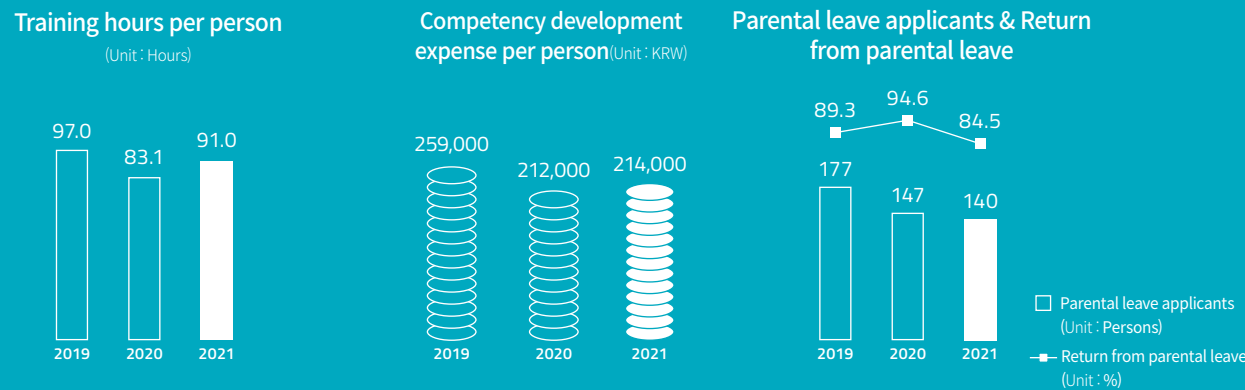


Links to SDGs

Management Approach

Kyobo Life is taking the lead in strengthening its capabilities and promoting communication-based cultural exchanges for the happiness and growth of employees. We are conducting various training programs to help employees develop digital capabilities and gain expertise. Moreover, we encourage them to develop innovative ideas to lead the digital era. In order to create a horizontal organizational culture, we operate inter-generational communication programs. In addition, the Company treats all employees equally and fairly, regardless of their gender, employment status, or disability, and is striving to prevent human rights violations through the operation of the grievance center. Kyobo Life believes that the growth of employees leads to the growth of companies in the future, and will therefore create a better future with employees.

Key Performance Index



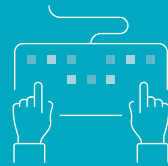
Highlights



MZ Town Hall



Kyobo Work Smart



Operating an in-house venture system

Human Rights Management

Kyobo Life is carrying out business activities based on the human-centered management philosophy of the “precious values upheld by people must be respected and realized.” In this regard, the Company is committed to protecting the dignity and labor rights of employees and strictly prohibiting discrimination in the workplace. In addition, the Company actively supports and complies with the principles of human rights and labor as defined in the UN Global Compact, such as protection of and respect for human rights, prevention of human rights abuses, recognition of freedom of association and the right to collective bargaining, elimination of forced labor, abolition of child labor, and the elimination of discrimination in employment and occupation. In addition, the Company prohibits child labor under the age of 15, strictly restricts the employment of youth under the age of 18, and prohibits all forms of forced labor against the free will of workers.

Establishment of Human Rights Policy

Kyobo Life has established human rights-related policies, an external declaration to respect the human rights of employees. In addition, the Company has established a human rights policy according to international human rights norms and standards, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Fundamental Conventions, and the OECD Due Diligence Guideline. The Company also established and announced a Diversity Policy, and an Anti-harassment and Bullying Policy in the workplace

Prohibiting Discrimination in Employment and Occupation

Kyobo Life strictly prohibits discrimination in employment and occupation. The Company has prohibited discrimination based on gender, age, ethnic group, religion, and social status in the recruitment process, and enhanced fairness in hiring by implementing a blind recruitment process. In addition, the Company provides equal opportunities in the decisions regarding base pay, promotion, compensation, and training based on individual competencies and objective performance. There is no discrimination in their salary system, and salaries are paid fairly according to job performance.

Education for Protection of and Respect for Human Rights

Kyobo Life conducts education on respect for human rights on a regular basis for all employees. The Company provides mandatory training courses to prevent anti-harassment, to enhance understanding of the disabled, and to prevent bullying in the workplace in order to establish a human rights protection culture. As a result of its efforts, the completion rate of mandatory training courses in 2021 was 100%.

Status of mandatory training courses

Classification	Unit	2019	2020	2021
Human rights training hours per employee	hours	3	3	3
The ratio of Sexual harassment prevention training		100	100	100
The ratio of Disability awareness training	%	100	100	100
The ratio of Workplace bullying prevention training		100	100	100

1) Training target: Employees (including part-time employees) and dispatched employees, those who work less than 60 hours per month during the training period, overseas workers, and dispatched employees from other companies are excluded.

Protection Guidelines for Customer Service Staff

Kyobo Life defines employees who provide products or services through face-to-face customer service or through information and communication networks as “customer service staff.” The Company has established “Protection Guidelines for Customer Service Staff” to protect customer service staff from difficult customers, providing a customer service manual against difficult customers to conduct regular training.

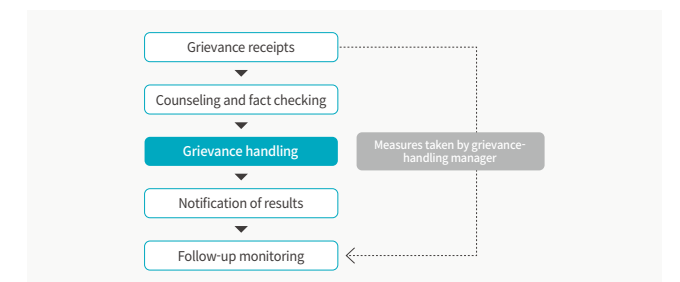
Employee Grievance Counseling System

Kyobo Life operates the “Grievance Counseling System” on the intranet in order to ensure a pleasant working environment for employees and to prevent human rights violations while performing their work. In April 2022, the Company established the Employee Grievance Center in charge of handling grievances to receive employee grievances and complaints and promote communication. In addition, it also formed the Grievance Resolution Support Part to resolve aforementioned grievances. When personal difficulties and suggestions are received during, we process them promptly to improve work efficiency and build a healthy organizational culture. A total of 14 cases of bullying and sexual harassment in the workplace were reported through the Employee Grievance Counseling System from 2019 to 2021.

Status of Employee Grievance Counseling System

Classification	Unit	2019	2020	2021	
Total	Reported	1	2	11	
	Handled	1	2	11	
Sexual Harassment	Reported	0	0	5	
	Handled	0	0	5	
Human Rights	Bullying	Reported	1	2	6
		Handled	1	2	6
Other Cases	Reported	0	0	0	
	Handled	0	0	0	

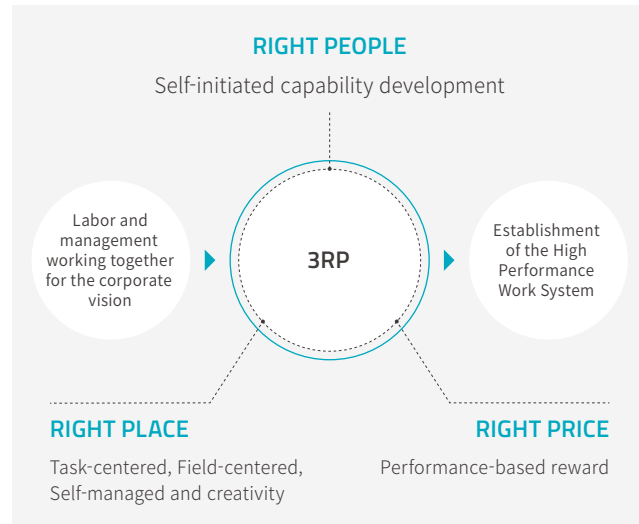
Grievance Handling Process



Talent Management

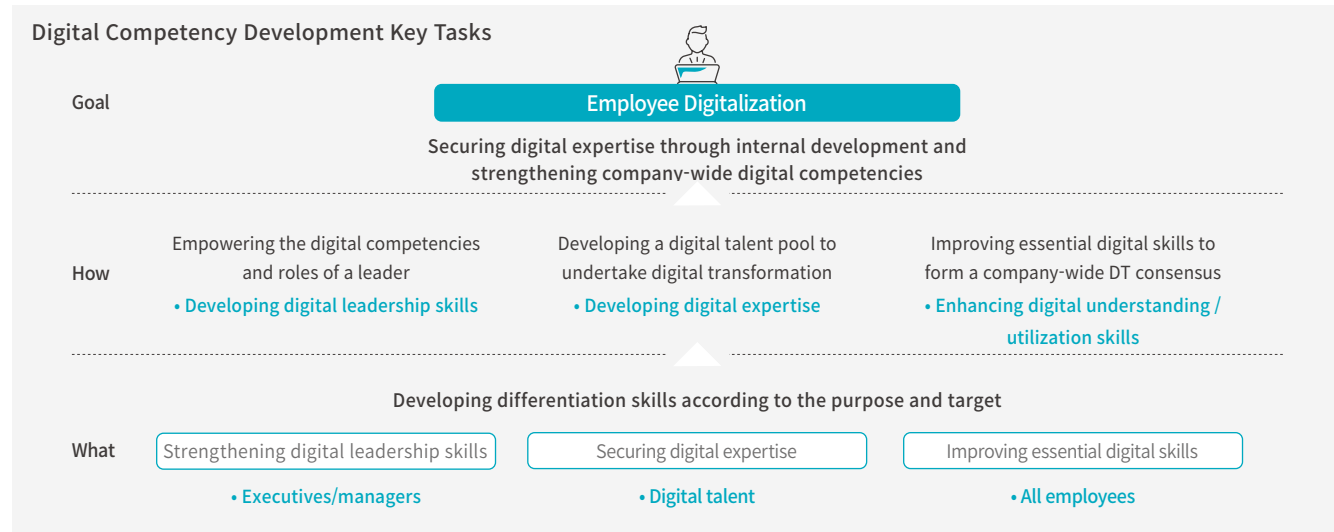
Kyobo Life is committed to hiring talented people, rewarding them according to their achievements, supporting their growth, and realizing mutual growth with all employees.

HR Vision



Setting a direction for human resource development

In 2021, Kyobo Life established a digital talent development system according to company-wide digital competency development, and supported the development of basic digital competencies for all employees and systematic and professional competency development for business/technical personnel. Kyobo Life will continue to strengthen the digital competencies of all employees through a digital talent development system and support for workplace learning-centered competency development by which employees can “learn while learning, and work while learning,” continuously providing new learning experiences and opportunities for growth.



Happiness & Growth with Stakeholders

Status of Employee Competency Development Support(Hours)

Classification	Unit	2019	2020	2021
Total training hour	Hours	360,299	296,099	345,749
Average training hours per person		97	83	91
Average training hours	Gender			
	male	97	86	90
	female	96	85	86
Position	manager	56	42	36
	employee	104	85	93

Status of Employee Competency Development Support(Training expense)

Classification	Unit	2019	2020	2021
Total amount of support expense		846,754	715,815	665,157
Competency Development	Development support expense per person ¹⁾	259	212	214
	Training expense per year	4,723,361	4,317,751	4,664,440
Training	Average training expense per person ²⁾	1,236	1,124	1,215

1) As for competency development expense, the expense of supporting the training desired by employees is reported
Calculation formula = Total amount of annual competency development expense / Subject of competency development for members

2) The training expense per person was calculated by dividing the total training expense by the total number of employees, and it includes support expense given to work-level division (job-specific training, etc.).
Calculation formula= Total annual training expense / total number of employees

Kyobo Digital School (Digital Competency-enhancing Education System)

Kyobo Life’s executives and managers strengthen digital leadership skills, and allow all employees to enhance their essential digital skills and expertise. Since February 2022, the Company has established an in-house digital (data) qualification certification course to help employees realize more efficient job performance.



KYOBO Digital School

KYOBO Digital School

Target	Program goals and description
Executives/Managers	Strengthening digital leadership skills <ul style="list-style-type: none"> Special lecture – Digital Insights: Special lectures across different categories. Training for understanding/utilization of digital technologies (e.g., Big data, AI, Cloud, etc.) Digital Leader Workshop: Digital leadership for digital transformation
Digital talent	Securing digital expertise <ul style="list-style-type: none"> Advanced: Industry-university cooperation course (KAIST’s Finance-IT convergence AI course, digital master’s program) Intermediate: Data Analytics Course (Python), RPA analysis design course, Digital Acceleration course focusing on Biz and Tech for employees who perform digital-related tasks
All employees	Improving essential digital skills <ul style="list-style-type: none"> Basic: Data Analysis understanding/ Data Analysis basic Fundamentals of Data Analysis: Data understanding, acquiring basic knowledge related to data analysis and utilization

Partnership with professional educational institutions

Kyobo Life operates industry-university linked programs through partnerships with various organizations to foster talent who can lead digital innovation. In April 2021, the Company opened the “KAIST Finance-IT Convergence AI Course” in collaboration with the Korea Advanced Institute of Science and Technology (KAIST). The program carried out digital transformation, the theory of AI theory and technology, AI application strategy, and a project to create and discover a new business model that combined finance and IT for 3 months.

Building a mobile-based learning platform and system

Kyobo Life operates “Imaginative Learning (regular/mutual learning)” to ensure that employees can engage in job-related training anytime, anywhere. The Company builds a mobile-based learning platform and system to encourage employees to voluntarily participate in learning, thus providing new learning experiences.

Imaginative Learning

Classification	Contents
Bookstagram	A book learning platform that enables employees to request books they want and share their knowledge and insights to broaden employees’ thinking
Kyobo LABS	A learning system that offers video content related to job-related knowledge of the Company and external knowledge & insights
K-stagram	A knowledge sharing platform where employees become providers and consumers of learning content

Leadership Training

Kyobo Life is carrying out special lectures, book clubs, and reverse mentoring for executives and managers in order to increase digital literacy and horizontal leadership capabilities. The Company also fosters executive candidates to ensure that they can gain the basic business knowledge necessary for business. In addition, the Company provides management leadership development-related content and self-directed learning to improve the work professionalism of field managers.

Leadership Training

Target	Contents
Executives/managers	<ul style="list-style-type: none"> Digital Leader Workshop Management-level book clubs Reverse mentoring (*Refer to 65 page for details)
Executive candidates	<ul style="list-style-type: none"> Action learning (improving problem-solving skills through team building) Cultivating management leadership, company management knowledge, and basic knowledge
Field managers	<ul style="list-style-type: none"> Support for special lectures and Book Clip content Self-directed learning: SERICEO, Kyobo LABS content utilization

Implementing degree and certification programs

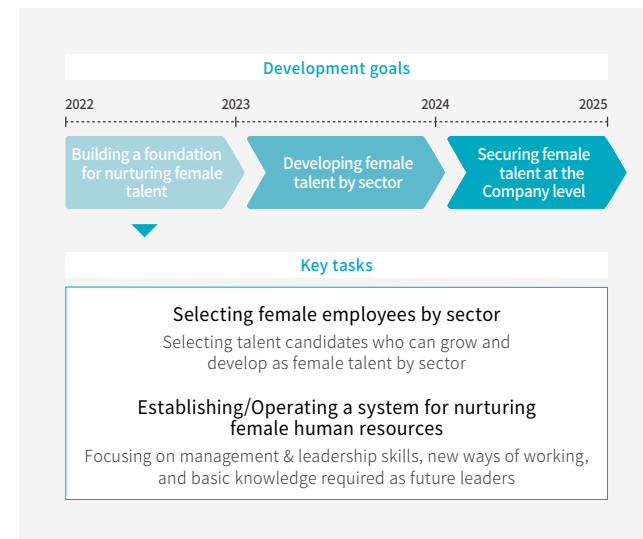
Kyobo Life helps employees to acquire certificates and degrees to build their expertise. The Company operates regular training courses to acquire financial planning (AFP/CFP) and insurance contract management qualifications, and also provides all expenses such as training, material, and test fees for other qualifications and degrees related to performance creation. In January 2022, we provided additional support for acquiring 14 digital-related certifications, as well as a master’s program for nurturing digital talent.

Developing Female Employee Competencies

Establishing a foundation for nurturing female talent

Kyobo Life presented a three-year development plan and system to secure excellent female employees in each field, and selected 1st candidate group for 2022. Starting with laying the foundation for training excellent female employees this year, the Company will secure female talent at the Company level by 2025 and nurture them focusing on cultivating management & leadership skills, new ways of working in the digital era, and basic knowledge.

Roadmap for Nurturing Female Talent



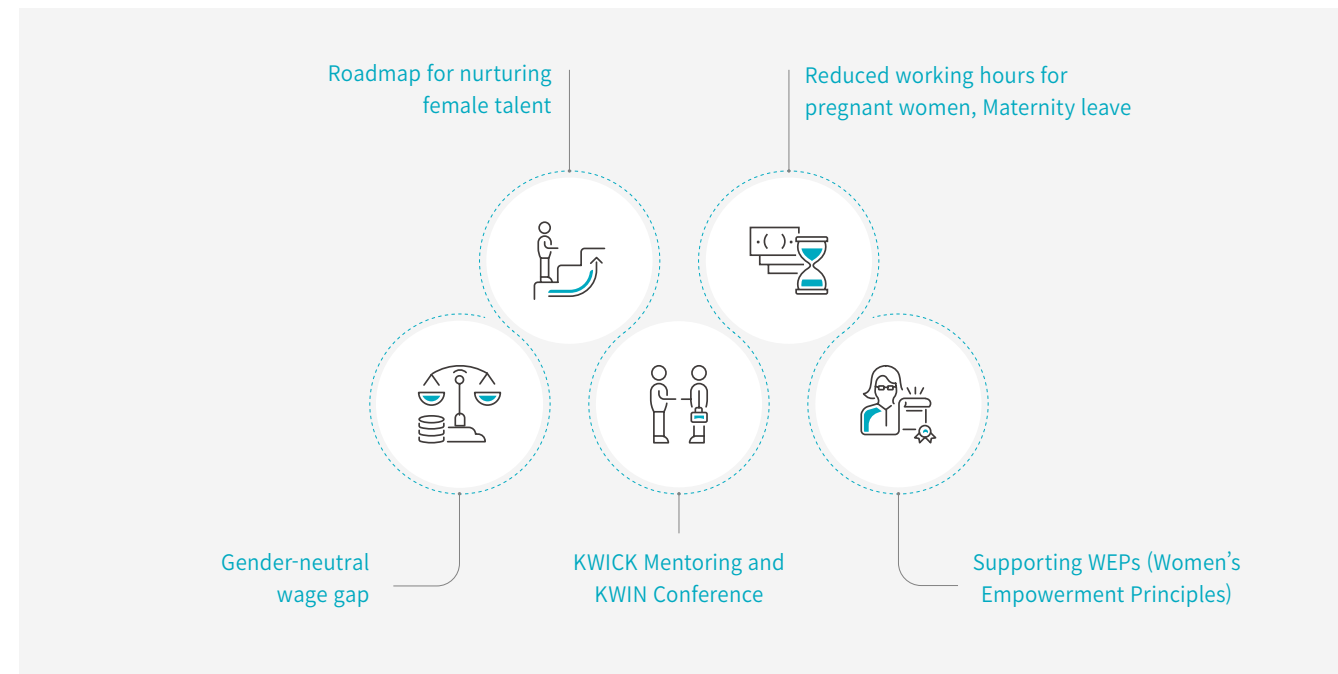
KWICK (Korea Women's Innovative Council in Korea) Mentoring & KWIN (Korea Women's Innovative Network) Conference

KWICK is a mentoring program for women operated for the purpose of pursuing growth, development of female members, and motivating them within the organization as part of the D&I (Diversity & Inclusion) culture. Senior female colleagues share their cumulated experience and knowledge with juniors to help them develop their careers and leadership skills. In addition, Kyobo Life has held the KWIN (Korea Women's Innovative Network) conference every year for the growth and development of female employees. In 2021, a conference on "work-life balance" was hosted by Korean-German Chamber of Commerce and Industry in collaboration with "WIR(Women In Korea) Talk," a workshop program that supports a mentoring network with female managers.



KWICK Mentoring

Female Talent Fostering Program



Self-managed and creative culture

By leveraging each generation's strengths and intelligently reflecting them in corporate management, companies can create a culture of innovation that is ahead of their time. Kyobo Life allows much more cultural exchange opportunities to promote communication between Generation MZ employees and executives, sharing insights with young people and experienced people on digital transformation. Kyobo Life is striving to create a corporate culture where managers or executives can freely communicate and share their insights with employees.

MZ Town Hall Meeting

Kyobo Life operates the "MZ Town Hall" to promote communication between the top management and "Generation MZ" who will play a leading role in digital innovation. The top management motivates Generation MZ at work and Generation MZ gives management insights for a new digital age to the top management. In a town hall meeting where opinions are shared in an informal way, Generation MZ and management can freely share opinions related to major issues in the Company. The subjects that need improvement among the issues derived are reflected in the Company's management, and the major issues are used as data to cross over the bridge between generations to ensure Kyobo Life's digital innovation and successful organizational culture.



MZ Town Hall Meeting

Reverse Mentoring

In order to spread a horizontal organizational culture, Kyobo Life operates a reverse mentoring program in which young members of the organization become the mentors for managers. When a manager applies for participation in this reverse mentoring program, a Generation MZ mentor is matched with them, and practices and experience-centered activities are conducted for 3 months. The latest mentoring was conducted under the theme of "Understanding Generation MZ" to overcome the generation gap based on empathic communication by executives and managers.



Reverse Mentoring Program

Kyobo Work Smart

Kyobo Work Smart is Kyobo Life's own standards of work that enable employees to work smarter and lead the digital era. It takes a bottom-up approach rather than a top-down approach, and enables employees to cultivate innovative thinking and autonomy.

Kyobo Work Smart



- 1 The leader (senior) listens first with an open mind.
- 2 Opinions of the other person may be better than mine.
- 3 Not trying is the biggest failure.
- 4 I take initiative and work by self-motivated.
- 5 I put the customers and the Company first before my department.
- 6 I do not engage in the acts that are not honorable to my colleagues and family.
- 7 The conference room is a place where I can talk without fear.
- 8 I sensitively respond even to small pain points of customers.
- 9 I only report accurate facts on time.
- 10 I leave the office or take a break from work without affecting or being affected by others.

In-house Venture System

Kyobo Life operates the “Kyobo In-house Venture System” to discover and develop creative ideas of employees. In 2021, a total of 142 creative ideas were recruited from the “In-house Venture Start-up Idea Contest,” and the 9 final teams were selected after validating the commercial potential through expert review and Demo Day. The selected teams get to participate in the in-house venture acceleration program for one year. Commercialization is determined during the Demo Day after the development process is terminated, and the Company will commercialize or spin it out into the market. If necessary, Kyobo Life will provide start-up assistance or participate in equity investment.

In-house Venture Program Winner

Classification	Description
Non-face-to-face Book	<ul style="list-style-type: none"> A program that allows employees to read books and share thoughts in real time Readers who read the same book are automatically connected on the voice-based platform for book clubs so that they can focus on their book discussion regardless of time and space.
Audio Tour Guide	<ul style="list-style-type: none"> A program that enables employees to see historic sites and hear a personalized commentary In the double-sided platform, a docent program provides a location-based personalized commentary in real time.



■ Visiting the in-house venture office

Happiness & Growth with Stakeholders

Becoming the Best Company to Work For

Kyobo Life strives to help all employees reach self-realization while working for the Company and to improve their quality of life. The Company builds a better work-life balance through its flexible working system, and implements an employee compensation system based on performance.

Employee Welfare System

Kyobo Life operates an employees’ welfare system to guarantee living stability, housing stability, and healthy cultural life. The Company supports 4 major insurances, child tuition assistance, and personal pension insurance, and provides a stable living environment for remote employees by supporting monthly rental fees or long distance commuting expenses. In particular, employee welfare cards offer a high level of satisfaction by allowing employees to freely select and use welfare items that are suitable for them.

