

Humanity
and
the Future



ABOUT THIS REPORT



Humanity and the Future

At Kyobo Life, we firmly believe that people are our most precious asset, and that corporations exist to serve people. Inspired by this philosophy, the company's slogan - 'Humanity and the Future' - expresses our sincere commitment to people-centered management.

Kyobo Life published the Sustainability Report in 2011 for the first time in Korean life insurance industry. This Report was published to transparently disclose the results of sustainability management activities in 2019 and communicate with stakeholders. Kyobo Life has been publishing the Sustainability Report every year, and the most recent Report was published in May 2018. This is the 10th Sustainability Report.

Period and Scope of the Report

This Report outlines the sustainability management activities carried out by Kyobo Life in FY2019 (From Jan. to Dec. 2019) and some of the activities and performance continued in 2020 based on the timeliness. As regards our quantitative performance, the data for the past three years are disclosed to show the changing trends, whereas data that do not correspond to this three-year period are indicated with notes. If any data in the previous report have been revised, such revisions are made based on the data as of 2019, and indicated with notes.

The scope of this Report includes domestic operations such as the headquarters and branches of Kyobo Life, and Customer PLAZAs, but excludes the company's overseas branches. Our social contribution activities include the activities of Kyobo Life's public foundation, including the Kyobo Foundation for Education. Meanwhile, the environmental data concern certain domestic operations, which are indicated with notes. The currency used in the Report is the Korean Won (₩), while other currencies are indicated by figures.

Reporting Standards

This Report was created in accordance with the Core Options of GRI (Global Reporting Initiative) Standards for Sustainability Management Reports. Also, the Report was compiled on the basis of the major issues identified by the materiality test, and the financial information included in the Report was prepared based on K-IFRS.

Report Assurance

This Report has been subjected to an assurance process administered by the Korean Standards Association (KSA), and an independent assurance company in order to enhance validity and reliability of the data, in accordance with four principles (inclusivity, materiality, responsiveness, and impact) of the AA1000AS Sustainability Report assurance standards presented in the 2018 Addendum, and the assurance type is Type II. Please refer to the Independent Assurance Report provided in the Appendix.

Contact Details

This Report has been published in Korean and English, and can also be viewed on the Kyobo Life website (www.kyobo.co.kr). If you have any questions or comments about this Report, please contact us via :

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Humanity and the Future

SUSTAINABILITY REPORT 2019
KYOBO LIFE

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CEO Message



Kyobo Life intends to be a company respected and esteemed by customers through constant customer-value innovation.

Dear Stakeholders,

I would like to express my sincere gratitude to all of you for your continued interest in, and support for, Kyobo Life.

Kyobo Life earned triple crown in sustainable management as it was selected as the top company in the Korean Sustainability Index's life insurance business category for ten consecutive years and inducted into the Hall of Fame for the first time in the life insurance industry in 2019, and awarded the first 'Korean Sustainability Leader Award for CEO' and the 'Sustainability Readers' Choice Award.' This demonstrates the outside recognition of Kyobo Life's sustainable management philosophy and practice which makes it more meaningful. These achievements are attributable to all our stakeholders who have shown their continued trust and support, which is most sincerely appreciated. Once again, I would like to express my deepest gratitude to all stakeholders, including customers, Financial Planners, executives and employees, investors, partners, governments and local communities.

In the context of the current business management environment, borders between industries are disappearing, while social trends are transforming rapidly due to the drastic development of digital technology. We anticipate that the speed of transformation into the digital economy will be accelerated as the trend of 'non-contact' consumption is surging as a result of the COVID-19 outbreak. 'Digital Transformation' is no longer an option, but rather a must for us to provide better products and services to customers who have accustomed to the digital culture.

Kyobo Life has been actively promoting digital innovation to be responsive to such environmental changes. As a result, it introduced 'BARO,' the AI underwriting system, for the first time in the industry and won the 'Technology Initiative of the Year' at the Asia Insurance Industry Awards 2019. Kyobo Life will continue to accelerate its digital innovation focusing on customer value – we will provide more convenient customer service and improve business efficiency using new digital technologies while constantly strengthening our new growth engine by exploring new business models.

The commitment and performance achievements of Kyobo Life achieved for our stakeholders in 2019 were as follows:

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

As a life insurance company, Kyobo Life values its insurance coverage capabilities the most. In 2019, the company aimed to improve customer convenience through digital innovation and faithfully implemented customer-oriented management activities. For the first time in the insurance industry, Kyobo Life introduced an automated delivery of medical checkup service and provided a KakaoTalk-based Chatbot service to enable customers to use the service more conveniently. In addition, the company was recognized for its continuous customer-oriented management activities, such as responding to customer complaints promptly and proactively, and therefore acquired the Consumer Centered Management (CCM) certificate for seven consecutive times.

Commitment to 'being a company that succeeds together with our Financial Planners ("FPs")'

Kyobo Life supports Financial Planners' competency in diverse ways so that they can deliver the value of life insurance appropriately, and succeed as recognized, trusted FPs by customers. The company expanded digital education to provide various contents, including a real-time lecture broadcasting and e-books, so that FPs can receive qualified education anywhere and at anytime. In addition, we newly established the 'Rookie Training Center' to support new Financial Planners' competency enhancement and extended the initial training period to operate the Center more systematically. Also, the "Kyobo MDRT Day" event is held every year to strengthen the pride and motivation of outstanding Financial Planners. Moreover, Kyobo Life introduced the "Consultant Inconvenience Support Center," to resolve any difficulty Financial Planners encountered and support their smooth sales activities.

Commitment to 'being a company that grows together with our employees'

Kyobo Life respects its employees and strives to grow with them. Each year, the company sets up a employee competency development key tasks, provides a systematic competency-building program, and supports a fair evaluation and compensation system according to performance. In addition, Kyobo Life respects the diversity of its employees and actively supports individual growth and development. In particular, the company strives to support the competency development of female employees through its Korea Women's Innovative Council (KWICK).

Commitment to 'being a company that is attractive to investors'

Kyobo Life recorded KRW 603.4 billion in net income and 5.46% in ROE based on consolidated financial statements in FY2019, and the ROE was the highest among the large life insurers in Korea. The company achieved a stable rate of return on investment of 3.95% by continuously increasing alternative investment assets and actively responding to the market despite the challenging asset management environment. Kyobo Life, in addition, established and has operated a group-level risk management system, which manages all types of risks comprehensively, to maintain its risk management at its best. Meanwhile, we have made various attempts to secure new growth engines, such as discovering new insurance and non-insurance businesses in Korea and overseas, strengthening the synergy by cooperating with affiliates and so on. Kyobo Life is building relevant infrastructures thoroughly to minimize the impacts of IFRS17 and K-ICS in times of their implementation in 2023.

Commitment to 'being a company that wins with partner companies'

Kyobo Life strives to create a win-win relationship with partner companies through fair trade. The company implemented a compliance program and ensured transparency in transactions with partner companies through the electronic purchasing system, the clean contract system, and etc. to prevent unfair practices in the contract process. Meanwhile, Kyobo Life selected and supported ten (10) start-ups with new technologies under the Open Innovation policy for promotion of digital transformation and tried to grow together with them by building collaborative business models in 2019. Improving each stakeholder's value under close cooperation with partner companies which understand Kyobo's management strategy and philosophy, the corporate competency is an essential element to realize cooperation among stakeholders through sustainable management. Such corporate competency will become even more important when establishing the on-line corporate ecosystem beloved by the society and the market in the era of digital transformation. Kyobo Life will acknowledge the importance of many partner companies and have distinct understanding that they are also major stakeholders of Kyobo Life.

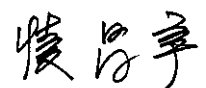
Commitment to 'being a company that grows together with the government and communities'

Kyobo Life is committed to creating a healthy and caring world where people coexist in harmony. To this end, the company actively participates in resolving social problems related to the nature of the life insurance business to help people overcome their adversities, guided by the "Kyobo Dasomi Volunteer Service Center" founded in 2002. In particular, the 'Kyobo Dasomi Dream Makers' program fostered the development of underprivileged youths as the future talents in 2019; and the 'Wow Dasomi Sound-and-light Program' project supported medical examination and surgery expenses for children with hearing impediments. Moreover, Kyobo Life has strived to solve social problems and create new values by raising awareness through various social campaigns. Meanwhile, Kyobo Life is striving to fulfill its corporate social responsibility and generate stable, long-term profit by expanding its social responsibility investment, such as consideration of investment in companies with healthy business from the perspective of ESG (Environment, Society and Governance).

Kyobo Life, as a member of the United Nations Global Compact (UNGC), expresses unwavering support for the ten (10) principles suggested by UNGC in four (4) crucial areas (human rights, labor, environment, and anti-corruption), and actively reflects such principles throughout its management.

Kyobo Life, through continuous customer-value innovation, is committed to being a company admired by stakeholders in the pursuit of cooperative development with them. We sincerely welcome your continued interest and support today and in the future.

Thank you!



July 2020

Chang-Jae Shin,
Chairman and CEO, Kyobo Life

Kyobo Life in 2019 - Highlights

01

Kyobo Life ranked No. 1 in the insurance industry segment of the Korean Sustainability Index for the tenth consecutive year and inducted into the Hall of Fame.

In 2019, Kyobo Life was ranked No. 1 in the Korean Sustainability Index's life insurance business category of the '2019 Korean Sustainability conference' for ten consecutive years, being inducted into the Hall of Fame for the first time in the financial industry. In addition, in 2019, Chang-Jae Shin, Chairman & CEO of the company, was selected as the first winner of the newly established 'Korea Sustainability Leader Award for CEO' for his efforts to create social value through sustainability management; and the company won three awards, including the 'Sustainability Readers' Choice Award'. This clearly demonstrates Kyobo Life's willingness to take the lead in fulfilling its social responsibility, and public recognition of its philosophy and practice of sustainable management that it develops together with stakeholders.



02

Successful Introduction of the 'Next-Generation Insurance System V3' based on Digital Innovation

Kyobo Life has prepared an IT platform based on which we can quickly respond to business changes according to constant changes in customer needs and the market environment. Through 'Insurance System V3,' which is the 2nd transformation and innovation changing the way of work, Kyobo Life has solidified the foundation for business process innovation based on customer-oriented work processes, on-site sales activity support, and a flexible IT platform.



New Insurance System
FP.com
Credit System
Retirement Pension System
Trust/Fund System

03

Achieved the Highest Financial Solvency in Terms of RBC, International Credit Rating, Etc.

Kyobo Life continued to boast the best credit ratings in the industry by receiving top ratings from the world's leading credit rating agencies - the A1 rating from Moody's (USA) for five years in a row and the A+ rating from Fitch (UK) for seven consecutive years. The A1 and A+ credit ratings indicate that the company's excellent financial soundness and risk management capability have been recognized internationally, which is very meaningful in that the company has accomplished it even in difficult business environments. In addition, RBC of Kyobo Life is rated the highest in the industry with 339% as of December 2019, and ROE of the company has been ranked the 1st since 2004.



04

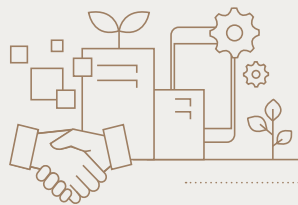
Opened Rookie Training Center...A reinforced system for nurturing rookies

Kyobo Life has significantly improved its long-term Financial Planner (FP) nurturing system in order to achieve honest and faithful net increase of Financial Planners. A 17-month systematic training system was developed, and the Rookie Training Center was established for each FP Regional Support Unit to develop practical skills and habits. Through this, new FPs can be provided with practical training to ensure that they carry out standard activities and life-planning processes.

05

Being Awarded the Highest Grade in Assessment of Financial Consumer Protection Status...Results of consumer protection efforts

In the assessment of financial consumer protection status announced by the Korean Financial Supervisory Service, Kyobo Life earned a rating of “good” or higher for nine out of 10 items, and received the best rating among life insurance companies. This shows that consumers can trust the coverage provided by Kyobo Life. This year, Kyobo Life received the Consumer-Centered Management (CCM) certificate for the 7th time since it received the first certificate in 2007 and was inducted to the CCM Hall of Fame.



06



Chatbot, AI Underwriter...Commencing Digital Services in earnest

Kyobo Life introduced “Lovers,” the chatbot, in order to increase customers’ convenience and enhance work efficiency of employees. Customers can use services like application for and repayment of insurance loans, while FPs and employees can handle their work without time and physical restrictions using AI technologies. Meanwhile, Kyobo Life was recognized externally for its ‘BARO’ – the world’s first natural language-based AI underwriting system – and received the Technology Initiative of the Year at the Asia Insurance Industry Awards for the first time among Korean insurance companies for improving work-efficiency and providing differentiated customer value.

07

Setting up Innovative Alliances with Startups and Launching Open Innovation

In 2019, Kyobo Life pursued open innovation to develop new products and services together with startups with original ideas and technologies. A tripartite cooperation system between professional accelerators and a multiple number of startups will be established to develop joint business models. It is expected to explore new business ideas and enhance competitiveness in its main industries through collaboration with startups possessing innovative technologies and ideas in various fields such as healthcare, lifestyle, and digital fields.

The Four Seasons in Gwanghwamun 2019 - 2020

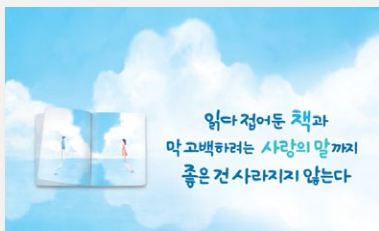
Since its debut in 1991, Kyobo Life's Gwanghwamun Billboard marks its 30th anniversary in 2020. Gwanghwamun Billboard was introduced for citizens with the desire to deliver comfort and encouraging words or messages that touched the hearts of those needing courage and inspiration in their lives. Whenever the seasons change, the Billboard delivers uplifting new messages to many citizens bringing love and hope in their lives. Gwanghwamun Billboard shares positive messages of life with many citizens in various other places, including Kyobo Tower in Gangnam, and the office building on Jeju Island.

2019



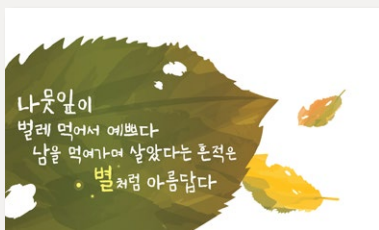
Spring

Yes, we should live.
You and me as balls.
Like the round balls that do not fall.



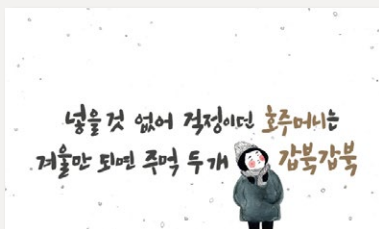
Summer

Good things do not disappear, such as the book that you paused reading and the words of love you were about to confess.



Autumn

A leaf bitten by a caterpillar is beautiful. A trace of life that you fed someone else is as beautiful as a star.



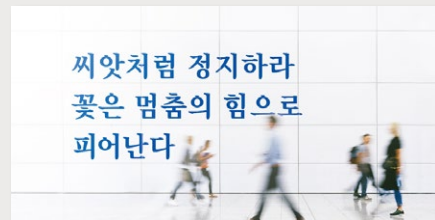
Winter

Your empty pockets will be no longer empty – it will be filled with your hands when the winter comes.



Spring

I write to you that “the leaves are out after flows fell” and I write to you that “a bird sat after the leaves fell.”



Summer

Stay still like seeds. Flowers blossom by the power of stillness.

2020



ABOUT KYOBO LIFE



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Company Overview

Established in 1958 based on the philosophy of 'promotion of education and formation of national capital,' Kyobo Life has sought 'good growth' with the aim of growing together with all stakeholders for 62 years as a life insurance company pursuing honesty and sincerity. Kyobo Life has emphasized people-centered management activities as people are the most precious asset, and the company exists for people. Kyobo Life published the Sustainability Report for the first time in Korean life insurance industry and has been publishing the Report every year for communication with stakeholders. Kyobo Life has won the first place in the Korean Sustainability Index of the life insurance industry for the 10th consecutive year, thereby gaining recognition for its excellence.

Company Facts (As of Dec. 2019)

General Information		Employees	
Company Name	Kyobo Life Insurance Co. Ltd (教保生命保險株式會社)	 No. of employees 3,822	 No. of FP 14,427
Establishment Date	August 7, 1958		
CEO	Chang-Jae Shin, Your-Hyun Yun		
Head Office	Kyobo Building, 1, Jong-ro (Jongno 1-ga), Jongno-gu, Seoul, Republic of Korea		
Main business	Life insurance, retirement pension, trust		
Relevant Markets	Republic of Korea, Japan, U.S., China, U.K., Myanmar (planned)		

Credit Ratings

 Domestic	AAA (stable) National Information & Credit Evaluation, Korea Investors Service, Korea Ratings	 International	A1 Moody's (5 consecutive years)	A+ Fitch (7 consecutive years)

Major Financial Performance (based on consolidated financial statements)

Total Assets	Net Profit	No. of Policy Holders	RBC	ROE
KRW 116 trillion	KRW 603.4 billion	4,128,000 persons	339%	5.46%

Affiliates

Kyobo Life has positively enhanced the brand and corporate values of Kyobo through active communication with its affiliates.

Financial (8)	Non-financial(4)
Kyobo Securities Co., Ltd.	Kyobo Book Center Co., Ltd.
Kyobo AXA Investment Managers Co. Ltd.	
KCA Claim Adjustment Co., Ltd.	Kyobo Realco Co., Ltd.
Kyobo Life Asset Trust Co., Ltd.	
A&D Credit Information Co., Ltd.	Kyobo Information & Communication Co., Ltd.
Kyobo Life Asset Management Co., Ltd. (America)	
Kyobo Life Asset Management Co., Ltd. (Japan)	Kyobo Data Center Co., Ltd.
Kyobo Lifeplanet Life Insurance Co., Ltd.	

Corporate History

Kyobo Life has written the history of the insurance industry in Korea based on the value of 'Education is the future of the nation'.

1958~1980

- 1958** Foundation of Daehan Education Insurance Co., Ltd. Creation of Jinhak Insurance, the world's first education insurance.
- 1967** Becomes the best company in the insurance industry with 32.7 billion won in insurance contracts just nine years after its founding
- 1980** Establishment of Kyobo Book Centre Co., Ltd.

1997~2010

- 1997** Establishment of Kyobo Foundation for Education
- 2000** Declaration of the 'Ethics Charter of Kyobo people'
- 2001** Declaration of Vision2010 and the CI of Kyobo people
- 2002** Foundation of the Kyobo Dasomi Volunteer Service Center
- 2004** Wins the Customer Satisfaction Grand Prize (for the fifth consecutive year); inducted into the Hall of Fame.
- 2009** Selected as the Best Insurance Company of the Year in the Asia Life Insurance Industry.
- 2010** Joins the International Agreement for Corporate Social Responsibility and the UN Global Compact.

1981~1996

- 1983** Founder Yong-Ho Shin awarded the 'Founder's Award' by the IIS (International Insurance Society)
- 1991** Establishment of the Daesan Agriculture Foundation
- 1992** Establishment of the Daesan Foundation
- 1995** Company renamed as Kyobo Life Insurance Co., Ltd.
- 1996** Founder Yong-Ho Shin inducted into the IIS Insurance Hall of Fame.

2011~2018

- 2011** Declaration of Kyobo Vision 2015
- 2012** Chairman & CEO Chang-Jae Shin wins the 'Best Insurance CEO of the Year' at the Asia Insurance Industry Awards
- 2013** Establishment of Kyobo Lifeplanet Life Insurance Co., Ltd.
- 2014** Wins the second 'Beloved Corporate Government' Presidential Award and the private company prize in the process category for Porter Prize for Excellence in CSV
- 2016** Declaration of Kyobo Vision 2020/ Received the 'Grand Prize Award' at the 12th Management Transparency Awards
- 2017** Received the 'Fair Trade Commissioner's Commendation' at the Consumer Rights Day Awards
- 2018** Wins the President's Award at the Korea Digital Management Innovation Awards
Chairman & CEO Chang-Jae Shin receives the Eungwan Order of Cultural Merit.

Major Awards won in 2019

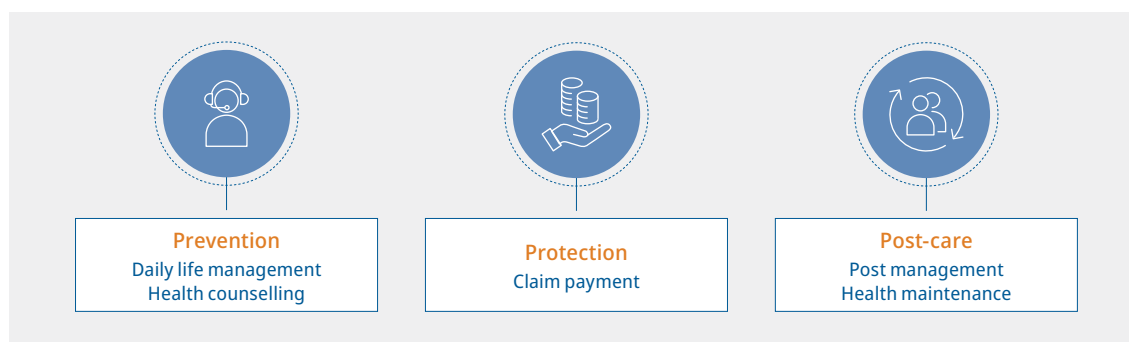


- Selected as a top company in the life insurance sector in the Korean Sustainability Index (KSI) for tenth consecutive year
- Inducted into the Hall of Fame for the first time in the financial industry
- Chairman & CEO Chang-Jae Shin receives 'Korean Sustainability Leader Award for CEO'
- Chairman & CEO Chang-Jae Shin receives 'Humane Entrepreneurship Award'
- Wins 'Technology Initiative of the Year' at the Asia Insurance Industry Awards
- Inducted into the Hall of fame for the Consumer-Centered Management (CCM)
- Wins 'Award for excellent financial institution for customers' from FSS

Business Area

Products and supplementary services of Kyobo Life, the partner for your life

Kyobo Life provides various products to help customers overcome future adversity and pursue their precious dreams with strong reliability forever. In addition, Kyobo Life provides various additional services depending on the subscribed product so that customers can receive care for their entire health-related process, from disease-prevention by managing health conditions during normal times to follow-up management upon occurrence of disease.