Employee Welfare System

Classification	Description
Living stability	Statutory welfare benefits (4 major insurances), Scholarships, Travel expenses, Subscription to employee life insurance, Support for personal pension insurance, Support for family event (services that support some of the funeral supplies in the event of a condolence (funeral)), Gift for retired employees, Support for clothing, Childcare allowance, In-house Daycare center, Employee welfare fund
Housing stability	Support for monthly rent and long distance commuting expenses
Healthy cultural life	Health check-up, Resorts (Condominium), In-house club
Cafeteria system	Employee can freely select and use welfare benefits that meet individual needs (welfare card)

Maternity Protection and Childcare Systems

Kyobo Life operates its corporate daycare center and lounge for female employees, and supports childcare allowances. The Company also implements shortened work hours to work only from 10 am to 5 pm without a pay cut during pregnancy. In addition, its Use-One-Get-One free system, in which additional vacation days are provided for maternity leave when an employee takes annual leave, helps pregnant employees recover from pregnancy and childbirth.

Adoption of Good Working Systems

Kyobo Life implements a 52-hour workweek system to help its employees achieve their work-life balance and a selective working hour system to reduce employee’s overtime. In addition, the Company operates the Reporting Center for Undue Overtime Work, a system that protects employees from unreasonable overtime/nighttime/holiday work. After the outbreak of COVID-19, the Company strives to protect the health of employees and create an efficient work environment by implementing a time-difference commuting system and work-from-home system.

Status of Selective working hours

Classification	Unit	2019	2020	2021
Selective working hours	Persons	1	0	0
Flexible working hours		294	116	123



Transparent and Objective Evaluation and Compensation

Kyobo Life evaluates the performance of all employees in a fair and equal manner, regardless of their gender, employment status, or disability, and rewards them accordingly. The Company conducts regular semi-annual and annual performance evaluation for transparent and impartial performance evaluation. In the process of performance building, employees can receive feedback from their managers and colleagues, thereby developing and improving their capabilities and performance. In 2021, 100% of the evaluation of all subjects for performance evaluation was completed.

* Refer to Factsheet page 107 for details.

Building healthy corporate culture

Safety and Health Management Systems

Kyobo Life strives to create a safe and healthy workplace for all employees. The Company has established the Occupational Safety and Health Committee in accordance with Article 24 of the Occupational Safety and Health Act, and appointed a safety and health manager in accordance with Article 15 of the same Act. The Occupational Safety and Health Committee meetings are held on a regular basis, and we conduct separate safety & health inspections. In 2022, the Company has formed new Safety and Health Management Center to build a system to comply with laws and regulations related to safety and health, and established a management policy for the safety and health of employees. In addition, the Company is striving to create a safe and healthy workplace by sharing safety and health education materials to raise the safety and health awareness of employees.

Safety and Health Management Policy (2022)



- The company exerts utmost efforts to create a safe and healthy workplace.
- The company complies with laws and regulations related to safety and health.
- The company seeks to enhance the level of safety and health through voluntary participation and cooperation of the staff.
- The company continues to eliminate dangerous risk factors by developing and implementing plans pertaining to safety and health.
- The company supports suppliers with activities promoting safety and health to prevent occupational accidents.

Culture of Mature Labor-Management

It is very important to build relationships with labor unions based on mutual trust and respect. The Company operates the Labor Management Council and holds labor-management meetings on a frequent basis to create more mature relationships. The Company also holds a Brief on Management Status twice a year in which the management shares key issues such as business performance and outlook with employees in Q&A sessions to maintain continuous communication with employees. In 2020, there were 3,708 employees* who were eligible to join the labor union, and 2,625 of them (70.8%) joined the labor union. The collective bargaining signed in 2021 was fully applied to all employees.

* The number of employees eligible to join the labor union is not the same as the number of incumbent employees. Head of department, HR and audit departments are not eligible for union membership.

Investors, Maintaining Trust

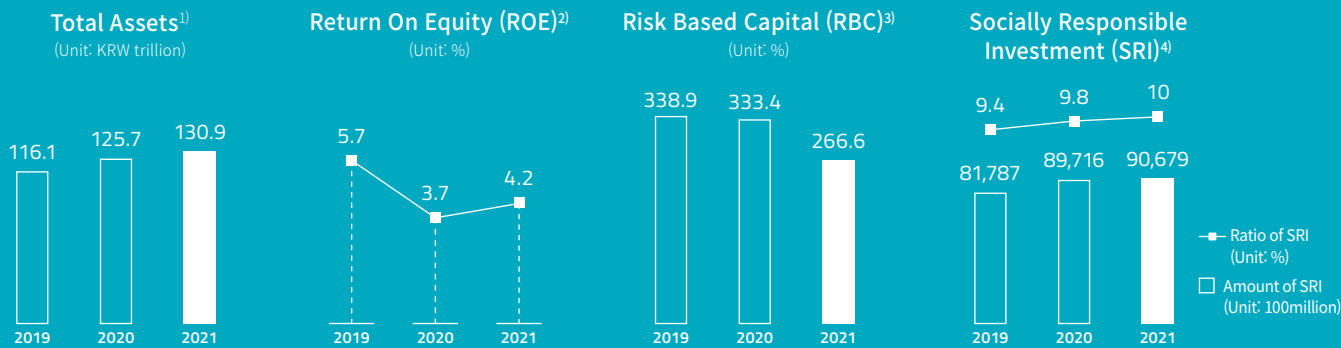


Links to SDGs

Management Approach

Investors are key stakeholders of Kyobo Life for sustainable growth. In 2021, the investment market has grown rapidly as a result of developing and delivering COVID-19 vaccines around the world and monetary easing policies to recover the economy. However, in 2022, the rising inflation, high interest rate policy, and the Russia-Ukraine war have intensified financial instability, and stable and systematic asset management has become ever more important. Kyobo Life strives to manage risk and asset by actively responding to the changes in the financial market. Kyobo Life will enhance the corporate value of the company through stable asset management.

Key Performance Index



1) Total assets: Based on consolidated financial statements
 2) Return On Equity (ROE) = Net income / ((Beginning equity capital + Ending equity capital) / 2) × 100, Based on consolidated financial statements
 3) Risk Based Capital (RBC): RBC Ratio = Solvency margin / RBC total risk × 100, Based on consolidated financial statements
 4) Socially Responsible Investment Ratio : (SRI investment / General account assets) X 100, Based on consolidated financial statements

Highlights



The highest credit rating in the industry



Issuing the first Sustainability bonds in the industry



Expanding socially responsible investment

Key Financial Performance in 2021

Growth

In 2021, a difficult business environment continued due to the less face-to-face sales, the entry of Big Tech and platform companies into the insurance industry, and rising market volatility of the financial market. Kyobo Life ensures stable asset management with preemptive and active strategies and thorough risk management. In addition, the Company not only promotes differentiated marketing strategies but also provides continuous support for sales sites. As a result, total assets at the end of fiscal year 2021 reached KRW 131 trillion, representing a 4.1% increase year on year.

Classification	Unit	2019	2020	2021
Total assets	KRW trillion	116.1	125.7	130.9

Profitability

The life insurance market is slowing down due to changes in the demographic structure caused by the continuous population aging. In addition, competition has intensified as companies in the industry focus on the sales of protection-type insurance in preparation for the adoption of K-ICS and IFRS17. Even in such a difficult business environment, Kyobo Life was able to defend the asset management return by taking advantage of its profit-centered product strategy and the financial market's volatility. As a result, based on the consolidated financial statements, net income reached KRW 489.3 billion, return on equity (ROE) was 4.2%, and return on assets (ROA) was 0.4% at the end of fiscal year 2021.

Stability (Financial Soundness)

Kyobo Life has maintained the highest level of financial soundness among the insurance companies through thorough and efficient management. As of the end of FY 2021, the RBC¹⁾ Ratio of Kyobo Life was 266.6%, a decrease of 66.8%p over the previous year. During the year, the available capital decreased due to the decrease in the gains and losses on the valuation of securities with a rise in the interest rates, and the increase in inevitable credit risk with the expansion of alternative investments to increase asset management sales. Reduced short-term FX hedge recognition rate and increased market risk due to refinancing risk were also the main reasons for the decline in the RBC ratio. Despite a difficult year, Kyobo Life still maintains the industry's highest level of financial soundness.

1) RBC (Risk Based Capital): The ratio at which an insurer may pay the insurance money in a timely manner when a policyholder requests the insurance money at once

Sales Performance

Insurance Premium Income

In 2021, Kyobo Life achieved successful business plans in all areas of the insurance business even in a difficult business environment by providing differentiated products and services, improving the system to support consultants' non-face-to-face sales activities, and carrying out digital marketing activities. The premium income from retirement pension plans increased by 32.3% compared to the previous year and premium income from saving plans increased by 23.2% compared to the previous year due to an increase in market liquidity. The insurance premium income at the end of fiscal year 2021, based on separate financial statements, increased by 10.7% year on year to KRW 15.8 trillion.

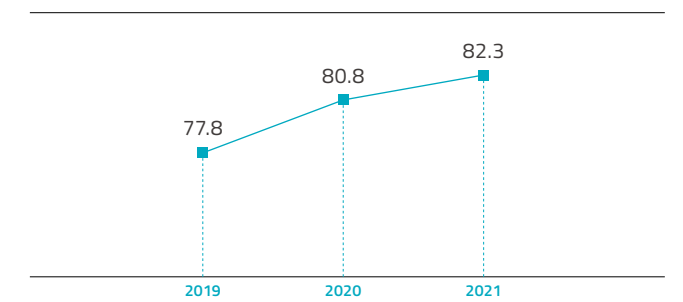
Premium Income by Insurance Plan (Unit: KRW 1 billion)

Classification	2020	2021	YOY
Protection	5,607.6	5,708.0	1.8%
Annuity	3,023.6	2,846.7	-5.8%
Savings	2,401.6	2,958.1	23.2%
Retirement pension	3,247.2	4,295.4	32.3%
Total	14,280.0	15,808.3	10.7%

Persistency Ratio (13th month)

Even the most uncertain business environment, Kyobo Life continued its efforts to improve the persistency ratio of new consultants and build a culture of faultless insurance sign-up. As a result, the persistency rate for the 13th session at the end of fiscal year 2021, based on separate financial statements, recorded 82.3%, a 1.5%p increase from the previous year.

Persistency Ratio (13th month)²⁾ (Unit: %)



2) 13th month Persistency Ratio = Persisted contract amount in the 13th month / Total subscribed contract amount in the 13th month X 100 (Overdue twice, accumulation basis)

New Business APE (Annualized Premium Equivalent)

New business annualized premium equivalent (APE) at the end of fiscal year 2021, based on separate financial statements, was KRW 1.893 trillion. As the protection insurance market has become contracted due to the prolonged COVID-19, the APE for whole life and CI insurance decreased by 32.2% and 22.0%, respectively, compared to the previous year. As a result, the percentage of APE for protection insurance plans fell 3.6% year on year to 41.2%.

Category	2020	2021	YOY
Protection	867.2	780.1	-10.0%
- Whole Life	392.4	266.1	-32.2%
- CI	243.2	189.8	-22.0%
- VUL	11.4	14.6	28.6%
- Protection	220.2	309.7	40.6%
Annuity	305.2	355.3	16.4%
Savings	764.3	757.6	-0.9%
Total	1,936.7	1,893.0	-2.3%

1) Excluding Corporate Pension

Enhancement of Financial Soundness

In 2022, Kyobo Life has maintained an “A1” rating, the highest rating among domestic life insurance companies, from Moody’s (Moody’s Investors Service), one of the world-leading credit rating agencies for the eighth consecutive year. In addition, Kyobo Life received “A+” rating from Fitch Ratings for the 10th consecutive year for its comprehensive insurer financial strength including profitability as well as financial soundness. Korea Ratings, Korea Investors Service, and NICE Information Service, which are domestic credit rating agencies, also awarded Kyobo Life the highest rating of “AAA” by highly appreciating the stable profit structure, excellent financial soundness, and differentiated sales base of Kyobo Life.

Credit Rating in 2022

Happiness & Growth with Stakeholders

Stable Asset Management

Asset Liability Management (ALM) policy

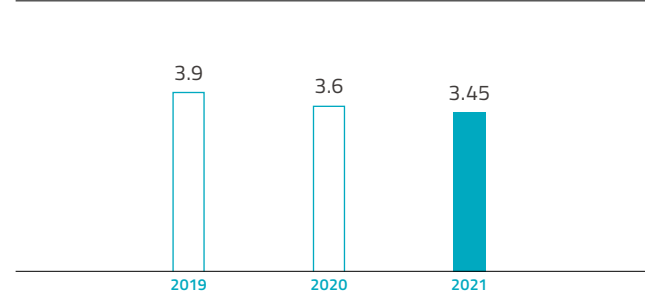
Kyobo Life makes utmost efforts to stably generate profit from a long-term perspective to provide the coverage we promise to our customers and to secure competitiveness of the Company. To this end, Kyobo Life adopted the Asset Liability Management (ALM)²⁾ policy to implement policies tailored to the characteristics of long-term insurance plans of life insurers. In addition, the Company establishes and implements efficiency strategies through bi-directional asset allocation from a long-term and short-term perspective. Kyobo Life stably generates profit through Strategic Asset Allocation (SAA), and secures excess earning by actively responding to the changes in the financial market through Tactical Asset Allocation (TAA) from a short-term perspective.

2) ALM (Asset Liability Management): A series of decision-making process to maximize the financial value of a company by comprehensively managing assets/liabilities in line with changes in the financial environment to optimize return against risk

Asset Liability Management (ALM) performance

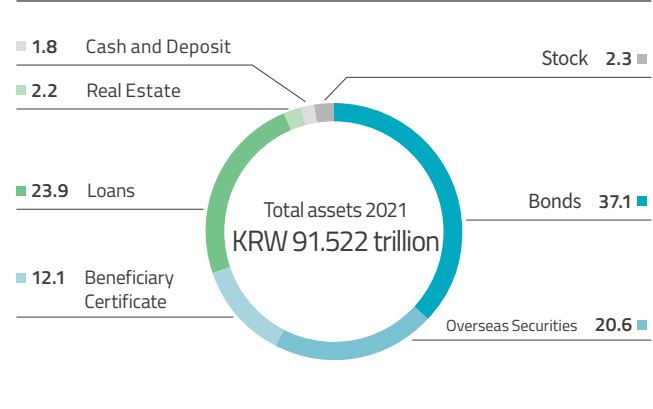
Kyobo Life’s total assets at the end of the fiscal year increased 3.3% year on year to KRW 91.522 trillion. The Company implemented bond rebalancing to ensure stable asset management from an ALM perspective and to strengthen responsiveness to system changes, and replaced short-term bonds with long-term bonds in a rising-rate environment. In addition, in order to prevent a decline of its recurring yields, the Company expanded high-yield assets against risks such as insurance contract loans, credit loans, and alternative investments, which have relatively high interest rates, and made efforts to secure additional profits by taking advantage of volatility in the financial market. As a result, investment income increased by KRW 6.3 billion compared to the previous year, but the return on investment decreased slightly (0.15%) to 3.45% due to the increase in assets under management (3.3% year-on-year).

Return on Investment³⁾ (Unit: %)



3) Return on Investment = Investment income / ((beginning operating asset + Ending operating asset - Investment income) / 2) × 100

Kyobo Life’s Assets Portfolio (Unit: %)



2022 Asset Management Strategy

Kyobo Life has established the following asset management strategies to respond to the changing market.

- 1 Increasing asset duration
- 2 Preventing a decline of its recurring yields
- 3 Advancing asset management
- 4 Discovering future growth engines

Kyobo Life will benchmark advanced insurers that have implemented Solvency II to reduce secondary reverse margin and secure various sources of profit. The Company will respond to the introduction of a new solvency system (K-ICS) in 2023 through flexible duration management taking advantage of rising interest rates and reducing the asset-liability and cash flow mismatch, and secure a source of non-recurring income to improve the quality of asset management profits. Going forward, the Company will strive to enhance the external reliability of asset management by expanding investment in new growth industries to strengthen our future profit portfolio and systematize ESG investment strategies.

You may refer to the annual report of Kyobo Life for more information on asset management status and financial performance.



QR Code for 2021 Annual Report

Sustainable Asset Management

Kyobo Life declared a coal phase-out finance, a voluntary declaration to suspend investment in the construction of new coal-fired power plants in 2021. In addition, the Company has established a sustainable investment policy to actively take into account ESG risks and opportunities in the investment decision-making process.

Socially Responsible Investment

Kyobo Life not only improves the soundness of the Company’s assets but also achieves stable profits through systematic risk analysis and appropriate decision-making. To this end, the Company actively takes into account ESG risks and opportunities in the investment decision-making process. In addition, the Company has applied a negative screening approach under which it restricts investment in cigarettes or non-humanitarian weapons production companies, and incorporates it in the Company’s bylaws. In 2022, Kyobo Life established the principles for sustainable investment and disclosed them externally.

Kyobo Life’s Sustainable Investment Principles

For the purpose of generating robust profit for the stakeholders through long-term, stable asset management and securing the company’s competitiveness, Kyobo Life strives to comply with the following six principles

- 1 Kyobo Life actively considers the ESG related risks and opportunities when making investment decisions to achieve mutual growth of the stakeholders over the long term.
- 2 Kyobo Life restricts investment in sectors that have adverse impact from the ESG perspective or in sensitive and cautionary sectors according to the investment process. Also, following the Coal Phase-out declaration, Kyobo Life does not invest in projects involved in building new coal power plants.
- 3 Kyobo Life endeavors to invest in areas necessary to fulfil social responsibility and protect the environment, and to increase participation in such projects.
- 4 Kyobo Life continues to mutually cooperate with trade partners, customers and stakeholders in implementing the sustainable investment policy.
- 5 Kyobo Life exerts continuous effort to enhance asset managers’ awareness of sustainable business management and to develop their management capability.
- 6 Kyobo Life strives to share the status and the direction of sustainable investment in a transparent manner, and to faithfully report the ESG policy and the progress of implementation.

Status of Sustainable Investment

Classification	Unit	2019	2020	2021
SRI Amount ¹⁾	KRW 100 million	81,787	89,716	90,679
SRI Ratio ²⁾	%	9.4	9.8	10

1) SOC investments such as roads and ports, eco-friendly social overhead capital such as sewage treatment and waste treatment facilities, and new and renewable energy development investments

2) SRI Ratio = (SRI/General account assets) x 100

Investment in New and Renewable Energy

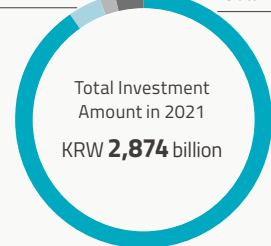
Starting with investment in solar and wind power in 2010, Kyobo Life continues to expand its investment in promising new and renewable energy projects through investment in fuel-cell power generation projects.

Case Study

Kyobo Life will be engaged in the fuel cell power plant project with an installed capacity of 19.8MW in Cheongju, which will produce 164.5GWh of electricity per year. Cheongju fuel cell plant will supply eco-friendly electricity to local residents. In addition, as it is located in a short distance (1.4km) from the substation, there is no power loss due to long-distance transmission. The fuel cell project is a business in which a Renewable Energy Certificate (REC) is issued in accordance with the Act on the Promotion of the Development, Use, and Diffusion of New and Renewable Energy, and a private power generation company for this project will sell all certified RECs to Korea East-West Power. Fuel cells are a promising energy power source that emits nearly no air pollutants, producing electricity, heat and water through the chemical reaction between hydrogen and oxygen without the combustion process. Going forward, Kyobo Life will continue to strive to expand eco-friendly investments such as fuel cells.

2021 Status of Investment in New and Renewable Energy

(Unit: KRW 100 million)



Item	2019	2020
Total Investment Amount	22,660	28,610
Solar Power	19,204	25,222
Wind Power	1,294	1,250
Others	2,162	2,139

Happiness & Growth with Stakeholders

Issuance of Sustainability Bonds

In September 2021, Kyobo Life issued hybrid securities worth KRW 470 billion to prepare for capital volatility resulting from the adoption of new accounting systems and financial soundness regulations such as IFRS 17 and K-ICS, and to preemptively expand capital to use them as a growth engine after the adoption. Sustainability bonds are issued for the purpose of socially responsible investment, such as environmental, social, and governance improvement, which are more meaningful as they are the first life insurance company in Korea.

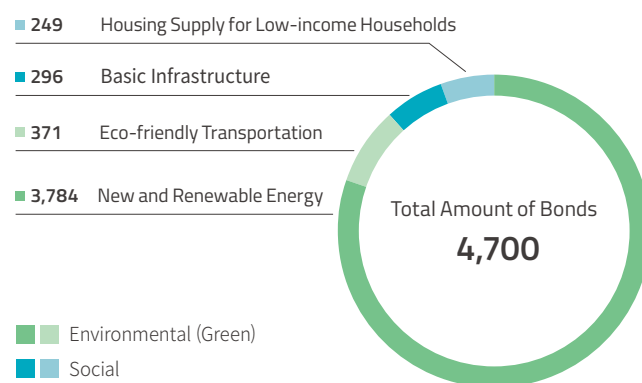
Establishment of Sustainability Bond

Management Framework

Kyobo Life's sustainability bond management framework meets the criteria of the International Capital Market Association (ICMA)'s Green Bond Principles & Social Bond Principles, Sustainability Bond Guidelines and the Ministry of Environment's Green Bond Guidelines according to Korea Ratings Corporation. Kyobo Life invested all of the funds raised through sustainability bonds into appropriate green/social projects. In addition, the Company acquired "ST1"¹⁾ in ESG evaluations by successfully operating processes such as project evaluation and selection, procurement fund management and post-reporting.

1) ST1: The highest grade in the ESG evaluations given by the Korea Ratings, to evaluate financial products that raise funds for the purpose of environmental management, socially responsible management, and sustainability management

Distribution of Sustainability Bonds (Unit: KRW 100 million)



Performance communication

Transparent Disclosure

Kyobo Life regularly and transparently discloses corporate performance and major management issues. Financial reports are subject to strict audits by external auditors every year in accordance with applicable laws and regulations, and major disclosures such as audit reports are accompanied with English version to help foreign investors understand. In addition, the Company publishes an annual report to disclose the Company's financial performance result. Detailed information can be found on the Kyobo Life website, and data analysis, retrieval and transfer (DART) system of the Korea Life Insurance Association, and well as the Financial Supervisory Service.

ESG-related Global Communication

Kyobo Life participates in sustainability management seminars hosted by the American Chamber of Commerce in Korea and the European Chamber of Commerce in Korea to communicate with global companies by announcing people-centered stakeholder management. In addition, the Company continues its close cooperation with the International Insurance Society (IIS), the LIMRA (Life Insurance and Market Research Association), the LOMA (Life Office Management Association), and Asia Insurance Review by sharing each other's ESG activities.



ESG Webinar Conference

Securing sustainable growth engines

Promoting Strategies for Overseas Expansion

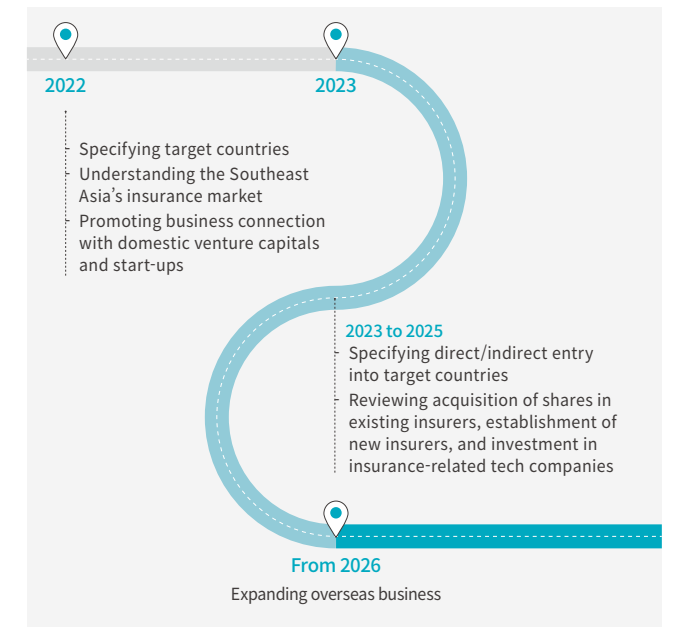
A number of insurers in Korea are aware of the limitations of the growth in the Korea's insurance industry due to low interest rates, low growth, and low birth rates, thereby are pursuing overseas expansion to secure growth engines. Korean life insurers have entered into Southeast Asian countries such as Vietnam, Thailand, and Indonesia. In particular, Vietnam is considered a place with very high potential for growth in the life insurance market due to its high economic growth rate, the ratio of the number of young people, low insurance density, and insurance penetration rate.

Kyobo Life saw potential in the ASEAN region, where the insurance industry has not been established due to the low income level. Several social contribution activities that

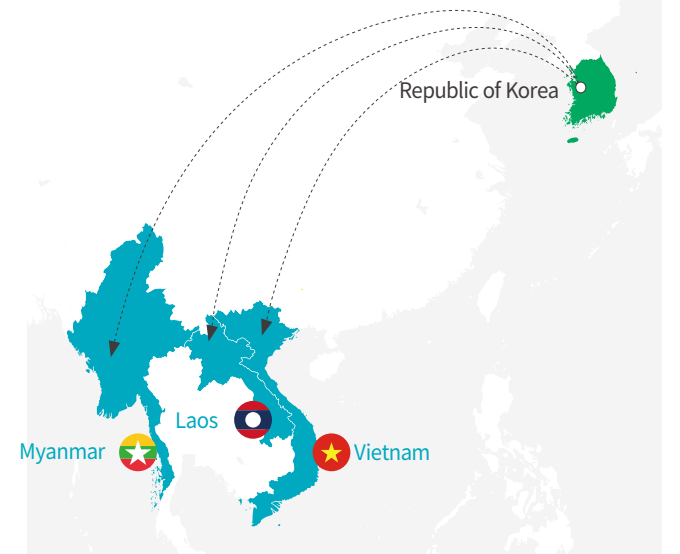
Kyobo Life has continuously carried out in the ASEAN region have become a cornerstone for overseas expansion, such as delivering a positive brand image to local residents.

In addition to entering the insurance market, Kyobo Life is also planning to enter the non-insurance industry. The company will thoroughly understand the characteristics of the local market at the initial stage, and then focus on accumulating capabilities and know-how for overseas business. By doing this, we will specify the target country and start discovering top performing start-ups in connection with venture capitals that invest in start-ups in Southeast Asia. To this end, the Company has researched domestic start-ups that have entered the ASEAN region, and plans to identify collaboration models with them in the future.

Kyobo Life's Five-Year Roadmap



Kyobo Life's entry into the Southeast Asian market



Partners and Ecosystem Players, Living Together

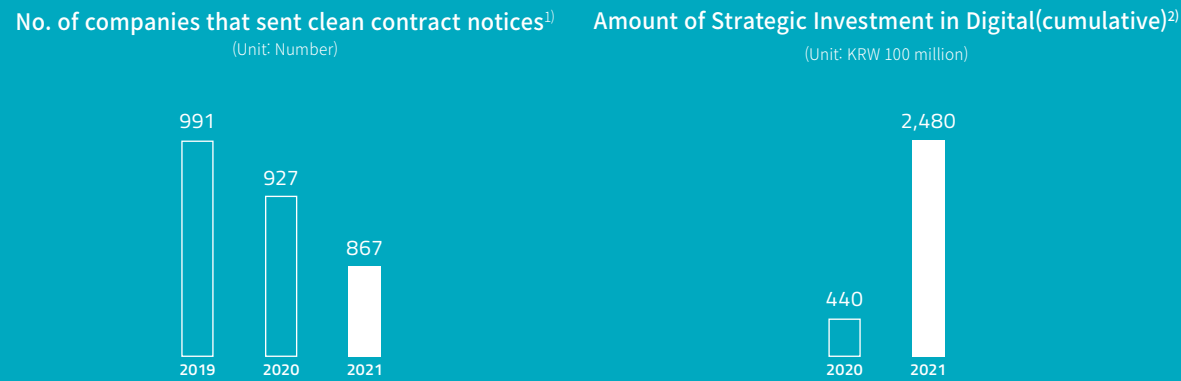


Links to SDGs

Management Approach

Partners and ecosystem players are important stakeholders to create a sustainable business ecosystem. Partners have a business relationship with Kyobo Life, and ecosystem players belong to Kyobo Life's business ecosystem, such as investment and partnership. Kyobo Life is making an endeavor to foster fair trade culture by operating Compliance Program and Clean Contract System. By accelerating digital transformation, the Company has discovered new business models through "Open Innovation" and created "New Technology Investment Fund No. 1" to support the growth of top performing start-ups. Going forward, Kyobo Life will continue to develop fair trade practices with partners and actively support them to create synergies with ecosystem players.

Key Performance Index



1) Partners with transaction performance of KRW 20 million or more in the previous year
 2) The data has been reported since 2020 due to the readjustment of the sustainability management system in 2020, and is cumulative data on the contract amount since 2018

Highlights



Created "Kyobo New Technology Investment Fund No. 1"



InnoStage program



Clean Contract System

Establishing a fair trade culture with partners

Kyobo Life will strive to grow together with its partners based on a fair and transparent culture that it has built up until today.

Compliance with Fair Trade Principles

Kyobo Life internalizes a culture of transparent and fair trade with partner companies throughout its management. In 2006, the Company held the "Declaration Ceremony for Voluntary Practice of Fair Competition," The Company declared that it would voluntarily comply with laws and regulations related to fair trade and engage in fair competition in the financial and insurance markets. Furthermore, all employees of Kyobo Life are committed to achieving sustainable growth through fair competition through the "Declaration for Voluntary Practice of Fair Competition" every year.

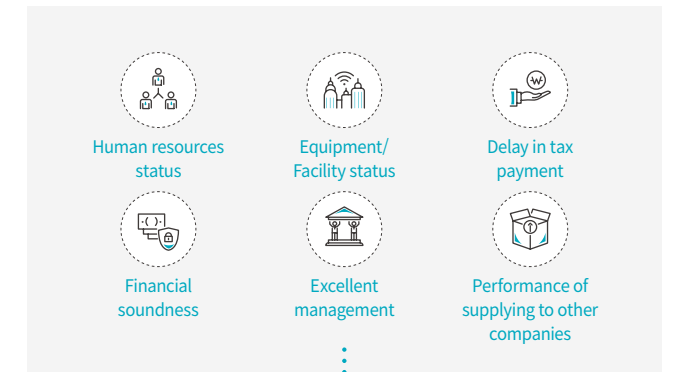
Fair Trade Principles

- We will recognize our partner companies as partners for win-win growth, make transparent and fair transactions, and pursue mutual growth with rival companies under good-faith competition without engaging in such unfair methods such as price collusion.
- We will select partner companies transparently and fairly in accordance with the Company's regulations and process, and we will provide a basis for objectively verifying this selection process.
- We will prohibit price collusion between companies in the process of contracting and implementing purchase, service, and construction, and strictly follow the "Clean Contract System" in which employees do not engage in unfair trade practices, such as requesting or receiving money, valuables, or entertainment.

Fair Selection and Contract

Kyobo Life selects partners fairly when dealing with them, and carries out contracts in a transparent and faithful manner. To this end, the Company conducts the entire purchase process openly and fairly through the online electronic purchasing system. In addition, the Company evaluates tax payment delays or business performance, and excludes unethical behaviors.

Evaluation Items for Partners



Major Partners Management

Computer System Management Company

In order to apply rapidly changing digital technology to business activities and to improve work efficiency, Kyobo Life cooperates with a professional computer system management company to improve the system and enhance stability. In addition, we conduct and manage regular information security training programs for IT business partners that are closely related to customer information.

Office Fixture Supplier

In order to improve work-efficiency and create a pleasant office environment, Kyobo Life is upgrading office furnishings and supplying new facilities.

Office Supplies Supplier

In order to purchase office supplies commonly used in the head office and branch offices, such as A4 paper and printer consumables, more efficiently, Kyobo Life is signing the supply contracts through electronic purchasing system. We also conduct bidding on a regular basis to prevent conventional trading practices with entrenched companies.

Partner Hospital

In order to allow customers to easily receive the medical diagnosis required when subscribing to the insurance, Kyobo Life is cooperating with local hospitals to improve customer accessibility. When commissioning the hospital, we visit the partner hospital in person to provide training, and after that, we make regular visits.

Happiness & Growth with Stakeholders

Implementation of unfair trade prevention system

In order to prevent unfair trade, Kyobo Life has established in-house contract business regulations to ensure that all employees comply with them when signing a contract. In addition, the Company implemented the Clean Contract System to prohibit collusion and unfair trading practices in the contract implementation process. Kyobo Life is making every endeavor to spread social responsibility management, rather than doing business with illegal or unethical companies.

Clean Contract System

Kyobo Life prohibits collusion and unfair trade practices in the course of negotiating for or carrying out product purchases, service or construction contracts with vendors. Kyobo Life adopted the "Clean Contract System," which is aimed at promoting win-win relationships among stakeholders by establishing a trade practice where requests for or acceptance of money, valuables or treatment are not tolerated. Clauses of Clean Contract are reflected in the contract to be signed with partners, and the fair trade department sends a notice on a regular basis.

No. of companies that sent clean contract notices

Classification	Unit	2019	2020	2021
No. of companies that sent clean contract notices	Number	991	927	867

* Partners with transaction performance of KRW 20 million or more in the previous year



Spreading a win-win culture with ecosystem players

Open Innovation(Round-3 InnoStage)

With the aim of mutual growth between start-ups and Kyobo Life, Kyobo Life focuses on developing new products and services in a wide range of fields such as health and childcare in collaboration with start-ups. InnoStage¹⁾, which celebrated its 3rd round in 2021, has expanded its scope to various fields such as various platform businesses and B2B services. A total of 348 companies applied for the Round-3 InnoStage, and only 5 companies were able to participate in the InnoStage program through a 70 to 1 competition.

1) InnoStage: It is a compound word of innovation and stage, which refers to a new stage to create a collaborative ecosystem for digital innovation of Kyobo Life and win-win growth with start-ups.

Round-3 InnoStage's Demo Day



Participants in the Round-3 InnoStage

Start-ups	Achievement after Participating in InnoStage
<p>The Family Lab "HeyMama," a digital health care app specialized in women's life cycle</p>	<ul style="list-style-type: none"> • Krypton invested KRW 50 million • Built content partnership with Kyobo Life's healthcare service "Kare" • Specified the hospital-linked business model
<p>Village Baby "BabyBilly," a curation commerce customized for each life cycle, as well as a curation of necessary information for each week of pregnancy and childbirth</p>	<ul style="list-style-type: none"> • Attracted KRW 800 million in pre-series A funding • User MAU¹⁾ increased by about 200% • Achieved a 50% market share in the pregnancy products market • Built a partnership with Kyobo Securities to open Kid's first stock account
<p>HIGHERX "Walkie-Talkie", a smart business management platform for the self-employed</p>	<ul style="list-style-type: none"> • Signed a MOU with Kyobo Life
<p>BabyGo "BabyGo," a kids activity platform that offers information on places for children</p>	<ul style="list-style-type: none"> • Attracted pre-series A funding • Sales in 1Q 2022 increased 78 times one year on • Promoted joint promotion with YouTube Creator Pinkfong, Baby Shark
<p>WOOR!TEM "Modern Village," a shared rental platform</p>	<ul style="list-style-type: none"> • The number of employees increased by 4 • Promoted mentorship exchange with Kyobo's in-house venture team

1) Monthly Active Users (MAU): The number of net users who used the service for one month

Creating the "Kyobo New Technology Investment Fund No.1"

Kyobo Life worked with Kyobo Securities to create 'Kyobo New Technology Investment Fund No. 1'. The total amount of investment exceeded KRW 200 billion, and Kyobo Life, a limited partner (LP), will invest KRW 175 billion, and Kyobo Securities, a general partner (GP), will invest KRW 25 billion, respectively. The fund will be managed for the next 8 years to discover promising start-ups and provide investment support. Kyobo Life expects to be able to secure new growth engines while strengthening the competitiveness of its main business by investing in top performing start-ups.



Creating the "Kyobo New Technology Investment fund No.1"

Support for Start-ups with Collaboration and Partnership

Kyobo Life is making utmost efforts to create an active start-up ecosystem. In 2021, the Company signed an MOU with Hanyang University on "University-Industry Cooperation to discover start-ups and spread of the start-up culture." Through this, the Company promotes the sharing of infrastructure and human exchange required for start-ups, support for joint development and operation of start-up programs, the establishment of a mutually interconnected system to support promising start-ups, and lastly, cooperation in raising funds and attracting investment for start-ups. In May 2022, the Company started a Collaboration Accelerator program with SBA Seoul Start-up Hub (Seongsu) to support the growth of promising start-ups in the Family Tech sector. The Company supports commercialization subsidies and independent office space, collaborates with Kyobo Life business departments and affiliates, and exchange networks. In addition, the Company is expanding various programs such as "InnoStage ON," a regular/irregular program that builds a win-win model with start-ups based on the InnoStage website, and Age Tech, an affiliate program with general companies.

Government and Communities, Dreaming of Future

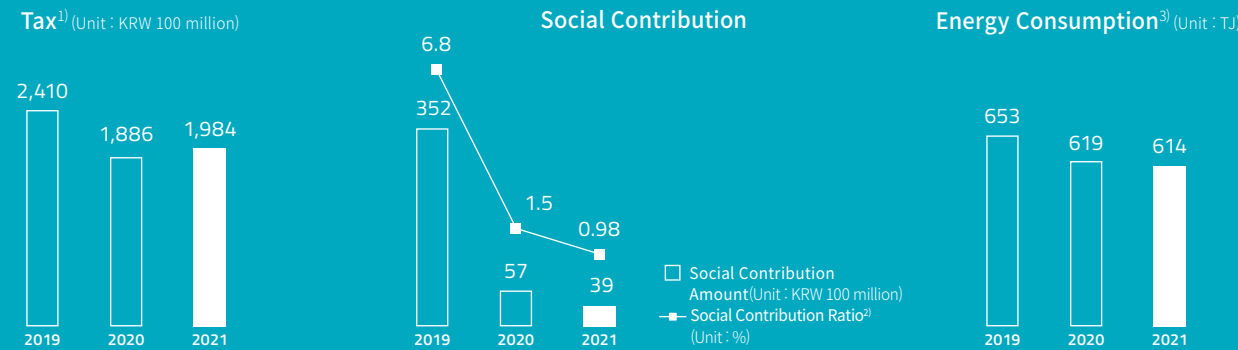


Links to SDGs

Management Approach

Kyobo Life is carrying out continuous cooperation with communities to create a healthy society and build a better world together. The Company faithfully fulfills its tax obligations and systematically manages tax-related risks by establishing tax policies. In addition, Kyobo Life is fulfilling its responsibilities as a member of the community through in-house social contribution campaigns and financial support such as donations. The company is striving to help young people grow up physically and mentally fit through various scholarship programs. Going forward, Kyobo Life will continue to grow and develop together with the community while fulfilling its responsibilities and obligations as a corporate citizen.

Key Performance Index



1) Income tax based on consolidated financial statements
 2) Social contribution ratio = Amount of social contribution/Net Income, based on consolidated financial statements
 3) Standardized in calorific units has been changed to TJ from TOE

Highlights



Impact UP



Dasomi business of global trees with hopes for economic independence



Kyobo Life Cup Youth Athletic Competition

Tax Policy

Kyobo Life is faithfully fulfilling its obligations to pay taxes in accordance with domestic and foreign tax laws and systematically manages tax-related risks by establishing tax policy. The Company has not been engaged in illegal tax evasion or illegal activities under the tax law by complying with relevant laws and regulations, and we are honestly reporting tax payment related matters to the tax. In addition, the Company reports an income tax through an external tax adjuster every year based on the financial statements audited by an independent auditor.

Tax Risk Management and Tax Information Disclosure

Kyobo Life identifies and manages possible tax risks in advance by monitoring domestic and foreign tax-related regulations and policymakers. The Company has been establishing an internal system to ensure accurate and reliable accounting process through the internal accounting system and internal control system, and the Company reports its income tax through an external tax adjuster. In addition, the Company is committed to minimizing tax risk by clarifying the interpretation of tax laws through tax advice. Kyobo Life transparently discloses tax information through data analysis, retrieval, and transfer (DART) system (<http://dart.fss.or.kr/>) and business reports.

Social Contribution Vision and Strategy System

As a member of society, Kyobo Life continues its social contribution activities. All social contribution activities are carried out under the four principles of Kyobo Life's social contribution. In order to successfully implement the four principles, the Company has formed the "Kyobo Dasomi Social Volunteer Group" to take the lead in creating a "society where we live together, a healthy and warm world."

Kyobo Life's Social Contribution Vision and Strategy System



Social Contribution Activities

Kyobo Life is striving to create a better society through social contribution activities in a wide range of areas. The company supports infants & children and youth, who will lead the future, to grow up physically and mentally fit through infant & child and youth development projects. Kyobo Life also discovers and nurtures promising sports players at an early age by supporting youth athletics. In addition, the Company carries out social contribution activities to encourage employees to voluntarily participate in community volunteer work.

Support for Infants & Children

Wow Dasomi Sound-and-Light Program

If newborns are not treated in time for hearing loss, they may have to live with hearing and speech impairment for the rest of their lives. In this regard, Kyobo Life conducts the “Wow Dasomi Sound-and-Light Program” to help with the early detection of hearing impairment and recovery of hearing, hoping that children from low-income families can recover their hearing, achieve their dreams, and grow into healthy members of society. Since 2019, the Company has been supporting pre-examination fees and the cost of cochlear implant surgery, and providing speech therapy to help overcome language barriers caused by hearing loss for one year. Over the last three years (2019-2021), the Company has helped a total of 85 children recover their hearing, and in 2021, it held the “Kyobo Dasomi Sound-and-Light Santa” event to deliver Christmas gifts to 500 children with hearing and speech impairment, presenting them with happy memories.



Dasomi Sound-and-Light Santa

Happiness & Growth with Stakeholders

Ties of Love

The “Ties of Love” campaign, established and being conducted since 2003, is the Matching Grant (MG) program that helps underprivileged children learn and grow in a better environment. The employees of Kyobo Life have donated a certain portion of their monthly salary, and the Company has provided a certain amount to create a “Love Fund”(matching fund) to support the underprivileged children and babies in Korea. As of 2021, as many as 1,389 employees have participated in the campaign to help 1,880 children.



Ties of Love(Donation for climate change)



Ties of Love(Donation for children in need)

Youth Education Support

One Branch – One School Financial Education

Kyobo Life carries out the “One Branch – One School Financial Education” project to minimize blind spots in financial education. Under this project, the professional financial instructors of Kyobo Life provide various types of financial education in elementary, middle and high schools nationwide. Currently, it is affiliated with 330 schools, and has provided financial education to a total of 13,517 students over the last three years since 2019.



One Branch – One School Financial Education

Kyobo Dream Makers

ICT technology has a huge impact on the learning and career of future generations, but it is difficult for underprivileged children and youths to experience and learn about ICT technology. Through Kyobo Dream Makers, Kyobo Life strives to increase the accessibility of ICT technology for underprivileged children and youths. Kyobo Dream Makers consists of the “Dasomi ICT Experience and education project” to help them acquire related certificates and licenses and the “Dasomi Convergence ICT Future Experience Program” to provide opportunities to experience the new ICT-based culture. In 2021, a total of 150 people acquired certificates through the Dasomi ICT future talent Cultivation Project. Currently, over 2,036 children from 91 children’s facilities are reaching toward their dreams through Dasomi ICT Experience and education project, and in 2021, the Company provided a total of 25,000 hours of education for underprivileged children and youths.

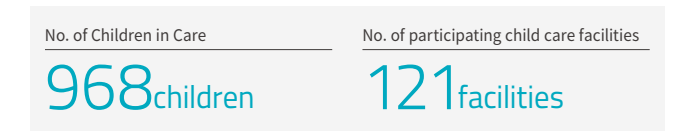


교보 드림 메이커스

Children Support Project

Kyobo Life is providing various education programs to help the children in care who are not ready for self-reliance to enter into society. The Company provides early personality, emotional, and financial education to help children live stably when they go out into society. In particular, the Company conducts financial education for pre-schoolers to provide basic financial knowledge, such as the value of money and types of finance, and provides education and counseling to middle and high school students that they will need to know for their own economic activities after leaving care.

Status of Children Support Project (As of 2021)



The Youth’s Independent Living Support Project

In accordance with the Child Welfare Act, children who live in childcare facilities must leave care and live independently when they turn 18. Kyobo Life provides professional financial education and mentoring programs so that these youths preparing for self-reliance (children leaving care) can become economically independent and grow into members of society based on appropriate financial knowledge. By doing this, the Company checked their understanding of finance and income and expenditure status, and provided an opportunity to experience financial products such as savings and investment in person by supporting the cost of self-reliance finance activities. In addition, basic financial knowledge education, such as opening a bank account and online banking, was provided to youths leaving care. In 2021, Kyobo Life helped a total of 205 youths preparing for self-reliance and leaving care, and provided KRW 150 million for self-reliance activities to 147 youths preparing for self-reliance.

The Youth’s Independent Living Support Project (As of 2021)



Happiness & Growth with Stakeholders

Supporting Youth Athletics

Kyobo Life Cup Youth Athletic Competition

Since 1985, Kyobo Life has organized the “Kyobo Life Cup Youth Athletic Competition.” The Kyobo Life Cup Youth Athletic Competition is the one and only national youth athletic competition held by a private company. It is held for a total of 7 sports, including athletics, swimming, judo, ice skating, gymnastic, tennis and table tennis, in collaboration with local governments to contribute to the vitalization of the local economy. More than 140,000 players have participated in the Championship, and about 450 of them have played for the national team. The 38th Kyobo Life Youth Athletics Cup Championship, which has not been held for the past two years due to COVID-19, was held in July, 2022.

Kyobo Life Scholarship for Youth Athletics

Kyobo Life selects two promising athletes by category every year through the “Kyobo Life Youth Athletics Cup Championship” and provides scholarships for six years to students from middle school to high school. In 2021, the Company provided total of KRW 35.3 million to a total of 14 promising athletes in 7 sports. In addition, the Company operates differentiated programs such as personality building education, psychological education and counseling, reading program, mentoring, etc. to help them grow into leaders with sound personalities.



Kyobo Life Cup Youth Athletic Competition (Swimming)



Kyobo Life Cup Youth Athletic Competition (Ice skating)

Mini Interview

Olympic Athletes from Kyobo Life Cup Youth Athletic Competition Shone at the 2022 Winter Olympics

At the 2022 Beijing Winter Olympics, Yoon-gy Kwak, who debuted at the Kyobo Life Youth Athletics Cup Championship, Dae-heon Hwang and Hwi-min Seo showed great performances.

Skater Dae-heon Hwang

The Kyobo Life Cup Youth Athletic Competition is an essential course for all ice skaters. I engaged in the Championship when I was in my senior years in elementary school, and I remember there were so many competitors on the field. Since it was my first experience in a big competition, it helped me to better understand my skills.



Skater Hwi-min Seo

I participated in the Kyobo Life Cup Youth Athletic Competition when I was in elementary school, and I remember it as more of a joyful experience than as a competition. It also gave me an opportunity to meet my fellow athletes from other regions. Although there are not many competitions that elementary school students can participate in especially in basic events such as the short track, it has helped me grow as a better player as I was able to gauge my skills against others.



In-house Social Contribution

Employees' Volunteer Work

All employees of Kyobo Life fulfill their responsibilities as members of the local community by participating in volunteer activities.

Status of Employee Volunteer Participation

Classification	Unit	2019	2020	2021
No. of Employees Who Participated in Volunteer Social Work (cumulative)	Persons	10,415	7,640	6,078
Total Hours of Social Work Performed by Employees	Hours	21,109	15,645	12,586
Time of Volunteer Work Per Person	Hours	5.5	4.1	3.3



Employees' Volunteer Work

Donations for wildfires

Kyobo Life donated KRW 200 million for victims of large-scale wildfires in Samcheok in Gangwon Province and Uljin, Gyeongbuk. The donation was delivered to the “Hope Bridge Korea Disaster Relief Association,” and was used to provide relief goods for the victims and to rebuild the damaged area.