Major Insurance Products

<p>Whole Life/ Term Insurance</p>	<p>This insurance protects you and your family in the event of an unfortunate accident.</p> <p>(No-dividend) Kyobo Budget Whole-Life Insurance</p>	<p>Education/ Child Insurance</p>	<p>This insurance provides education funds for your child and covers illnesses/injuries.</p> <p>(No-Dividend) Kyobo My Child's First Insurance</p>
<p>Health/Integrated Insurance</p>	<p>This insurance covers both major diseases and death.</p> <p>(No-Dividend) Kyobo Budget Health Plus</p>	<p>Deposit Insurance</p>	<p>This insurance helps you save funds for diverse purposes.</p> <p>(No-Dividend) Kyobo Big Plus Deposit Insurance</p>
<p>Pension Insurance</p>	<p>This insurance will provide assureduring the later days of your life which are expected to be longer than you economically active period.</p> <p>My Future Pension Plan Kyobo Variable Pension Insurance II</p>	<p>Insurance for the Disabled</p>	<p>This insurance is exclusively designed to provide benefits for people with disabilities.</p> <p>(No-Dividend) Kyobo Gomduri Coverage Insurance</p>

Major Supplementary Services

<p>Kyobo Health Care Service</p>	<p>➤ An integrated health management service for the VIP customers who is subscribing Life Insurance and CI Insurance that provides continued health management programs for improvement of health conditions during normal times and management of diseases after their onset through medical specialists, nurses, nutritionists, psychology counselors, sports therapists, etc.</p>
<p>Kyobo Edu Care Service</p>	<p>➤ An education support service created through collaboration between Kyobo Life, Kyobo Book Center and experts from different areas for the customers who subscribed for Education Insurance and Children's Insurance, to unveil the dreams and the talents of their children and to develop appropriate characters and desirable leadership and followership in the children.</p>
<p>Kyobo Dementia Care Service</p>	<p>➤ A dementia management service for the VIP customers who is subscribing Dementia Life Insurance and the Dementia Insurance customers that help the dementia patients and their families by offering the dementia prevention services. Such services help them prepare for and discover dementia in advance and the dementia care services that carefully manage dementia according to the symptoms per stage.</p>
<p>Kyobo Health Coaching Service</p>	<p>➤ A digital health improvement service for the VIP customers who is subscribing CI Insurance that improves daily habits by providing smart health management through a mobile application and makes them healthier by providing coaching program and personal consultation after analyzing the age equivalents of their organs.</p>

Vision & Strategy

Kyobo Life launched its Vision 2020 in 2016 and has been constantly trying to achieve the Vision. To achieve this Vision, we are establishing management directions and core tasks every year and actively implementing them.



2019-2020 Business Environment and Responses

Kyobo Life analyzes the rapidly changing business environment, identifies potential risk factors, and derives business potential from diverse opportunities in order to preemptively respond to future changes.

Category	Business Environment	Future Responses
Society	<ul style="list-style-type: none"> · Aging population and declining birth rate · Increase in single-person and senior households · COVID-19 pandemic 	<ul style="list-style-type: none"> · Enhancing product competitiveness, such as the development of differentiated products, by reflecting customers' needs · Establishing the marketing strategy from CPC (Channel-Product-Customer) perspective · Improving channel expertise · Exploring non-contact strategy consumption culture according to non-contact consumption culture
Economy	<ul style="list-style-type: none"> · Continuing trend of low growth and low interest rates · Limited economic recovery is expected due to increasing uncertainties in domestic and global financial markets · Economic recession due to COVID-19 pandemic 	<ul style="list-style-type: none"> · Making use of overseas alternative assets · Asset management in response to increasing volatility in domestic and foreign financial markets
Politics	<ul style="list-style-type: none"> · Strengthening of regulations on financial soundness, such as IFRS17 (to be introduced in 2023) and the K-Insurance Capital Standard (K-ICS) · Increased legal liabilities of financial companies due to enhanced protection of financial consumers 	<ul style="list-style-type: none"> · Continuous strengthening of countermeasures in response to regulations on financial soundness · Expanding portion of socially responsible investment
Technology	<ul style="list-style-type: none"> · Diffusion of convergence in the financial industry · Increased use of fintech/big data 	<ul style="list-style-type: none"> · Strengthening the competitiveness of the insurance business by leveraging digital technologies · Developing new growth engines based on digital technologies (INNOSTAGE) · Establishing digital team

Corporate Governance

Stable and transparent corporate governance are needed to provide sustainable growth and balanced value to all stakeholders. Kyobo Life's top decision-making body is the general shareholders' meeting and the board of directors and the company balances management activities through active participation by outside directors. In addition, Kyobo Life has strengthened internal control and increased corporate value by establishing and operating a compliance officer and an audit committee. The company is committed to enhancing the transparency and efficiency of decision-making activities by delegating authority to the subcommittees within the BOD regarding company's business, except the works related to general shareholders' meeting and the board meeting.

Corporate Governance Chart



*Kyobo Life publishes its 'Annual Report on Corporate Governance' in accordance with the 'Exemplary Norms on Corporate Governance of Financial Companies.' The details of Kyobo Life's corporate governance can be found at the corporate website (www.kyobo.co.kr).

Board of Directors

The board of directors of Kyobo Life sets and controls the company's management goals and key strategies. As of December 2019, the board is composed of seven directors in total – two internal directors, four external directors and one non-standing director. There is no female director on the board. There are five committees under the board of directors, including the Audit Committee, the Executive candidate Recommendation Committee, the Risk Management Committee, and the Remuneration Committee and Management Committee. As prescribed by the Act on Corporate Governance of Financial Companies, the company annually appoints a Chairman of the Board to successfully operate the board of directors and appropriately carry out the roles and responsibilities required by the applicable laws and bylaws. Meanwhile, the general shareholders' meeting finally appoints the directors after it reviews the candidates' qualifications in accordance with the requirements of the applicable law, the Insurance Business Act, to ensure independence in the director appointment process. Especially with regard to the appointment of external directors, Kyobo Life has formed the Executive candidate Recommendation Committee of which guiding principle is to recommend external director candidates who hold no interest in the company, who are independent, and who possess capacities that correspond with the company's management strategies and goals.

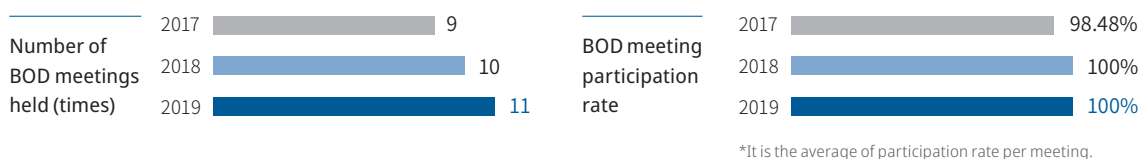
Category	Name	Type of appointment	Title	Date of appointment/ date of expiration
Directors	Chang-Jae Shin	Reappointment	Chairman & CEO, Chairman of the Board of Directors	Mar. 27, 2020 - Mar. 26, 2023
	Your-Hyun Yun	-	Chief Operating Officer	Mar. 29, 2019 - Mar. 28, 2022
Outside directors	Jung-Hyo Lee	Reappointment	Former chairman of the Daesan Agriculture Foundation/ Chairman of the Kyobo Foundation for Education	Mar. 29, 2020 - Mar. 28, 2021
	Sang-Hoon Lee	Reappointment	Affinity Equity Partners (S) Pte., Ltd., Korea Branch/Representative of Korea	Mar. 27, 2020 - Mar. 26, 2021
	Beom-Ha Ji	New appointment	Professor in Business Administration Department at Handong University	Mar. 27, 2020 - Mar. 26, 2022
	Soon-Seok Kim	New appointment	Professor, Law School at Chonnam National University	Mar. 27, 2020 - Mar. 26, 2022
Other non-standing director	Hari R. Rajan	New appointment	Managing Director and Partner at Corsair Capital	Mar. 29, 2020 - Mar. 28, 2021

Committees within the Board of Directors

Committee	Main Roles
Audit Committee	Evaluates and improves appropriateness of the company's overall internal compliance system and management performance.
Executive candidate Recommendation Committee	Recommends candidates with capability and expertise that can satisfy the company's strategic goals for the positions of representative director, outside director and auditor.
Risk Management Committee	Establishes basic directions on and major policies related to risk management and approves the risk-based management strategies.
Remuneration Committee	Designs and implements the compensation system for executives and employees in connection with risk.
Management Committee	Makes decisions on the company's major issues, such as establishing mid-to-long-term management direction and management plans.

Operation of Board of Directors

On average, meetings of the board of directors are held once per month and meetings of the temporary board of directors can be held on an ad hoc basis when necessary. As of December 2019, Kyobo Life held eleven board meetings in total, with an internal director attendance rate of 100% and an external director attendance rate of 100%.



Evaluation & Remuneration of Executive Management

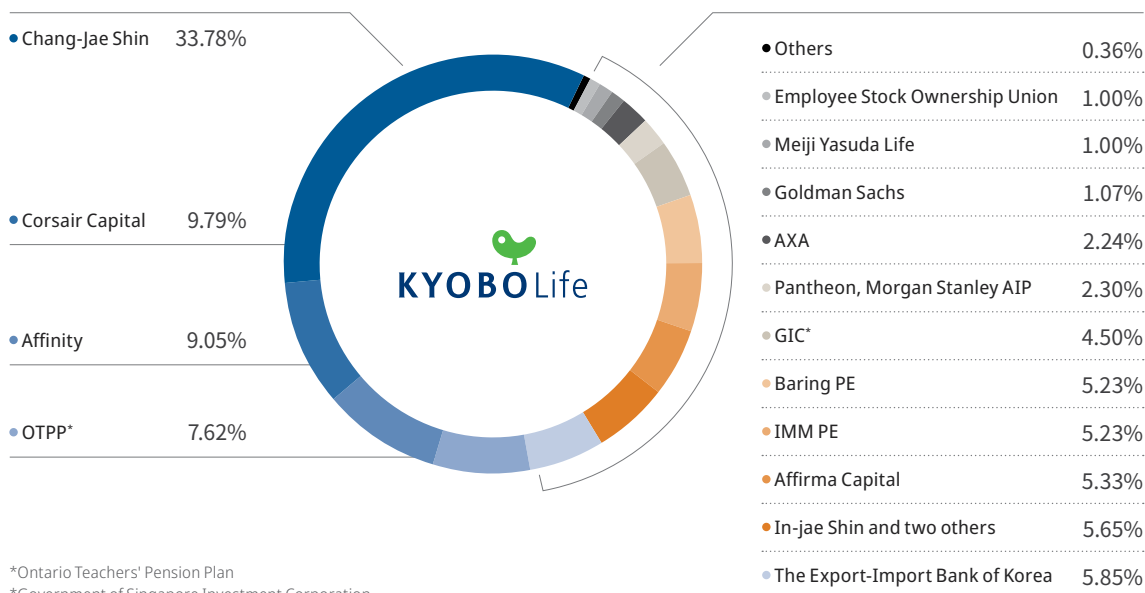
The remuneration of the executive management is determined based on an evaluation of performance in each area, as reported to the board of directors at the end of each business year. The remuneration of directors is determined at a general shareholders' meeting, and the details of external directors' remuneration are disclosed at our website (www.kyobo.co.kr >> Disclosures >> Governance Disclosures).

Ownership Structure

The largest shareholder of Kyobo Life is Chairman and CEO Chang-Jae Shin, who holds a 33.78 percent share of the company. The majority shareholders have remained unchanged for the past three years.

Shareholders(%)

(As of June 30, 2020)



*Ontario Teachers' Pension Plan

*Government of Singapore Investment Corporation

Risk Management

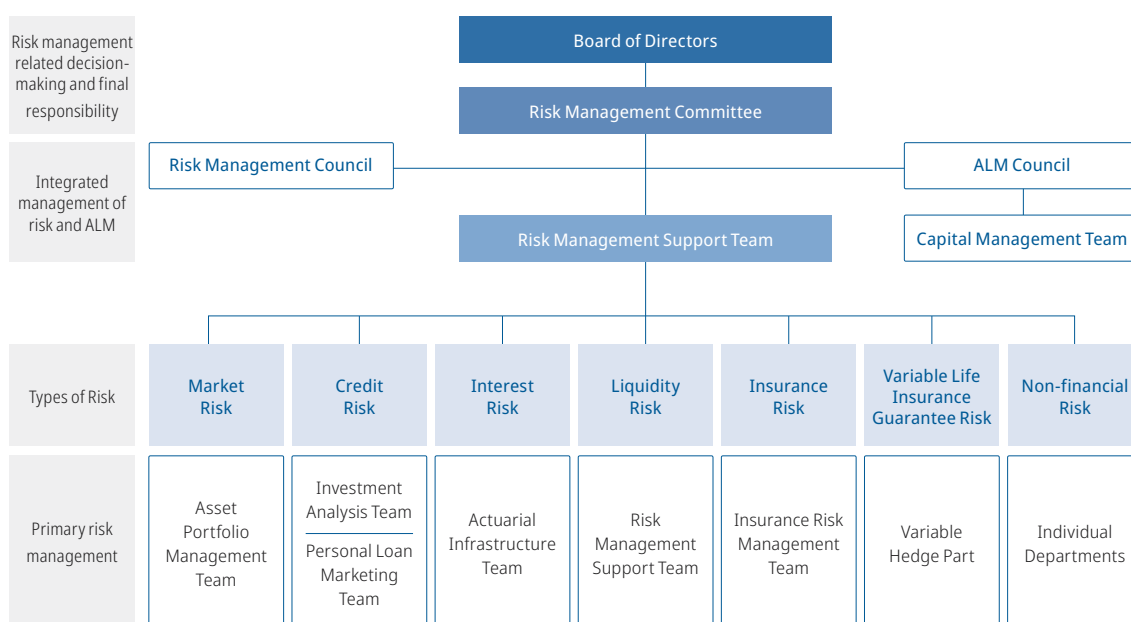
Company's Overall Risk Management

Kyobo Life systematically manages risks by quantifying them in order to proactively identify and manage risk factors that can cause losses to the company. The representative financial soundness index, the RBC (Risk Based Capital) ratio, reached 339% in 2019, resulting in a level that greatly exceeds the 100% required by the Financial Supervisory Service.

<p>Strategic Risk Management to Maximize Corporate Value</p>	<p>➤</p> <ul style="list-style-type: none"> - Set limits for each risks and monitor if such limits are complied with, to obtain and maintain financial soundness - Adopt ALM policy considering assets and liabilities - Manage risk by including non-financial risks such as operation/strategy/reputation risk
<p>Systematic Risk Management for Management Stability</p>	<p>➤</p> <ul style="list-style-type: none"> - Measure and manage potential risks that may occur in the course of routine management practices - Put in place a proactive risk management system to prevent losses that may arise from drastic changes in the financial market - Develop risk situation scenarios and establish appropriate response plans for each type of risk from the company's perspective
<p>Pursuance of Stable Management of Long-term Risks</p>	<p>➤</p> <ul style="list-style-type: none"> - Continuously improve the asset/liability structure - Build an asset portfolio to enlarge the sizes and durations of interest-bearing assets

Risk Management Organization

Kyobo Life has established risk management regulations for systematic risk management, and set standards and procedures for risk management, including timely recognition, evaluation, monitoring and control of various risks. In addition, the company appoints a Chief Risk Officer(CRO) who supervises the risk management system and establishes a Risk Management Committee and dedicated departments in order to manage risks preemptively and systematically.



Risk Management Committee

The Risk Management Committee is composed of one internal director and two outside directors who are appointed by the board of directors. The committee makes important decisions regarding risk management of entire company, such as risk management policies that align with the company's business strategy, important business strategies that are based on risks and the company's risk limits. In 2019, the Risk Management Committee held meetings on nine occasions to discuss major issues relating to the company's risk management.

Risk Management Council

The Risk Management Council is a body that consults on the resolution of the Risk Management Committee and matters related to risk in advance. It consults on the 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 Organizations

The risk management administrative organizations that assist the Risk Management Committee and the Risk Management Council are divided into a 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 is 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. The seven (7) teams for the individual risk management carry out the 'Do' function for each type of risk.

Risk Management Process



Risk Management and System

Kyobo Life has established an Asset Liability Management (ALM) policy for stable asset management from a long-term perspective, and operates an asset and liability portfolio to continuously improve the structure of assets and liabilities. At the beginning of each business year, the company sets 'limit for total risks and individual risk', as well as limits or goals for all management indicators. In addition, Kyobo Life operates the "Risk Pre-Review" system to review risks once more before final approval to further manage important matters related to risks. In addition, the company has established a 'Company Contingency Plan' to respond to crisis situations by risk type to secure management continuity even under the worst conditions such as the global financial crisis, and has conducted mock exercises on a regular basis to enhancing responding capabilities. Kyobo Life classifies risks into financial risks (market, credit, interest rate, insurance, liquidity, variable insurance guarantee risk) and non-financial risks according to causes of occurrence, and monitored the risks management indicators on a daily/weekly/monthly/quarterly basis to actively respond to risks.

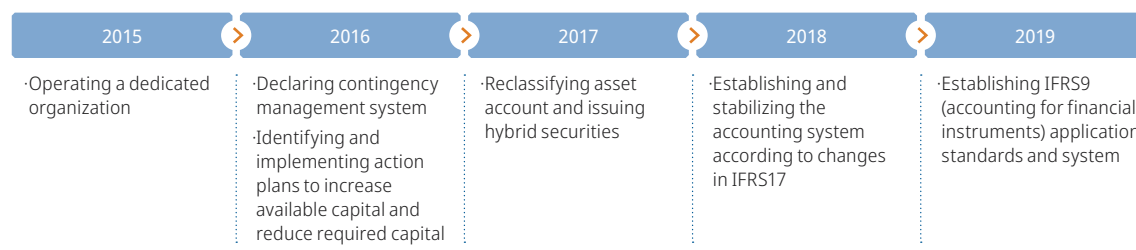
Definition of Risks and Management Methods

Category	Definition	Risks and Management Methods
Market risk	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.	Setting and monitoring market risk limits and loss limit for securities and derivatives
Credit risk	Possibility of loss due to bankruptcy of the trading company or default of individual debt	Setting and monitoring credit risk limits and transaction limits by borrower, group, and industry
Interest rate risks	Possibility of loss due to differences in interest rates and maturities between assets and liabilities	Setting and monitoring interest rate risk limits and target duration
Insurance risk	Possibility of loss to the company due to more insurance claim than originally planned	Setting and monitoring insurance risk limits and supplementing underwriting standards to prevent unfair insurance claim payments
Liquidity risk	Possibility of loss due to sales of assets at cheap prices to raise funds due to lack of funds	Monitoring through liquidity management indicators all the time
Variable insurance guarantee risk	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	Measuring and analyzing through risk scenario method, and setting and monitoring the risk limits
Non-financial risks (operation, strategy, reputation)	Possibility of loss to the company due to insufficient response to management strategies, laws, processes, and IT systems	Executing the risk self-diagnosis according to the scenario-based business environment changes. Quantifying and monitoring the core risk

Response to New Standards

Response to IFRS17 and K-ICS

In response to the implementation of the International Accounting Standard for Insurance Contracts (IFRS17) and the new solvency system (K-ICS), Kyobo Life is systematically preparing related infrastructure and systems. Kyobo Life will continue to monitor the impact of the new systems and work closely with financial authorities and the insurance industry to minimize the impact of the introduced new systems and increase asset quality.



Financial group supervision system

The Financial Supervisory Authority has developed and applied standard principles for the supervision of the financial group system since 2018 and is pushing for its legislation to supervise the various risks in terms of entire financial group. Kyobo Life has established and is operating a risk management system that can comprehensively and systematically manage the risks of the Kyobo financial group.

*Major financial companies of Kyobo financial group : Kyobo Life Insurance, Kyobo Securities, Kyobo Lifeplanet Life Insurance, Kyobo AXA Investment Management, Kyobo Asset Trust

ORSA System

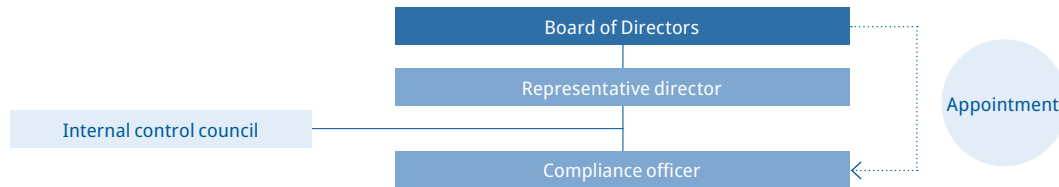
To help insurance companies develop their own risk management capabilities, the financial authorities have introduced the Own Risk and Solvency Assessment (ORSA) system, under which an insurance company assesses its risk and solvency on its own. In response to the introduction of this system, Kyobo Life has introduced ORSA, conducted an operation evaluation, reported the results to the board of directors, and reflected the evaluation result in the management policy to thoroughly manage risks.

Ethics and Compliance Management

Ethics Management

As a financial company, Kyobo Life is clearly aware of the legal and ethical responsibilities that it has to fulfill, and strives to fulfill its social responsibilities and role as a corporate citizen. The company strives to improve corporate transparency by promoting ethical management, and is committed to establishing a culture of compliance by appointing compliance support managers to each department in addition to the dedicated division to ensure that all employees comply with the laws and regulations.

Ethics, Compliance Management Organization Chart



Kyobo Life Employees' Code of Professional Ethics

Kyobo Life has enacted the Kyobo Life Employees' Code of Professional Ethics to clarify its intention to pursue ethical management, and has created 'Professional Ethics Guidelines' for the employees by establishing the Regulations on Work Ethics and the Specific Instructions. In addition, all employees including the CEO are required to attend the 'Kyobo's Work Ethics Resolution' event at the beginning of each fiscal year to reinforce the company's ethical work culture.

Employees' Code of Professional Ethics

> Regulations on Work Ethics

As a guideline for Kyobo Life's practice of ethical management, it includes compliance with social regulations and company regulations, and rules for ethical insurance sales for stakeholders such as customers/consultants/employees/investors/government/communities.

> Specific Instructions

It issues specific instructions on the prohibition of giving and receiving money, etc. between employees and external stakeholders, or employees, as defined in the Kyobo Life's Employees' Code of Professional Ethics, or making dishonest solicitation to public officers, or making illegal promises.