Assistance Abroad

Education Support for Underprivileged Children

Kyobo Life is carrying out education infrastructure support projects to ensure that underprivileged children abroad are not excluded from education and learning. In Myanmar and Laos, the Company founded the kindergarten and elementary school through education support projects, providing children with opportunities to learn. The Company is also conducting a Korean language education support project in Indonesia. In addition, the “Hangeul School” was opened to help children of the Cia-Cia tribe, one of the ethnic minorities, to express their thoughts and words in writing. The Company is striving to improve the educational environment in overseas communities by nurturing local Korean language teachers and taking the lead in building infrastructure to help the children of the Cia-Cia tribe continue to learn.



Hangeul School for the ethnic minorities, Cia-Cia tribe in Indonesia

Companion Walking Together

Kyobo Life realizes the value of sharing with the foundation to carry out efficient and professional public service projects.

Daesan Agriculture Foundation

The Daesan Agriculture Foundation is Korea's first public foundation supporting agricultural and rural cities, and it nurtures next-generation agricultural talents, and implements farmer-led research on agricultural practicality. By doing this, Kyobo Life contributes to a sustainable society where people in urban and rural cities can live together in harmony.

Daesan Culture Foundation

Daesan Culture Foundation, established with the support of Kyobo Life, is striving to globalize Korean literature and educate youths. It aims to improve the quality of life by raising the status of our culture and enriching cultural assets.

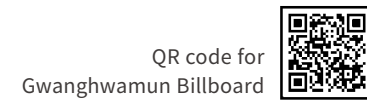
Kyobo Education Foundation

The Kyobo Education Foundation is a specialized education foundation established in 1997 by Kyobo Life to contribute to the promotion of education for the people and the creation of human culture. Kyobo Life supports various educational projects so that youths can grow into talent who care for others and value life.

KYOBO's Story

Kyobo Life's Story in Gwanghwamun

Kyobo Life's Gwanghwamun Billboard, which was introduced to people in 1991, has delivered a message of hope to people around the world. In 2021, Kyobo Life shared a warm message so that everyone take care of each other in these difficult times. In addition, following 2020, it delivered comfort and encouraging messages with the song lyrics of BTS to express hope and freedom in the COVID-19 pandemic.



2021 Spring
Bong-Gun Jeon,
Love

Summer
Kyung-In Kim,
Things to Do in Summer

BTS, Permission to Dance

Special Edition



Winter
Dong-Kyu Lee,
Humility



2022 Spring
Sa-In Kim,
Studying

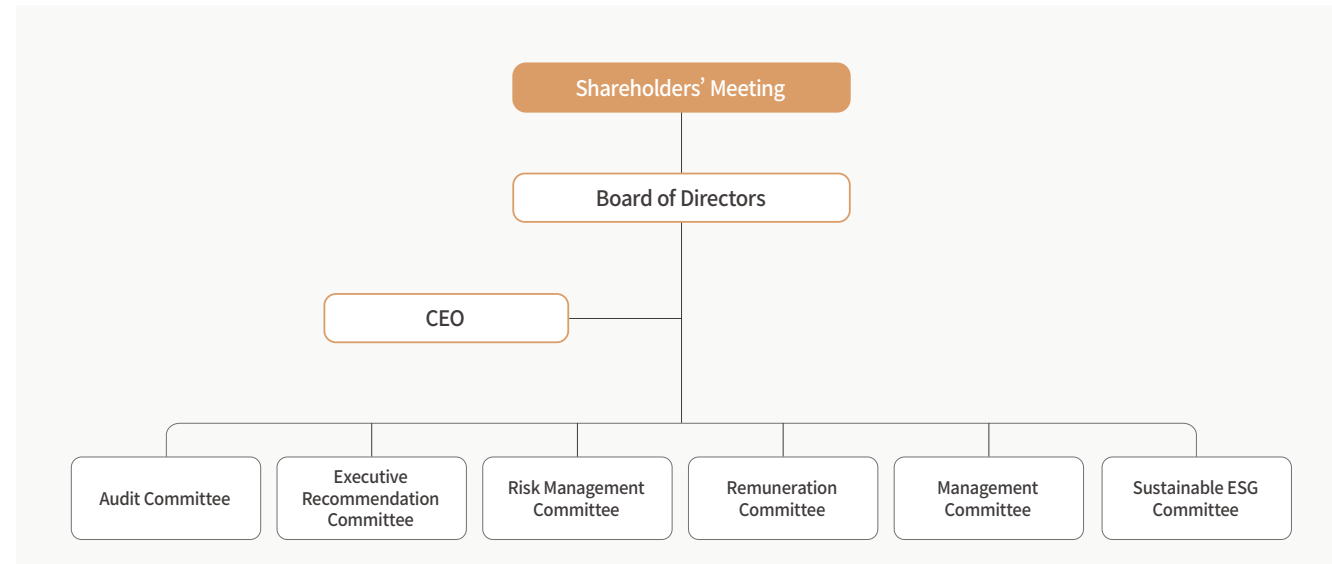
ESG Management

- 86 Corporate Governance
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- 97 Information Security and Personal Information Protection

Corporate Governance

Kyobo Life is committed establishing a transparent and stable governance structure to increase the rights and interests of stakeholders and enhance corporate sustainability.

Organizational Chart



Committees of the Board of Directors

Kyobo Life consists of a total of six committees under the BOD (Audit Committee, Executive Recommendation Committee, Risk Management Committee, Remuneration Committee, Management Committee, and Sustainable ESG Committee). In March 2022, Kyobo Life established the Sustainable ESG Committee within the BOD to practice sincere sustainability management.

Committees of the Board of Directors

Classification	Key roles
Audit Committee	Identifying matters concerning internal audit and internal control standards appointing new external auditor and evaluating performance of external auditor; taking actions against audit results, etc.
Executive Recommendation Committee	Consisting of more than half of outside directors for transparent and fair appointment of outside directors; recommending candidates for CEO/outside directors/audit committee members; searching for and evaluating the candidates
Risk Management Committee	Establishing basic risk management policies; setting risk management goal and limit; approving the risk-based key management strategies including investment and products strategies in ALM perspectives
Remuneration Committee	Determining remuneration for executives; designing and implementing the compensation system and evaluating the appropriateness; consisting of more than half of outside directors
Management Committee	Identifying and approving matters concerning management including establishment of management plan, and matters concerning finance such as disposition and transfer of major assets
Sustainable ESG Committee	The final decision-making body for sustainability management; deliberating and deciding important matters related to environmental, social, and governance factors, including matters delegated by the BOD

Composition and Operation of Board of Directors

The Board of Directors is the highest decision-making body of Kyobo Life, which sets and controls the Company's management goals and key strategies. As of March 2022, the Board is composed of eight directors in total: two inside directors, five outside directors and one non-standing director, and CEO Chang-Jae Shin is the Chairman of the Board of Directors. Outside directors are appointed by resolution of the general shareholders' meeting after deliberation by the Executive Recommendation Committee, and 62.5% is composed of outside directors to ensure the independence of the BOD.

Composition of Board of Directors

Name	Classification	Title	Major career	Term of office
Chang-Jae Shin	Inside director	(Chairman) Management Committee Sustainable ESG Committee	(Present) Chairman of Daesan Culture Foundation (Present) Chairman and CEO of Kyobo Life (Former) Associate Professor at Seoul National University College of Medicine	Mar 26, 2023
		(Member) Executive Recommendation Committee Remuneration Committee		
Jung-Bum Pyun	Inside director	(Member) Management Committee	(Present) President and CEO of Kyobo Life (Former) Strategic Planning Manager of Kyobo Life (Former) Channel Manager of Kyobo Life	Mar 25, 2024
Sung-Sik Hwang	Outside director	(Chairman) Audit Committee Executive Recommendation Committee	(Present) Management Advisor of Shindoh Co., Ltd. (Present) Vice President and Co-CEO of Shindoh Co., Ltd. (Former) Deputy Representative of PWC accounting firm	Mar 25, 2023
		(Member) Risk Management Committee Management Committee		
Beom-Ha Jee	Outside director	(Chairman) Risk Management Committee	(Present) Professor, School of Business and Economics, Handong Global University (Former) Dean of Business School, The King's College, New York, USA (Former) Chairman of Korea Academic Society of FP (financial planning)	Mar 29, 2023
		(Member) Audit Committee Remuneration Committee Sustainable ESG Committee		
Chul-Joo Lee	Outside director	(Member) Audit Committee	(Present) Deputy Chairman of Affinity (Former) Director of UBS Capital	Mar 25, 2023
Hyo-Eun Moon	Outside director	(Chairman) Remuneration Committee	(Present) CEO of Art Ventures Co., Ltd. (Former) Vice President of Daum Communications Corp. (Currently, Kakao Corp.) (Former) Special Professor at Center for Women's Leadership Development, Ewha Womans University	Mar 29, 2024
		(Member) Risk Management Committee Management Committee Sustainable ESG Committee		
Young-Joo Lee	Outside director	(Member) Executive Recommendation Committee Risk Management Committee Remuneration Committee Sustainable ESG Committee	(Present) Director of Human Rights Counseling Center, SNU Human Rights Center (Former) Vice President of the Judicial Research and Training Institute (Former) Chief Prosecutor at Chuncheon District Prosecutors' Office	Mar 29, 2024
Hari R.Rajan	Non-standing director	-	(Present) Corsair Capital Partner (Former) J.P. Morgan Chase Investment Professional	Mar 29, 2023

Corporate Governance

Expertise and Diversity

Kyobo Life forms the board of directors in consideration of expertise and diversity to build a long-lasting development of the Company and protect the interests of various stakeholders. As of March 2022, the BOD is composed of outside directors with expertise in a wide range of areas such as finance, accounting, finance, law(human rights), and digital. In 2022, the Company established the "Board Diversity Policy" so that major decision-making can be made based on a broader perspective rather than representing a specific group. In accordance with the policy, two female outside directors were appointed in March 2022, aiming to make up for more than 20% of female candidates among all outside director candidates.

Expertise and Diversity of the Board of Director

Expertise

- **Areas of Expertise:** Finance, economy, management, digital technology, law, accounting, consumer protection, etc.
- **Expert capability:** director of a financial company with abundant professional knowledge or work experience in the respective sector

Diversity

- **Gender:** ensuring that the board does not consist of a specific gender
- **Age:** achieving diversity of perspectives by harmonizing experience and flexibility
- **Background:** avoiding concentration on specific region, sector or profession
- **Nationality, race, religion, ethnic group and cultural background:** pursuing diversity within the scope permitted by laws and regulations

Activities and Operation of Board of Directors

Regular meeting of the Board of Directors is held once a month, and meetings of the temporary Board of Directors can be held on an ad hoc basis when necessary. Kyobo Life shares agendas in advance to enable the board of directors to fully review them, and, if necessary, the relevant directors propose the agenda in advance to help the directors to better understand. As of 2021, Kyobo Life held nine board meetings in total, with an inside director attendance rate of 100% and an outside director attendance rate of 100%. At the BOD meeting, a total of 60 agenda items were handled, including 28 resolution items and 32 reporting items.

Status of BOD Meeting

Classification	Unit	2019	2020	2021
Total No. of Board Meetings	Times	9	9	9
No. of Regular Board Meetings	Times	9	9	9
No. of Temporary Board Meetings	Times	0	0	0
Deliberation Agenda	Times	51	59	60
Average Attendance Rate	%	100	100	100

Evaluation and Remuneration of Board of Directors

At the beginning of every year, Kyobo Life evaluates the composition and operation status of the Board of Directors to ensure that the Board properly fulfills its roles and responsibilities required by laws and regulations and the Company's bylaws. We check the procedure for convening the Board meeting and prior provision of agenda items, the frequency of Board meetings, and the practical ability to check the management. The remuneration of the Board is paid transparently and fairly by the resolution of the shareholders' meeting within the remuneration limit approved by the general meeting of shareholders. The limit approved at the general meeting of shareholders in 2021 was KRW 4 billion, and the actual amount paid in 2021 was KRW 2.2380 billion.

Shareholding Structure

As of March 2022, shareholder Chang-Jae Shin is Kyobo Life's largest shareholder, with a 33.78% stake.



QR Code for Status of Shareholders

Risk Management

With growing uncertainty in the business environment, more and more emphasis is being placed on the importance of risk management. As a result, Kyobo Life preemptively manages major risks that may have negative impacts on the Company by precisely and systematically inspecting risks across the Company and systematically managing group-level risks. In addition, the Company has adopted an ALM (Asset Liability Management) policy that considers both liabilities and assets to enhance the corporate value of Kyobo Life from a mid to long-term perspective. In addition, it sets “total risk and individual risk limits” at the beginning of each business year and monitors compliance status in order to secure financial soundness. Furthermore, the Company manages risk once again before getting the final approval by reviewing a risk on important decision-making matters, and the Company has set up a response system to identify and respond to risks in advance by regularly monitoring risk limits and various risk factors.

Kyobo Life’s Risk Management Principles

Kyobo Life has established risk management principles, including appropriate risk management guidelines and procedures, and is actively managing potential risks based on them.

- 01 Risk should be managed company-wide and independently.
- 02 Risks should be accurately identified, measured & evaluated in advance, and controlled appropriately.
- 03 Risk tolerance limit should be set and managed to prevent excessive risk, and should be reflected when establishing, executing, and evaluating long-term and short-term business plans to ensure efficient risk management.
- 04 Risks should be appropriately distributed in order to prevent concentration of risks in specific sectors.
- 05 Changes in major risks should be identified and monitored from a comprehensive perspective in line with subsidiaries.
- 06 Risk management status should be recorded in writing to clarify responsibilities.
- 07 Risk level should be set and management in line with the management goals and strategies so that the excessive risk control activities would not impair profitable business activities.

Risk Management System

Kyobo Life identifies risk factors that may affect business through business environment analysis, business strategy and performance analysis, and preemptively and strategically responds to potential risks. Risks are mainly categorized into financial and non-financial risks, and detailed risk factors are classified and managed by case. In order to identify and evaluate risks, the dedicated department and relevant departments work closely together, and core risks are reported to the Risk Management Committee through the Risk Management Council.

Risk Management Process



Definition and management by risk

Risk category	Definition	Management
Financial Risks	Market Risks	Possibility of loss to the Company resulting from a drop in the price of stocks or bonds due to changes in stock prices, interest rates, exchange rates, etc
	Credit Risks	Possibility of loss due to bankruptcy of the trading company or default of individual debt
	Interest Rate Risks	Possibility of loss due to differences in interest rates and maturities between assets and liabilities
	Insurance Risks	Possibility of loss to the Company due to more insurance claim than originally planned
	Liquidity Risks	Possibility of loss due to sales of assets at cheap prices to raise funds due to lack of funds
Non-Financial Risks	Variable Insurance Guarantee Risks	If there is a minimum guarantee obligation for variable insurance, there is a possibility of loss due to additional cost burden due to insufficient guarantee reserve
	Operation/Strategy/Reputation Risks	Possibility of loss to the Company due to insufficient response to management strategies, laws, processes, and IT systems

Case Study

Simulation Training against Financial Crisis

Kyobo Life prepares crisis scenarios and countermeasures for each risk-type from a company-wide perspective, and conducts regular simulation training to ensure business continuity, even in the worst situations due to rapid market fluctuations. In 2021, Kyobo Life prepared three scenarios based on interest rates, stock prices, and exchange rates, and simulation training, assuming that each country’s liquidity support is amplified due to COVID-19, resulting in asset bubble collapse and stagflation. In the simulation training, we analyzed the impact of each scenario and its financial impact, and established countermeasures in two aspects: proactive response to crisis situations and response to crisis occurrence.



Risk Management

Risk Management Organization

Risk Management Committee

The Risk-Management Committee is composed of four outside directors as of March 2022, which deliberates and make decisions on overall risk management, including risk management policy, risk-based management strategy, the Company’s risk limits, and core risk response policy review.

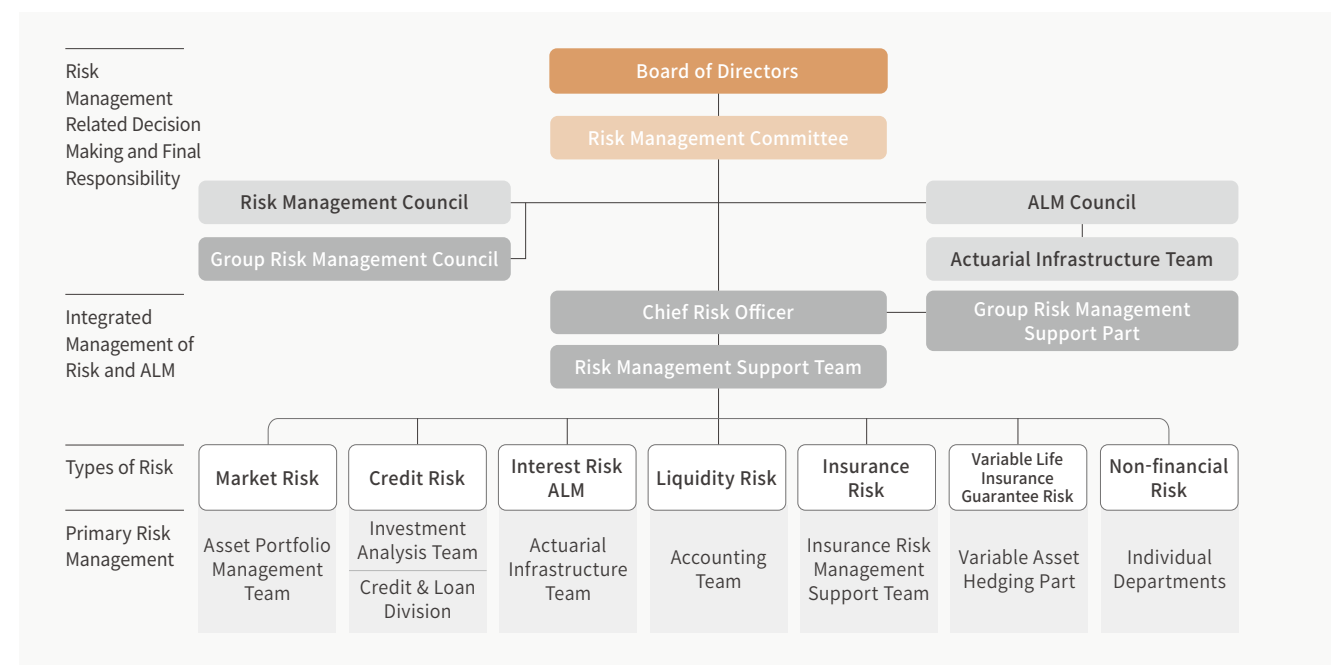
Risk Management Council

This is a body that consults on the resolution of the Risk Management Committee and matters related to risk in advance. It consults on the decisions made by the Committee, the detailed action plans of issues that the Committee has made decisions on, the limit allowances for each type of risk, and the causes and countermeasures to take, when a limit allowance is exceeded or is expected to be exceeded.

Risk Management Administrative Organization

The risk-management administrative organizations that assist the Risk Management Committee and the Risk Management Council are divided into an enterprise risk management dedicated team and individual risk-management teams, based on the roles involved. The Risk-Management Support Team is the enterprise risk-management dedicated team and carries out Plan-See function independently in risk management, such as setting the rule of risk-management policies and plans of entire company, risk management related regulations, and setting risk limits. Department supporting group risk management, which was newly established in 2018, effectively manage the risks of the financial group. The individual risk-management teams carry out the “Do” function for each type of risk.

Risk Management Organization



Focus

Responding to climate-related risks

Kyobo Life is committed to building a system to respond to climate risks. The Company plans to include a definition of climate risk in the risk management regulations in 2022, and developing a GHG inventory to manage its carbon footprint. In addition, the Company will develop a climate risk measurement model from June 2022 to the first half of 2023, and take a step-by-step approach to climate risk by calculating Scope 3 emissions in the asset portfolio.

Response to IFRS17 and K-ICS

The “International Accounting Standard for Insurance Contracts (IFRS17)” is the newest IFRS standard for insurance contracts that comes into effect on January 1, 2023. It aims to evaluate the insurance money payable to the insured at the market price that reflects the market interest rate on each settlement period, rather than the cost at the time of the contract. The new solvency system (K-ICS) also will be implemented from January 2023, and insurance liabilities are evaluated at market price rather than cost.

In response to the implementation of “IFRS17” and “K-ICS,” which will be newly implemented in the near future, Kyobo Life is preparing a systematic infrastructure and systems as follows. The Company issued hybrid securities in 2021, and plans to transform the risk management system based on the new standards in 2022.

- 2015 - Operating a dedicated organization
- 2016 - Declaring contingency management system
- Identifying and implementing action plans to increase available capital and reduce required capital
- 2017 - Reclassifying asset account of securities
- Issuing global hybrid securities
- 2018 - Establishing and stabilizing the accounting system according to changes in IFRS17
- 2020 - Establishing IFRS9 (accounting for financial instruments) application standards and system
- 2021 - Issuing hybrid securities in Korea
- 2022-2023 - Planning to transform the risk management system based on the new standards
- Issuing global hybrid securities

The Supervision of Financial Conglomerates

In June 2021, the “Act on the Supervision of Financial Conglomerates” was enacted to strengthen risk management of financial conglomerates. The Kyobo Financial Conglomerates have been selected as a representative financial company in accordance with applicable laws and regulations. Kyobo Life has established and is operating a risk management system by regularly checking capital adequacy at the financial conglomerate level and monitoring the risks of its affiliated financial companies.

ORSA System

In 2017, in an effort to advance risk management system of insurance companies, the financial authorities have introduced the Own Risk and Solvency Assessment (ORSA) system, under which an insurance company assesses its risk and solvency on its own. In response, Kyobo Life has introduced ORSA in 2019, conducted an operation evaluation, reported the results to the Board of Directors, and reflected the evaluation result in the management policy to manage risks successfully.

- 2021 - Carrying out the preemptive interest rate risk management in preparation for the adoption of the K-ICS
- Developing an early warning model for market risk based on unstructured big data
- Developing a contingency plan in a crisis situation and monitoring leading indicators
- 2022 - Improving the insurance risk internal model

Ethical Management

Since the enactment and declaration of the “Kyobo People’s Ethics Charter” for the first time in the industry in 2000, Kyobo Life has been working hard to become a company that various stakeholders can trust. Kyobo Life will continue to increase its competitiveness and sustainability based on transparency and trust.

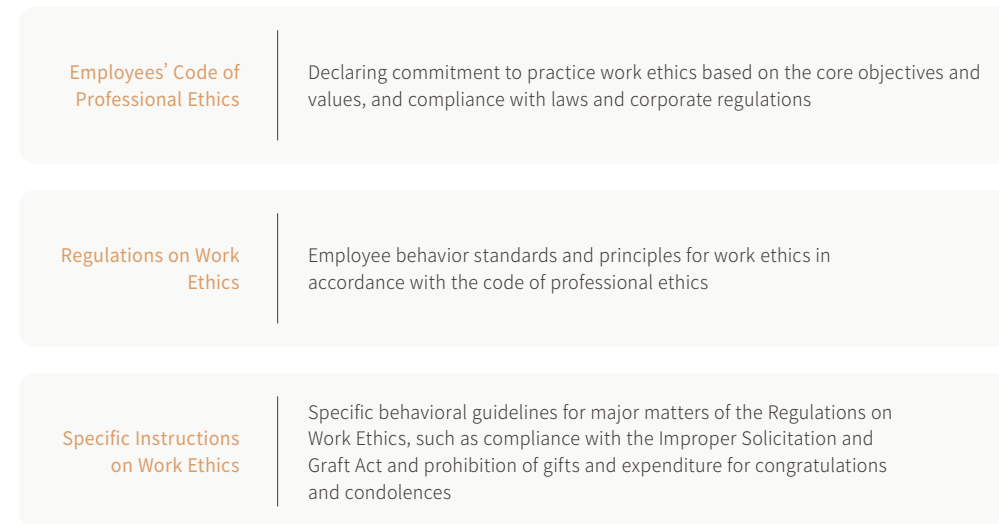
Jeong-Do Management

Kyobo Life has pursued Jeong-Do Management based on the founder’s teaching: “There are no freebies or secrets in the world,” in order to prevent all employees from easily obtaining everything without efforts to ensure sustainable business growth. Based on this belief, “sincerity” has become the foundation of the Company’s culture and been passed down as the core values of “honesty and sincerity.”