The Work Ethics Resolution in 2020

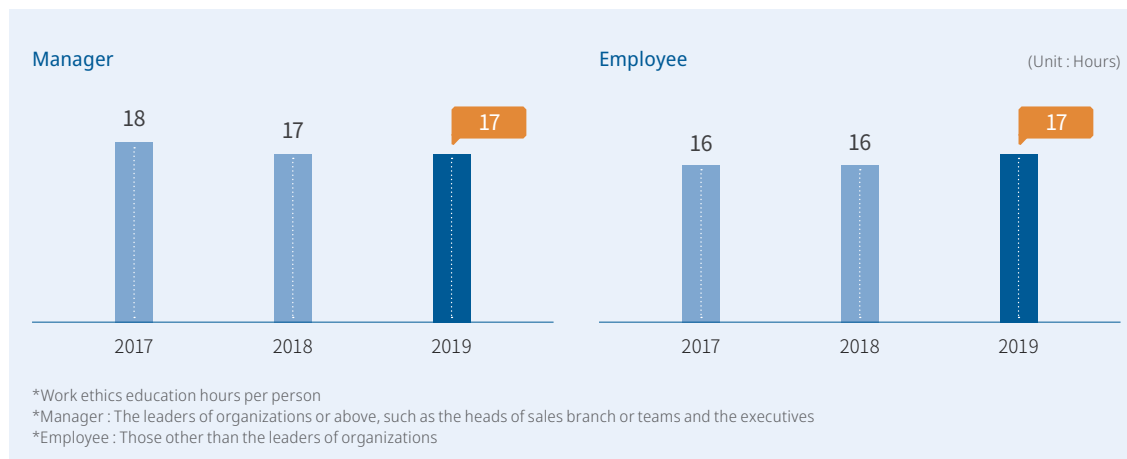
Communication for Ethical Management

Kyobo Life communicates constantly with its employees to help them better understand and approach ethical management. This enables the company to create a culture of ethical compliance within the company and to encourage employees to practice ethical behavior. Kyobo Life conducts compliance and ethics training for each department every month and regularly provides on-line compliance and ethics training, so that all employees can share the job ethics issues and successfully carry out their work ethics. All employees of Kyobo Life have completed professional ethics training, and the average ethics-training period per employee is 17 hours. Meanwhile, Kyobo Life produces a bi-weekly webtoon based on real-life examples to help all employees easily understand the compliance and ethics management and strengthen their understanding.

Status of the Completion of Work Ethics Education

Category	Unit	2017	2018	2019
Employee participation	%	100	100	100

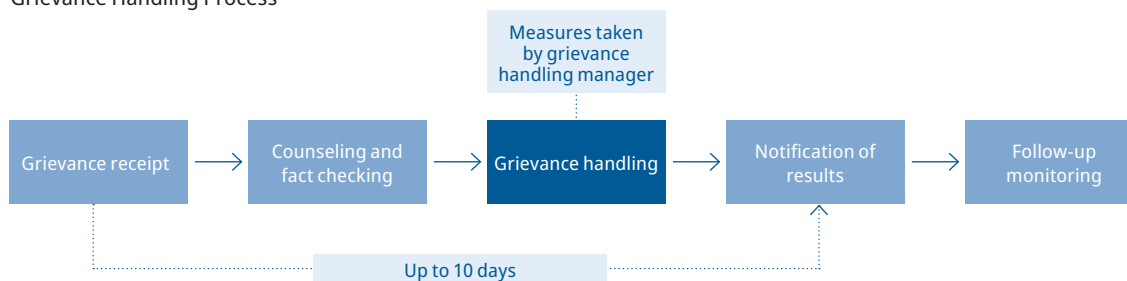
Status of Work Ethics Education



Operation of Employee Grievance Counseling Office

Kyobo Life operates the Grievance Counseling Office to listen to and actively resolve employees' grievances that arise during the course of working to improve work productivity and form a pleasant and happy organizational culture. The Grievance Counseling Office guarantees anonymity and operates a hotline for prompt resolution of grievances. In addition to dealing with grievances, a counseling system was also established to prevent sexual harassment and abuse in the workplace.

Grievance Handling Process



Complaint Handling System for External Stakeholders

Kyobo Life created a 'reporting center' page in its official website to help the stakeholders resolve their complaints. Kyobo Life not only implements the VOC system, but also listens to the voices of stakeholders through 'legal violation reporting' (for the illegal or unfair activities of Kyobo Life employees) and 'fund sales complaint reporting' sections. Kyobo Life will keep listening to the voices of all stakeholders and grow with them.

Training for Improved Awareness of Disability and Respect for Disabled Co-workers

Kyobo Life has developed and run a variety of education programs as part of its effort to establish a more stable work environment for employees with disabilities, and to eliminate any misunderstandings and prejudices among employees, by promoting a proper understanding of disability. Through consistent training and education, we have helped our employees to broaden their understanding of the definitions and types of disabilities and provided them with the information required to raise their awareness, including the rights of disabled employees, the prevention of discrimination against people with disabilities, and the provision of proper access to the workplace for disabled employees.

Awareness of Disability Improvement Training

Category	Unit	2017	2018	2019
Employee participation	%	100	100	100

Compliance Management

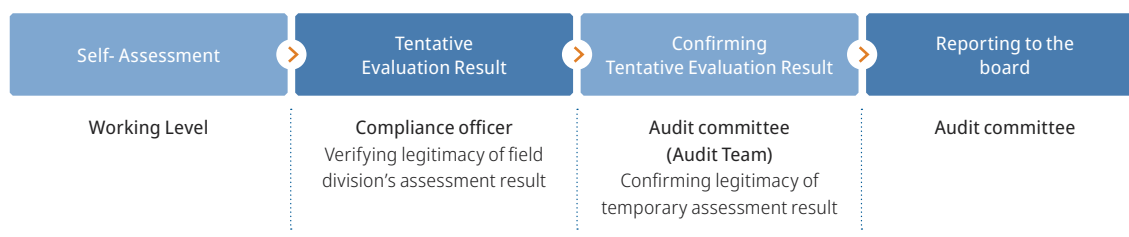
Operation of Internal Control System

Kyobo Life complies with the relevant laws and regulations for sound management, and clarifies the roles of the board of directors, management and compliance officers regarding internal control that it is required to follow in order to protect its shareholders, other stakeholders, and so forth. Kyobo Life has an internal control council led by the representative director in order to establish, maintain and operate the internal control system. It also monitors compliance with internal control standards and designates compliance monitoring personnel to report the results of any investigations to the Board in an effort to oversee the entire internal control system. In addition, the company appoints a compliance officer to oversee the internal control system by checking compliance with internal control standards and reporting the findings of violations to the audit committee and the board of directors. Kyobo Life evaluates internal control operation status to supplement the shortcomings.

Objects and Items of Assessment



Assessment process



2019 Report of Internal Control Assessment Results

Assessment section	Recommendation for improvement	Related department
Accounting, information and communication system	It is necessary to prepare selection criteria for the selection of financial institutions or branches to operate short-term liquidity funds.	Accounting Team
	As the internal and external environment has changed since the application of the company-wide network separation in 2016, it is necessary to diagnose the appropriateness of the application and operation of the network separation and to resolve any problems.	Information Security Team
Insurance sales	The administrative guidance has been strengthened so that the judgment on whether or not a disease covered by the insurance policy is based on the "Korean Standard Classification of Diseases (KCD) at the time of diagnosis", so it is necessary to reflect this in the basic documents such as the insurance policy.	Product development team 1 Product development team 2
	It is necessary to strengthen compliance with anti-money laundering regulations and improve work efficiency by improving the business process related to transaction refusal and guidance on contracts that have not satisfied the Customer Due Diligence (CDD) for new transactions.	Compliance Officer
Policy Retention and Claims	It is necessary to strengthen compliance with the law and improve consistency with internal control standards by properly reflecting the obligations to prepare the "procedures and standards for litigation related to insurance claim payments" required by the Act on Corporate Governance of Financial Institution and the Supervisory Regulations.	Claims team

SPECIAL 1

Sound to the Silent World

Hearing impairment is the second most common disability, with 2–3 out of 1,000 babies born with congenital hearing impairment, which means that about 1,600 children are born with hearing impairments each year. If good rehabilitation is done after surgery before three years of age, more than 90% of children with hearing impairments can attend a general school, but employment rate or social participation rate of people with hearing impairment is considerably lower than those with visual or physical disabilities due to difficulty in communication. Kyobo Life, together with the social welfare organization, supports the socially marginalized youth with hearing impairments who live in an isolated and silent world, to help them recover hearing ability and communicate with their families and society.

Kyobo Life supports funding for cochlear implant surgery to help hearing-impaired youngsters under the age of 18 to recover their hearing and grow into healthy members of society; and at the same time, the company supports funding of replacing external cochlea devices so that the hearing-impaired youngsters can better communicate with the outside world. In addition, we provide financial support for speaking rehabilitation for one year to help children to recognize and hear sounds through a steady “rehabilitation” process after undergoing surgery.

Kyobo Life has established a social support system to help all children hear the joyful sounds of the world and grow as normal members of society.



Q1

Why does Kyobo Life support hearing-impaired youth?

Two to three out of every one-thousand newborn babies are born with hearing impairments. Hearing impairment not only causes health problems, but also makes it difficult for those suffering from such ailments to communicate with others, live normal lives and ordinarily receive education. This may cause social problems for hearing-impaired persons feeling excluded and isolated. Kyobo Life provides learning opportunities for hearing-impaired children who could not undergo surgery due to financial difficulties by providing them with assistance for expenses for surgery and language rehabilitation. Kyobo Life is helping them to grow into healthy members of society by enabling them to effectively communicate with their families and others by materializing its core mission of overcoming adversities.

by Manager Hye-rim Yung, KYOBO DASOMI Support Center

Wow Dasomi Sound-and-Light support status

Accumulated number of persons to whom surgery and linguistic rehabilitation treatment supports were provided





Q2

Have you noticed any changes as Kyobo Life progresses the program?

The support targets and fields have been expanded. Not only has the number of children undergoing cochlear implant surgery and speech rehabilitation treatment increased, but also even children who have lost their cochlear devices as well as hearing-impaired people in blind spots receive the support. In addition, Kyobo Life is operating this program through a steering committee composed of experts such as medical personnel and social workers. As experts in each field gather and think about the beneficiaries in carrying out the project, they can provide practical support. Satisfaction level of the beneficiaries is very high.

Q3

What is cochlear implant surgery?

This is a surgery through which an artificial cochlear is implanted in the body. If the cochlear fails causing hearing impairment, the cochlear implanted inside the ear can recognize sound. In general, it is said that after surgery, people will recover normal hearing ability; but in reality, even if the person has received speech rehabilitation for more than one or two years, he/she might not be able to speak perfectly. After surgery, the person will hear sound through the cochlear device, but many of them feel hurt by people's prejudice if they are seen wearing the device. It is thus important to overcome physical obstacles, but it is much more important to cure psychological wounds, so Kyobo Life works on programs to restore their self-esteem and improve their social adaptation.

Q4

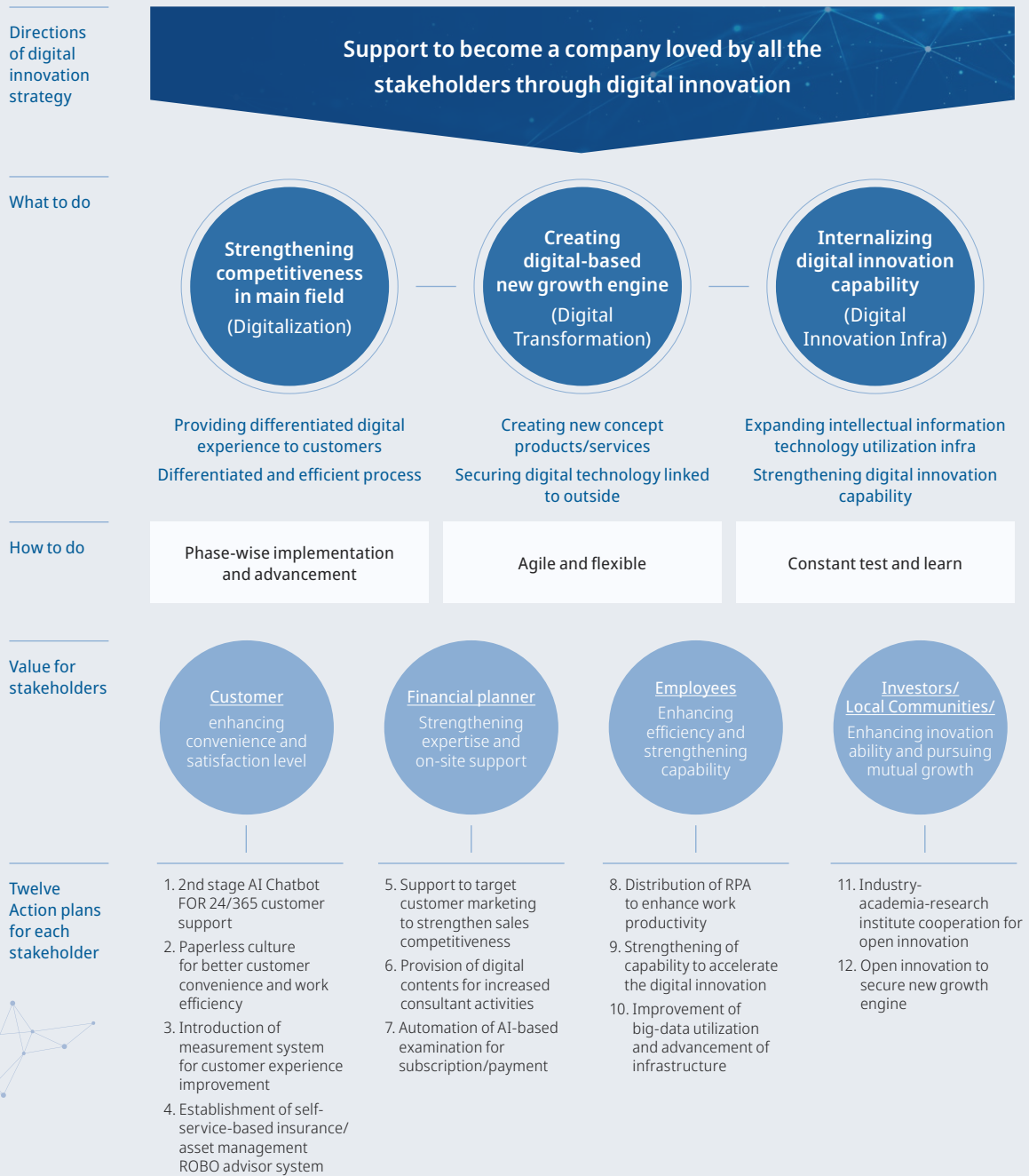
What are your plans for the future?

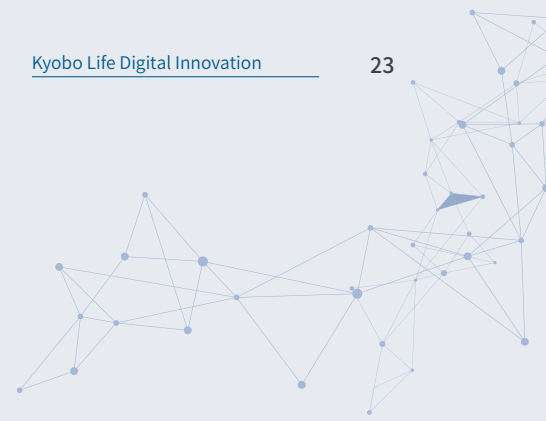
We are trying to develop educational content for speech rehabilitation, which is as important as implant surgery. It is not necessary to hear and understand all the sounds of the world immediately after having surgery. The trivial sounds we encounter in our daily lives are good educational materials for children, so we will test this campaign first with Kyobo Life's employees. In order to make them become "true participants" of value to the community, changes in the perceptions of society are most important. Besides being inconvenient due to physical impairment, people should be treated equally in society, which is a healthy society. This is why I earnestly believe that small interests and changes in awareness of Kyobo Life's employees will be of a great help in creating such a new society.



SPECIAL 2 — Kyobo Life Digital Innovation

As the digital technology evolves with the emergence of the Fourth Industrial Revolution, it is expected that the insurance industry will undergo a major transformation. Kyobo Life has clarified its willingness for digital innovation in earnest by adding 'In Preparation for the Era of the Fourth Industrial Revolution' in its Vision 2020 in 2018, and conducted internal and external environmental analyses, and communication to set the direction of Kyobo Life's digital innovation in 2019. The company has also established a roadmap to the year 2025. Kyobo Life aims to become a company loved by all stakeholders through accelerated digital innovation.

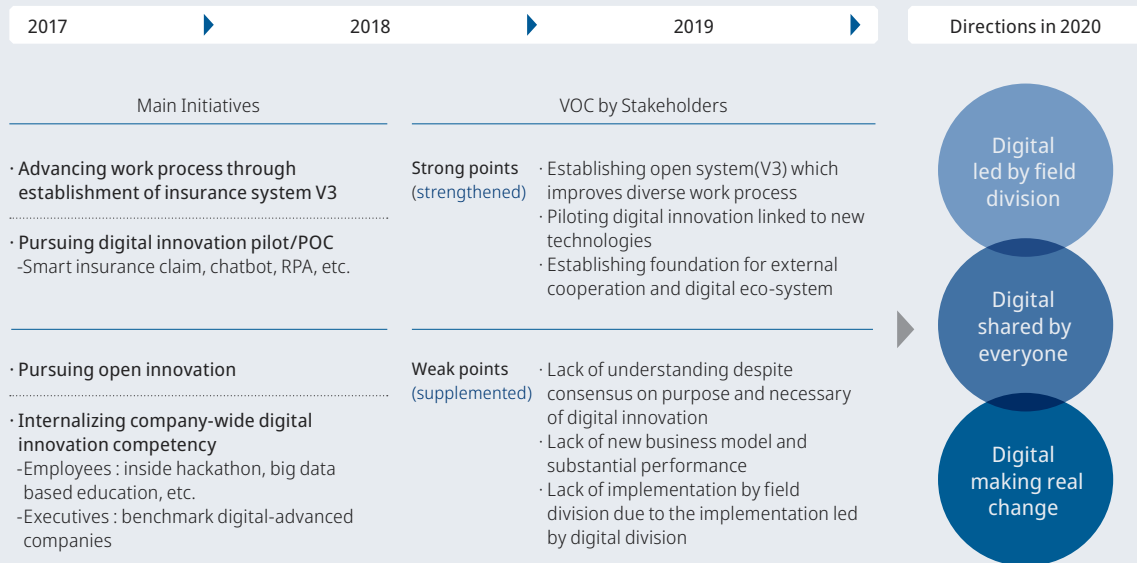




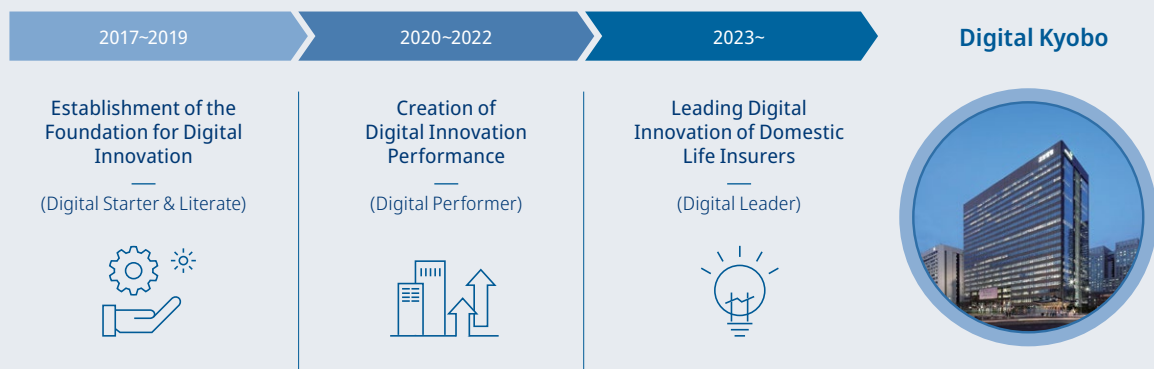
Kyobo Life has reorganized the management organization and operated dedicated organization to accelerate digital innovation strategically. Through such efforts, the company is establishing strategies and implementing action plans so that the company can utilize digital technology and enhance its capabilities company-wide. Kyobo Life is constantly striving to explore new digital markets and create new customer values. Kyobo Life set its 2019 major implementation as "Accelerating Customer-Oriented Digital Innovation" in order to establish and pursue various action plans for each stakeholder and achieve fruitful results. As a result, Kyobo Life recorded various achievements such as

development of AI chatbot, digital contents, and industry-academia-research cooperation projects. In addition, the use of RPA allowed the company to reduce the stress of employees and increase the productivity at the workplace, and identify and foster domestic and foreign partner companies, and secured new growth engines through open innovation based on strategic partnerships. Kyobo Life will continue to strengthen its business competitiveness based on digital, secure future growth engine, and ultimately strive to provide better value to stakeholders through digital innovation.

Directions in 2020



Digital Innovation Roadmap



SUSTAINABILITY at KYOBO

Satisfaction Level of customers

72.8

Satisfaction Level of FP

70.0 pts

Training hour provided to each employee

97 hours

Total asset

KRW **116.1** trillion

Weight of Socially Responsible Investment

9.35 % / KRW **8,178.7** billion



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Sustainability management of Kyobo Life

Kyobo Life is striving to strengthen its business capabilities to create sustainable results. Under the philosophy of common growth for all stakeholders, Kyobo Life is creating values through sustainable management activities that correspond to the essence of insurance business in various areas of economy, society, environment, etc.



Sustainable Management System

Kyobo Life's sustainability management is based on the company's sustainability management philosophy of "Pursuit of Shared Growth with All Stakeholders." Kyobo Life defined five groups of stakeholders based on the level of impact that can affect, or be affected by, the company's achievement of its core mission. The company then specifies its promises to the stakeholders and fulfills those promises through its sustainability management activities. Kyobo Life's stakeholders are its customers, Financial Planners, employees, and investors, as well as the government and local communities. The company's sustainability management system consists of ① its commitments to its stakeholders, ② the principles according to which its promises are implemented and ③ key performance indicators (KPI). In this Report, stakeholder interests are treated as an important evaluation criterion in the materiality test. The company strives to communicate constantly with the stakeholders through the activities like communications and meetings with stakeholders.

	Sustainable Management Philosophy	Pursuit of Shared Growth with All Stakeholders			
Stakeholders					
	Customers	Financial Planners	Employees	Investors	Government & Local Communities
Promise	A company that provides optimum insurance coverage and ongoing services	A company that succeeds together with our Financial Planners	A company that grows together with our employees	A company that is attractive to investors	A company that grows together with the government and local communities
Principles	<ol style="list-style-type: none"> We will listen to our customers and manage the company from their perspective. We will enhance service quality throughout the policy life cycle, from subscription to persistency and benefits payment. 	<ol style="list-style-type: none"> We will respect and trust the Financial Planners as our business partners. We will establish fair standards and help Financial Planners to engage in their sales and service activities with peace of mind. We will support the development of our Financial Planners into insurance experts. 	<ol style="list-style-type: none"> We will maintain our corporate culture of joy, pride and trust. We will provide equal opportunities and rewards according to fair evaluation criteria. We will support our employees' growth and development as insurance experts. 	<ol style="list-style-type: none"> We will continue to produce exceptional profits based on good growth. We will increase the value of the company through preemptive risk management. 	<ol style="list-style-type: none"> We will actively carry out corporate social responsibility activities to grow together with our communities. We will manage our business in an environmentally friendly way, reflecting the nature of our business. We will grow together with our partners through fair competition.
KPI	<p>Persistency Rate 77.8%</p> <p>Satisfaction Level of customers 72.8pts</p> <p>Market Share 10.6%</p>	<p>Satisfaction Level of FP 70.0pts</p> <p>Retention Rate 34% (those who work for more than 13 months)</p>	<p>Training hour provided to each employee 97hours</p>	<p>ROE 5.46%</p> <p>RBC 339%</p> <p>Total asset KRW 116.1 trillion</p>	<p>Social Contribution Ratio/Amount 6.75%/KRW 35.2 billion</p> <p>Weight of Socially Responsible Investment Ratio/Amount 9.35%/KRW 8,178.7 billion</p> <p>Energy Consumption 15,668TOE</p>

*Persistency Rate : 13 months Contract Maintenance Fee/13months Underwriting Fee × 100 (2times overdue, based on total)

*Market Share : Based on premium income as of December 2019

*Retention Rate : (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

*Return on Equity (ROE) : Net Income / ((Capital at the Start of Period + Capital at the End of Period) / 2) × 100, based on consolidated financial statements.

*Risk Based Capital (RBC) : Available capital for insurance claim payments (payment capacity) / Required capital for risk management (RBC total risk) × 100, based on consolidated financial statements

*Total assets : Based on consolidated financial statements

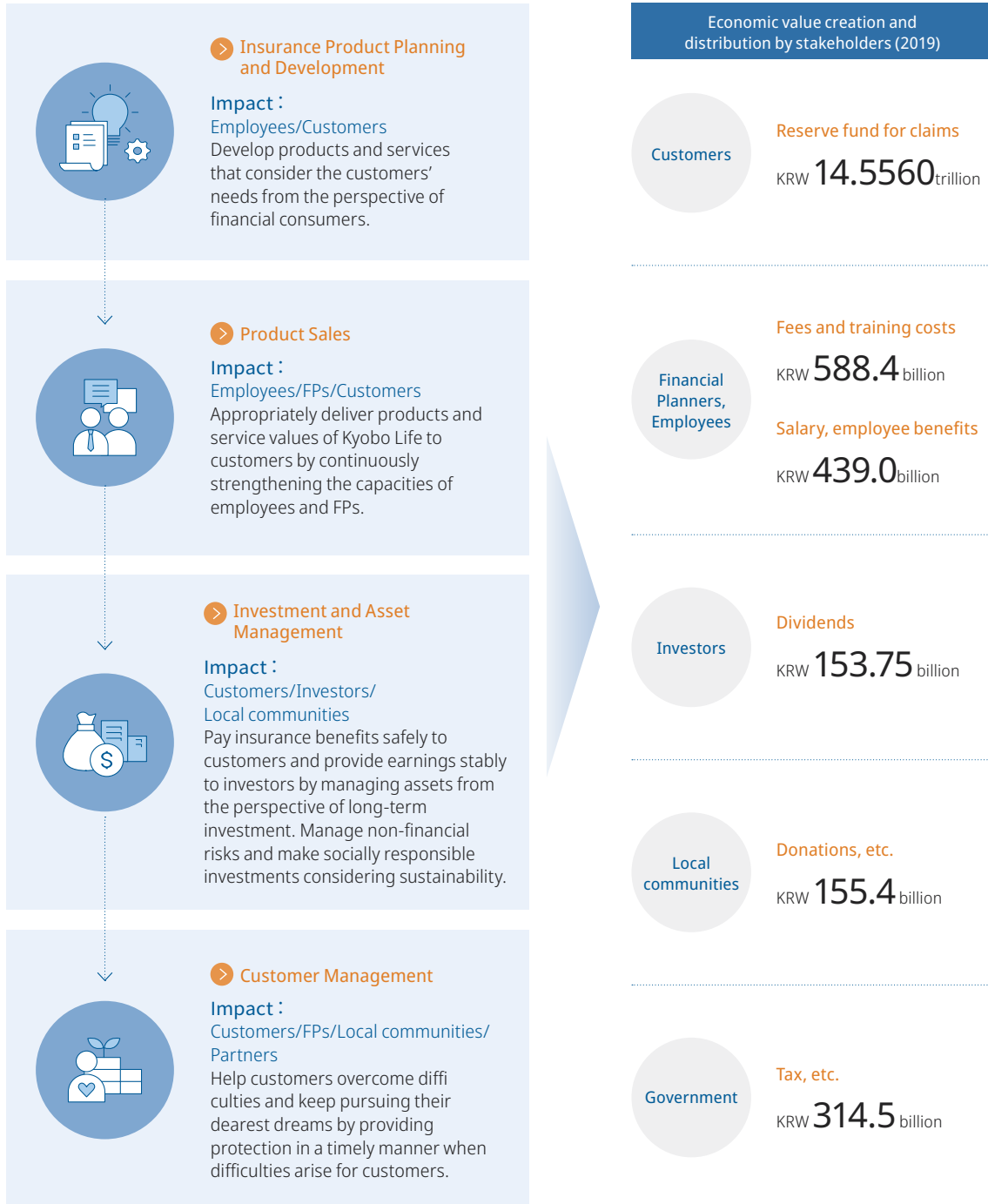
*Social contribution ratio : Amount of social contribution / Net Income, based on consolidated financial statements.

*Socially Responsible Investment (SRI) ratio : SRI investment / General account assets × 100

*TOE (Tonnage of Oil Equivalent) : Amount of energy produced by burning one ton of oil, standardized in calorific units

Kyobo Life Value Chain

Kyobo Life exchanges opinions with its stakeholders in the value chain of sustainable management and shares values created in the process with each of its stakeholders. Kyobo Life pursues the harmonious growth with all stakeholders through sustainable management.



> Insurance Product Planning and Development



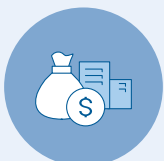
Impact :
Employees/Customers
Develop products and services that consider the customers' needs from the perspective of financial consumers.

> Product Sales



Impact :
Employees/FPs/Customers
Appropriately deliver products and service values of Kyobo Life to customers by continuously strengthening the capacities of employees and FPs.

> Investment and Asset Management



Impact :
Customers/Investors/
Local communities
Pay insurance benefits safely to customers and provide earnings stably to investors by managing assets from the perspective of long-term investment. Manage non-financial risks and make socially responsible investments considering sustainability.

> Customer Management










Impact :
Customers/FPs/Local communities/
Partners
Help customers overcome difficulties and keep pursuing their dearest dreams by providing protection in a timely manner when difficulties arise for customers.

Kyobo Life's SDGs

Sustainable Development Goals are the common goals the international community needs to accomplish from 2016 to 2030, so that everyone can enjoy a happier and more secure life. There are 17 goals and 169 detailed goals, and Kyobo Life first selected 7 out of the 17 goals, in which it can best participate and implement, and is engaged in activities to achieve them.

Major Activities for Achievement of SDGs






SDGs	Major Activities	Achievements
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> Ties of Love activities to support children from socially marginalized groups. Supporting underprivileged family with hearing impairments through the Kyobo Dasomi Sound and Light Program Supporting poor farmers in Vietnam by providing seeds and farming tools for economic independence 	<ol style="list-style-type: none"> No. of persons benefiting from Ties of Love activities : 1,426 No. of Sound and Light Project beneficiaries : 48 (accumulated) Seeds for extremely poor farmers : Provided 160,000 trees (accumulated)
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> Provision of health insurance and healthcare services Provision of the health checkup service and health information for customers 	<ol style="list-style-type: none"> Kyobo Health Care Service provided to 7,039,340 persons
 <p>4 QUALITY EDUCATION</p>	<p>Operation of education and scholarship projects</p> <ul style="list-style-type: none"> Kyobo Education Foundation : Implemented systematic social contribution activities through the Foundation Kyobo Hope Dasom Scholarships : Provision of educational opportunities through scholarships Kyobo's youth leadership program : Change' One company – One school, financial education <p>Operation of talent development program</p> <ul style="list-style-type: none"> Kyobo Life Youth Athletics Cup Championship : Support for young athletes in seven basic sports disciplines Kyobo Sports Talent Development Scholarship Northeast Asia March for Undergraduate Students : Fostering of students into global leaders Kyobo Dream Makers 	<ol style="list-style-type: none"> No. of persons benefitted from Kyobo Hope Dasom Scholarships : 79 No. of persons benefitted from Change : 145 Kyobo Life Youth Athletics Cup Championship : 3,498 persons No. of participants in Northeast Asia March for Undergraduate Students : about 1,700 (accumulated)
 <p>5 GENDER EQUALITY</p>	<p>Prohibition of gender discrimination at work and promotion of gender equality</p> <ul style="list-style-type: none"> Fair recruitment and implementation of performance evaluation : to prohibit gender discrimination <p>Support for capacity development of female employees</p> <ul style="list-style-type: none"> KWIN Mentoring : Capacity development and motivation for female employees : Female Leadership Conference : Female employees are encouraged to pursue their personal growth and development and receive help in building their competences and establishing human resource networks Declared gender equality through WEPs-UNGC 	<ol style="list-style-type: none"> Share of female employees : 41.7% Increase in the share of female managers : 18.7%
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Dasomi Nursing Volunteer Group : Job creation by nurturing females from low-income households as professional caregivers 	<ol style="list-style-type: none"> Created 33 professional caretaker jobs
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> Construction of house and library in underdeveloped regions, Vietnam Socially Responsible Investment (SRI) : Construction of social infrastructures by expanding socially responsible investment 	<ol style="list-style-type: none"> Built 20 houses and four libraries in the deprived areas in Vietnam Increased the SRI investment share by 9.35%.
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> Implementation of an Electronic Subscription System : Consistent efforts to reduce paper usage Promotion of various energy-usage-reduction activities 	<ol style="list-style-type: none"> Electronic subscription : 2,712 policies (monthly avg.) Energy-use : -1,208TOE(YoY) Waste-recycling rate : 97%



Stakeholder Engagement

Kyobo Life classifies the groups that can affect, or be affected by, the achievement of the company's key objectives into five groups such as customers, Financial Planners, employees, investors, and government and local communities, and redefines the stakeholders who have interests in the company. In particular, the five major stakeholder groups are listening to precious opinions through various communication channels to communicate continuously.

Definition of Stakeholder and Communication Channels

Stakeholders	Definition	Communication channel	Issues*
 Customers	Individuals or groups subject to subscription or potential subscription of products created through Kyobo Life's economic activities	The company website, the customer panel system, the customer satisfaction survey, the VOC system, VIP customer invitation event, asset management seminar, blog and SNS	<ul style="list-style-type: none"> ·Preemptive risk management ·Stable asset management ·Spread of trust-based customer culture
 Financial Planners	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.	The company website exclusively for the FPs, the FP satisfaction survey, the excellent FP group, MDRT, the FP meeting, etc.	<ul style="list-style-type: none"> ·Stable asset management ·Stronger financial soundness ·Information security and personal information protection
 Employees	Activities by an individual or group related to Kyobo Life and providing certain work or services and receive corresponding compensation	The digital communication magazine, the labor-management meeting, the labor-management council, workshops and conferences, the employee job commitment level survey, and the newsletter	<ul style="list-style-type: none"> ·Creation of good working environment ·Help FPs develop their capabilities ·Help employees develop their capacities
 Investors	Individuals or groups who provide capital to Kyobo Life with the aim of creating certain profits	The company website, IR, the general shareholders' meeting, the BOD meeting	<ul style="list-style-type: none"> ·Stable asset management ·Implementation of customer-focused management ·Information security and personal information protection
 Government and Local Communities	Living communities that directly and indirectly influence Kyobo Life's business activities	The company website (social contribution), Kyobo Dasomi Volunteers and the social contribution meeting	<ul style="list-style-type: none"> ·Information security and personal information protection ·Spread of trust-based customer culture ·Creation of good working environment

*Issue per stakeholder : Results from an online survey in April 2020

Stakeholder Survey

Category	Method	Purpose	Survey period	Content summary
Customers	Satisfaction	To assess customer satisfaction with Kyobo Life and its major rivals, and to work out ways of raising the level of satisfaction	Aug. ~Sept. 2019	<ul style="list-style-type: none"> · Assessment of satisfaction with Kyobo Life vs competitors · Satisfaction with insurance products and services, etc.
	Brand	To measure the company's brand power to use it for strategic brand management	Aug. ~Sept. 2019	<ul style="list-style-type: none"> · Company awareness and customer loyalty · Brand image of life insurance · Survey on how customers use life insurance companies
Financial Planners	Satisfaction	To assess the satisfaction level of the Financial Planners and devise ways of improving satisfaction	Aug. ~Sept. 2019	<ul style="list-style-type: none"> · Assessment of customer satisfaction with the Financial Planners · Identification of strengths and weaknesses that affect the competitiveness of the Financial Planners' activities · Identification of complaints and needs of the Financial Planners

In-depth Customer Survey

Since 2018, Kyobo Life has changed the existing “meeting with external experts” into “meeting with stakeholders” in order to realize sustainable management and bring about meaningful changes. In 2020, Kyobo Life conducted surveys for each type of stakeholder instead of meetings due to the spread of COVID-19. Kyobo Life conducted the second in-depth survey for the customers, the core stakeholders, and we were able to hear various opinions on general/economic/social/environment issues that must be considered and managed importantly to assure sustainable management of the company.

Period	➤ April 20 ~ 26, 2020
Description	➤ Selected major issues for sustainable management of Kyobo Life, checked implementation level thereof, etc.

Major Issues for Sustainable Management of Kyobo Life

General Issue



Preemptive Risk Management

- In 2020, the COVID-19 pandemic is raising various societal/ economic/ environmental/ institutional uncertainties, etc., requiring a rapid crisis response and risk management capabilities of the company to survive.
- Since insurance is a long-term product, the company must preemptively respond to risks thereof to strengthen customer confidence.

Economic Issue



Stable Asset Management

- Stable asset management is an important factor for customers to entrust their assets, especially stable management of the long-term investment product, ‘Insurance,’ which can affect customer confidence.
- Sustainable management can be faithfully achieved through stable asset management, and social public services are possible based on such trust.



Strengthened Access of the Vulnerable to Financial Service

- Insufficient insurance products and information for the financially vulnerable has raised the necessity to develop products that include all customers.

Environmental Issues



Development of Eco-Friendly Financial Products

- Customers are also aware of the importance of protection of the environment, such as reducing the use of disposable products, and Kyobo Life is obliged to participate as a company. Efforts are required to induce customers' participation in environmental activities through the development of financial products considering the characteristics of the business (e.g., providing insurance premium discounts for receipt of invoice via email or app)

Social Issues



Implementation of Customer-Centered Management

- Activities covering all areas of subscription, retention and payment are important for the company to achieve sustainable growth. Accordingly, it is necessary to provide customer-friendly services such as customized products for customers and strengthened mobile services, to build trust with customers.
- Among the activities of Kyobo Life, other companies are benchmarking many of our activities, but it is difficult for customers to experience such benefits directly. It is also necessary to instill in the customers the pride of being a customer of a good insurance company by actively promoting and marketing the remarkable activities of the company.



Resolution of Social Issues

- More and more people are investing or consuming in value and philosophy of the company. Thus, it is necessary to strengthen the social trust through active social contribution activities to ensure the sustainable management.
- Corporate roles, including corporate social responsibility and response to climate change are required in society. For a company to grow sustainably, it must make special efforts, such as operating an ESG-related conference system, appointing female outside directors, etc. and constantly monitoring and actively responding to related issues.
- It is necessary to show substantial responses to technological and social changes. It is a role of a company's sustainable management to make a positive impact on society by actively engaging in the development of social enterprises, and providing social funding to help solve social problems.

Stakeholder Interview

Kyobo Life selected those who would represent the internal and external stakeholders and conducted interviews with them to carry out sustainable management and develop itself further in terms of sustainable management. We were able to hear different opinions on the company from many angles at the interviews, and we will continue to listen diligently to the opinions of stakeholders to achieve sustainable growth.



Customer

Kyungwha Lee



As a customer, I think Kyobo Life's winning of customer trust is more important than anything else for its sustainable management. To win the customer trust, you need to protect the customers interests and fulfil the corporate social responsibilities also. We are interested greatly in environmental problems by recent worsening of the fine dust phenomenon and outbreak of COVID-19. I hope Kyobo Life will support various activities to help environmental issues by carrying out public welfare projects, developing environment-friendly financial products, making more responsible investments that consider ESG, and so forth. Also, I hope Kyobo Life will become a socially loved company by steadily expanding its existing social contribution activities, such as helping the hearing-impaired children.



Employee

Minseo Kim

(Kyobo Life at Corporate Planning Team)



Kyobo Life pursues gender equality and strictly prohibits gender discrimination. The level of work-satisfaction is high, because the female employees can freely return to work after maternity leave. The executive level is highly interested in the D&I culture. They help female employees develop their abilities actively and constantly create environments, such as conferences, where we can create networks. Recently, they are trying to create an open atmosphere by actively communicating with the MZ generation, and I, as an employee, appreciate it very much. However, I think the company needs to systematically and actively manage the human rights issues, because the world is raising its voices on human rights management beyond achieving gender equality and creating an open atmosphere. If it is possible for the company, I hope Kyobo Life would carry out the activities related to human rights, such as human rights impact assessment, action system, and so on.



Financial Planner

Dongwoo Yoo

(KYOBO Life FP)



I think Kyobo Life has a well-organized training system for Financial Planners. It has a well-organized training system for each month and level, and I can join various training programs through online anytime. Also, knowing that there is Consultant Inconvenience Support Center that can help me in my sales activities is very comforting. However, I feel that the company's system to help the new Financial Planners grow stably is not strong enough. I hope Kyobo Life will improve the system gradually and become a company that grows together with Financial Planners.



Local Communities

Myeongji Seo

(Representative Director of CSR Impact Co., Ltd.)



Kyobo Life has been contributing to the good of the public by constantly increasing its investment in eco-friendly social infrastructure, such as wastewater treatment facilities. Also, it has been making efforts to carry out environment-friendly management in all its workplaces nationwide, such as controlling the amount of carbon dioxide emission. I hope Kyobo Life will go beyond simply managing the environment-related data and become strongly interested in the social impact bonds. The SIB projects related to diseases, such as prevention of cataracts and high blood-pressure, improvement of chronic disease patients' lifestyle, provision of housing to the homeless, improvement of employment conditions for public sector employees, etc., were carried out in other countries; and there are precedents where the EIB projects, such as improvement of the environment for prevention of flooding, being carried out. I hope Kyobo Life, as a life insurance company, will become genuinely interested in solving social problems related to disease and environment using the social impact bonds.

Sustainable Management Expert Interview

For Kyobo Life to carry out its social responsibilities and grow sustainably, it selected five core sustainable management issues and interviewed sustainable management experts to listen to their suggestions on the issues.

ESG Evaluation

Juwon Park

Head of CSR Management Center, Sustainability Management Foundation



➤ Improved Corporate Value by Actively Managing and Disclosing the ESG Performance

"Lawrence Fink, the CEO of the world's largest asset-management company, BlackRock, declared in his annual announcement last January that he would actively reflect the ESG elements to asset management. He also stated that he would not consider investing in the companies where fossil-fuel-related sales exceed 25% of their gross sales from the middle of this year. More financial institutions are strengthening their ESG investment activities. I commend Kyobo Life highly for its execution of sustainable management from the stakeholders' perspective and for showing positive results continuously. In the future, Kyobo Life will need to show the results of sustainable management in the steps of strategy – execution program – results – feedback from the perspective of ESG. For this, Kyobo Life will need to establish a company-wide ESG management organization, manage and operate the ESG risk by itself and present the ESG investment and asset management strategies that use the financial leverage and their results systematically."

Social Contribution

Myeongji Seo

Representative Director of CSR Impact Co., Ltd.



➤ Request for an Active Interest in Diseases, Environment, Resolution of Social Problems and Social Impact Bond

"Kyobo Life, in partnership with The Beautiful Foundation, has been providing close support, such as wide range of assistance, research & investigation, dedicated information network establishment, etc., for the families with premature babies that went through economic and emotional difficulties through its 'Dasomi Little Breath Revival project since 2004. Conducting research & investigation on and providing emergency support to those who are in the blind spots of the government's universal welfare policy. When the premature babies experience disabilities, their parents cannot fully handle the processes of discovering and recognizing the initial disabilities in the infancy and they are not able to build a professional information network during their children's growth process. Thus, we must take interest in providing support for this. Also, the Kyobo Foundation for Education operated by Kyobo Life provides various hands-on environmental education and character-building education programs and books for the employees' children through Dasomi Volunteers. However, I recommend Kyobo Life that it goes beyond providing scholarships and materials to engaging in social contribution projects by creating educational foundations for the disabled and the socially vulnerable class. Also, the local governments, such as Seoul Metropolitan Government and Gyeonggi Province are highly interested in SIB – they have completed their respective projects and are preparing follow-up projects. In other countries, the SIB projects related to prevention of cataract and high blood pressure, improvement of chronic disease patients' lifestyle, provision of housing to the homeless, improvement of employment conditions for public sector employees, etc., are being carried out, and there are precedents where the EIB projects, such as improvement of environment for prevention of flooding, being carried out. I recommend that Kyobo Life, as a life insurance company, show its genuine interest in solving social problems related to disease and environment and the social impact bonds."

**Human Rights/
Labor****Yonggu Kim**Head of The Disabilities
Policy Monitoring Center

➤ **Need to Systematically Manage Human Rights Achievements Through Prevention of Non-financial Risks and Maintenance and Management Systems**

"As the UN emphasized prevention of human rights violations by corporations and responsibilities of nations and corporations to relieve the victims, relevant laws and systems have been established or strengthened in Korea. Also, more consumers are exercising their rights and the external pressure from institutions and experts that advocate the exercise of consumers' rights is increasing. Especially, the scope of corporate responsibility is expanding to prevention of human rights violation by the supply chain and the agents who have business relationships with companies and to relief of victims. It is time when active response, such as conducting human rights investigation and establishing a due diligence implementation system that can systematically manage the human rights issues, must be implemented. Kyobo Life needs to identify actual and potential impacts on human rights that can occur because of its business practices, products or services and establish processes by which its risk management committee can consider the results in major decision-making steps. I hope Kyobo Life will repeat the process of non-financial risk prevention and alleviation process building; execution result tracing and monitoring; and feedback, to establish a system that can systematically manage the human rights results."