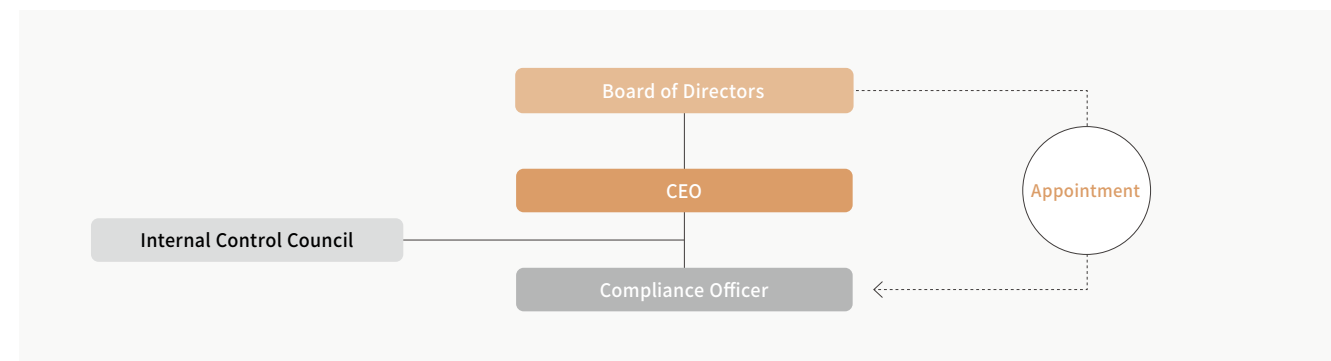
Kyobo Life Employees’ Code of Professional Ethics

Kyobo Life presents the right behavioral patterns and the criteria for value judgment that employees must follow through the Kyobo Life Employees’ Code of Professional Ethics. Kyobo Life Employees’ Code of Professional Ethics includes the Employees’ Code of Professional Ethics, Regulations on Work Ethics, and Specific Instructions on Work Ethics, and the details are as follows.

Kyobo Life Employees’ Code of Professional Ethics System



Ethics/Compliance Management Organization Chart



Programs for Spreading a Culture of Practice

Kyobo Life operates a program to help Kyobo employees practice the Code of Ethics to actual work.

Kyobo’s Work Ethics Resolution

Kyobo Life holds the “Kyobo’s Work Ethics Resolution” event at the beginning of each business year to create a culture of practicing work ethics. All employees, including the CEO and President participates to express the Company’s commitment to ethical management, and all employees pledge to practice work ethics.

Communication for Ethical Management

Kyobo Life carries out repeated and continuous education and communication for its employees to spread a culture of integrity and ethics. The Company conducts online/offline compliance and ethics training for each department every month, and regularly publishes Webtoons dealing cases of compliance and ethics to help people better understand issues that may feel hard and boring. As of 2021, all employees of Kyobo Life have completed 100% of the professional ethics training. In addition to this, the Company provides additional training by department if necessary.

Whistle Blowing System

Kyobo Life has a whistle blowing system to enable employees to consult and report on ethical management. Behaviors subject to the internal reporting (whistle blowing) include bribery and reception of entertainment, monetary accidents, human rights infringement, HR-related misconduct such as performance evaluation, sexual harassment and sexual violence, and unethical behaviors such as customer information leaks. In order to actively protect whistleblowers, the Company has established whistleblower protection regulations so that the whistleblower does not receive any disadvantages in personnel management. In addition, the compliance officer actively monitors whether the whistleblower is protected adequately in accordance with regulations intended to protect whistleblowers.

Complaint-Handling System for External Stakeholders

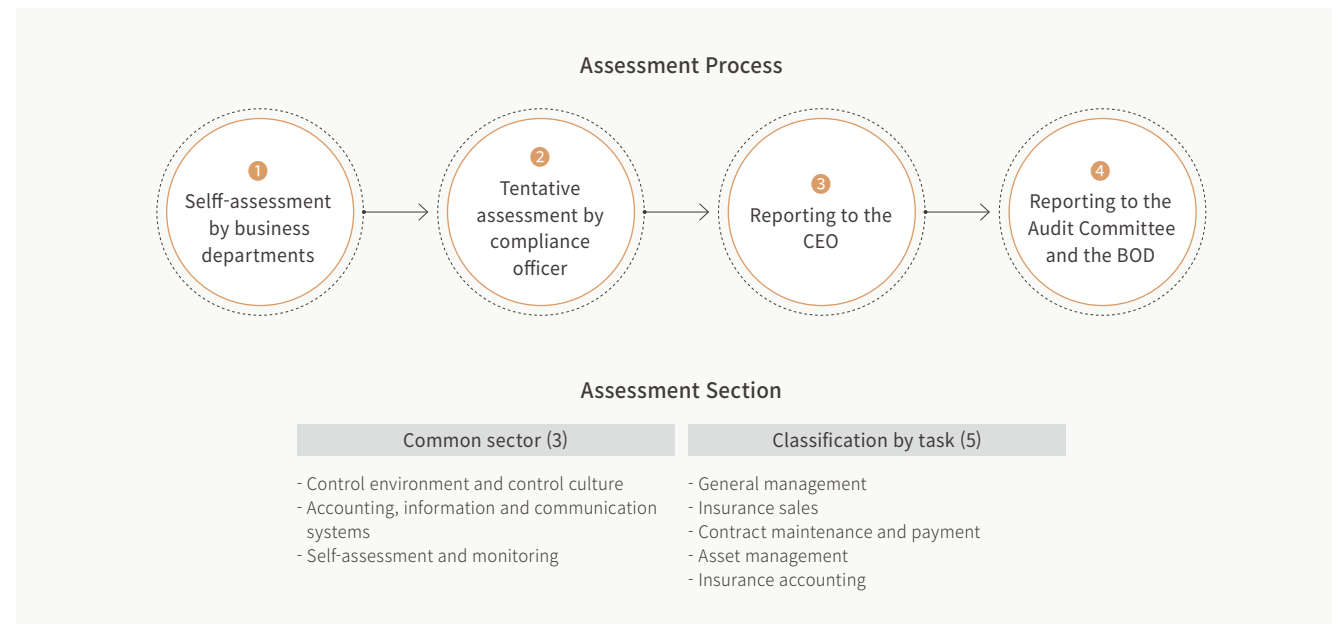
Kyobo Life actively collects the grievances of various stakeholders and reflects them in its management activities. The “Report Center” on the website allows employees to report illegal cases and insurance crimes anonymously. In addition, the Company operates various complaint channels to receive complaints about Kyobo Life’s products or services.

Ethical Management

Compliance Management

Kyobo Life has established “internal control standards” that the employees must comply with when performing their tasks in order to comply with laws and regulations, ensure sound management, and protect shareholders and stakeholders. In addition, the Company appoints a compliance officer to oversee the internal control standards by checking compliance with internal control standards and reporting any findings of violations to the Audit Committee and the Board of Directors. The compliance officer identifies the need for improvement through an annual evaluation of the internal control operation status, helps business departments supplement any shortcomings, and reports the improvement results to the board of directors. In addition, the Company operates an Internal Control Council led by the CEO as chairperson to discuss important matters related to internal control.

Internal Control Operation Evaluation



Compliance Program (CP)

Kyobo Life has introduced and operated a compliance program (CP) to comply with fair trade laws and regulations and enhance transaction transparency. The Company has appointed a compliance officer and had a dedicated organization to continuously strengthen related institution and systems.

Anti-Money Laundering System

The anti-money laundering system is a legal and institutional device to detect and prevent illegal money laundering. Kyobo Life has a dedicated department to effectively implement the anti-money laundering system, and faithfully implement the matters necessary for the Company to perform anti-money laundering tasks in accordance with relevant laws and regulations. The Company categorizes customers and financial transactions for each type to identify and verify the customers, and periodically carries out the duty to check customers. In addition, the Company has established and strictly complied with the reporting procedures for suspicious transactions and cash transactions in large amount. In addition, the Company conducts its own risk assessment and reports the results to the Board of Directors.

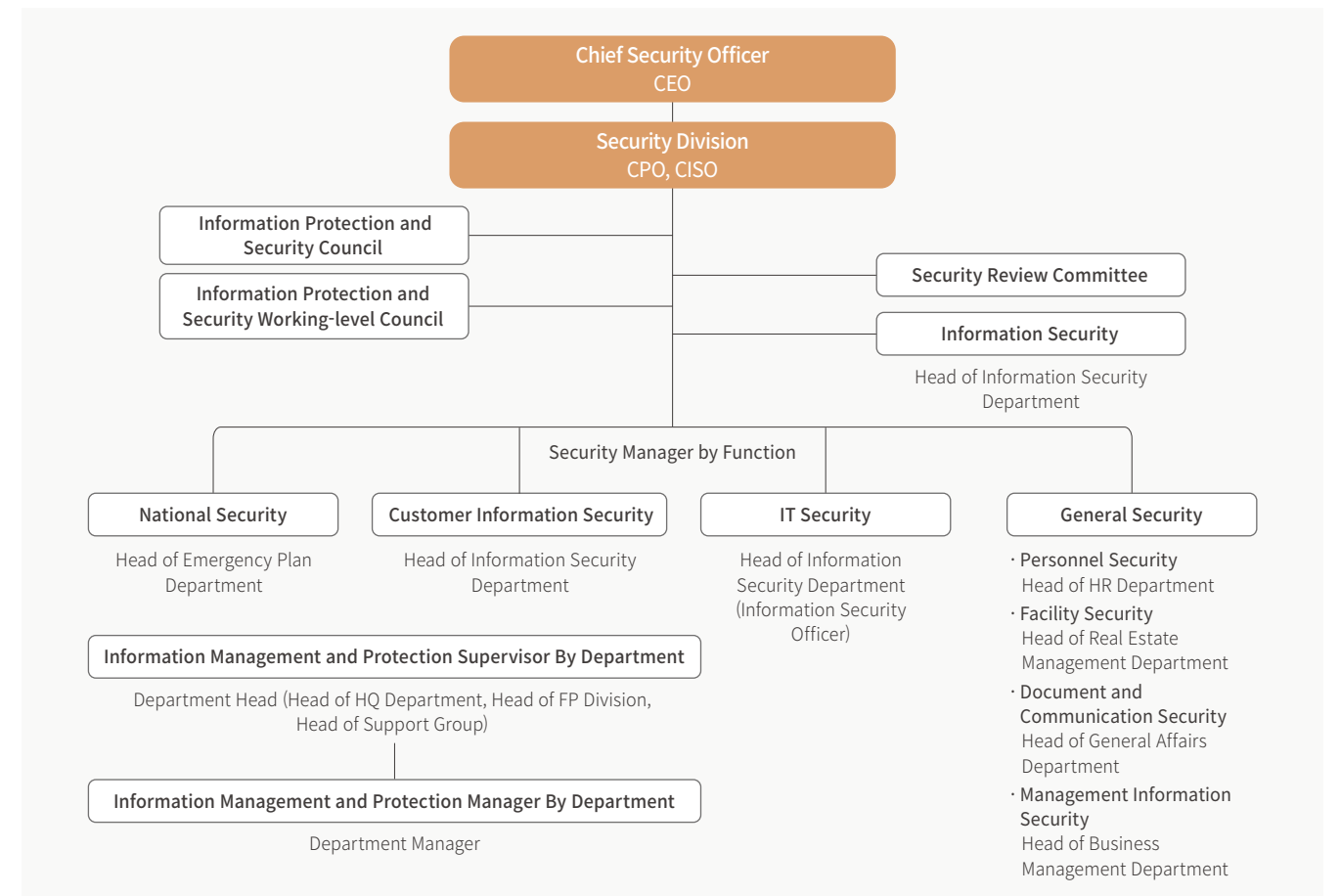
Information Security and Personal Information Protection

The importance of protecting customer information is increasing with the increase in cases of personal information leaks due to sophisticated cyber security attack. Since valuable assets and personal information of their customers are held by financial companies, thorough information security and accident prevention are essential. As a result, Kyobo Life is striving to create a financial environment where customers can feel assured by establishing a safe information security management system and receiving internal system checks through the international standard for information security.

Information Protection Promotion System

Kyobo Life has established an information protection promotion system to strengthen the responsibility and role of protecting personal and credit information, and appointed a security manager for each function to continuously inspect the protection status.

Security Management Organization Chart



Information Security-dedicated Organization and Council

Kyobo Life is striving to create a safer financial environment with a dedicated information security department. Moreover, Kyobo Life operates an information security council in order to improve the efficiency of implementation of information security-related policy and systematically manages it the company-wide. A security officer supervises operation of a consultative body, which discusses and decides matters concerning information security and personal information protection.

Information Security and Personal Information Protection

International Standard for Information Security

Kyobo Life has achieved the first ISO 27001 certification in the insurance industry since 2007. The ISO 27001 certification is the most authoritative international certification for information security in the field of information security, and it is only granted after passing a strict examination in 114 standard control items in 14 areas including information protection policy, accident response, and et cetera. The acquisition of ISO 27001 certification means that Kyobo Life has an information security system that prevents information security threats and effectively responds in the event of issues. Going forward, Kyobo Life will continue to work hard to keep customers' valuable information safe and prevent security accidents.

Information Security Activities

Kyobo Life is making utmost efforts for information security by conducting information security self-inspection and security audits. The Company is striving to improve the quality of information security by conducting security self-auditing, security management inspections, and personal information protection management inspections at regular intervals. In addition, in order to prevent security accidents, the Company implements the "Cyber Security Diagnosis Day" on the second Wednesday of every month for all employees. Kyobo Life not only raises employees' awareness of security through repeated training, such as incident response training and data breach response plan, but also improves employees' abilities to respond to customer data leaks. In 2021, the Company conducted the simulation training, assuming that 10,000 cases of customer data were leaked due to malware infection.

Security Inspection Items

	Internal/External information Security Audit	Information Security Inspection	Personal Information Protection Management & Inspection
Purpose of Inspection	To secure the effectiveness of internal control by regularly inspecting the adequacy of its information protection (security system) operation and continuously identifying and improving problems such as annual evaluation for the results of inspections on the management and protection of personal credit information annually by the Financial Security Institute (Financial Services Commission), in accordance with applicable laws and regulations Applicable laws: Article 20 (6) of the Credit Information Use and Protection Act	To enhance the adequacy of information security management system and to prevent security-related incidents, as well as to prevent vulnerability in security by visiting and improving the work space of outsourcing workers	To raise employees' and FPs' mindset of customer information protection and to prevent security-related incidents
Inspection period	Internal: Twice a year regular (frequently in the event of signs of security incidents) External: Once a year regular	Semi-annual	<ul style="list-style-type: none"> Regular Inspection: Self-assessment of personal information protection (quarterly), self-inspection of personal information protection (monthly), security inspection of insurance agents/consignees (quarterly), security inspection of HQ department (semi-annual), etc. Irregular Inspection: Inspection of personal information protection in case of store closure & relocation, inspection of customer PLAZA, etc.

Personal Information Protection

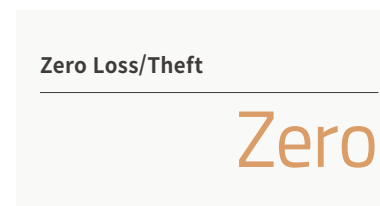
To enable customers to use Kyobo Life's services with confidence, the customer's Personal Information Handling Policy is clearly stated on the website. For customers who use Kyobo Life's website, Kyobo Life complies with the Act on Promotion of Information and Communications Network Utilization and Information Protection, the regulations on personal information protection under the Personal Information Protection Act, and the Enforcement Decree of the same Act, and discloses the purpose of collection and use of personal information, collection items, retention period, etc. In addition, information related to the exercise of the rights of the data subject, such as the right to access to personal data, is provided. When entrusting a third party or provided it with such data, notification is sent about the purpose and contents of the provision. The Company is striving to protect their valuable personal information by applying a handling policy at the same level to financial transaction customers.

Status of Customer Information Breaches

In order to protect customers' personal information, Kyobo Life has established in-house regulations and continuously provides related training courses for all employees and financial planners. As customer information protection is the most important activity that a financial company must follow, the training courses are conducted directly by each department manager. As a result of various information security activities and continuous education, there has been no case of leakage or theft losses of customer information.

No. of Violations and Leaks of Customer Information

	Unit	2019	2020	2021
Employees	Cases	0	0	0
Financial Planners	Cases	0	0	0



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Environment

Climate change response

As a financial company that manages customers' assets, Kyobo Life is participating in the national effort for carbon neutrality by monitoring the impact of climate change on customers' lives, health, and property. The Company practices environmental management by establishing an environment policy, monitoring energy use and GHG emissions, and transparently disclosing the performance of eco-friendly activities. For more systematic environmental management, it is preparing for certification from the ISO 14001 environmental management system (international standard) and is planning to acquire it this year. In addition, it plans to calculate carbon emissions within the portfolio of operating assets under management from next year to respond to climate risks, and develop a climate risk measurement model by the end of 2023.

GHG

		Unit	2019	2020	2021
GHG emissions	Total emissions (Scope 1&2)		32,119	30,406	29,793
	- Direct emissions (Scope 1)	tCO ₂ eq	4,704	4,226	4,504
	- Indirect emissions (Scope 2)		27,415	26,179	25,289
	Intensity	tCO ₂ eq/1,000m ²	54.6	51.7	50.6
GHG reduction	Total reduction (Scope 1&2)		-2,237	-1,713	-613
	- Direct reduction (Scope 1)	tCO ₂ eq	-831	-477	278
	- Indirect reduction (Scope 2)		-1,406	-1,236	-890

* Numbers changed compared to the previous year's report

Energy consumption

		Unit	2019	2020	2021
General energy	Total energy consumption		653	619	614
	Year-on-year reduction		-53	-34	-5
	Direct energy consumption		88.53	79.88	85.48
	- Gas	TJ	75.95	69.53	75.57
	- Oil		12.58	10.34	9.91
	Indirect energy consumption		564.82	539.15	528.77
	- Power		563.56	538.73	527.61
	- Regional heating		1.26	0.42	1.16
	Intensity	TJ/1,000m ²	1.1	1.1	1.0

* Numbers changed compared to the previous year's report

Water

		Unit	2019	2020	2021
Water ¹⁾	Total usage		466,353	413,903	395,821
	Recycled amount	ton	5,241	3,815	4,226
	Recycled ratio	%	1.1	0.9	1.1

1) Reporting area : Kyobo Tower building

Environment

Reduction of resource use and pollution

Kyobo Life is operating a management system to reduce resource use and environmental pollution. The Company has established a paperless office environment based on digital work to manage the amount of paper consumed in the course of business operation. In addition, it periodically monitors waste emissions generated in the course of business operation and contributes to pollution reduction and resources recycling through reuse.

Resource use

	Unit	2019	2020	2021
Office paper	box	4,662	4,893	4,652
Toner	unit	3,358	2,463	2,067

Waste¹⁾

	Unit	2019	2020	2021
Total emissions	ton	277	149	162
Recycled amount		268	141	153
Recycled ratio	%	96.8	94.6	94.4

1) Reporting area : Headquarter building, 'Waste' refers to regular office waste generated by the company's buildings.

Environmental participation

Kyobo Life is expanding eco-friendly investments taking ESG factors such as renewable energy and sewage treatment facilities into account. In addition, the Company has complied with environmental laws and achieved "zero environmental violations" over the past 3 years.

Eco-friendly investment

	Unit	2019	2020	2021
Investment amount	KRW 100 million	32,084	37,585	37,099

Violation of environmental laws

	Unit	2019	2020	2021
Legal violations	Case	0	0	0
Fines and penalties	KRW million	0	0	0

Social

Labor

Kyobo Life operates systematic personnel and recruitment management regulations and supports the happy life of its employees through the work-life balance policy. In addition, it is operating an evaluation and compensation system that excludes performance discrimination.

Labor union

	Unit	2019	2020	2021
Number of employees eligible for union membership ¹⁾	Person	3,781	3,629	3,708
Number of employees allowed to join the labor union		2,593	2,643	2,625
Labor union membership rate out of employees allowed to join	%	68.6	72.8	70.8

1) The target of joining a labor union is different from the number of total employee. Team leaders, and members of HR, and audit departments are not eligible for union membership.

Number of members

	Unit	2019	2020	2021
Total number of employees		3,822	3,842	3,839
Executives	Person	41	41	51
Employees		3,781	3,801	3,788
Gender	Male	2,250(58.9)	2,263(58.9)	2,264(59.0)
	Female	1,572(41.1)	1,579(41.1)	1,575(41.0)
Employment type	Total permanent workers	3,624	3,632	3,608
	- Male	2,112(58.3)	2,121(58.4)	2,105(58.3)
	- Female	1,512(41.7)	1,511(41.6)	1,503(41.7)
	Total non-permanent workers	198	210	231
	- Male	138(69.7)	142(67.6)	159(68.8)
	- Female	60(30.3)	68(32.4)	72(31.2)
Age	Under 20	25	16	1
	20's	425	434	380
	30's	1,300	1,250	1,150
	40's	1,546	1,452	1,354
	Over 50	526	690	954
Position	Staff (staff - general manager)	3,623	3,633	3,629
	Over head of department	158	168	159
	Executives	41	41	51

Social

Labor

Number of members

	Unit	2019	2020	2021
Location ¹⁾	Seoul	810	774	763
	Busan	213	222	210
	Daegu	135	127	131
	Incheon	136	121	119
	Gwangju	115	111	115
	Daejeon	99	106	99
	Ulsan	56	54	55
	Sejong	4	4	5
	Gyeonggi	392	404	388
	Gangwon	60	54	49
	Chungbuk	63	64	62
	Chungnam	74	65	64
	Jeonbuk	76	71	71
	Jeonnam	64	66	62
	Gyeongbuk	121	120	113
	Gyeongnam	128	125	116
	Jeju	35	36	36
	Headquarters	1,232	1,308	1,368
	Overseas	3	3	4
	Total	Person	3,816	3,835

1) Excluding directors

Workforce diversity

	Unit	2019	2020	2021	
Gender balance	Total women	1,570(43.4)	1,577(42.9)	1,572(43.2)	
	Managerial women ²⁾	143(17.9)	147(18.7)	153(19.7)	
	Executive women ³⁾	2(5.4)	2(5.9)	2(5.1)	
	Newly hired women ⁴⁾	57(49.6)	38(32.2)	40(30.3)	
	Total number	35(0.9)	35(0.9)	37(0.9)	
Employees with disabilities	- Working status of Employees with disabilities (IT, field, headquarters)	Person	IT: 3, Field: 19, Headquarters: 13	IT: 3, Field: 20, Headquarters: 12	IT: 3, Field: 21, Headquarters: 13
National veterans	Total number	77(2.0)	75(2.0)	73(1.8)	
Nationality	Korea	3,819(99.92)	3,839(99.92)	3,835(99.90)	
	Asia (excluding Korea)	1(0.03)	1(0.03)	2(0.05)	
	America	2(0.05)	2(0.05)	2(0.05)	

2) Ratio of female managers = Number of all female managers/Number of all managers*100

3) Ratio of female executives = Number of female executives/Number of all executives*100

4) Ratio of female employees hired = Number of female employees hired/Number of all employees hired*100

Recruitment and tenure

	Unit	2019	2020	2021	
New hire	Total new hires	Person	115	118	134
	- Non-experienced	Person(%)	85(73.9)	101(85.6)	65(48.5)
	- Experienced	Person(%)	30(26.1)	17(14.4)	69(51.5)
Turnover	Number of turnover	Person	140	101	113
	Retirement rate ¹⁾		3.6	2.6	2.9
	- Male		1.8	1.9	2.0
	- Female	%	1.8	0.7	0.9
	Voluntary turnover ²⁾		2.5	1.2	1.9
	- Female		1.0	0.6	1.1
Continuous years of service	Average tenure	Year	16	16.6	17
	- Male	Year	17.1	17.5	17.9
	- Female	Year	14.6	15.2	15.11

1) Kyobo Life reported the retirement rate of voluntary retirement until 2020(excluding transfers to affiliates), but reported the retirement rate and voluntary turnover rate starting from 2021, respectively.