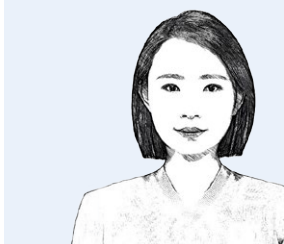
Climate Change**Jongoh Lee**

Secretary General of KoSIF



➤ **Need to Prepare for Practice of the Green Finance or the Climate Finance to Respond to Climate Crisis**

"Laws, systems and policies related to the green finance and the climate finance are being introduced all over the world because of the climate crisis. This is a set of measures to carry out the Paris Climate Agreement – the world is currently facing the task of transforming from the high-carbon society to the low-carbon society, and we are experiencing the turning point of the paradigm. Knowing that the Korean financial regulators are supporting Korea becoming a member of NGFS and the TCFD, the task force on disclosing climate-related financial information, Kyobo Life must prepare for climate-related risks, which is the core issue of future climate-related issues. Since the TCFD-style disclosure of climate-related financial information is has become a global trend that no one can deny, Kyobo Life will need to disclose information on climate-change-related governance structures, strategy, risk management, indicators reduction targets, etc. systematically and specifically. I recommend that Kyobo Life take a step further from its simple responses to climate change, such as reducing electricity consumption by implementing the electronic subscription system, to identify what portion of the company's assets are being used by the high-carbon consuming companies or projects as investment or loans; and approach the climate issue by evaluating how much the company is exposed to the climate change risk under the climate scenario."

UN SDGs**Eunkyung Lee**Head of UN Global Compact
Korean Association

➤ **Going beyond Simple Labeling to a Stronger Establishment and Execution of SDGs-based Strategies**

"I admire Kyobo Life for its decades-long efforts to create a sustainable corporate culture and to contribute to the society, and I applaud such efforts. A company's management activities that use its own resources and technologies to actively solve social problems and grow together with its stakeholders represent the important role it must carry out to achieve the SDGs in a larger framework. Kyobo Life needs to aggressively link its sustainable corporate activities, such as family-friendly management, increasing the portion of female managers, protecting the private information of customers, strengthening the accessibility to financial services for the vulnerable class, increasing the socially responsible investment, engaging in various social contribution activities, etc., to and actively announce its contribution to SDGs by building goals and through continued evaluations and disclosures until 2030. Recently, global corporations and investors are strengthening their SDGs-based disclosures and investments, and I expect that such trend will accelerate. Kyobo Life should try to go beyond simple labeling and strengthen its SDGs-based strategy establishment and execution further. I wish Kyobo Life will grow into a strong partner of stakeholders and the local community through such efforts."

Materiality Test

Kyobo Life has conducted materiality tests in order to identify items of interest of external/internal stakeholders and factors that will affect the business (including potential factors) of the company, and to identify the key issues to be carefully managed. Kyobo Life has prepared this Sustainability Report based on the key issues identified systematically through materiality tests.

Selection of Material Issues

Kyobo Life has conducted Relevance and Significance assessments on the related issue pools derived based on the materiality test method according to ISO 26000 and GRI Standards. The twelve issues were selected through matrix analysis based on the level of importance of business and stakeholders' interests, and the twelve key issues were subdivided into major issues for each stakeholder and included in this Report.

Materiality Test Process

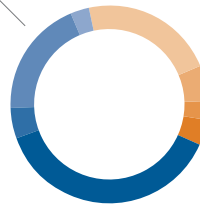


Survey Method

Survey target

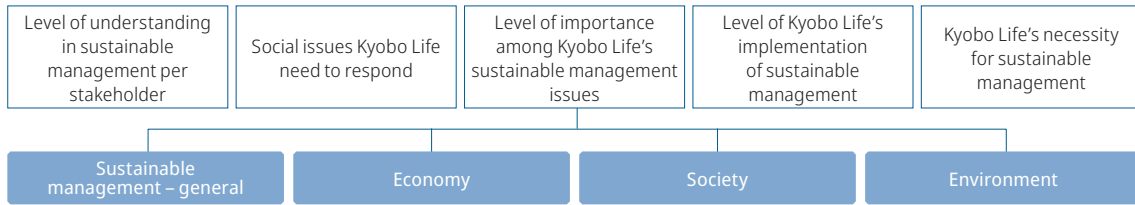
Internal/external stakeholders of Kyobo Life
(106 internal stakeholders/142 external stakeholders)

- Investors 3%
- Customers 19%
- Employees (General Mgr. and above) 5%
- Employees (Staff-Senior Mgr.) 38%

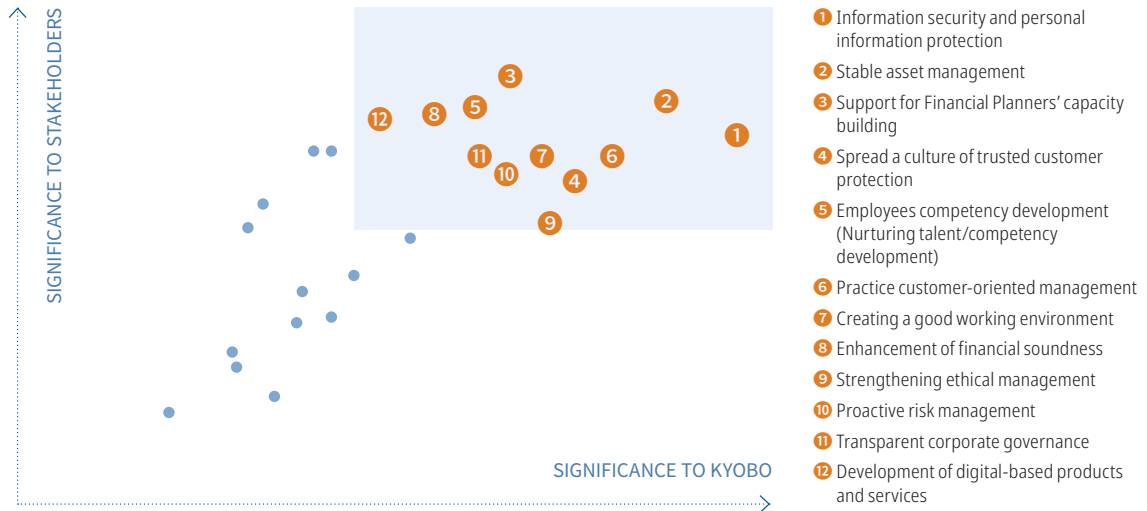


- FPs 22%
- Local Community 6%
- CSR experts 3%
- Others 4%

Survey details



Materiality assessment matrix



Order	Key issues	GRI Standards Aspect	Impact	page
1	Information security and personal information protection	GRI 418 : Customer Privacy	Customers/ Employees	42
2	Stable asset management	GRI 201 : Economic Performance	Customers/investors	57
3	Support for Financial Planners' capacity building	GRI 404 : Training and Education	FPs	45
4	Spread a culture of trusted customer protection	GRI 417 : Marketing and Labeling	Customers	42-43
5	Employees competency development (Nurturing talent/competency development)	GRI 404 : Training and Education	Employees	50-51
6	Practice customer-oriented management	-	Customers	40
7	Creating a good working environment	GRI 401 : Employment	Employees	52
8	Enhancement of financial soundness	GRI 201 : Economic Performance	Investors	55
9	Strengthening ethical management	-	Investors/Employees	17-19
10	Proactive risk management	-	Investors	14-16
11	Transparent corporate governance	-	Investors	12-13
12	Development of digital-based products and services	-	Customers	39

STAKEHOLDERS IMPACT

Persistence Rate

77.8%

Settlement Ratio of FP

34%

(those who work for more than 13 months)

Return from parental leave

97.9%

RBC

339%

Energy Consumption

15,668 TOE



Customers	38
Financial Planners	44
Employees	48
Investors	54
Government and Local Communities	60





Management Approach for Customers



Kyobo Life thinks from the customers' perspective and strives to provide more valuable products and services.

Certificated for CCM for seven consecutive times

Awarded 'Grand Prix' at the Maeil Financial Products Awards

Awarded 'Technology Initiative of the Year' at the Asia Insurance Industry Awards

Importance

Customers are vital stakeholders in Kyobo Life's mission to help its customers pursue their cherished dreams and overcoming every adversity in the future, by providing customer protection. We, at Kyobo Life, believe that all activities for customers, such as customer-focused management and customer protection activities, are vitally important. This is therefore a core issue for sustainable management, because it allows us to strengthen customer trust and deliver the essential value of insurance. Providing digital-based products and services is an important issue, because it helps customers use our services more conveniently, and creates new values. In addition, the increase of cyber threats and information security issues are becoming important matters, as technology grows more sophisticated.

Management Methods

Kyobo Life strives to assess the needs of customers through continuous communication via customer surveys, operation of the VOC council and a customer panel, and reflect them in the management activities. Kyobo Life is also striving to enhance customer satisfaction and trust throughout the process of subscription, retention and claim payments through differentiated Lifelong Care Service. In 2019, Kyobo Life sought to provide better value in all areas related to customers — by providing digital-based services such as the KakaoTalk-based chatbot service, and automated medical examination result transmission service — for the further convenience of customers.

Key Activities in 2019

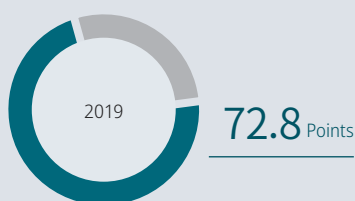
- Innovations in product · service competitiveness aimed at customers
- Provision of customer convenience using digital innovation
- Continuous strengthening of customer-protection activities

Future Areas of Focus

Kyobo Life plans to accelerate customer-oriented digital transformation in order to implement true customer-oriented management. By developing and providing products and services based on digital innovation, Kyobo Life will enhance customer convenience, continuously listen to customers' voices through various communication channels, and reflect it in the whole process of subscription, retention and payment. Furthermore, Kyobo Life strengthens internal process in order to protect the customers' information and rights.

Key Performance Indicators

Customer satisfaction level

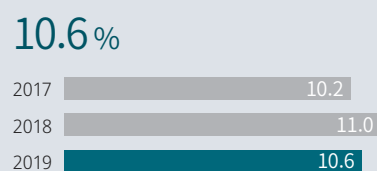


Persistency ratio*(13th month)



*Persistency rate = (Retention contract premium / New contract premium) × 100

Market Share ratio*



*The market share rate is based on Premium Income. All data are as of December 2019 / Data from 2017–2018 were corrected (from 'as of November' to 'as of December')

- Financial Planners
- Employees
- Investors
- Government and Local Communities

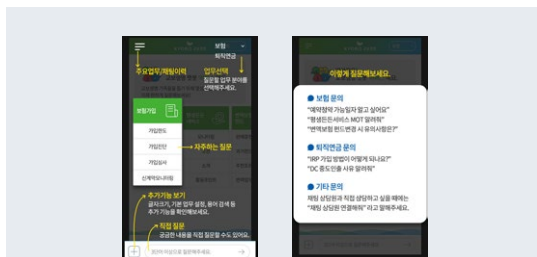
Enhancing Customer Value through Digital-based Products and Services

Introduction of Industry's First Automated Delivery of Medical Checkup Service

Kyobo Life has established a network jointly with the National Health Insurance Service for the first time in the insurance industry to introduce the mobile alternative diagnosis service. Alternative diagnosis refers to replacing a medical examination by submitting the previous medical examination results to the insurance company when a medical examination is required to buy an insurance policy. With the introduction of an alternative diagnosis service, the company simplifies the insurance subscription process by quickly and securely checking the relevant medical history information of the insured who just needs to consent to provide information on mobile instead of submitting a written medical checkup. Kyobo Life plans to expand the application of this service to hospitals as well as the National Health Service in the future.

The Launch of Kyobo Life's Digital Character 'Lovers,' a Service using KakaoTalk chatbot API

Kyobo Life has launched 'Lovers,' KakaoTalk chatbot API, to enhance customer convenience. 'Lovers' is a chatbot specialized for loans, providing guidance on loan products, application for and repayment of advanced withdrawals, and daily conversation. As of the first quarter of 2020, more than 200,000 customers used 'Lovers,' and customers can easily access 'Lovers' anytime, anywhere without installation to use our services more conveniently. Kyobo Life plans to expand the chatbot service to all parts of our insurance business to provide greater convenience to more customers.



Upgraded 'Kyobo Health Coaching Service'

Kyobo Life has provided 'Kyobo Health Coaching Service,' a mobile application-based health care service to care for customers' health in daily life. This health improvement service helps customers to lead the right kind of lifestyle, and has been updated in 2020 to reflect new digital technologies and customer needs. The newly added service, 'Food Lens,' is a service that allows customers to easily enter and analyze their diet by simply taking photos and provides eating-habit improvement and management services through chat or telephone consultation with a professional nutritionist. In addition, among the existing services, the 'Check My Health' service that provides health reports by analyzing the medical examination results has added a new item analyzing metabolic age. For example, if a customer enters key health values such as waist

measurements, blood pressure, blood sugar, etc. in the mobile app, the system analyzes the risk of disease occurrence to help the customer prevent diseases in his/her daily life. Kyobo Life tries to provide services tailored to the customers through professional care, so that they will be constantly interested in their health and carry out healthy practices.

Components of Health Coaching Service

Daily Challenge	IoT-based exercise amount measurement and exercise status analysis
Food Lens	Recording meals by taking pictures and one-on-one menu consulting
5! My Coaching	A 12-week health coaching program (provides the 5 programs of : exercise/nutrition/stress management/temperance/stop smoking) Measures the health age and evaluates degree of health risk
Check Check My Health	Analyzes the bio-age and provides the health report when entered the health examination results
Health Library	Provides health information reviewed by professional medical practitioners and the webzine service
One-on-one Health Coach Consulting	Provides one-on-one chatting with the professionals and telephone consultations and the health webzine through KakaoTalk

Awarded 'Technology Initiative of the Year' at Asia Insurance Industry Award

Kyobo Life received the "Technology Initiative of the Year" award in recognition of its digital innovation as it introduced BARO, a natural language processing based AI underwriting system, for the first time among global insurance companies at the 23rd Asia Insurance Industry Awards in September 2019. BARO, an acronym of 'Best Analysis and Rapid Outcome,' is the AI-based underwriting system Kyobo Life developed, which integrates natural language processing and machine-learning technologies. When it receives an insurance policy subscription, the AI underwriter analyzes the subscription application and automatically approves the contract. Kyobo Life introduced BARO to its underwriting process in July 2019 and the AI underwriting system is answering up to 86% of all questions related to subscription application. Kyobo Life plans to introduce BARO to various insurance services, such as benefit payment requests, in stages and anticipates that it will provide a greater level of customer satisfaction.



Customer-centered Management

Inducted to the Customer-Centered Management (CCM) Hall of Fame

Kyobo Life has been pursuing customer-centered management in order to deal with any customer complaints, and thus to promptly remedy and positively respond to complaints with the end goal of increasing customer satisfaction. The Customer-Centered Management (CCM) certification is a system for assessing whether a company conducts all its activities from the customers' perspective, organizes its business Management Approach focused on the customer, and tries to improve them constantly. Since its adoption in 2007, the Fair Trade Commission is assessing companies with CCM certification. Kyobo Life has been granted the certification on seven consecutive times as of 2019, and thus being inducted into the Hall of Fame.



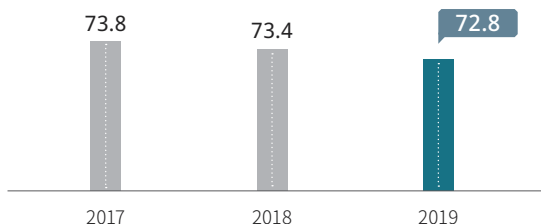
Consumer-Centered Management (CCM) Certification Ceremony

Customer Satisfaction Survey

Since 2000, Kyobo Life has conducted its annual customer satisfaction survey in order to respond swiftly to changes in the market as well as changes among its customers. Kyobo Life uses the results of each survey to assess the level of customer satisfaction and understand the customer needs, and then explore the ways of improving its services to raise customer satisfaction. The results of the 2019 survey show that overall customer satisfaction fell by 0.4 points to 72.8 points, although the company received high scores for corporate image, loan products, and Customer Plaza employees/facility management.

Survey subject	Adults aged 20 - 64 who subscribed to life insurance within the preceding three years
No. of respondents	2,500 persons in total
Period of survey	August ~ September 2019

Customer Satisfaction Survey



Lifelong Care Service – Focus on ‘optimization of customer coverage’

Kyobo Life has provided a service called the ‘Lifelong Care Service’ to provide a better coverage and services to customers since 2011. As a ‘persistence service’ for its subscribers, the Lifelong Care Service is a service whereby all Financial Planners pay regular visits to customers to explain the contents of existing contracts, receive unclaimed insurance claims, check the coverage, guide health care and other diverse customer services. Kyobo Life has been operating the Lifelong Care & Customer Support Team dedicated to strengthening of implementation of the Lifelong Care Service and customer satisfaction management. In 2019, the company strengthened its digital-based customer services using tablets and chatbots to provide high-quality services to customers.

Provision Status of Lifelong Care Service

Category	Unit	2017	2018	2019
Service Experience Rate (Cumulative data since project launch)	%	80.7	81.6	82.7
Payments for unclaimed accident insurance benefits (Cumulative data since project launch)	KRW million	402	421	428

Kyobo Nobiliaire Concert

Since 2012, Kyobo Life has been organizing and communicating with the customers through the Kyobo Nobiliaire Concert for VIP customers as a part of the arts & culture program. In addition to the standardized classical performances, the concert includes a wide spectrum of artistic genres such as literature, film, and fine arts, thus making a deep and lasting impression on our customers. In 2010, Kyobo Nobiliaire organized a classical concert with the master conductor Chung Myungwhun’s Philharmonic Orchestra for the company’s customers living in Seoul, Gyeonggi-do, Gwangju, and Daejeon on five occasions making an unforgettable impression on the attendees. In 2020, Kyobo Life plans to produce offline art programs and art and cultural programs conducted over the past eight years as digital content and regularly provide them to VIP customers. Kyobo Life is committed to pursuing shared growth with the customers through intellectual communication with them.



Kyobo Nobiliaire Concert

- Financial Planners
- Employees
- Investors
- Government and Local Communities







Enhancement of Products and Service Value

Kyobo Life is striving to provide differentiated and customer-centered insurance products and enhance the value of its services through product innovations. Kyobo Life will provide customer-oriented products and services promptly by sourcing various ideas inside and outside the company in order to secure value competitiveness.

Development and Launch of New Insurance Products

Kyobo Life is committed to developing insurance products that meet the needs of each customer at each life stage and the changing needs of each customer as the environment changes, while developing products. In 2019, Kyobo Life introduced various new products through the efforts to develop new products that satisfy customer needs.

Important new Products

	New (No-dividend) Kyobo Cancer Insurance II		New (No-dividend) Kyobo Budget Health Plus Insurance
	New (No-dividend) Kyobo Cancer Insurance II (renewable)		(No-dividend) Kyobo My Family Guardian Dementia Insurance II
	(No-dividend) Kyobo Budget Dementia Insurance		(No-dividend) Kyobo Term Insurance

Efforts for Product Innovation : Awarded Grand Prix at Maeil Financial Products Awards

‘(No-Dividend) Kyobo Budget Health Plus Whole-life Insurance’ was awarded a grand prize at the Maeil Financial Products Awards, receiving good evaluations in five categories, namely : creativity; marketability; contribution to the development of the financial industry; contribution to personal life improvement; and public interest. The products provide various health coverage in addition to the coverage for whole-life while lowering insurance premiums. In addition, Kyobo Life reserves the largest number of exclusive commercialization rights*, patent rights to insurance products, among domestic life insurance companies, continuously striving to develop products and value-added products with outstanding value competitiveness that reflect needs of customers. All the employees of Kyobo Life are committed to developing creative products and enhancing product competitiveness as the leader in innovating products.

*Grand Prix at the Maeil Financial Products Awards : Maeil Daily Newspapers evaluates all the financial products introduced in all financial sectors such as banks, insurance companies, securities (asset management), savings banks, credit cards, and fintechs that contributed to the development of the financial industries in a year.

*Exclusive Commercialization Rights : A system that allows a company that developed a creative insurance product to have exclusive rights to sell the product for a certain period.



Grand Prix awarded at the Maeil Economy Financial Products Award

Kyobo Life's 18 Products Granted New Product Development Profit (Exclusive Commercialization) Rights

- (No dividend) Family Account Insurance (2002)
- (No dividend) Kyobo All Love Whole-life Insurance (2003)
- (No dividend) Kyobo EduCare Insurance (2004)
- (No dividend) Kyobo Group Disability Insurance (2005)
- (No dividend) Kyobo Life Care Insurance (2006)
- (No dividend) Kyobo My Child Future Variable Insurance (2007)
- (No dividend) Kyobo CI Whole-life Insurance (renewal type) (2010)
- (No dividend) Second CI Coverage Special Policy Conditions (renewable) (2010)
- (No dividend) Kyobo My Child Guardian Insurance (2012)
- (No dividend) Kyobo Grandson Love Insurance (2013)
- (No dividend) Kyobo Variable Pension Insurance (2014)
- My Love Family (No dividend) Kyobo NEW Whole-life Insurance (2015)
- Keep-Your-Dream-Alive Kyobo Pension Insurance II (2016)
- (No dividend) Kyobo Premier CI Insurance (2016)
- (No dividend) Kyobo My Whole-Life Customized Health Insurance (2017)
- (No dividend) Kyobo Substantial Variable Whole-Life Insurance (2017)
- (No dividend) Kyobo In-Advance CI Insurance (2017)
- (No dividend) Kyobo Variable Education Insurance (2018)

Responsibility for Insurance Products and Services

Kyobo Life aims to help its customers to correctly understand the value of life insurance, and is striving to provide better services to its customers in all processes of subscription, retention and payment.

Putting into Practice Faultless Insurance Sign-up Procedures

Kyobo Life is educating all of its Financial Planners on the importance of faultless insurance sign-up and has added the related provisions to the company's internal standards to ensure that all the Financial Planners strictly observe the faultless insurance sign-up procedures.

Faultless Insurance Sign-up



Compliance with three principles

- Issuance of a contract containing the personal signatures of the contracting party and the insurance subscriber
- Full explanation of 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 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 guarantees

Protection of Customer Rights and Interests and Prevention of Unfair Trade

Kyobo Life is committed to protecting the rights and interests of its customers by complying with insurance-related laws and regulations. It also operates an advertisement review system that requires new product advertisements and insurance brochures to be approved by the compliance officer. Furthermore, it is committed to preventing unfair trade practices such as unduly inducing the customers of its competitors. To date, the company has never violated any national laws and regulations or self-imposed regulations related to the aforementioned issues.

Status of product advertisement and insurance product brochure reviews

Category	Unit	2017	2018	2019
Status of cases under review	No. of cases	971	1,038	878

Claim Payment Kyobo Life

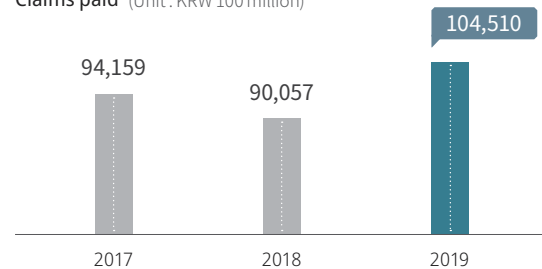
Kyobo Life currently disburses insurance payouts through 51 Customer PLAZAs and 35 insurance payout reception windows. In addition, for customers who are unable to visit the reception windows in person, Kyobo Life provides assistance with insurance payment claim applications and collections through Financial Planner insurance claim proxy filing and insurance payout home delivery services.

Status of accident claim proxy filing and payout home delivery services

Category	Unit	2017	2018	2019
Accident claim proxy filing	KRW 100 million	5,157	5,271*	5,473
Insurance payout home delivery service		2,666	1,135	2,079

*Amended figures for 2018 : by reflecting the differences between received cases and cancelled cases

Claims paid (Unit : KRW 100 million)



Trusted Customer Protection Activities

Kyobo Life strives to protect the information and rights of its valued customers. To this end, the company is strengthening the awareness of all employees and Financial Planners regarding customer information protection systematize internal processes, and building a foundation for VOCs utilized in management.

Customer Information Protection Education

To guarantee the protection of customers' personal information, Kyobo Life has established internal regulations and provides education on personal information protection to all its employees and Financial Planners on a continuous basis. As a result, no cases of customer information leaks have ever been reported to date at Kyobo Life.

Information Protection Training Status

Category	Unit	2017	2018	2019
Employees		11	11	11
Financial Planner		12	12	11
IT Management Staff	Hours	13	13	11
Manager of Information Protection Management		28	28	16

- Financial Planners
- Employees
- Investors
- Government and Local Communities

VOC Management Support

Kyobo Life regards the voice of the customer as an important asset of the company. The company thus utilizes the VOC system to analyze customer opinions and look for possible areas of improvement. The company operates the VOC Management Working Group, a group of related departments, to prepare a customer protection system based on VOC. In 2019, the company hosted the VOC Management Working Group meeting, over 12 occasions in total, and of the 25 proposals made during the meeting, 21 proposals were improved as of the end of December 2019, while four proposals are currently under improvement. Among the improved proposals, a representative example was the creation of a foreign customer-dedicated monitoring service to enhance convenience for foreigners.

Stricter Disclosures for Customer Protection

Kyobo Life's website has a section titled 'Customers' Plaza,' where, with just one click, customers can read all of the essential information on customer protection. The information provided in this section is regularly updated to guarantee the customers' right to know.

FSS Financial Customer Protection Survey

In the 2018 Financial Customer Protection Survey conducted by the Financial Supervisory Service (FSS), which assesses companies in ten categories, Kyobo Life was selected as the best company among insurance companies. And in 2019, the company received the 'Excellence Award' at the '2019 Financial Customer Protection Awards,' receiving 'Good' ratings in nine categories, and an 'Excellent' rating in five categories such as sustainability and financial accidents. Kyobo Life has been consistently implementing various customer activities, such as the customer panel system, on-site customer protection service, etc., and applying the customers' opinions directly to the management of the company by replaying the VOC at monthly executive-level meetings. As such, Kyobo Life will address this challenge with even more differentiated customer protection efforts to establish a reliable customer protection culture.

*FSS Financial Customer Protection Survey : A program for comprehensively evaluating the customer protection capabilities of a financial company across ten categories in total

Strengthening Accessibility of the Vulnerable to Financial Services

Consulting Services in Foreign Languages for Foreign Customers

Kyobo Life has gradually implemented monitoring of new contracts made in foreign languages (English and Chinese) for the first time among insurance companies since October 2019, and the company provides consulting services in foreign languages (English and Chinese) through professional counselors who can speak English and Chinese from February 2020. The company strives to minimize mis-sells that may occur with foreign customers at the sign-up stage and to provide a better quality of service to them.

Insurance Product Brochure for the Visually Impaired

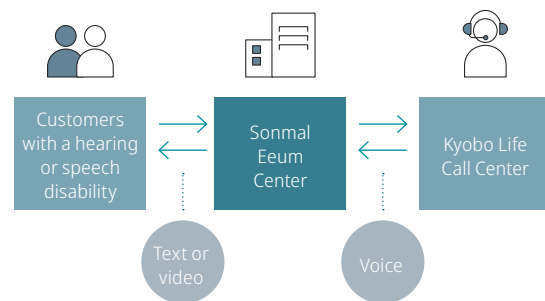
Kyobo Life has produced a Braille-based product brochure and distributed it to customers with visual impairments in an effort to rectify any difficulties they may experience when using our financial services. Although at present there are not many persons with visual impairment among Kyobo Life's customers, the company nonetheless treats them as valuable customers. The company produced this brochure reflecting the opinions of the field managers who requested the company to deal with such handicaps for the disabled people. The Braille-based brochure has thus been produced for a certain product for visually impaired customers.



Gomduri Coverage Insurance brochure printed in Braille

Consulting services for customers with hearing or speech disabilities

Kyobo Life operates a consultant service window through which customers with hearing or speech disabilities are provided support regarding financial services. A customer with a hearing or speech disability can call a Kyobo Life counselor 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 sign-language interpreter via video streaming (sign language), the interpreter delivers the message to the Kyobo Life call center consultant by voice. Using the service described above, customers with hearing or speech disabilities can obtain detailed information about insurance products, along with information on how to pay insurance premiums, and apply for insurance claims.



Management Approach for Financial Planners



Kyobo Life continuously offers opportunities for its FPs to improve their capabilities, motivates them and helps them to become professionals.

▶ Importance

In order to correctly explain to customers the products and service values of Kyobo Life, and to be acknowledged as excellent financial experts, Financial Planners (FPs) are expected to develop their skills on a continuous basis. To this end, Kyobo Life provides comprehensive educational programs every year that are systematic and differentiated from those of its competitors. In 2019, the company created the 'Rookie Training Center' to help newly registered FPs strengthen their capabilities, and operated a systematic program to improve knowledge and competency of Financial Planner, such as knowledge on products, computation, and digital utilization. In addition, Kyobo Life operates the Consultant Inconvenience Support Center to resolve inconveniences and grievances in sales fields and to support sales activities.

▶ Management Methods

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▶ Key Activities in 2019

- Creation of Rookie Training Center
- Operation of Consultant Inconvenience Support Center
- Operation of Kyobo MDRT Day

▶ Future Areas of Focus

Kyobo Life plans to actively support sales activities and create a working environment where the Financial Planners, the important business partners and internal stakeholders of Kyobo Life, can work happily. Kyobo Life will constantly develop competitive competency development programs so that its FPs will be reliable and trusted financial experts for the customers. In addition, through the spread of the MDRT culture, the company will endeavor to lead the FPs to move beyond simply being insurance salespersons, by also playing the role of fulfilling social value and responsibility.

▶ Key Performance Indicators

Financial Planner satisfaction level

70.0 Point



Financial Planner settlement ratio* (13th month)

34.0%



*Financial Planner Settlement Ratio : (No. of advanced Financial Planners/No. of Newly Registered Financial Planners) × 100
Financial Planners Settled in the 13th month include those who sign more than one new contract and retain more than 10 contracts signed as of the 13th month.

Financial Planners



Financial Planners Competency Development Support

Financial Planners Training Support in 2019

In 2019, Kyobo Life instituted many changes in a drive to raise the skill levels of its Financial Planners. In particular, the ‘Rookie Training Center’ was created in order to strengthen the capabilities of new FPs, and the initial training period was extended. In addition, the company systematically trained the existing FPs by regularly conducting tailored training programs.

Existing Financial Planners

Kyobo Life subdivided the existing Financial Planners group according to competency, and conducted customized training. For high-performing Financial Planners, the financial planning center of the company regularly provided training on finance/tax for a period of six months, and for average performing FPs, training on the company’s products, finance, health, etc. was provided for four months.

New Financial Planners

Kyobo Life has been piloting the ‘Long-term Training Program for New Financial Planners’ since 2017 to increase the job satisfaction of FPs and provide stable support differentiated from the competitors. In 2019, Kyobo Life applied the Program nationwide. Especially in 2019, Kyobo Life opened the ‘Rookie Training Center’ to train new FPs as part of the Program. The ‘Rookie Training Center’ targets FPs within three months of commencing employment and provides systematic training to improve knowledge and competency of the FPs, such as knowledge on products, computation and digital utilization. After completing the three-month training, new FPs are transferred to the branch to form a new training team centered on the branch manager and to focus on making individualized learning to have the right habits and attitudes rather than just learning simple knowledge and skills.

Expansion of Digital Training

Kyobo Life expanded the scope of digital training to help its FPs strengthen their capabilities using digital technologies. The Financial Planners can receive various high-quality education contents anytime, anywhere using smartphones and tablet PCs.

Live talks

Kyobo Life has created an education broadcast platform called ‘Livetalk’ to provide real-time information on products, internal and external financial market trends, and education of external instructors according to broadcasting schedule. In addition, after the broadcast was over, the video was uploaded to ‘M-learning’ to allow FPs to access and learn again at a convenient time.

M-Learning

Kyobo Life continuously provides various educational video contents such as qualification test for financial planners, information security, and products through the ‘M-learning’ page on its website. This allows FPs to receive quality education anytime, anywhere.

e-book

Through the mobile education platform called ‘Kyobo Life e-Book,’ Kyobo Life has provided educational materials in various formats such as text, images, videos, voice, and quizzes. In addition, the company has provided interactive training through Q&A sessions, and exchange of know-how and opinions among learners beyond simply providing content.

e-Book contents



Sales Approach for Financial Planners

Operation of the Consultant Inconvenience Support Center

Kyobo Life established a ‘Consultant Inconvenience Support Center’ in 2018 to handle inconveniences and difficulties experienced by Financial Planners in the process of providing customer service, and support smooth customer coverage activities to create a happy workplace. FPs can request counseling and assistance via the sales support system or by phone, and such requests are relayed to the corresponding departmental managers to ensure quick process and the processing result is directly conveyed to FPs. The number of complaints reported to the ‘Consultant Inconvenience Support Center’ was 169 (in monthly average) in the first quarter of 2020, which increased from the previous year, but the number of processing days and immediate processing rate have been improved to actively support FPs activities. In addition, important matters for the company are presented to the Consultant Inconvenience Support Committee so that its solution can be discussed. Kyobo Life actively supports its FPs so that they can successfully engage in their activities.



Operation Status of Consultant Inconvenience Support Center

Category	Unit	2019	2020.1Q
Number of complaints reported and counseled (monthly average)	case	134	169
Number of processing days (monthly average)	day	3.5	3.1
Immediate processing rate (monthly average)	%	72.1	77.2

Introduction of Kyobo Lovers Resale Mobile Phone Plan

In 2019, Kyobo Life introduced a resale mobile phone plan for the first time in its industry. The resale mobile phone refers to the service that borrows mobile phone networks from the existing mobile telecommunication businesses and provides the services of same quality at cheaper prices. The customers can simply replace the USIM chips to use the resale mobile phone service. This service was introduced to help the FPs in their sales activities by saving their telecommunication expenses, and Kyobo Life is considering a follow-up introduction of another rate that combines smartphones and tablet PCs.

Support for High-performing Financial Planners

Financial Planners Prime Leaders Club Conference 'Leading High-performance Culture'

Kyobo Life holds 'Financial Planner Prime Leaders Club Conference' every year to contribute in settling high performance culture through active field-oriented support by listening to various opinions from the fields. Through the conference, the company communicates on the development of new products, special contract clauses, FPs activities, and other related systems, and tries to solve the difficulties faced in the sales field. The Prime Leaders Club consists of high-performing FPs representing Kyobo Life. The leading FPs who contribute to achieving the vision of the company hold the meeting on a regular basis. Club members are provided with a variety of benefits to improve their pride, develop competencies and support activities.



Prime Leaders Club Luncheon Meeting

Overseas Program for Financial Planners with Outstanding Performance in Customer Coverage

Kyobo Life selected Financial Planners with the most outstanding performance in customer coverage and sent them on overseas trip. In 2019, the FPs were sent on a seven-day trip to the UK. This event was sponsored for the purpose of motivating FPs who produced top results in customer coverage, and providing them with an opportunity to recharge and continue producing high performances. The participating FPs visited historical sites and experienced the art and culture of a foreign country.

Overseas Language Program for Children of High-Performing Financial Planners

For the past 16 years, Kyobo Life has been providing the 'Overseas Language Program for Children of High-Performance Financial Planners' with the objective of nurturing a sense of pride in their achievements. This semi-annual program gives the children of a select group of high performers the opportunity to go overseas on a language study program, in summer and in winter. The selected children receive English classes appropriate to their level of ability in the overseas country and get to live with a host family, directly experiencing how people from other countries go about their daily lives. In 2019, 20 students from elementary school to high school had opportunities to visit New Zealand. Kyobo Life was the first company in the insurance industry to introduce this type of program. The program is entirely overseen by the company, and parents thus trust it implicitly when it comes to their children's safety, while the study costs are also covered by the company. For these reasons, the program is extremely popular with the FPs.



Overseas Language Program for Children of High-Performing Financial Planners

- ◆ Financial Planners
- Employees
- Investors
- Government and Local Communities

Operation of Kyobo MDRT Day

To instill a sense of pride among the top-performing Financial Planners and boost their motivation, Kyobo Life held the '2019 Kyobo MDRT mentoring Day' event under the theme of 'Senior to lead junior, and Junior to respect senior.' The event provided diverse programs such as talk concerts and lectures, etc.

Before starting the event, FPs pledged to practice social values beyond being mere purveyors of insurance products by chanting the MDRT culture* pursued by Kyobo Life, and shared the knowledge and experience of excellent FPs with junior FPs.

*Kyobo Life's MDRT Culture

- Achieve even greater success by giving generously.
- Work with passion to achieve one's goals with a sense of duty.
- Be cheerful, optimistic and perform challenging work dynamically.
- Show a passion commitment to learning (training).
- Senior employees must lead junior employees, and junior employees must show respect to senior employees.
- Aim for long-term, continuous success.
- Provide a lending hand to neighbors in difficulty (social volunteer work).



2019 Kyobo MDRT Mentoring Day

Establishing Kyobo's MDRT Culture



MDRT Day Mentor-Mentee Interview

Two special mentor and mentee participated in this MDRT Day : Mentor Bu-kyun Jung, FP Manager at Busan central Branch and mentee Hae-jin Ryu, who grew up as an MDRT. This is an interview with the mentor and mentee achieving MDRT at the same time.



Mentor

'The best donation I can give is to cultivate good juniors'

What is the most important competency as a mentor?

I think that it is a strong motivation. To achieve your goals, you have to quickly understand the strengths and weaknesses of the mentee. You need to know what you can do and which method is more effective. It is also important to give feedback according to the preference of the mentee. For a mentee who wants something clarified, you have to offer a product strategy, and when they need empathy, you may go for a social drink with the mentee.

What did you focus on while mentoring?

I provided feedback twice a day in the morning and evening. We communicated today's plan in the morning, and results in the evening. When I listen to the story of failure, I understand what part the mentee missed. Upon identification of problem, I contact with the customer to make an appointment and visit the customers with the mentee. Through mentoring, we can eliminate our weaknesses, which lead to the conclusion of more contracts.

What advice would you give to future mentors?

I want to say 10 years to sow, 10 years to reap, and 10 years to share. FP is a job where we grow together. I think the best talent donation I can do is to cultivate good juniors. I hope that the mentee will grow into a wonderful mentor who will share what they have learned and received from the mentor.

Mentee

'I just follow the advice of my mentor'

What was the most difficult thing as a rookie and how did you overcome it?

Before becoming an FP, I already introduced all of my acquaintances to other FPs so I could not make contracts with them. I was able to overcome this because I followed the coaching of my mentor. Now I don't go home unless I have a contract with at least two customers.

Do you have a special episode for you and your mentor?

One day, one of my acquaintances wants to subscribe a whole life insurance for her husband. However, her husband had no time to sign the document because he was a driver. The mentor told me to get the signature at the service area while he stops by the area. Therefore, I drove from Busan to Pohang to get the signature. I could not turn on the air conditioner due to the lack of gasoline so I used the hand fan, and I finally entered the contract with him.

Which is the best know-how you received from your mentor?

Mentor has informed that analysis of existing insurance policies of customer is the first step in signing a contract. In addition, I also call the call center and ask questions about other company's products that I do not know I explain in detail the merits of the insurance policy that the customer has already subscribed, even if it is a other company's product. Instead, I encourage customers to sign up if Kyobo's products could offer the better coverage. The most important thing is to gain customer's trust.

Management Approach for Employees



Kyobo Life is providing a lot of support to employees to develop their capabilities, and striving to create a happy and enjoyable workplace.

▶ Importance

Employees of Kyobo Life are important stakeholders and key players in the company's sustainable growth. Kyobo Life creates an open culture and a good working environment, and supports employees' growth and development as professionals through systematic competency building programs. To this end, the company should respect all employees, prevent discrimination in terms of performance and compensation and support the employees so that they can grow on their own proactively.

▶ Management Methods

Kyobo Life sets the direction for training employees to meet the changes of the times every year, and provides systematic competency building programs. In addition, the company applies a fair and equitable evaluation and compensation program to create an environment in which employees want to work, prohibits discrimination between male and female employees, and measures employee engagement status and job stress on a regular basis to create a friendly working environment. In particular, in 2019, the company held the '2030 Communication and Empathy Workshop' with the millennial generation to reduce conflicts between executives /head of organization and staff, and introduced Robotics Process Automation (RPA) to relieve employees' stress and improve work engagement. As such, Kyobo Life strives to enhance employee satisfaction.

▶ Key Activities in 2019

- The 2030 Communication and Empathy Workshop
- Declaring support for Women's Empowerment Principles (WEPIs)
- introducing RPA
- Providing diverse competency improvement program

▶ Future Areas of Focus

Kyobo Life strives to create a culture of joy, pride and trust to become a company that grows with employees. Also, Kyobo Life will strive to enhance the satisfaction-level of all employees by recognizing the importance of human rights management and strengthening relevant systems so that all employees are respected at work and receive compensation based on fair evaluation.

▶ Key Performance Indicators

Training hours per person

97 Hours

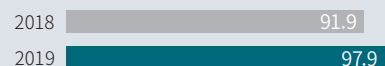


Parental leave applicants



Return from parental leave

97.9%



Employee Status

The total number of Kyobo Life employees was 3,822, an increase by 198 persons from the previous year. In 2019, there were 115 newly hired employees, and 95 employees retired (2.49%). The total number of employees comprised 1,512 regular female employees (41.7%), and 2,112 regular male employees (58.3%). There were 35 employees with disabilities

were on the company's payroll, representing a hiring rate of 0.9%. There were 147 female managers (executive levels) representing 18.7% of the total workers and this figure has been steadily increasing for the past three years. Average service years of male employees is 17.1 years, while that of female employees is 14.6 years.

Employee Status (As of December 31, 2019)

Category		Unit	2017	2018	2019
Permanent*	Males	Person(%)	2,101(59.6)	2,135(58.9)	2,112(58.3)
	Females		1,426(40.4)	1,489(41.1)	1,512(41.7)
	No. of female managers (ratio)		137(16.7)	140(17.6)	147(18.7)
	No. of employees with disabilities (ratio)		29(0.8)	29(0.8)	35(0.9)
Non-permanent*	Executives	Person	45	41	41
	Males		121*	112*	99
	Females		65*	62*	58
New hires	No. of persons hired	Person	40	189*	115
Retirees	No. of persons retired	Person(%)	73(1.94)	79(2.06)	95(2.49)

*Amended no. of full-time employees between 2017 and 2018 : This is calculated based on the annual report as of end of December.

*Amended no. of non-full-time employees between 2017 and 2018 : This is calculated based on the annual report as of end of December.

*Amended no. of newly hired employees in 2018 : This is calculated based on the annual report as of end of December.

Details on employees

Category		Unit	2017	2018	2019
Rank	Staff (staff- general manager)	Person	3,566	3,646	3,623
	Over head of department		147	152	158
	Executives		45	41	41
Age	10s	Person	20	51	25
	20s		464	440	425
	30s		1,295	1,309	1,300
	40s		1,654	1,635	1,546
	50s		321	398	521
	Over 60s		4	6	5

*Job placement of employees with disabilities : IT- 3 persons/Field- 19 persons/HQ-13 persons

*No. of full-time female managers : This is calculated based on the managers who are hired for employment improvement

Number of Employees per Region

Region	Unit	2019
Seoul	Person	2,278
Gyeongin		326
Busan		316
Jungbu		286
Daegu		324
Honam		292

*The employees were classified based on the FP Headquarters. The employees in Seoul include those who work at the corporate headquarters (in Gwangwhamun) and the Gangnam and the Gangbuk FP Headquarters.

Parental Leave Status

Category		Unit	2017	2018	2019
Use of Parental Leave	Usage rate (Male)	Person	6	6	11
	Usage rate (Female)		215	172	166
	Usage in the year concerned (Total)		221	178	177
Return Rate	Return rate (Male)	Person (%)	6(100)	6(100)	10(91)
	Return rate (Female)		195(90.7)	162(94.2)	148(89.2)
	Total		201(90.7)	168(94.4)	158(89.3)
Continuous Service Rate	% of returning employees who stay on the job (Male) (greater than 1 year)	Person (%)	-	(100)	6(100)
	% of returning employees who stay on the job (Female) (greater than 1 year)		-	(83.8)	85(97.7)
	Total		-	(91.9)	91(97.9)

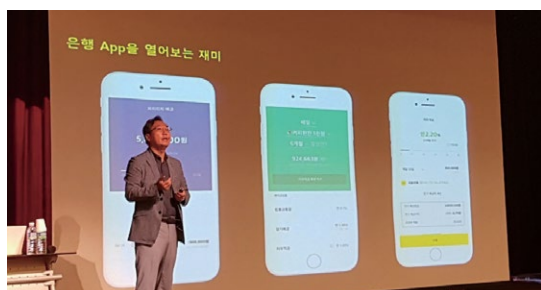
Digital Competency Development

Digital School II

To raise employees' understanding of digital innovation and to reach consensus, Kyobo Life has set up the 'Digital School II' program, which provides a course for enhancing digital literacy. This program invites industry experts including renowned academics and startup founders to give talks about digital technology. For example, a typical topic could be block chains, platform business, or AI. The talks were given once a month for a total of eight months at the company's Gwanghwamun office in Seoul. At the end of each lecture there was time for a separate Q/A session, which provided an ideal opportunity for the audience to acquire a better understanding of each topic. The lecture contents were later produced in the form of videos and reading materials and made accessible through smartphones to allow all Kyobo Life employees not based in the company HQ office to view them.