Retirement rate: Regular retirement, voluntary retirement, etc. (excluding special retirement)

2) In this report, the voluntary turnover rate is reported including only those who quit voluntarily. (excluding transfer to affiliates)

Remuneration³⁾

	Unit	2019	2020	2021	
Wage ⁴⁾	Average salary	KRW 1,000	101,114	91,724	99,026
	- Male	KRW 1,000	119,963	107,938	114,737
	- Female	KRW 1,000	74,208	68,558	76,654
Equal pay ⁵⁾	Total	%	65.9	67.1	68.1
	- Managerial positions	%	85.5	86.4	86.5
	- Non-managerial positions	%	108.7	106.9	108.2
Basic salary and compensation ratio for new hires	KRW 10,000(%)	4,253(188)	4,280(184)	4,369(185)	

3) Management to ensure that there is no discrepancy in wages and working conditions for workers who perform equal-value work without discrimination based on gender

4) Earned income

5) Base salary

Calculation formula = Average salary of female employees / Average salary of male employees * 100

Social

Labor

Training

	Unit	2019	2020	2021
Training hours per employee		97	83	91
Gender	- Male	97	86	90
	- Female	96	85	86
Training(Hour) ¹⁾	Hour	- Permanent	-	90
		- Non-permanent	-	62
Position	- Organization members	104	85	93
	- Organization heads	56	42	36
competency development expenses (total amount)		846,754	715,815	665,157
competency development expense per person ³⁾	KRW 1,000	259	212	214
Training expense (total amount)		4,723,361	4,317,751	4,664,440
Training expense per person ⁴⁾		1,236	1,124	1,215

1) There is a job change conversion support program, but the information is not managed enough to disclose it, so it is not disclosed.

2) This is a new report indicator for 2021

3) As for competency development expense, the expense of supporting the training desired by employees is reported

Calculation formula = Total amount of annual competency development expense / Subject of competency development for members

4) The training expense per person was calculated by dividing the total training expense by the total number of employees, and it includes support expense given to work-level division (job-specific training, etc.).

Calculation formula = Total annual training expense / total number of employees

Benefits

	Unit	2019	2020	2021
Employee benefits	KRW 1,000	66,135,000	73,611,000	68,294,000
Employee benefits as a percentage of sales	%	0.51	0.47	0.43

Flexible work systems

	Unit	2019	2020	2021
Selective working hours	Person	1	0	0
Flexible working hours		294	116	123

Parental leave

	Unit	2019	2020	2021
Parental leave applicants	Total	177	147	140
	- Male	11	16	19
	- Female	166	131	121
Return from parental leave	Total	158(89.3)	139(94.6)	71(84.5)
	- Male	10(90.9)	14(87.5)	8(72.7)
	- Female	148(89.2)	125(95.4)	63(86.3)
Ratio of returning employees who stay on the job for more than 12 months	Total	91(97.9)	93(93.0)	84(97.7)
	- Male	6(100.0)	3(100.0)	8(88.9)
	- Female	85(97.7)	90(92.8)	76(98.7)

Performance evaluation¹⁾

	Unit	2019	2020	2021
Ratio of those subject to competency development evaluation system	%	100	100	100
Periodic performance evaluation (employees covered)	Total	1st half : 3,206 2nd half : 3,532	1st half : 3,196 2nd half : 3,556	1st half : 3,168 2nd half : 3,237
	- Male	1st half : 1,760 2nd half : 2,042	1st half : 1,727 2nd half : 2,046	1st half : 1,725 2nd half : 1,856
	- Female	1st half : 1,446 2nd half : 1,490	1st half : 1,469 2nd half : 1,510	1st half : 1,473 2nd half : 1,381
Periodic performance evaluation (employees evaluated)	Total	1st half : 3,206 2nd half : 3,532	1st half : 3,196 2nd half : 3,556	1st half : 3,168 2nd half : 3,237
	- Male	1st half : 1,760 2nd half : 2,042	1st half : 1,727 2nd half : 2,046	1st half : 1,725 2nd half : 1,856
	- Female	1st half : 1,446 2nd half : 1,490	1st half : 1,469 2nd half : 1,510	1st half : 1,473 2nd half : 1,381

1) Kyobo Life conducts regular performance evaluation twice a year, so the number of evaluation target and persons completed the evaluation on a semi-annual basis does not match.

Social

Health and safety

Kyobo Life is practicing safety management to create a safe workplace, such as establishing an occupational safety and health policy in 2022, establishing a safety and health management center. In addition, it is operating autonomous training to establish a culture of safety and health management, provide safety and health-related education.

Industrial accident

	Unit	2019	2020	2021
Employees	Number of deaths	Person	0	0
	Number of occupational illness	Case	0	0
	Occupational illness frequency rate (OIFR)		0	0
	Absenteeism rate due to industrial accidents	%	0	0
Business partners' employees	Number of deaths	Person	0	0

Supporting health and safety

Kyobo Life provides regular medical checkups for its employees.

	Unit	2019	2020	2021
Health support	Employees who received health check-ups	Person	2,635	2,683

Human rights

Kyobo Life has established human rights policies in line with international norms, such as the Universal Declaration of Human Rights, UN Principles for Business and Human Rights, Core Conventions of the International Labor Organization, OECD Due Diligence Guidelines, etc. In addition, we prevent human rights violations by operating the Employee Grievance Center and providing human rights education.

Handling of reporting

	Unit	2019	2020	2021
Number of human rights-related reports		1	2	11
- Sexual harassment		0	0	5
- Bullying		1	2	6
- Others		0	0	0
Number of human rights-related cases handled	Case	1	2	11
- Sexual harassment		0	0	5
- Bullying		1	2	6
- Others		0	0	0

Human rights training¹⁾

	Unit	2019	2020	2021
Training hours per person	Hour	3	3	3
- Participation rate in sexual harassment prevention training		100	100	100
- Participation rate in training to improve awareness of the disabled	%	100	100	100
- Participation rate in workplace harassment prevention training		100	100	100

1) Training target: Employees (including part-time employees) and dispatched employees, those who work less than 60 hours per month during the training period, overseas workers, and dispatched employees from other companies are excluded.

Social

Supply chain management

Kyobo Life pursues win-win growth with business partners by establishing a sustainable supply chain. Kyobo Life informs about its clean contract system through the compliance officer when selecting business partners, and hedges possible risks by reviewing financial soundness for contract sustainability.

Business partner management

	Unit	2019	2020	2021
Total number of vendors ¹⁾		25	35	27
Total number of partner hospital	Number	151	147	141
Number of newly registered business partners		4	3	2
Supply chain ESG assessment (ESG included in business partner selection criteria)	Evaluation	Partial	Partial	Partial

1) Vendors that signed short-term contracts of less than one year through the electronic purchasing system

Clean contract system

	Unit	2019	2020	2021
Number of companies that sent clean contract notices ²⁾	Number	991	927	867

2) Business partner with transaction performance of KRW 20 million or more in the preceding year

Ecosystem players

Ecosystem players belong to Kyobo Life's business ecosystem, such as investment and partnership, and Kyobo Life pursues win-win growth with ecosystem players. To this end, Kyobo Life has discovered new business models through "Open Innovation" and formed the "Kyobo New Technology Investment Fund No.1" to support the growth of top performing start-ups.

Investment to create a collaborative ecosystem

	Unit	2019	2020	2021
Companies participating in the InnoStage	Number	10	5	5
Amount of Strategic Investment in Digital (cumulative) ³⁾	KRW 100 million	-	440	2,480

3) The data has been reported since 2020 due to the readjustment of the sustainable management system in 2020, and is cumulative data on the contract amount since 2018

Community relations

Kyobo Life has established social contribution policies and principles in connection with the UN SDGs to fulfill its CSR and continues its activities accordingly. It established the Kyobo Dasomi Social Volunteer Service Center in December 2002 for systematic social contribution activities, and supports the neighbors to grow intellectually, financially, and socially with a strong heart for life.

Association fee

	Unit	2019	2020	2021
Association fee ⁴⁾	KRW 100 million	43	43	44

4) Top 4 Associations Spending Expenses

Community relations

Volunteer

	Unit	2019	2020	2021
Total volunteer hours	Hour	21,109	15,645	12,586
Number of participating members	Person (cumulative)	10,415	7,640	6,078
Volunteer hours per employee	Hour	5.5	4.1	3.3

Social Contribution

	Unit	2019	2020	2021
Evaluation of social contribution program performance	Evaluation	V	V	V
Social contribution support ratio and amount	KRW 100 million(%)	352(6.75)	57(1.49)	39(0.98)

* V: Check if applicable

Social contribution Projects

Kyobo Life is operating a variety of social contribution programs. It is striving for the growth and independence of the underprivileged in society, such as mentoring for character building, financial education, emotional, and independence support, youth independence support programs for leadership and nurture, and support for the growth and independence of deaf and protected children.

	Unit	2019	2020	2021
Impact Up	KRW 100 million	3.0	3.7	3.0
Children Support Project	Person (KRW 100 million)	-	-	968(2.4)
Environmental protection practice 'Green Dasomi Family Volunteer Work'	Person	160	38	112
The Youth's Independent Living Support Project	Person (KRW 100 million)	-	-	205(1.5)
Kyobo Life Cup Youth Athletic Competition ¹⁾	Person (KRW 1,000)	3,498(317,000)	not held	not held
Kyobo Life Scholarship for Youth Athletics ²⁾	Person	Select 2 by category	Select 2 by category	Select 2 by category
Kyobo Dream Makers	Person (KRW 100 million)	-	98(1.9)	1,650 ³⁾ (2.9)
Kyobo Leadership Program for Youth, 'CHANGE'	Person	35	34	37
Wow Dasomi Sound-and-Light Program	Person (KRW 100 million)	12*(1.0) *Surgery: 10, Artificial cochlear: 2	43*(2.2) *Surgery: 17, Artificial cochlear: 3, Speech rehabilitation: 23	30*(3.0) *Surgery: 24, Artificial cochlear: 1, Speech rehabilitation: 5
Ties of Love	Person (KRW 100 million)	1,426(3.6)	1,413(3.6)	1,389(3.6)
Kyobo Hope Dasom Scholarships	Person (KRW 10,000)	79(367)	96(345)	107(327)
Dasomi business of global trees with hopes for economic independence	Households (KRW million)	-	690(1) *Support with 27,600 grapefruit trees	750(1.2) *Support with 30,000 grapefruit trees

1) 2020-2021 could not be held due to COVID-19

2) 7 sports, KRW 2 million paid annually for 6 years

3) Experience: 1,500 persons, certification acquisition: 150 persons

Social

Information security and personal information leaks

Kyobo Life has established a safe information security management system in response to the requirement of regulatory and supervisory agencies to strengthen the personal information protection and management system and the diversifying digital environment, and protects customer information carefully. Kyobo Life was the first in the domestic insurance industry to receive ISO 27001 certification (international standard information protection certification) in 2007, continuously strengthening security and responding proactively. In addition, Kyobo Life has secured an information security management and operation system by designating a CISO (Chief Information Security Officer) and CPO (Chief Privacy Officer) and establishing an information protection and security council and working-level council.

Kyobo Life has established a crisis response system so that it can take prompt action in case of a customer information leak crisis when customer information leak can seriously damage the overall management of the company*. Kyobo Life will maintain the ISO 27001 certification in the future and strengthen the information protection system over the current level by acquiring ISMS-P (Personal Information and Information Security Management System) certification by 2023.

1) Customer information leak crisis situation: A serious threat situation that may cause material and mental damage to customers due to customer information leak accident, damage to company image, and serious damage to corporate management due to collective damage compensation* occurs or It means that it is recognized that there is a risk of occurrence.

Leaks

	Unit	2019	2020	2021
Total number of information leaks	Case	0	0	0
Number of leaks related to customer information		0	0	0
Amount of fines	KRW 1,000	0	0	0

Certification and training

	Unit	2019	2020	2021
Personal information protection training	Implementation	V	V	V
Information security training		V	V	V
ISO 27001	Certification	V	V	V
Number of complaints about customer information protection violations	Case	0	0	0
- Members		0	0	0
- Financial Planners		0	0	0
Number of breaches of customer information protection and leakage of customer information	Case	0	0	0
- Members		0	0	0
- Financial Planners		0	0	0
Customer Information protection training	Hour	16	14	14
- Executives		11	11	12
- Financial planner		11	12	10
- Staff		11	12	12
- IT management staff		11	12	12
- Information security management person in charge		16	14	14

* V: Check if applicable

Customer satisfaction

	Unit	2019	2020	2021
Customer satisfaction level	Point	72.8	73.1	76.4

Governance

Board of Directors

The board of directors is the Company's highest standing decision-making body, and outside directors account for a majority to strengthen its independence and enhance its function of checks. People with proper expertise and background are chosen as members of the board to improve efficiency. In addition, the Company is promoting the diversity of the board by having female candidates account for 20% or more of the total outside director candidates.

Composition

	Unit	2019	2020	2021	
Independence	Ratio of outside directors	%	67	57	44
	Restriction on the number of other duties	Duty	1	1	1
Diversity	Board diversity policy	Retention	-	-	-
	Female directors	Person	0	0	0
Expertise	Director with industrial experience	%	100	100	100
	Risk expert		5	5	7
	Financial expert	Person	4	5	5
Efficiency	ESG expert		0	0	0
	Average tenure	Year	6.7	6.1	5.9
	Average Attendance Rate	%	100	100	100

※ 2022 Board diversity policy establishment and female director appointment

Operation

	Unit	2019	2020	2021	
Meetings held	Number of regular board meetings	Case	9	9	9
	Number of temporary board meetings		0	0	0
Reporting and resolution	Total agenda items		51	59	60
	Number of reporting		16	25	28
	Number of resolutions		35	34	32
Opinion by agenda	Vote for agenda	Case	35	34	32
	Vote against agenda		0	0	0
	Move to amend agenda		0	0	0
	Abstain		0	0	0

Liability

	Unit	2019	2020	2021	
Reduced liability	Subscribe to liability insurance	Subscription	V	V	V
	Occurrence of leadership issues	Case	0	0	0

* V: Check if applicable

Governance

Board of Directors

The Executive Recommendation Committee carries out matters on executive candidate recommendation in stages, such as setting qualifications, etc., as stipulated in the Governance Regulations, forming a suitable candidate group, managing and verifying the candidate group, verifying qualifications of the final candidates and making recommendations, etc., and reports the same to the Board of Directors. As of the end of 2021, the Executive Recommendation Committee consists of a total of 4 members: 3 outside directors with independence and management expertise and the CEO familiar with affairs of the Company.

Committee

	Unit	2019	2020	2021	
Executive Recommendation Committee	Number of members	Person	3	3	4
	Ratio of outside director	%	66.7	66.7	75.0
	CEO participation	Participation	V	V	V
	Number of meetings held	Case	4	3	3
	Average Attendance Rate	%	100	100	100
	Number of resolutions		7	8	7
	Number of reporting	Case	1	0	0

The Audit Committee audits, diagnoses, and evaluates business activities to ensure management transparency and enhance competitiveness, and checks the legality and adequacy of management's business processes so that the management can make rational business decisions. The Committee has the authority to request and investigate related information in order to perform the role of evaluating and improving the adequacy of the Company's overall internal control system and business performance. In addition, in accordance with the Audit Committee Regulation, the Committee performs its work in a position independent of the board of directors and executive departments.

	Unit	2019	2020	2021	
Audit Committee	Number of members	Person	3	3	3
	Ratio of outside director	%	100	100	100
	Chairman's financial expertise	Retention	V	V	V
	Number of financial experts	Person	3	3	3
	Number of meetings held	Case	9	9	8
	Average Attendance Rate	%	100	100	100
	Number of resolutions		14	13	12
	Number of reporting	Case	13	17	17

The Remuneration Committee deliberates and decides on the matters delegated by the board of directors and important matters related to the design and operation of the remuneration system, and evaluates its adequacy. As of the end of 2021, the Committee consists of a total of three members, of which two are outside directors, satisfying the requirement for the Committee's independence. All three members are experts in the financial field, and they deal in depth with remuneration-related financial contents and corporate risk-related matters.

	Unit	2019	2020	2021	
Remuneration Committee	Number of members	Person	3	3	3
	Ratio of outside director	%	66.7	66.7	66.7
	Number of meetings held	Case	4	4	5
	Average Attendance Rate	%	100	100	100
	Number of resolutions		9	9	16
	Number of reporting	Case	0	0	0

* V: Check if applicable

The Risk Management Committee decides on important issues related to risk management, such as establishing basic risk management policies, approving key management strategies based on risk, setting risk management goals and limits, and approving acceptable risk limits. The Committee consists of three or more directors, and the chairperson is appointed by the resolution of the Committee.

	Unit	2019	2020	2021	
Risk Management Committee	Number of members	Person	2	3	3
	Ratio of outside director	%	100	100	100
	Number of financial accounting experts	Person	2	2	2
	Number of meetings held	Case	9	10	9
	Average Attendance Rate	%	100	100	100
	Number of resolutions		12	14	11
	Number of reporting	Case	13	14	14

Sustainable ESG Committee

Kyobo Life established the Sustainable ESG Committee within the board in March to secure the driving force for continuous ESG management activities. The Committee inspects the Company's ESG management strategy and direction and continuously reviews and approves related performance and improvement measures. The four-member Sustainable ESG Committee consists of 75% outside directors and has one legal (human rights) expert. The attendance rate of directors for one BOD meeting held within the reporting period is 100%.

Evaluation and remuneration

Kyobo Life conducts a self-evaluation of the Board of Directors to ensure that the Board of Directors is positioned as an important decision-making body and management check-in body by regularly reviewing whether the Board of Directors is properly performing the roles and responsibilities required by laws and company regulations. In addition, the standards for calculating the remuneration of directors and the amount of remuneration are disclosed transparently.

	Unit	2019	2020	2021	
Board evaluation	Self-evaluation	V	V	V	
	Third-party independent evaluation	-	-	-	
Remuneration	Guidelines for variable CEO compensation	V	V	V	
	Disclosure of individual remuneration calculation standards and remuneration amount	V	V	V	
Stock	Shareholding ratio of the founding family	%	36.91	36.91	36.91

* V: Check if applicable

Strengthening of shareholder rights

	Unit	2019	2020	2021	
Protection of shareholder rights	Disclosure of dividend policy	Disclosure	V	V	V
	Notice of agenda before shareholders' meeting	Notification	V	V	V
	The resolution of the shareholders' meeting	Implementation	V	V	V

* V: Check if applicable

Governance

Ethical Management

Kyobo Life is clearly aware of its legal and ethical responsibilities as a financial company, and strives to fulfill its social responsibility and corporate citizenship. Internally, the 'Kyobo Employees' Charter of Professional Ethics' was enacted in April 2000 to encourage employees to work with honesty and integrity on their own. In addition, in order to improve transparency in management activities and promote ethical management, each department has a compliance support person in charge to support the establishment of a legal compliance culture. In case of violations related to ethics and anti-corruption, the Company applies the zero tolerance principle and operates an internal reporting system to fulfill its ethical responsibilities. With the goal of zero number of anti-corruption violations and 100% completion of job ethics training for employees, the Company plans to conduct continuous training and communication to foster a culture of ethics and compliance within the Company.

Ethical efforts

	Unit	2019	2020	2021
Ethics training	Training hours per employee	12	12	12
	- Manager	17	14	14
	- Non-manager	17	16	15
	Ratio of ethics-trained employees	100	100	100

Reporting and Violation

	Unit	2019	2020	2021
Code of conduct violations	Total	50	21	16
	- Insurance sales	5	7	0
	- Sexual harassment in the workplace	0	0	2
	- Bullying in the workplace	0	1	1
	- Process non-compliance	15	9	2
	- Organizational disorder	25	2	0
	- Negligence	3	2	1
	- Others	2	0	10
Actions for violations	Total	50	21	16
	- Dismissal from office	1	0	1
	- Demotion	1	0	0
	- Suspension from office	12	3	1
	- Pay cut	14	3	0
	- Reprimand	17	11	1
	- Others	5	4	13

Compliance

In order to comply with fair trade-related laws and regulations, the Company held the Declaration Ceremony for Voluntary Practice of Fair Competition in 2006 and is operating the Compliance Program (CP). Using this, the Company presents clear standards of behavior to its employees and business partners to comply with the law and prevent legal violations at an early stage. In addition, the Company promises to establish a culture of compliance with fair trade through the Pledge of Fair Trade Compliance. In 2020, in order to disseminate the operation and implementation examples of the Group-wide Compliance Program (CP), the Company created a new job related to group-wide internal control and expanded and reorganized the organization. Kyobo Life plans to strengthen the fair trade enforcement system with the goal of zero cases of fair trade violations and lay the foundation for compliance with fair trade laws. In addition, fair trade monitoring and training will be expanded for CP grade AA and ISO 37001 (Anti-Corruption Management System) certification in 2025. An annual plan will be established and implemented by reflecting the results of effectiveness evaluation through fair trade training questionnaires, etc., thus taking practical improvement measures.

Fair trade practice efforts

Risk assessment

In order to comply with the laws related to corporate activities among fair trade laws, the Company conduct annual self-assessment of CP rating and report the same to the board of directors to help evaluate and manage risks.

Advance business consultation system

A compliance manager is designated to establish and operate a compliance program and comply with laws related to fair trade, and the risk of violations of corporation laws is prevented through an advance business consultation system.

	Unit	2019	2020	2021	
CP program	Risk assessment	Propulsion	V	V	V
	Advance business consultation system	Retention	V	V	V
	Internal supervision system		V	V	V
Training	Fair trade/anti-corruption training	Hour	1	1	1

* V : Check if applicable

Reporting and violation

	Unit	2019	2020	2021
Legal violations	Violations related to product advertisement and insurance information	0	0	0
	Review status of product advertisement and insurance guide data	878	863	1,313

Governance

Tax and accounting

Kyobo Life establishes and publishes tax policies for transparent tax payment, and continuously monitors changes in tax laws to prevent tax omissions and ensure efficient tax payment. The Company faithfully fulfills its tax obligations in accordance with tax policies and does not engage in illegal tax evasion or illegal activities under the tax law. The Company reports a corporate tax through an external tax adjuster every year based on the financial statements audited by an independent auditor. The Company plans to minimize tax risk by expanding the tax items subject to verification in the future.

Tax reporting

	Unit	2019	2020	2021
Estimates	Current income tax expense	698.5	688.0	2,198.7
	Origination and reversal of temporary differences	6,023.2	2,137.4	-6,826.4
	Income tax expense directly recognized in equity	-4,513.2	-810.4	6,603.5
	Additional payment (refund) of income taxes	107.5	-129.3	8.0
	Income tax expense ¹⁾	2,316.0	1,885.7	1,983.8

1) Based on consolidated financial statements

Reporting by country(Corporate tax)

	Unit	2019	2020	2021
Japan	KRW 100 million	0.98	1.44	2.41
United States		7.37	4.36	3.75

Accounting and auditing

	Unit	2019	2020	2021
External audit performance cost	KRW 100 million	18.0	17.1	17.5

Finance

Credit rating

Moody's	Fitch Ratings	Korea Ratings	Korea Investors Service	NICE Credit Rating
A1	A+	AAA	AAA	AAA
MOODY'S	FitchRatings	KR KOREA RATINGS	인수평가정보	NICE

Economic data

Economic Value Creation and Distribution

	Unit	2019	2020	2021	
Customers	Claim paid/Reserve funds for claims	KRW billion	14,556.1	17,487.1	17,248.0
Financial planners	Fees		588.4	696.7	627.7
Employees	Salary, Employee benefits		439.0	447.4	534.8
Investors	Dividends	KRW billion	153.8	102.5	153.8
Communities	Donation, Social contribution expense, etc.		44.4	13.1	11.2
Government	Income tax expense		241.0	188.6	198.4
Partners ¹⁾	Purchasing cost		15.9	19.6	11.0

1) Based on money transferred for e-purchasing system

Profit and Stability Indicators

	Unit	2019	2020	2021
Net Income	KRW billion	628.2	452.2	489.3
ROE		5.7	3.7	4.2
ROA	%	0.6	0.4	0.4
RBC		338.9	333.4	266.6

Premium income

	Unit	2019	2020	2021
Protection	KRW billion	5,560.0	5,607.6	5,708.0
Annuity		3,255.8	3,023.6	2,846.7
Savings		1,089.5	2,401.6	2,958.1
Corporate Pension		2,530.2	3,247.2	4,295.4
Total		12,435.5	14,280.0	15,808.3

Finance

Economic Data

Summarized Consolidated Statement of Financial Position

	Unit	2019	2020	2021
Total assets		116,053.4	125,704.7	130,934.9
Cash and due from bank		2,649.7	1,940.6	2,897.0
Securities		66,181.6	70,800.7	73,089.0
Loans		20,762.6	22,353.3	23,725.3
Investment in associates		35.2	36.3	71.7
Investment property		1,129.5	1,094.7	1,058.1
Property and equipment		1,367.7	1,378.7	1,414.9
Intangible assets		328.9	296.3	257.4
Other assets	KRW billion	3,323.1	4,431.1	3,249.1
Separate account assets		20,275.1	23,373.0	25,172.4
Total liabilities		103,668.8	112,812.4	118,980.0
Liabilities under insurance contracts		71,926.1	75,573.4	79,287.1
Policyholder's equity adjustment		1,416.5	1,461.8	719.6
Other liabilities		9,588.2	11,846.8	12,926.4
Separate account liabilities		20,738.1	23,903.6	26,046.9
Capital		12,384.6	12,892.3	11,954.8
Capital - controlling ownership		11,935.2	12,567.6	11,596.5

Summarized Consolidated Statement of Comprehensive Income

	Unit	2019	2020	2021
Operating revenue		15,495.8	18,644.9	19,715.1
Operating cost		14,590.5	17,960.6	18,999.9
Operating profit		905.3	684.3	715.2
Non-operating profit	KRW billion	3.3	-17.9	8.9
Income before corporate tax		908.5	666.4	724.1
Income tax expense		241.0	188.6	198.4
Net Income		667.5	477.8	525.7
Net income - controlling ownership		628.2	452.2	489.3

Appendix

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- 124 GRI Standards Index
- 126 PSI(Principles for Sustainable Insurance)
- 128 TCFD(Task Force on Climate-related Financial Disclosures)
- 131 SASB(Sustainability Accounting Standards Board)
- 132 UN SDGs(UN Sustainable Development Goals)
- 134 UN Global Compact
- 135 ESG Initiatives
- 136 Associations and Memberships
- 137 Awards Regarding Sustainability Management
- 138 Third-party Assurance Statement

Materiality Assessment

Kyobo Life conducted materiality assessment to unveil material issues affecting management by identifying the concerns of internal and external stakeholders and factors (including potential factors) that may affect business activities. Identified issues were then prioritized to determine whether or not to focus on management. The detailed procedure for this is as follows.

Selection of Material Issues

Kyobo Life conducts materiality assessment every year to listen to the voices of key stakeholders, and to derive core topics to be addressed for ESG management. In the materiality assessment 2021, a 17-issue pool was formed based on sustainable management standards (GRI Standards, TCFD, MSCI, etc.), media, industry and investment group perception analysis. In particular, in 2021, it conducted double materiality assessment that integrated the “Materiality” guideline of the GRI Standards and the concept of double materiality. Double materiality refers to the topic derivation process that considers not only the environmental and social impact of a company’s business activities, but also the impact it may have on corporate value and finance from an external point of view. Kyobo Life will furthermore accurately identify stakeholders’ interests and areas for improvement and reflect them in the establishment of ESG strategies.

Materiality Assessment Process

Step 1 Identify ESG Issues and Form an Issue Pool

In order to comprehensively respond to internal and external ESG issues, we analyzed external information disclosure requirements and evaluation indicators to form an issue pool to set the future direction for Kyobo Life’s ESG. Among the selected issues, duplicate issues were removed and 17 topics were selected in the end.

Analysis of sustainability management standards
GRI Standards, ISO 26000, MSCI, DJSI, TCFD, KCGS, UN SDGs, SASB, etc.

Analysis of Kyobo Life’s own issue pool
Data analysis (internal data, business report, management strategy system, investment report, etc.)

Step 2 Identify the Scope and Timing of Impact

For the 17 topics, the scope and point of impact were classified and analyzed.

Identify scope of impact

- Direct: When the corporate activity has a direct effect
- Induction: When corporate activity induced related activities of other organizations (business partners, customers, etc.)
- Connections: When business relationship, rather than direct activity, has effect

Identify point of impact

- Mark and indicate the time when corporate activity has a significant impact on each topic
- In the case of topics that can affect both the present and the future, mark and indicate both

Step 3 Assess Double Materiality

For the double materiality assessment, “financial materiality (Outside-In point of view)” and “impact materiality (Inside-Out point of view)” were analyzed respectively. To review the financial materiality, a survey was conducted on external investor groups and internal experts. To examine the impact materiality, a survey was conducted on ESG experts and internal W/G.

Financial Materiality (Outside-In) Analysis (X-axis)

In order to analyze the impact of external factors on corporate value and finance, review was conducted on financial impact, regulations, and policies, industry trend, reputation, and financial opportunity.

- Survey period: April 06, 2022 - April 11, 2022
- Survey target: Financial groups (financial/investment institutions related to companies, internal financial managers)
- Survey items: Financial impact on each topic (financial impact, regulations and policies, industry trend, reputation, financial opportunity)

Impact Materiality (Inside-Out) Analysis (Y-axis)

In order to analyze the impact of a company’s business activities on the environment and society, review on the possibility of impact, the magnitude of the impact, and resilience was conducted.

- Survey period: April 19, 2022 - April 21, 2022
- Survey target: Kyobo Life ESG W/G, ESG expert group
- Survey items: Materiality of impact on each topic (probability of occurrence, magnitude of impact, resilience, etc.)

Utilizing the Result of Materiality Assessment

As a result of the double materiality assessment, “stable asset management,” “climate change risk management,” and “risk management” were evaluated as core topics related to Kyobo Life’s sustainability management in 2021. At the same time, sustainable investment (ESG investment), strengthening access to financial services, and digital technology-based innovation were classified as top topics. The Financial Group selected the issue of stable asset management, financial services, and risk management, considering the business at the center, while the internal working group and external experts chose climate change and human rights as the importance of ESG issues. The overall ranking of traditional corporate management areas such as local contribution, labor relations, and talent nurturing was selected as the least important issues. In order to become a company that contributes to the benefit of customers and society, Kyobo Life is continuously improving the areas that are insufficient among the selected issues by having the department in charge challenge them.

Step 4 Derive Priorities

The final priority was selected by synthesizing the environmental and social importance of Kyobo Life’s business and the opinions of internal and external stakeholders, and the credibility of the evaluation process was secured through third-party verification.

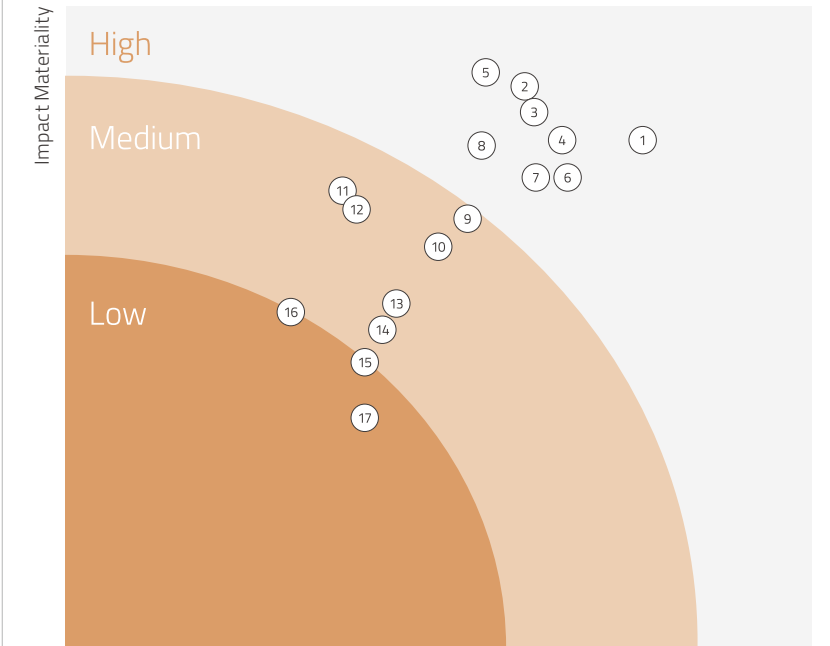
Prioritization

Prioritized 17 issues based on the results of comprehensive evaluation of business and financial impact

Third party verification

The content of the report is verified by a third-party organization (Korean Standards Association) to ensure reliability and transparency.

Materiality assessment matrix



Key issues and reporting boundaries are as follows:

Change YoY	Rank*	Key Issues	Point of Impact		GRI Standard Aspect	Page
			Present	Potential		
+2	1	Stable asset management	○		-	p.70-71, p.119
New issue	2	Climate change risk management	○	○	302-1, 302-2, 302-3, 303-3, 305-1, 305-2, 305-4	p.28-35, p.101-102, p.128-130
+6	3	Risk management	○	○	102-11	p.90-93
+9	4	Sustainable investment (ESG investment)	○	○	-	p.32-33, p.71-72
+9	5	Strengthening access to financial services	○		-	p.51
-4	6	Digital technology-based innovation	○		-	p.36-39
+3	7	Governance	○	○	102-18	p.86-89, p.113-115
-4	8	Customer information protection	○	○	418-1	p.97-99, p.112
+2	9	Complete sales (minimize mis-sells)	○		417-2, 417-3	p.53, p.117
-2	10	Customer-centered management	○		417-2, 417-3	p.47, p.50-53, p.117
New issue	11	Respect for human rights	○		412-2	p.61, p.109
-11	12	Ethical management	○		419-1	p.94-96, p.116
-7	13	Employment and talent development	○		401-2, 401-3	p.62-64, p.105-106
-8	14	Labor relations	○	○	402-1	p.66-67, p.103
New issue	15	Local community (social contribution)	○		413-1	p.79-83, p.110-111
-9	16	Talent nurturing	○		404-1, 404-2, 404-3	p.60-67, p.106
-2	17	Strengthening financial planners' competency	○		-	p.55-56

* Result of financial materiality and impact materiality: 5-point scale

GRI Standards Index

GRI standards(GRI 100)

Indicators	Description	Page
Organizational profile	GRI 102-1 Name of the organization	p.10
	GRI 102-2 Activities, brands, products, and services	p.10~11
	GRI 102-3 Location of headquarters	p.10
	GRI 102-4 Location of operations	p.10
	GRI 102-5 Ownership and legal form	p.10, p.86
	GRI 102-6 Markets served	p.10
	GRI 102-7 Scale of the organization	p.10, p.103~104, p.119~120
	GRI 102-8 Information on employees and other workers	p.10, p.103~104
	GRI 102-9 Supply chain	p.74~77
	GRI 102-10 Significant changes to the organization and its supply chain	No Significant Changes
	GRI 102-11 Precautionary Principle or approach	p.32~35, p.90~93
	GRI 102-12 External initiatives	p.21, p.32, p.135
	GRI 102-13 Membership of associations	p.136
Strategy	GRI 102-14 Statement from senior decision-maker	p.4~5
	GRI 102-15 Key impacts, risks, and opportunities	p.4~5
Ethics and integrity	GRI 102-16 Values, principles, standards, and norms of behavior	p.94~96
	GRI 102-17 Mechanisms for advice and concerns about ethics	p.61, p.94~96
Governance	GRI 102-18 Governance structure	p.86~89
	GRI 102-34 Nature and total number of critical concerns	p.122~123
	GRI 102-35 Remuneration policies	p.89
Stakeholder engagement	GRI 102-40 List of stakeholder groups	p.24
	GRI 102-41 Collective bargaining agreements	p.67
	GRI 102-42 Identifying and selecting stakeholders	p.24
	GRI 102-43 Approach to stakeholder engagement	p.24
	GRI 102-44 Key topics and concerns raised	p.25, p.122~123
Reporting practice	GRI 102-45 Entities included in the consolidated financial statements	p.10, p.13~16
	GRI 102-46 Defining report content and topic Boundaries	p.122~123
	GRI 102-47 List of material topics	p.122~123
	GRI 102-48 Restatements of information	Foot note, if necessary
	GRI 102-49 Changes in reporting	p.122~123
	GRI 102-50 Reporting period	p.2
	GRI 102-51 Date of most recent report	p.2
	GRI 102-52 Reporting cycle	p.2
Management approach	GRI 102-53 Contact point for questions regarding the report	p.2
	GRI 102-54 Claims of reporting in accordance with the GRI Standards	p.2
	GRI 102-55 GRI content index	p.124~125
	GRI 102-56 External assurance	p.138~139
	GRI 103-1 Explanation of the material topic and its Boundary	p.46, p.54, p.60, p.68, p.74, p.78
	GRI 103-2 The management approach and its components	p.46, p.54, p.60, p.68, p.74, p.78
	GRI 103-3 Evaluation of the management approach	p.46, p.54, p.60, p.68, p.74, p.78

Topic Specific Standards-Economic Performance(GRI 200)

Indicators	Description	Page
Economic Performance	GRI 201-1 Direct economic value generated and distributed	p.26~27, p.119
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	p.28~34, p.128~130
Anti-corruption	GRI 205-2 Communication and training about anti-corruption policies and procedures	p.94~96, p.116~117
	GRI 205-3 Confirmed incidents of corruption and actions taken	FSS electronic public disclosure system (dart.fss.or.kr) > Business report (XI. Other matters necessary to protect investors)
Anti-competitive behavior	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p.117
Tax	GRI 207-1 Approach to tax	p.79, p.118
	GRI 207-4 Country-by-country reporting	p.118

Topic Specific Standards-Environmental Performance(GRI 300)

Indicators	Description	Page
Energy	GRI 302-1 Energy consumption within the organization	p.101
	GRI 302-2 Energy consumption outside of the organization	p.101
	GRI 302-3 Energy intensity	p.101
	GRI 302-4 Reduction of energy consumption	p.101
Water	GRI 303-3 Water withdrawal	p.101
	GRI 303-5 Water consumption	p.101
Emissions	GRI 305-1 Direct (Scope 1) GHG emissions	p.101
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	p.101
	GRI 305-4 GHG emissions intensity	p.101
Waste	GRI 305-5 Reduction of GHG emissions	p.101
	GRI 306-3 Waste generated	p.102
Environmental grievance handling system	GRI 306-4 Waste diverted from disposal	p.102
	GRI 307-1 Non-compliance with environmental laws and regulations	p.102

Topic Specific Standards-Social Performance(GRI 400)

Indicators	Description	Page
Employment	GRI 401-1 New employee hires and employee turnover	p.105
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.66~67, p.106
	GRI 401-3 Parental leave	p.107
Labor relations	GRI 402-1 Minimum notice periods regarding operational changes	p.66~67
Occupational health and safety	GRI 403-1 Occupational health and safety management system	p.67
	GRI 403-3 Occupational health services	p.67, p.108
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	p.67
	GRI 403-6 Promotion of worker health	p.108
	GRI 403-9 Work-related injuries	p.108
Training and education	GRI 403-10 Work-related ill health	p.108
	GRI 404-1 Average hours of training per year per employee	p.62, p.106
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	p.62~64, p.106
Diversity and equal opportunity	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	p.60~67, p.106
	GRI 405-1 Diversity of governance bodies and employees	p.86~87, p.113~115
Non-discrimination	GRI 405-2 Ratio of basic salary and remuneration of women to men	p.105
Human rights assessment	GRI 406-1 Incidents of discrimination and corrective actions taken	p.109
Local community	GRI 412-2 Operations that have been subject to human rights reviews or impact assessments	p.61, p.109
	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	p.79~83, p.110~111
Marketing and labeling	GRI 417-1 Requirements for product and service information and labeling	p.53, p.117
	GRI 417-2 Incidents of non-compliance concerning product and service information and labeling	p.53, p.117
	GRI 417-3 Incidents of non-compliance concerning marketing communications	None
Customer privacy	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.99, p.112
Socioeconomic compliance	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	FSS electronic public disclosure system (dart.fss.or.kr) > Business report (XI. Other matters necessary to protect investors)

PSI(Principles for Sustainable Insurance)

Kyobo Life signed the PSI(Principles for Sustainable Insurance) in January 2022. Kyobo Life will apply factors of the ESG throughout its business and promote management activities in cooperation with customers, partners, government, and key stakeholders.

Principles	Activities of Kyobo Life
<p>Principle 1. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.</p>	<p>Kyobo Life established a sustainability management system in 2011 based on the “human-centered management philosophy” it has upheld since its foundation. In addition, Kyobo Life has been taking the lead in promoting stakeholder-centered and sustainability management by specifying its sustainability management philosophy of “pursuing mutual growth with stakeholders” in the preface to its articles of incorporation.</p> <p>[Establishment of ESG Governance]</p> <p>In March 2022, Kyobo Life established the “Sustainable ESG Committee,” a subcommittee within its board of directors and the final decision-making body on ESG, thus laying the foundation for reviewing and managing corporate ESG factors at the board level. The Sustainable ESG Committee is composed of one inside director (chairman) and three outside directors to ensure independence. In addition, at the ESG Council, the CEO and key executives discuss major ESG issues and monitor tasks, and at the ESG Working-Level Council, the heads of business units work closely to promote ESG tasks.</p> <p>[Customer-centered Management]</p> <p>Kyobo Life has established a consumer protection system to protect consumer information and rights. Kyobo Life listens to customer opinions through various channels, and strives to reflect them throughout its management. In addition, Kyobo Life has worked to create social value by launching, in consideration of ESG in developing insurance products, insurance products for the elderly, the sick, and the underprivileged to expand the coverage of customers who had previously found it difficult to sign up for services.</p> <p>[Investment Management]</p> <p>Kyobo Life makes investment decisions in consideration of risks and opportunities in terms of ESG. Kyobo Life has established a sustainable investment policy. The Company has also developed an ESG self-assessment list and is applying it on a trial basis during investment asset review. Kyobo Life has not participated in investments whose purpose is constructing new coal-fired power plants since its declaration of coal phase-out finance in 2021, and is excluding investments in socially harmful companies through negative screening. In addition, Kyobo Life strives to expand investment in the environment and society by issuing ESG certified hybrid securities for the first time in domestic insurance industry.</p>
<p>Principle 2. We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.</p>	<p>[Environmental Management]</p> <p>Kyobo Life is in the process of acquiring ISO 14001 certification to establish an environmental management system according to international standards. Also, Kyobo Life is conducting environmental training for its employees to raise awareness of the environment. In addition, Kyobo Life is building a GHG inventory to calculate internal carbon emissions in an effort to respond to climate change, and intends to lay a foundation for managing carbon emissions in the future, calculating carbon-related exposure of its investment portfolio.</p> <p>[Fair Trade Culture]</p> <p>Kyobo Life operates CP (Compliance Program) to establish a dedicated organization (Compliance Manager) and system, etc., and comply with fair trade-related laws through continuous education and reinforcement activities. Kyobo Life pursues win-win growth with customers and business partners based on its human-centered management philosophy. When selecting a partner, Kyobo Life guides its clean contract system (electronic purchasing system) through its compliance personnel in order to prohibit unfair trade and collusion.</p>

Principles	Activities of Kyobo Life
<p>Principle 3. We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.</p>	<p>[Social Contribution Activities]</p> <p>Kyobo Life strives to create a better society through social contribution activities. To practice this more systematically, Kyobo Life founded the “Kyobo Dasomi Volunteer Service Center” in December 2002, focusing on helping children and young people to live as mature individuals with healthy bodies and minds.</p> <p>[Partnership Activities]</p> <p>Kyobo Life cooperates with various related organizations. Kyobo Life signed the MOU for “Environmental Education and Social Contribution” with the Ministry of Environment on June 8, 2022, and participated in the ERT (Entrepreneurship Round Table) declaration ceremony hosted by the Korea Chamber of Commerce and Industry. In addition, by participating in the Climate Risk Forum and Climate Risk Task Force, Kyobo Life plans to prepare measures to respond to climate change risks through solidarity with external organizations such as the Financial Supervisory Service and the Insurance Development Institute.</p> <p>[Global Initiatives]</p> <p>Kyobo Life has joined and cooperated with various global initiatives to implement global-level sustainability management. In doing so, Kyobo Life plans to quickly identify and analyze ESG-related issues and trends to actively practice ESG management. Kyobo Life was the first in the Korean insurance industry to join the UNGC (UN Global Compact) in 2010, and has publicly supported WEPs (Women’s Empowerment Principles), UNEP FI (United Nations Environment Program Financial Initiative), PSI (Principles of Sustainable Insurance), CDP (Carbon Disclosure Program), and TCFD (Task Force on Climate-related Financial Disclosures).</p>
<p>Principle 4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.</p>	<p>Kyobo Life is transparently disclosing its corporate performance and major management matters in accordance with relevant laws and regulations. Kyobo Life publishes its sustainability report, annual report on corporate governance, business report, etc. every year to disclose its ESG management activities. Information on Kyobo Life’s sustainability management is available on Kyobo Life’s website.</p>

TCFD(Task Force on Climate-related Financial Disclosures)

The world is facing diversification of business risks and opportunities due to climate change. In response, Kyobo Life declared support for the TCFD(Task Force on Climate-related Financial Disclosures) in January 2022. The TCFD recommends disclosing four issues such as climate change-related governance, strategy, risk management, and indicators and targets. Kyobo Life will transparently disclose its relevant information to stakeholders in accordance with the TCFD’s recommendations.