Themes of Lectures

Category	Lecturer	Theme
May	Ho Young Yoon (KaKao Bank)	Beyond Banking, Financial Innovation and Paradigm Shifts
June	Jae-seung Jung (KAIST)	Future of Human-brain like AI
July	Seung-yun Lee (KonKuk Univ.)	Era of individual creators, Digital marketing strategy
October	Hyun Yoo Kim (Google)	Working style and organization culture in the digital era (working culture in Silicon Valley)
November	Young-seo Cho (Shinhan Financial Holding Company)	Digital Transformation Strategy of Shinhan Financial Group and best practice for start-up incubating



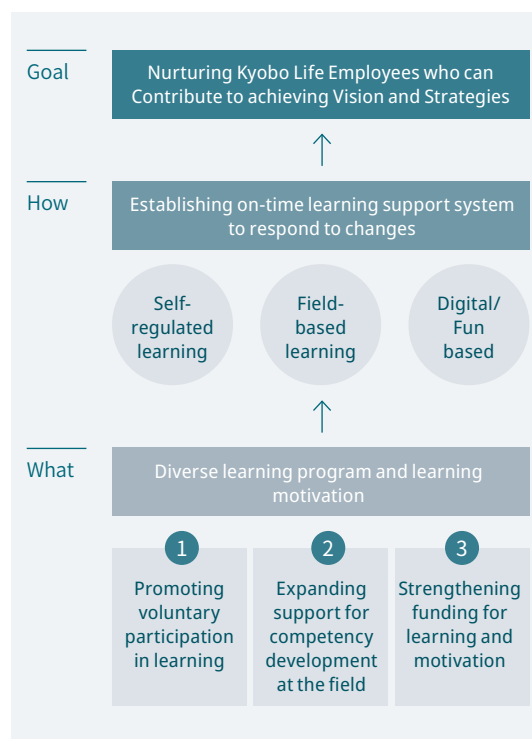
Digital School lecture for employees outside the company premise

Kyobo Life Learning Spoon

Kyobo Life operates the 'Kyobo Learning Spoon' to support employees' competency development. Kyobo Learning Spoon is a digital learning platform that supports self-learning in the workplace by providing personalized content based on personal preference and competency using digital technologies such as AI and big data. The AI (deep learning) analyzes personal preference, job capacity and study patterns to recommend contents, and provide personalized programs so that the employees can develop their capacities.

Competency Development and Human Resource Training

Employee Competency Development Key Tasks in 2020



Competency Development Training Support Costs

Category	Unit	2017	2018	2019
Total amount		783,602	818,518	846,754
Support cost per person*	1,000 won	202	249	259

*Support cost per person refers to a training support costs related to competency development out of total training costs.

Employee Capacity Development Status

Category	Unit	2017	2018	2019
Average per perso	Hours	94	97	97
	Male	95	99	97
	Female	93	95	96
Details	Organizational heads	60	60	56
	Organizational members	94	97	104
Annual training	Hours	328,819	330,009	360,299
Training costs per person	1,000 won	1,122	1,248	1,266

*Training costs per person is calculated based on total training costs/number of persons (except voluntary trainees)

Holding Open Innovation for Employees

Kyobo Life held an open innovation to strengthen competitiveness in the main field and discover new business models. Open innovation refers to the activities of identifying new business opportunities through collaboration with external experts by procuring technologies, ideas, and knowledge that companies need from the outside and creating new products and services. Open Innovation, in which all employees of Kyobo Life participated, was held on the topic of improving business processes using platform business ideas and digital technologies, and a total of 265 novel ideas were collected from the participants.



Kyobo Life Open Innovation Employee Awards Ceremony

Support for Female Employees' Skills Development

Support for Women's Empowerment Principles (WEPs)

Women's Empowerment Principles (WEPs) is an initiative jointly launched by the United Nations Global Compact (UNGC) and the UN Women in 2010. Based on a total of seven principles, WEPs sets global standards for the enterprises which voluntarily strive to achieve gender equality and empowerment of women in the workplace, markets, and communities. Kyobo Life is actively supporting the development of women's competencies. Kyobo Life has announced that it supports the female capability enhancement principles of WEPs in 2019 and incorporated such principles in the company's internal control standards for gender equality/abolition of discrimination against women (Article 33 : Prohibition of Discrimination and Prevention of Sexual Harassment).

2019 KWICK (Korea Women's Innovative Council in Korea) Mentoring Program

Many companies support the career development efforts of female employees and are investing considerable resources in utilizing the hidden potential of females. Kyobo Life also considers female workers as valuable resources of the company and runs various programs to encourage growth and development of female workers. The KWICK is a mentoring program for female employees and a part of Diversity & Inclusion (D&I) initiative offered to make them grow, develop and motivated in the organization. Through KWICK, the senior female colleagues act as mentors to junior female colleagues, moti-

vate the growth and development of female workers, and pass on their experience and knowledge, as well as coaching them when necessary. In 2019, the program was structured around the topics of personal growth, which the participants were able to experience through a practical and experience-based program format. Male or female department heads or assistant heads provided their services as mentors, while the mentees largely consisted of female employees below manager level. Kyobo Life will continue to operate and support growth programs aimed at enhancing the professional skills of female employees.

*D&I (Diversity and Inclusion) refers to a culture of diversity and inclusion, which accepts and converges differences among individuals based on an attitude that recognizes differences and respects them.

2019 KWIN (Korea Women's Innovative Network)/ W20 Conference

Kyobo Life has been organizing and hosting the annual KWIN D&I Conference to inspire the growth and development of female employees, help them develop their careers and leadership skills and spread the culture of inclusivity and diversity inside the company. The conference organizers at Kyobo Life felt that in this era of digital revolution, the conference should serve to increase female employees' leadership capabilities and contribute to helping them achieve superior results at work. In 2019, with the theme of 'Sustainable Growth and Diversity of the Enterprise in changing times,' the company invited prominent lecturers with wider topics than ever to enhance employees' competencies and contribute to the organization's performance. In addition, after the conference, the 'W20 Talk Concert' was held by Korean representatives of the G20 Women's Economic Conference to share their opinions on policies to strengthen women's economic capacity and their career development. On the day, President and CEO Your-Hyun Yoon, in his welcoming address, emphasized, 'The area that every company should pay more attention to today is sustainable growth and diversity. The organization can develop only by overcoming discrimination within the organization and realizing individual creativity.'



2019 Kyobo Life KWIN/W20 Women Leadership Conference



Employee-Friendly Work Environment

Kyobo aims to create a good working environment by reducing the number of repetitive works using digital technology, and implementing the 52-hour workweek ahead of its enforcement date. Kyobo Life will constantly improve the working environment so that all its employees can work energetically and grow together with the company.

Implementation of the 52-hour Work Week System

Kyobo Life is trying to create a happy workplace through the family-friendly management policy, by improving its employees' quality of life so that they can maintain a harmonious balance between their family life and career and improve work productivity. To this end, Kyobo Life adopted the 52-hour workweek earlier than other financial institutions did, and is thus aiming to protect the work-life balance of its employees. Moreover, in September 2018 the company introduced its 'flexible working system' earlier than anticipated to ensure that its employees are never asked to work longer than what is legally permitted, and to enable the company to manage its workforce more effectively.

Flexible working hours

Selective working hours
 <p>This policy allows employees to choose when they Arrive at and depart from the workplace, while abiding by the eight hours per day mandated by the Korean labor law.</p>
No. of subject (persons) : 1
Flexible working hours
 <p>This policy allows employees to adjust their working hours for a three-month period, which may be extended under certain circumstances. (The workload will be factored in to allow a person to do this.)</p>
No. of subject (persons) : 294

Establishment and Operation of Protection Guidelines for Customer Service Staff

Kyobo Life has established and is currently operating 'Customer Service Staff Protection Standards' for the employees who provide customer services at the points of contact with customers. Through periodic training such as training on 'Manual (Instructions) on Handling Problematic Customers' and such organizations as the 'Customer Service Staff Grievance Council,' Kyobo Life provides assistance to the members of its customer service when dealing with on-the-job stress of working as a customer service operator. At the same time, the company has adopted measures designed to help the customer service staff do their jobs, such as preventing the recurrence of customer-induced stress.

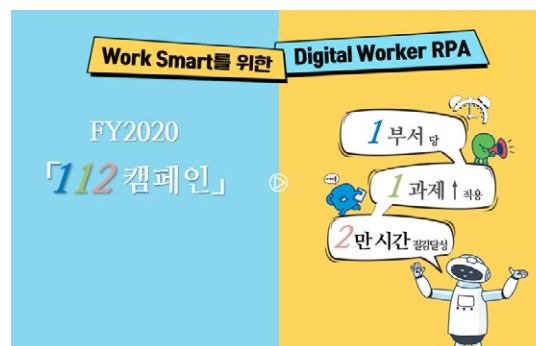
Culture of Cooperative Labor-Management

Kyobo Life aims to advance its labor-management relations. In 2019, there were 3,781 employees who were allowed to join the labor union, and 2,593 of them (69%) joined the labor union. The results of collective bargaining for 2019 were entirely applied to the regular employees.

*The number of employees allowed to join the labor union is not the same as the number of incumbent employees.

Adoption of RPA for Work Smart

Kyobo Life applied the Robotics Process Automation (RPA) to simple and repetitive works, to ensure successful implementation of the 52-hour workweek system and accelerate the digital innovation centered around customer value. Since its start in 2017 as a pilot project, the company applied RPA to 11 tasks in 9 departments in 2019 from the perspective of value chain, such as product, sales/marketing, contract management, payment, administrative management, etc. We are working together with Digital Worker to improve the company-wide productivity by increasing efficiency and accuracy of formulaic and repetitive works through RPA and to allow employees to focus on creative and high value-added works by reducing 3,920 hours of work per year. In 2020, Kyobo Life will spread RPA to all areas and daily works of the company, identify 50 tasks through participation of each department and try to create a better working environment by aiming to reduce 20,000 workhours.



RPA112 Campaign for Employees

Safe Working Environment

Occupational Safety and Health Committee

Due to the nature of the insurance business, Kyobo Life does not have any employees in position that are exposed to a high risk or possibility of accidents or diseases. Items regarding employee health and safety are reflected and monitored in the employment regulations (Chapter 6 Health and Safety), and the company has formed the Occupational Safety and Health Committee under Chapter 19 (Occupational Health and Safety Committee) of the Act on Occupational Health and Safety.

Communicative Management

2030 Communication and Empathy Workshop

Kyobo Life held workshops to facilitate horizontal communication between executive/head of organizations and staff to innovate the corporate culture with the millennial generation, as the number of millennial generation employees increased and the communication with the millennial generation became more important socially. Through communication workshops, Kyobo Life shares ideas about the current status of Kyobo Life and the parts to be improved with the members of Kyobo Life and exchanges opinions on how to embrace failures motivate employees to take on challenges, improve the working environment and processes, draw the company's future vision and share new ideas. In addition, through the workshop, executives/heads of organization have an opportunity to understand the millennial generation and to prepare measures for continuous cultural innovation activities by the 2030 generation. Kyobo Life strives to minimize conflict among employees and to communicate with all employees.



2030 Communication and Empathy Workshop

Comments from the participants to the 2030 Communication and Empathy Workshop



- "It was a useful time for people of similar age to get together and empathize and communicate, and I hope it will be a catalyst for a change in a company."
- "I expect that the ideas will be passed on to the management and implemented to create a good working environment."
- "I hope this training will be provided and spread not only to the 2030 generation, but also to the heads of organizations and other members of organizations to bring about the change."
- "I hope that this will not become a one-off event, but a continuous communication channel between the company and its members."

Human Rights Management

Kyobo Life is driven by the belief that the precious values upheld by people must be respected and realized in pursuing shared development with all stakeholders including employees. Kyobo life is committed to protecting the dignity and labor rights of employees by 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 (protection of and respect for human rights; prevention of human rights abuses; upholding the freedom of association and effective recognition of the right to collective bargaining; elimination of all forms of forced and compulsory labor; abolition of child labor; and the elimination of discrimination in employment and occupation).

Prohibiting Discrimination in Employment and Occupation

Kyobo Life provides equal employment opportunities regardless of gender, age, ethnic group, religion, and social status through its blind recruitment procedure. All opportunities and decisions relating to base pay, promotion, compensation, training, and retirement are made fairly and solely based on individual performance and capability. Also, Kyobo Life does not engage in gender discrimination in terms of wage structure. The base salary for new college graduate employees in 2020 is 188% of the minimum wage (KRW 42.53 million), and the same base salary and remuneration rate applies to both male and female employees. At the beginning of each fiscal year, all employees, including the Chairman and CEO, sign the Kyobo's Work Ethics Resolution which contains a clause related to prohibition of factionalism to draw attention to the discrimination that can take place in the workplace.

Protection of and Respect for Human Rights

Kyobo Life is actively trying to prevent sexual harassment in workplace. Kyobo Life is actively emphasizing the company's stance against sexual harassment during its manager training sessions conducted by compliance officers, and the company holds sexual harassment training sessions for all Financial Planners and employees under the supervision of the head of the organization. In addition to regular group training, Kyobo Life provides additional resources via the intranet and in-house satellite broadcasts in comic, animated, and other forms of media to strengthen the effect of the training. Moreover, Kyobo Life does not recruit employees below the age of 15 years so as to prohibit child labor, and limits the employment of teenagers below the age of 18 years. The company also prohibits all forms of forced labor that infringe upon the free will of employees.

Status of Sexual Harassment Training

Category	Unit	2018	2019	2020
Employee participation	%	100	100	100

Management Approach for Investors



Kyobo Life generates profit through stable asset management and tries to fulfill its social responsibility by increasing socially responsible investments.

Importance

Investors are key stakeholders of Kyobo Life. To them, improving financial soundness, stable asset management, and proactive risk management become very important issues for corporate sustainability management due to the sustained economic downturn and increased financial volatility. Generating stable profits and maintaining financial soundness are thus the first priority of Kyobo Life, which strives to enhance corporate value through preemptive risk management.

Management Methods

Kyobo Life adopts the Asset Liability Management (AML*) policy that comprehensively considers assets and liabilities to create profits and maintain financial soundness through long-term strategic asset allocation and short-term tactical asset allocation. In addition, the company actively responds to the introduction of new systems to preemptively manage risks and strive to fulfill its social responsibilities by expanding socially responsible investment.

Key Activities in 2019

- Received the 'A1' rating from Moody's for the fifth consecutive year
- Received the 'A+' rating from Fitch for the seventh consecutive year
- Expanded socially responsible investment, etc.

Future Areas of Focus

As financial market uncertainty continues and the economic recession is likely to be prolonged, Kyobo Life plans to strengthen both the structure and infrastructure of its holding assets. Kyobo Life intends to expand domestic and foreign alternative investment assets that can generate stable profits, and continue investment in long-term high-quality bonds, while preemptively inspecting the quality of existing assets and strengthening management. In addition, the company endeavors to become an attractive company for investors by strengthening organizational capabilities in response to changes in the financial environment and continuously improving investment processes such as investment in ESG.

Key Performance Indicators (Based on Consolidated Statements)

Total Assets

KRW 116.1 trillion



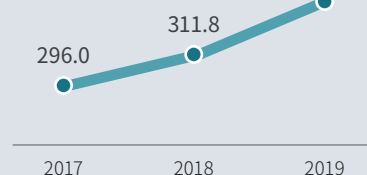
Return on Equity (ROE)

5.46 %



Risk Based Capital (RBC)

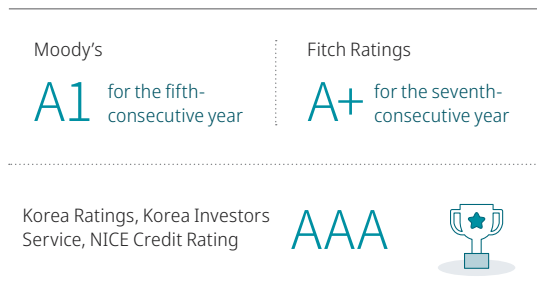
339 %



Enhancement of Financial Soundness

Moody's awards Kyobo Life an 'A1' Rating for the 5th-consecutive year, while Fitch gives Kyobo Life an 'A+' Rating for the 7th-consecutive year

In 2019, Kyobo Life was awarded an 'A1' rating by Moody's (Moody's Investors Service), a world-leading credit rating agency. 'A1' is the highest credit rating ever received by any Korean life insurance company. Moody's acknowledged Kyobo Life's excellent business soundness, solid capital adequacy and low financial leverage by awarding it an 'A1' rating for the fifth-consecutive year. Fitch Ratings, another global credit rating agency, gave Kyobo Life an 'A+ (Stable)' rating for the seventh consecutive year evaluating profitability and financial soundness of Kyobo Life comprehensively.



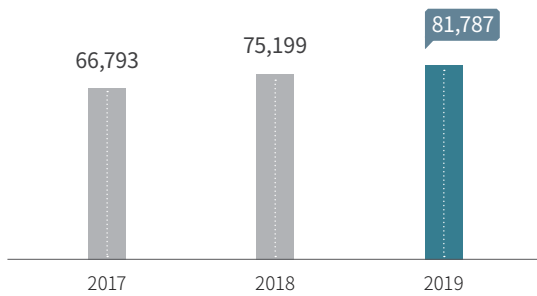
Socially Responsible Investment

Kyobo Life has set as an assessment philosophy, 'Sustainable company that engages in sound businesses' to improve the asset soundness of the company, support stable profit generation, and contribute to the shared prosperity of the company's stakeholders. Based on such philosophy, the company considers not only the corporate value but also ESG (environment, society, and corporate governance) in the investment decision-making process. Moreover, the company stipulates in its regulations that it should apply the impact of ESG in the credit evaluation of investment assets and companies, restricting investment in cigarettes or weapons-production companies, etc. In 2019, Kyobo Life invested KRW 178.7 billion not only in social infrastructure, such as roads and ports, but also in eco-friendly facilities, such as sewage treatment facilities and waste material processing facilities. In addition, Kyobo Life has recently expanded its ESG investment by investing in overseas ESG ETF (KRW 87.7 billion) and funds (KRW 25.7 billion).

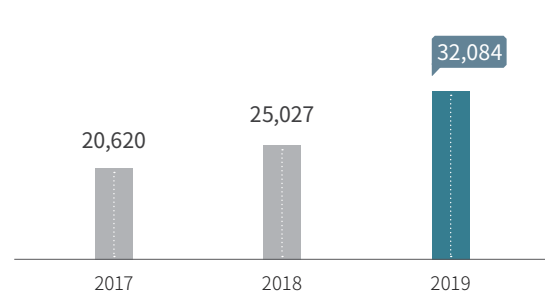
*ESG Investment : An investment that considers corporate social responsibility and sustainability such as ESG (environment, society, and corporate governance) as well as financial factors of the company to improve profits upon making investment decisions.

Socially responsible investment status

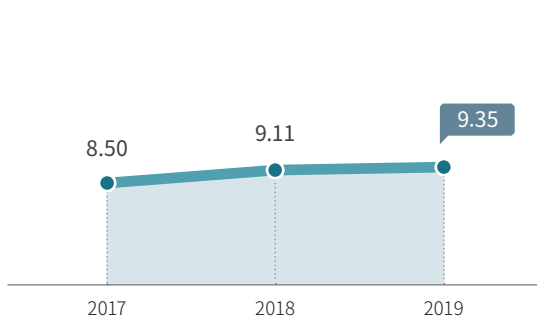
Amount of socially responsible investment (Unit : KRW 100 million)



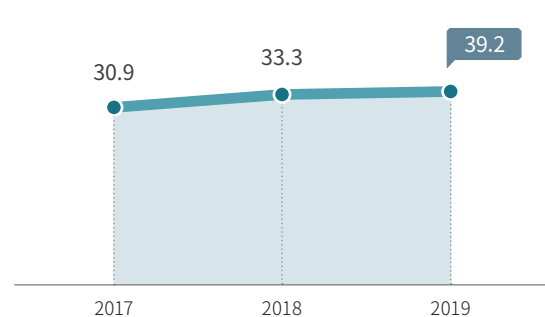
Amount of eco-friendly financial investment (Unit : KRW 100 million)



Percentage of socially responsible investment (Unit : %)



Percentage of eco-friendly financial investment (Unit : %)



ESG Investment Plan

Kyobo Life is aware of the importance of ESG, and plans to gradually strengthen infrastructure throughout the investment decision-making process, including the company regulations, investment process, investment strategy, and related organizations - and promote ESG investment by actively responding accordingly. To this end, Kyobo Life plans to review and sup-

plement existing regulations related to ESG in order to establish detailed guidelines on investment that comprehensively reflect ESG policies, strategies, standards, etc. The company is considering whether it will apply the ESG factors gradually in its decision-making processes and develop its own ESG evaluation model/system to set up the ESG investment system.