The TCFD recommendations		Kyobo Life’s Activities and Plans
Governance	Describe the board’s oversight of climate-related risks and opportunities.	Kyobo Life recognizes the importance of climate change risks at the board level. Accordingly, Kyobo Life established the Sustainable ESG Committee, a subcommittee within its board of directors and the highest decision-making body for ESG strategies and policies, in March 2022, and continues to discuss climate change risks and opportunities from a company-wide perspective. In addition, Kyobo Life plans to establish a climate change management system, e.g., climate change risk management policies and strategies, etc., through the Risk Management Committee, which is also a subcommittee within the board of directors.
	Describe management’s role in assessing and managing climate-related risks and opportunities.	Major issues related to climate change are discussed and monitored at the ESG Council composed of executives including the CEO and at the ESG Working-Level Council composed of the heads of business units. In addition, the department in charge of risk management and the department in charge of ESG closely work together to carry out climate change-related tasks, and important matters are reported to the management. When a climate risk management system is established in the future, it will be possible to discuss major issues and pending tasks related to climate risk at the Risk Management Council and to manage climate risks by identifying climate-related risks and opportunity factors at the Risk Management Committee within the board of directors.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>[Climate Change Risk]</p> <p>Kyobo Life classifies climate change risks into physical risks and transition risks. Physical risks may arise from natural disasters and transition risks may arise from policy changes, technological innovation, and reputational factors in the transition to a low-carbon economy. Physical risks can negatively affect insurance payments in the long term by causing infectious diseases, increase in the number of elderly deaths, etc. due to abnormal weather, and if damage to invested companies occurs due to typhoons or floods, it can cause serious financial loss. In the case of transition risks which could stem from policy changes, technological innovation and reputational factors, there is a concern that the value of carbon-intensive investment assets may decline in the course of the transition to a low-carbon economy, deteriorating a company’s financial soundness.</p> <p>[Kyobo Life’s Response and Plan]</p> <p>Kyobo Life is closely monitoring domestic and foreign policies related to climate change. From a mid- to long-term perspective, Kyobo Life joined the CDP as a signatory to respond to possible risks to Kyobo Life, and declared coal phase-out finance that prohibits new investment in the construction of new coal-fired power plants, a typical GHG-emission industry, and was the first in the Korean insurance industry to issue ESG-certified hybrid securities. In addition, Kyobo Life is establishing a plan to expand investments related to ESG such as new and renewable energy and is building a GHG inventory for the calculation of internal carbon emissions. Kyobo Life reflects climate risks in its internal regulations for future climate risk management, and plans to develop a climate risk measurement model. Currently, Kyobo Life has started a project to develop a management model for climate risk measurement and plans to establish a future climate risk scenario.</p>

The TCFD recommendations		Kyobo Life’s Activities and Plans
Strategy	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Kyobo Life has declared its goal of coal-free finance that prohibits investment whose purpose is constructing new coal-fired power plants. Kyobo Life excludes investment in companies that are socially harmful through negative screening, and has established and disclosed a sustainable investment policy. In September 2021, Kyobo Life was the first Korean insurer to issue ESG certified hybrid securities to invest in the environment and social sectors, and recently issued additional ESG certified hybrid securities worth USD 500 million.
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Kyobo Life plans to systematically identify and analyze climate change-related physical risks and transition risks. The Company also intends to develop a climate risk measurement model for risk management and to introduce climate change scenarios. Kyobo Life plans to build a GHG inventory to calculate its internal carbon emissions, and to lay a foundation for managing carbon emissions in the future, e.g., calculating carbon-related exposure of its investment portfolios. In addition, Kyobo Life will introduce an environmental management system by pursuing ISO 14001 certification.
Risk management	Describe the organization’s processes for identifying and assessing climate-related risks.	Kyobo Life plans to manage climate change risks by identification, evaluation, and measurement through collaboration among relevant departments such as ESG-related departments and asset management departments. Based on the current climate risk measurement model, Kyobo Life plans to identify and manage areas vulnerable to climate change through analysis of asset portfolio exposures.
	Describe the organization’s processes for managing climate-related risks.	Kyobo Life plans to establish a system for managing climate change risks in stages. Kyobo Life currently prohibits investment in the construction of new coal-fired power plants through its declaration of coal phase-out finance, and is making efforts to consider ESG in the asset management process, e.g., establishing sustainable investment policy, introducing a pilot ESG checklist, etc. In the future, based on a risk measurement model, Kyobo Life plans to establish a decision-making process that analyzes the scale of climate risk exposure when making investment decisions and takes this into account when assigning risk limits.
		<p>Kyobo Life’s Sustainable Investment Principles</p> <p>For the purpose of generating robust profit for the stakeholders through long-term, stable asset management and securing the company’s competitiveness, Kyobo Life strives to comply with the following six principles.</p> <ul style="list-style-type: none"> • Kyobo Life actively considers the ESG related risks and opportunities when making investment decisions to achieve mutual growth of the stakeholders over the long term. • Kyobo Life restricts investment in sectors that have adverse impact from the ESG perspective or in sensitive and cautionary sectors according to the investment process. Also, following the Coal Phase-out declaration, Kyobo Life does not invest in projects involved in building new coal power plants. • Kyobo Life endeavors to invest in areas necessary to fulfil social responsibility and protect the environment, and to increase participation in such projects. • Kyobo Life continues to mutually cooperate with trade partners, customers and stakeholders in implementing the sustainable investment policy. • Kyobo Life exerts continuous effort to enhance asset managers’ awareness of sustainable business management and to develop their management capability. • Kyobo Life strives to share the status and the direction of sustainable investment in a transparent manner, and to faithfully report the ESG policy and the progress of implementation.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Kyobo Life plans to introduce the climate risk system in its management regulations. In addition, Kyobo Life plans to integrate climate risk into its company-wide risk management process and upgrade the investment-related management system through collaboration between its ESG department and the related departments in charge of risk management, asset management, etc.

TCFD (Task Force on Climate-related Financial Disclosures)

The TCFD recommendations	Kyobo Life's Activities and Plans
Metrics and Targets Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Kyobo Life manages indicators such as GHG emissions, energy consumption, and waste discharge in order to evaluate risks and opportunities posed by climate change.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Kyobo Life is reporting GHG emissions and energy data through the sustainability report, and plans to calculate Scope 3 emissions and report them through the sustainability report. <ul style="list-style-type: none"> • Scope 1 : 4,504 tCO₂eq • Scope 2 : 25,289 tCO₂eq • Energy consumption : 614 TJ ※ Scope 1 (Direct emissions) : Emission of GHG originating from sources owned and controlled by companies (e.g., boilers, transportation means, etc.) ※ Scope 2 (Indirect emissions) : Emission of GHG from the production of electricity and steam purchased and consumed by companies (e.g., electricity, etc.) ※ Scope 3 (Other indirect emissions) : GHG that is a result of business activities but is generated from facilities not owned or controlled by companies (e.g., outsourcing of rental assets, etc.)
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Kyobo Life is in the process of building a GHG inventory, and plans to set targets for each indicator and monitor performance against these targets in the future.

SASB (Sustainability Accounting Standards Board)

SASB, a non-profit organization founded in 2011, has established international standards for companies to report their ESG performance in relation to their financial performance. Kyobo Life is responding to the SASB standards in order to share its sustainable management performance and financial impact with various stakeholders such as investors and customers.

Items	SASB Code	Detailed Indicators	2021
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Major legal proceedings can be found in the business report ¹⁾ .
	FN-IN-270a.2	Complaints-to-claims ratio	Kyobo Life website > IR > Periodic management disclosure
	FN-IN-270a.3	Customer retention rate	p.46
	FN-IN-270a.4	Description of approach to informing customers about products	Kyobo Life's Official Website
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	p.70~72
	FN-IN-410a.2	Description of approach to incorporation of Environmental, Social, and Governance (ESG) factors in investment management processes and strategies	p.32~35, p.71~72
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	p.48
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Not applicable as Kyobo Life is a life insurance company
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Not applicable as Kyobo Life is a life insurance company
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	Not applicable as Kyobo Life is a life insurance company
Systemic Risk Management	FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	p.90~93

1) FSS electronic public disclosure system (dart.fss.or.kr) > Business report (XI. Other matters necessary to protect investors)

UN SDGs(UN Sustainable Development Goals)

SDGs (Sustainable Development Goals) aim for the international community to build a sustainable society through social development, environmental protection, and economic growth by 2030 in order to end poverty and enable everyone to enjoy happiness. SDGs consist of a total of 17 goals and 169 sub-goals. As a corporate citizen, Kyobo Life supports and participates in the UN SDGs, and in order to realize its management philosophy of “humanistic values,” it is conducting various activities so that it can contribute in connection with the UN SDGs.

SDGs	Major Activities	Achievements of Kyobo Life in 2021
1 NO POVERTY	End poverty in all its forms everywhere	<ul style="list-style-type: none"> Ties of Love Dasomi business of global trees with hopes for economic independence
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Provision of health insurance and healthcare services Provision of the health checkup service and health information for customers Wow Dasomi Sound-and-Light Program
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Kyobo Hope Dasom Scholarships Kyobo Leadership Program for Youth, 'CHANGE' Kyobo Life Scholarship for Youth Athletics Kyobo Dream Makers The Youth's Independent Living Support Project One Branch - One School Financial Education
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Fair recruitment and implementation of performance evaluation Operation of KWICK Mentoring for female employees Female Leadership Conference Declared gender equality (WEPs)
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Labor-management meeting, labor-management council Activities improving financial accessibility Fostering social start-ups 'Impact UP'

SDGs	Major Activities	Achievements of Kyobo Life in 2021
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Socially Responsible Investment (SRI)
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	<ul style="list-style-type: none"> Elimination of discrimination in employment and work
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> Donation for victims of wildfire : - KRW 200 million Donations for COVID-19 Damage : - Donated 2,000 hand sanitizers and 10,000 masks - Donated a total of KRW 200 million
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Waste recycling rate: 94.4% Monitoring water and waste usage Number of environmental violation laws : 0 case
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Reduction of paper use through implementation of an Electronic Subscription System Establishment of paperless office environment Response to climate change through declaration of coal phase-out finance Joining environmental Initiatives Expanding eco-friendly financial investment Reduction of environmental impact through ESG bond issuance Carrying out energy saving activities Global Tree of Hope Economic Self-Reliance Support Project Eco Together Campaign
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> Anti-corruption-related activities Hold the Kyobo's Work Ethics Resolution Compliance Program Anti-money laundering system Internal control system








UN Global Compact

In September 2010, Kyobo Life became the first in the domestic insurance industry to join the UN Global Compact (UNGC), and is abiding by the 10 principles in the 4 areas of human rights, labor, environment, and anti-corruption presented by the UNGC. This sustainability report describes the implementation of these ten principles. Every year, the Company submits COP (Communication on Progress) to transparently share the implementation results with stakeholders.

	Principles	Policies and Activities of Kyobo Life	Page
Human rights	1. Business should support and respect the protection of internationally proclaimed human rights;	<ul style="list-style-type: none"> Declared support for human rights protection by joining UNGC Establishment of Human Rights Policy All employees participated in the pledge to 'practice code of ethics' (every year) Declared its commitment to ethical management externally (CEO signed the Ethical Management Pledge) 	p.61, p.94-96
	2. Make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> Establishment of Anti-harassment and Bullying Policy Conducted training to eradicate and prevent sexual harassment Conducted training on perceptions of the disabled Established standards for protection measures for customer service staff Complied with personal information protection obligation (ISO 27001) Operated Employee Grievance Center 	p.61, p.98, p.109
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> Cooperative labor-management culture (Union membership rate 70.8%) The collective bargaining signed in 2021 was fully applied to all employees Labor-management meeting/council 	p.67, p.103
	4. The elimination of all forms of forced and compulsory labour;	<ul style="list-style-type: none"> Prohibited forced labor Operated reporting center for undue extended work 	p.61, p.67
	5. The effective abolition of child labour; and	<ul style="list-style-type: none"> Prohibited child labor 	p.61
Environment	6. The elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> Prohibited discrimination in work Female outside directors were appointed Established Roadmap for Nurturing Female Talent Declared support for the Principles for Empowerment of Women (WEPs) 	p.61, p.64, p.88, p.135
	7. Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> Joined the CDP signatories Declared support the TCFD Declared support for coal phase-out finance Developing a GHG inventory Preparing for ISO 14001 certification 	p.4, p.32, p.128-130, p.135
Anti-corruption	8. Undertake initiatives to promote greater environmental responsibility;	<ul style="list-style-type: none"> Activities to save energy Supported introduction of paperless office Held environmental campaign 	p.34-35
	9. Encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> Expanded eco-friendly financial investment Issuance of ESG certified hybrid securities 	p.21, p.26, p.32-33, p.71-72
	10. Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Ethics education and practice program Compliance Program Anti-Money Laundering System Internal Control System 	p.94-96, p.116-117

ESG Initiatives

Kyobo Life is cooperating with various global initiatives related to sustainability management. Through the ESG-related issues and trends, the Company actively practices ESG management by quickly identifying and analyzing it.

	Initiative	Description
	UNGC UN Global Compact	Joined in Sep 2010 (The first among domestic insurance companies) • An international voluntary CSR convention to support and participate in 10 principles in the areas of human rights, labor, environment, and anti-corruption
	WEPs Women's Empowerment Principles	Declared support in Jun 2019 • As a joint initiative of the UN Women and the UN Global Compact Office, it calls for gender equality and women's empowerment
	CDP Carbon Disclosure Project	Joined in May 2021 • A global environmental initiative that requires companies to disclose environmental management information (became a signatory)
	UNEP FI UN Environmental Program Financial Initiative	Joined in Jan 2022 • A international partnership between UNEP and international financial sectors for sustainable finance
	PSI Principles for Sustainable Insurance	Joined in Jan 2022 • An international initiative for Insurance companies, created by UNEP FI (United Nations Environment Program Finance Initiative) for the sustainable development of the insurance industry
	TCFD Task Force on Climate-related Financial Disclosures	Joined in Jan 2022 • An information disclosure council for voluntarily disclosing the financial impact of companies due to climate change

Associations and Memberships

Organization	Key Activities	Year joined
Life Insurance Association	Shares information designed to raise and promote awareness of health insurance by disseminating a sound insurance culture and supporting the formation of reasonable insurance policies	1958
Korea Insurance Society	Conducts research on insurance-related theories, laws, and practices	1964
Institute of Actuaries Korea	Introduces various insurance policies, holds seminars, and exchanges information with the international actuary community	1978
Life Office Management (LOMA)	Shares reliable insurance industry data and knowledge	1978
Insurance Development Institute	Suggests fair and rational insurance rates and conducts insurance-related studies	1990
Financial Safety Forum	Discusses information protection policy directions with other financial institutions and the Financial Supervisory Service	2002
Ethical Management (Yunkyung) SM Forum	Shares the ethical management practices of Korean companies and conducts joint research on sustainability management	2005
Financial Safety Agency	Engages in various information protection activities, including inspection, prevention, and countermeasures against hacking	2006
Korea Fair Competition Federation	Shares information aimed at raising awareness and understanding of fair-trade practices	2006
Korea Risk Management	Conducts research on risk recognition and loss as well as providing information through business exchanges	2006
Life Insurance Marketing & Research (LIMRA)	Conducts research, consulting, and training on life insurance	2007

Awards Regarding Sustainability Management

Date	Description
Dec. 2021	Korea's Win-win Management Leader Award in the Korea Management Awards 2021.
Dec. 2021	2021 Consumer-centered Management Excellence Award.
Dec. 2021	2021 Taxpayer Grand Prize in the insurance segment.
Nov. 2021	Kyobo Life ranked No. 1 in the life insurance segment of the Korean Sustainability Index for the twelfth consecutive year.
Nov. 2021	Korea Life Insurance Association Chairman's Award (Excellence Award) in the innovative finance segment of the Global Financial Expo 2021.
Oct. 2020	Kyobo Life received the Korean Readers' Choice Award (KRCA) for the sixth consecutive year.
Dec. 2019	Chang-Jae Shin, Chairman and CEO of the company, was selected as the first winner of the newly established 'Human-focused Entrepreneurship Executive Award'
Nov. 2019	Inducted into THE [Hall of Fame in the Korean Sustainability Index
Nov. 2019	Chang-Jae Shin, Chairman and CEO of the company, was selected as the first winner of the newly established 'Korea Sustainability Leader Award for CEO'
Feb. 2016	Won the 12th Transparent Management Grand Prize jointly hosted by five economic organizations
Oct. 2015	Won the Grand Prize at the 4th Financial Customer Protection Grand Awards (Financial Supervisory Service Director Award)
Dec. 2014	Won the Private Corporation Award in the process sector at the 1st Porter Prize for Excellence in CSV
Oct. 2014	Won the 2nd 'Most Loved Company' Presidential Award
Nov. 2013	Won the Consumer Grand Prize by the Korean Society of Consumer Studies
Nov. 2013	Won the UN Global Compact Best Practice Award
Nov. 2012	Won the Grand Prize in the life insurance category at the Financial Consumer Protection Grand Awards hosted by the Korea Economic Daily (Financial Supervisory Service Director Award)
Oct. 2012	Chairman and CEO Chang-Jae Shin named 'Personality of the Year' by the International Reinsurance Conference (IRC)
May. 2012	Won the Presidential Commendation for 'Contribution to Children's Welfare' at the Children's Day event hosted by the Ministry of Health and Welfare
Nov. 2011	Won the Minister's Award from the Ministry of Knowledge and Economy at the 6th Sustainability Management Awards (Grand Prize in the 'First Sustainability Management Report' category)
Feb. 2011	Won the Minister's Award from the Ministry of Health & Welfare in recognition of its efforts to promote welfare for the disabled
Sep. 2010	"Won the Grand Award in the 'financial product and service innovation' category at the 2010 Korea Financial Innovation Awards for (No dividend) 'Kyobo Life 100 Year Life Variable Pension Insurance'"
May. 2010	Chairman and CEO Chang-Jae Shin won the '2010 Korea CEO Award' hosted by the Korea Management Association
May. 2010	Chairman and CEO Chang-Jae Shin won the '19th Mont Blanc Cultural Art Supporter Award'
Mar. 2010	Ranked No. 1 in the insurance industry as one of '50 Respected Korean Corporations' by Fortune Korea

Third-party Assurance Statement

Dear Management and Stakeholders of Kyobo Life

Introduction

The Korean Standards Association (“KSA”) was commissioned by Kyobo Life (“Kyobo Life”) to perform a third-party Assurance Engagement of ‘Kyobo Life’s Sustainability Report 2021’ (the “Report”). KSA presents independent opinions as follows as a result of feasibility of the data contained in this Report. Kyobo Life has sole responsibility for content and performance contained in this Report.

Independence

As an independent assurance agency, KSA does not have any kinds of commercial interest in businesses of Kyobo Life apart from undertaking a third-party assurance on the Report. We have no other contract with Kyobo Life that may undermine credibility and integrity as an independent assurance agency.

Assurance Standards and Level

This Assurance Engagement followed the AA1000AS v3 assurance standards to provide Moderate Level assurance. We checked the four principles of inclusivity, materiality, responsiveness and impact in combination with information credibility of the Report. We also reviewed whether the Report content was created in accordance with the GRI Standards.

Assurance Type and Scope

This Assurance Engagement followed the AA1000AS v3 assurance standards to provide Type 2 assurance, which means that the assurance assessed the accuracy and reliability of the company’s statements and performance data provided in the Report. The assurance scope is from January 1 2021 to December 31 2021 and the assurance focused on systems and activities including policies and goals, businesses and programs, standards, and achievements of the Company’s sustainability management. While the company’s environmental and social data as well as financial data was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

Assurance Methodology

We used the following methods to gather information, documents and evidence with respect to the assurance scope.

- Analyses of articles related to Kyobo Life’s sustainability management published by domestic media outlets
- Review of management system and process used in improving the performance of sustainability management and preparing the Report

- Review of the consistency between the financial performance data and the company’s audit report/publicly announced data
- Examination of internal documents and basic materials

Assurance Results and Opinions [On an assurance principle/process level]

KSA reviewed the draft version of this Report to present our opinions as an assurance provider. Modifications were made of the Report content if deemed necessary. We were not aware of any significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, we present our opinions of the Kyobo Life’s Sustainability Report 2021 as follows.

Inclusivity

- Has Kyobo Life engaged its stakeholders in strategically responding to sustainability?

KSA believe Kyobo Life is aware of the importance of stakeholder participation and is making an all-out effort to establish a process that will increase their participation. Kyobo Life has selected stakeholders including government and related customers, financial planners, employees, investors, business partners and ecological participants, government and local communities to receive diverse feedbacks and opinions.

Materiality

- Has Kyobo Life included material information in the Report to help stakeholders make informed decisions?

We are not aware of any significant omissions or exclusions of data that is material to stakeholders. We verified that Kyobo Life conducted materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

Responsiveness

- Has Kyobo Life appropriately responded to stakeholder requirements and interest in this Report?

We verified that Kyobo Life responded stakeholders’ needs and interests through reflecting stakeholders’ opinions in the Report. We are not aware of any evidence that Kyobo Life’s response to significant issues of stakeholders was reported inappropriately.

Impact

- Has Kyobo Life appropriately monitored its impact on the stakeholders?

We verified that the Company is monitoring and assessing its impact on the stakeholders by conducting an enhanced

verification of its standard business activities. Furthermore, it has been verified that the Company appropriately publishes its findings in the Report.

GRI Standards Disclosure

We confirmed that this Report was prepared in accordance with GRI Standards Core Option. Based on data Kyobo Life provided, we also confirmed a validity of the contents related to General Standard Disclosure and Specific Standard Disclosure.

Universal Standards

We have verified that the Report complied(s) with the requirements of the Universal Standards of Core Option, and (have) reviewed the following disclosures:

102-1 ~ 102-13(Organizational profile), 102-14 ~ 15(Strategy), 102-16 ~ 102-17(Ethics and integrity), 102-18(Governance), 102-40 ~ 102-44(Stakeholder engagement), 102-45 ~ 102-56(Reporting practice), 103(Management Approach)

Topic-specific Standards

We have checked the material topics identified from a materiality test process in which content to be disclosed. We examined disclosures below:

302-1, 302-2, 302-3, 303-3, 305-1, 305-2, 305-4, 401-2, 401-3, 402-1, 404-1, 404-2, 404-3, 412-2, 413-1, 417-2, 417-3, 418-1, 419-1

Opinions and Recommendations [Performance /Issues]

We present the following recommendations to help Kyobo Life establish a company-wide sustainability management strategy and respond to continuous issues of sustainability.

Economy

Kyobo Life has been recognized for its excellent business performance in ESG (Environment, Social and Governance) areas by its stakeholders, while being ranked first in the sustainability management index (KIS)-life insurance sector for 12 consecutive years. The company was also given the highest rate of ST1 in sustainability bonds for the first time among the Korean life insurance companies in September 2021, leading ESG management. Furthermore, Kyobo Life has maintained the best record in industry financial soundness by efficiently managing risks such as securing outstanding RBC and capital required to issue hybrid securities, despite the high volatility of the financial markets due to COVID-19. To minimize the impact resulting from the implementation of the International Accounting Standard for Insurance Contracts (IFRS17) and the new solvency system (K-ICS) scheduled to be introduced in 2023, and in order to maintain excellent financial soundness, it is recommended that Kyobo Life continuously improve its competency in responding to the changes in the global environment from an overall perspective.

Environment

As concerns continue to grow over the climate crisis due to the frequent occurrence of unusual weather events, there is increasing

awareness of responsible investments considering the reduction of greenhouse gas emissions in determining the financial policies by the international organizations and governments and by the financial institutions in making investment decisions. Kyobo Life has been committed to promoting a coal-free society based on high awareness of environmentally responsible investment. However, we hope that Kyobo Life establishes a goal for “Financial impact of climate change” by analyzing financial risks resulting from the climate changes through TCFD, and carries out activities to achieve this goal.

Society

Kyobo Life has been implementing sustainability management over the past 12 years based on its management philosophy of “Pursuit of Mutual Growth with All Stakeholders.” It is confirmed that Kyobo Life started to operate the ESG Council in 2021 and the Company established a ESG Working-Level Council and Sustainable ESG Committee under the Board of Directors at the beginning of this year. In addition, Kyobo Life establishes detailed policies for each ESG sector, and discloses it via its website, which is a big difference compared to the previous year. We believe that such activities have benefited the Company in clarifying its sustainability management direction. Moreover, it is highly appreciated that the Company presented 2025 ESG Roadmap while setting up major takes based on three major initiatives, namely: “Response to Climate Change and Strengthening of Environmental Management”; “Spreading Culture for Co-prosperity”; and “Establishment of ESG Decision-making System.” We expect that Kyobo Life will set a goal for each task and adopt performance-measurement indicators that meet the global standards to continuously monitor its implementation.

July 2022

Myung Soo Kang

KSA Chairman & CEO




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DECLARATION OF VISION2025

Our mission is to help everyone enjoy life with confidence in lifelong care, and to holistically enrich everyone's lives through financial, intellectual and cultural growth.

To this end, We will always innovate, starting over again if at first we do not succeed, put our customers first in our thoughts and actions, and be honest and sincere in every respect.

Our Vision is to become the leading financial company delivering value in art and culture by 2025. To this end, We have to deliver new customer experiences and value in the culture and finance & art sectors faster than our competitors.

When we achieve our Vision2025, Kyobo Life will become the sole domestic company opening a new era in the culture and finance & insurance sectors, while maintaining sustainable growth and development even under the rapidly changing environment of digital innovation.

Through these efforts, Kyobo Life will develop with its stakeholders in the company ecosystem, such as customers, consultants, employees, investors and partners, government and local communities, contributing to creating a better world.

If we all come together with strong teamwork, we will certainly achieve our vision.



KYOBO LIFE INSURANCE CO.,LTD.

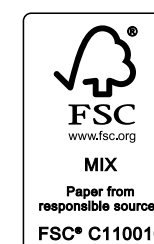
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Humanity
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