Future ESG Investment Plans

	As-is	1st stage : Preparation for ESG Investment	2nd stage : Establishment of ESG Investment System
Regulations	<ul style="list-style-type: none"> ·Incorporating ESG investment in the company rules - Asset management regulations : asset management considering ESG - Asset review criteria : check and evaluate the effect and harm of ESG 	<ul style="list-style-type: none"> ·Supplementing ESG related regulation after reviewing it ·Establishing detailed guideline on ESG investment - Reflecting ESG policies/strategies and standards, etc. comprehensively 	-
Investment process	<ul style="list-style-type: none"> ·Reflecting ESG factors in part -Upon screening investment assets, 'ESG effect' is reflected in the checklist, and it is used as a factor affecting credit rating. -Inspecting investment subject to negative screening in advance 	<ul style="list-style-type: none"> ·Expanding application of ESG factors in making investment decisions -Systemizing 'ESG effect' review method -Preparing ESG scoring 	<ul style="list-style-type: none"> ·Reflecting ESG factors across the process -Establishing strategies, screening, managing and risk management, etc. ·Developing its own ESG evaluation model/system
ESG-related asset management	<ul style="list-style-type: none"> ·Alternative investment -Investing in social infrastructure, eco-friendly finance, etc. ·Securities -Operating equity ESG fund -Operating bond ESG fund 	<ul style="list-style-type: none"> ·Alternative investment -Identifying and investing in new sectors in addition to social infrastructure, eco-friendly finance, etc. ·Securities -Actively utilizing equity/bond ESG funds with high performance by monitoring investment performance 	<ul style="list-style-type: none"> ·Promoting ESG related alternative investment/ investment in securities ·Managing ESG investment within portfolio
ESG investment strategy	<ul style="list-style-type: none"> ·Negative screening, investment strategy focusing on sustainability theme 	<ul style="list-style-type: none"> ·Integrating existing strategy +positive screening, ESG (in part) 	<ul style="list-style-type: none"> ·Utilizing diverse strategies from a perspective of creating excess profit Utilizing diverse strategies from a perspective of creating excess profit
International conventions	<ul style="list-style-type: none"> ·No membership 	<ul style="list-style-type: none"> ·Preparing for membership of UN PRI 	<ul style="list-style-type: none"> ·Pursuing membership of UN PRI

- Customers
- Financial Planners
- Employees
- Investors**
- Government and Local Communities

Stable Asset Management

It is very important to stably generate profit from a long-term perspective so that we can provide the coverage we promised to our customers. To do so, Kyobo Life adopted the Asset Liability Management (ALM) policy which is appropriate for the liability structure of life insurance companies. Also, Kyobo Life secures excess earning by stably generating profit from a long-term perspective through Strategic Asset Allocation (SAA) and by actively responding to the changes in the financial market from a short-term perspective through Tactical Asset Allocation (TAA).

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

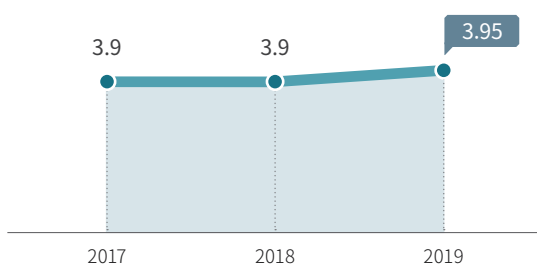
Asset Management Performance in 2019

In 2019, Kyobo Life established and implemented an asset management strategy in response to the uncertainty and volatility in the financial markets. Kyobo Life could thus successfully expand the high-yielding assets and defend the decrease of holding period return under the uncertain financial market situation by using overseas markets, while proactively responding to the market and realizing capital gains through short- and long-term debt rebalancing. This allowed the company to achieve an asset management profit margin of 3.95%, which is higher than the industry average.

2019 Asset Management Strategy and Action Plans

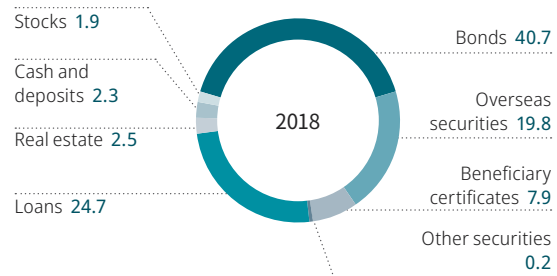
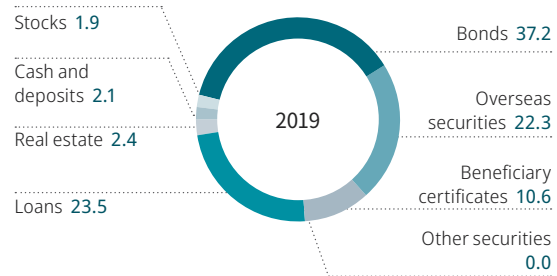
<p>Focus on maintaining competitive advantage in returns</p>	<ul style="list-style-type: none"> ·Continuously identify and invest in assets that produce high returns relative to risk. ·Actively adjust the portfolio when the market situation changes. ·Respond pro-actively in bond and stock markets (both home and abroad).
<p>Respond to regulatory changes in the market</p>	<ul style="list-style-type: none"> ·Prepare the response to the international financial reporting standard (IFRS17) and the Korea Insurance Capital Standard (K-ICS) scheduled to be enforced in 2023.
<p>Strengthen ability to respond to risk situations</p>	<ul style="list-style-type: none"> ·Respond pre-emptively to risk situations through the management of risk assets ·Improve the financial soundness of household debt

Return on Investment (Unit: %)



*Return on Investment (ROI) = [Investment Gain / ((assets at the start of period + assets at the end of period - Investment Gain) / 2)] × 100


Kyobo Life's Asset Portfolio (Unit: %)





Asset Management Strategy in 2020

The uncertainty about the financial market is expected to continue in 2020. Also, the global pandemic of COVID-19 will lead to a short-term recession, increasing volatility in financial markets. In response to these environmental changes, Kyobo Life has selected the 'enhancement of the soundness of managed assets and asset management capabilities' as one of the key initiatives in 2020, and the company plans to establish and implement the asset management strategies as follows :

2020 Asset Management Strategy

- 

1 Establishing portfolio in preparation for low-interest rate and strengthened regulation
- 

2 Actively utilizing overseas markets to overcome limits in domestic markets
- 

3 Securing assets soundness
- 

4 Strengthening manpower and capability in asset management sectors

Key Financial Performances

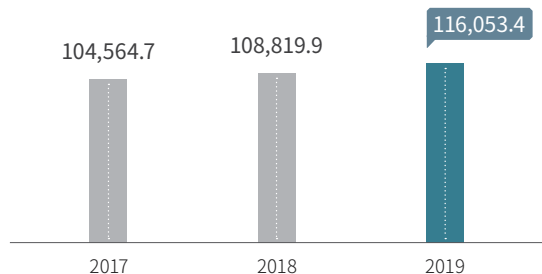
Growth

Kyobo Life engages in customer coverage insurance sales activities that are faithful to the core aims of the life insurance company and seeks to generate profits based on long-term stable asset management. Its total assets at the end of FY 2019 stood at KRW 116.1 trillion, showing an increase of 6.6% from the previous year.

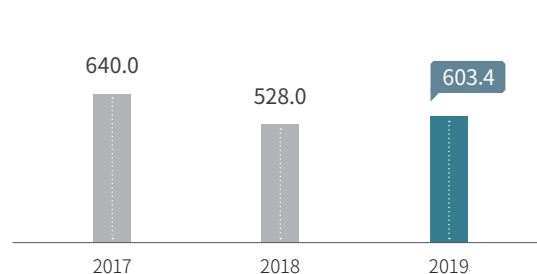
Profitability

Net income for FY 2019 amounted to KRW 603.4 billion, showing an increase of 14.3% from the previous year, mainly due to the company's ability to preemptively manage the risks. ROE and ROA of the company recorded 5.46% and 0.5%, respectively.

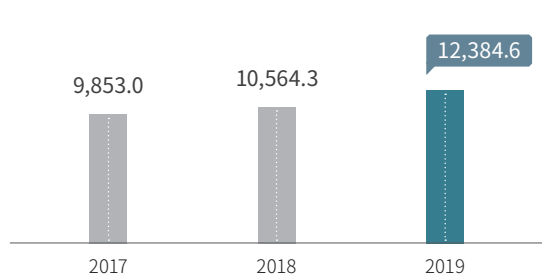
Total assets (Unit : KRW billion)



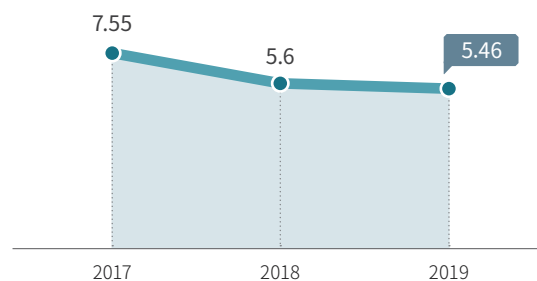
Net income for period (Unit : KRW billion)



Capital (Unit : KRW billion)



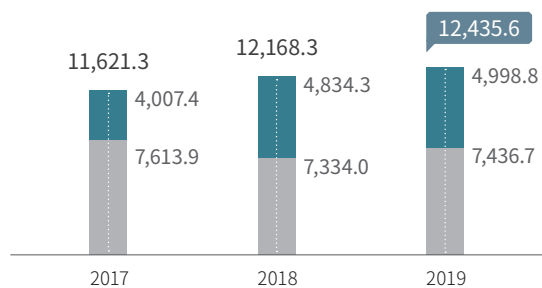
ROE (Unit : %)



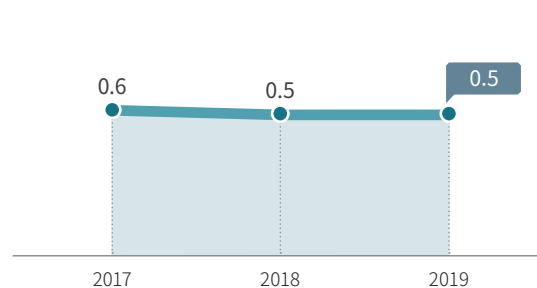
*ROE = Net Income / ((Capital at the Start of Period + Capital at the End of Period) / 2) × 100

Premium income (Unit : KRW billion)

- General account
- Separate account



ROA (Unit : %)

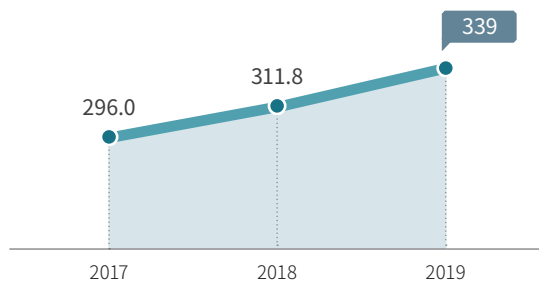


*ROA = Net Income / ((Asset at the Start of Period + Asset at the End of Period) / 2) × 100

Stability

As of the end of FY 2019, the RBC Ratio of Kyobo Life was 339%, an increase of 27.6% over the previous year. Through continuous structural improvements of assets and debts, and thorough management of risk, the company manages RBC effectively, resulting in a level that greatly exceeds the financial soundness regulation standard of 100%.

RBC (Unit: %)



Insurance Sales Performance

In 2019, the expansion of ICT companies into financial business was accelerated, and difficulties continued in the domestic economy because Japan strengthened its export regulations and the U.S.-China trade conflict worsened. Despite the downturn of consumer sentiment, Kyobo Life actively supported the sales activities. The company strengthened sales/retention capabilities by providing financial market information and outlook for each asset to the sales force, subdivided the market in response of the diversified market, selected the target markets and implemented different marketing programs for each target market. Also, the company strengthened competitiveness of its products and channel to secure the competitiveness of insurance products themselves. Kyobo Life was able to grow its insurance premium income by 2.2% (KRW 12 trillion 436 billion) compared to that of 2018 by providing the products that suit the customers' needs in timely manner and actively supporting the sales activities under the difficulties created by low-growth trend.

Strengthening of Growth Momentum

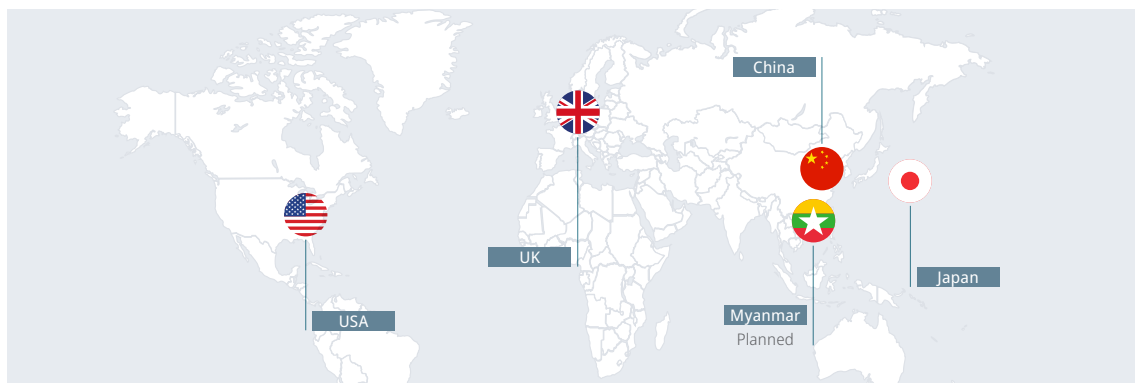
The Korean life insurance market is going through difficult times due to the 'three lows' of low growth, low birth rate and low interest rate. As the Korean life insurance market was saturated and the IT companies with new technologies expand into the financial business, the competition is becoming fierce. Kyobo Life is making various attempts to turn this crisis into an opportunity, such as discovering new insurance and non-insurance businesses, creating a customer-centered ecosystem through collaboration with other industries, strengthening synergy through cooperation with affiliated companies, etc.

Acquisition of Kyobo Asset Trust

Kyobo Life acquired a 50% share in Sangbo Real Estate Trust from Samsung Life and turned it into a 100% owned subsidiary in July 2019, to strengthen the corporate value and the synergy between affiliated companies. Sangbo Real Estate Trust was renamed to Kyobo Asset Trust in January 2020. Kyobo Asset Trust created excellent results, such as the average ROE greater than 20% in recent 3 years, the annual average net profit growth rate (CAGR) passing 90%, and so on. Kyobo Life will create profit and maximize the synergy between affiliated companies through collaboration with affiliated companies, such as Kyobo Securities and Kyobo Realco.

Review and promotion of expansion into overseas markets

Growth potential and profitability of Korean life insurance business has become more uncertain due to low-birth and aging. Kyobo Life is trying to expand into the overseas markets as a part of its efforts to secure new growth engines. In 2020, we will establish an office in Myanmar, a country with a high level of economic growth rate and potential, which is likely to become an economic and geopolitical hub of the ASEAN, to promote the establishment of a joint venture company and to expand into other ASEAN countries over time. In addition, Kyobo Life has been seeking opportunities to expand into the Chinese market. Kyobo Life has Kyobo Life Investment Managers in the U.S. and Japan and local offices in Beijing, China and London, the U.K.



Management Approach for Government and Local communities



Kyobo Life is fulfilling its roles and responsibilities as a member of society through sharing for the local community.

Importance

The community is the fertile soil in which Kyobo Life's roots can continue to grow and develop, as well as helping Kyobo to become a key stakeholder acting as a valued member of society. Kyobo Life focuses on social contribution activities that are aligned with the nature of the life insurance business, and the company continues its activities from a sustainability approach. In addition, Kyobo Life is committed to fulfilling its role as a member of the local community by promoting shared growth with the local community and practicing environmentally friendly management.

Management Methods

The most important elements of the company's activities for the community are consistent principles, direction, and sustainability. Kyobo Life respects the precious values that the nation's people have pursued, and strives to support the realization of such values. Led by the "Kyobo Dasomi Social Volunteer Group," founded in 2002, the company helps people in the community to overcome adversities and support children and adolescents to develop themselves as matured personalities who practice sharing with a healthy mind and body. In 2019, through a partnership with non-profit organization 'Wow Dasomi Sound-and-light Program,' Kyobo Life supported children with hearing impairments, but with high rehabilitation success rates, and tried to create social value to support youngsters who will be the leading players in the nation's future, through 'Kyobo Dasomi Dream Makers.' In addition, Kyobo Life recognizes that it is required to create a sustainable environment as a core member of the local community, and thus engages in responsible activities, such as reducing the use of energy, building paperless office environments, etc.

Key Activities in 2019

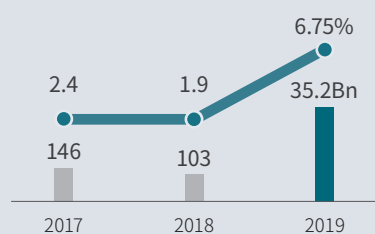
- Wow Dasomi Sound-and-light Program
- Kyobo Life Youth Athletics Cup Championship
- Kyobo Dasomi Dream Makers
- Establishment of a foundation for paperless office environment

Future Areas of Focus

Kyobo Life will strive to help its neighbors overcome adversities by themselves and live harmoniously with the local community by continuously engaging in public welfare projects and social contribution activities. We also recognize the importance of environmental issues, such as climate change, environmental pollution, etc., and try to be eco-friendly in all aspects of our management activities. Starting with the improvement of the working environment through the reduction of energy consumption and the creation of a paperless office environment, we actively engage in environmental management. At the same time, we intend to support public welfare projects and social contribution activities that reflect the characteristics of the life insurance business. With all the aforementioned efforts, Kyobo Life will strive to fulfill its roles faithfully as a member of the local community.

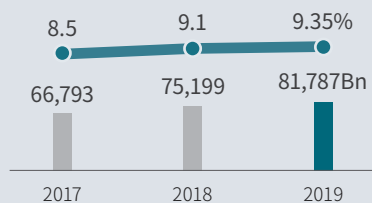
Key Performance Indicators

Social contribution ratio/amount*



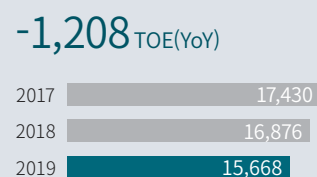
*Social contribution ratio : Amount of social contribution/Net income

Socially responsible investment (SRI) ratio/amount*



*Socially Responsible Investment (SRI) ratio : SRI investment/General account assets) x 10

Energy consumption*



*TOE (Tonnage of Oil Equivalent) : Amount of energy produced by burning one ton of oil

A Healthy Society, a World of Togetherness, Becoming Good Neighbors

Kyobo Life respects the precious values that people pursue, and thus strives to help people realize such values. Led by the Kyobo Dasomi Social Volunteer Group, founded in December 2002, the company helps communities overcome adversities and support children and adolescents to grow up and live as developed personalities who practice community sharing with a healthy mind and body. Kyobo Life contributes to society by helping them to learn to overcome adversities on their own, by conducting ongoing social contribution activities rather than just one-off actions.

Helping People Live Healthy Lives

Wow Dasomi Sound-and-light Program

Hearing impairment is a disability where more than 90% of students with such disorders fortunately still attend school after having surgery and rehabilitation before the age of three years. Hearing impairment, the second most common disorder in children, shows a genetic probability of 50%, and about 1,600 people are born with hearing impairments each year. Kyobo Life supports surgery and medical treatment of hearing-impaired children of low-income families who are suffering from economic and emotional difficulties. The company also supports language rehabilitation treatment of the people with hearing disorders for one year after the surgery so that they can discern sounds and speak properly. The company provided Cochlear implants and linguistic rehabilitation to (accumulated number of) 48 children in 2019 and to 7 more of them as of 2020, to help them grow as healthy members of society.



Children who benefited from Kyobo Wow Dasomi Sound-and-light Program

Kyobo Life Scholarship for Youth Athletics

Since 2019, Kyobo Life has funded the 'Kyobo Life Scholarship for Youth Athletics' to support sport prospects identified through the Kyobo Life Youth Athletics Cup Championship and to help them develop their physical strength, becoming talented individuals who can lead the future of the nation while making positive influences. Kyobo Life selects two excellent athletes or each category through the 'Kyobo Life Youth Athletics Cup Championship' and provides KRW 2 million scholarships and club management service (mentoring + personality education) annually, for students from middle school to high

school. Kyobo Life will continue to serve as a cradle for nurturing future sports talents, helping them grow as leaders - not only in sports sectors, but also in various other fields in the community.

Kyobo Life Youth Athletics Cup Championship

Since 1985, Kyobo Life has organized the Kyobo Life Youth Athletics Cup Championship to help young people develop their physical strength, virtue and knowledge, and become talented individuals who can lead the future of the nation. 'Kyobo Life Youth Athletics Cup Championship' is the only national youth athletic competition held by a private company. It is a national competition, with young persons competing in athletics, swimming, judo, table tennis, gymnastics, ice skating and tennis, held in local cities in collaboration with local governments to contribute to the vitalization of the local economy. The 2019 Kyobo Life Youth Athletics Cup Championship was held in Jeolla province, with the participation of 3,498 athletes in total. In particular, in 2019, certain sports, such as swimming, were aired on Sports TV and YouTube channels for real-time viewing so that even those who could not attend the events were able to watch them. Kyobo Life's support for Youth Athletics is considered to be a stepping-stone for development of sports by promoting basic sports and nurturing future sporting prospects.

Status of support for the Kyobo Life Youth Athletics Cup Championship

Category	Unit	2017	2018	2019
No. of participating athletes	persons	3,424	3,688	3,498
Sponsorship amount	KRW 1,000	350,000	378,000	317,000



Kyobo Life Youth Athletics Cup Championship

Ties of Love Campaign

Since 2003, Kyobo Life employees have been voluntarily participating in the 'Ties of Love' campaign to help underprivileged children from families with financial constraints, such as minor children as head of family, single parent families, or the 'baby box' children — so that they can overcome adversities, grow up to be healthy adults, and study in a better environment. Employees support the children by donating a part of their monthly salaries together with the funds provided by the company. As of 2019, as many as 1,426 employees have provided funding of KRW 360 mil. through the '18-year-old Ties of Love' campaign.



Ties of Love Campaign

Jung-wha Ha, employee at Seongju FP branch, who participates in the Ties of Love Campaign

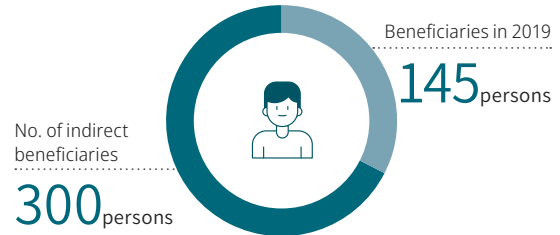


I wanted to start a donation right after I joined the company and received a salary, but I did not know how I could do that. Fortunately, I came to know about 'Ties of Love!' The fact that I can trust the organization because I donate through the company was very attractive to me. That is how I started donating, and I have been making donations ever since. It is also reassuring to donate with the company's support and convey a small part of my heart. If you want to practice sharing, I would encourage my colleagues to join the 'Ties of Love' campaign.

Kyobo Life Youth Leadership Program CHANGE

<Change> is a youth leadership program of Kyobo Life intended to help the youth, the leaders of our future society, grow into healthy, talented persons through specialized training programs. Kyobo Life wishes to develop wholesome persons who create positive changes by actively practicing leadership and followership in the places where they belong by continuously providing leadership & followership education and humanistic education to the youth.

Beneficiaries in 2019



Kyobo Dasomi Dream Makers

Kyobo Dasomi Dream Makers is an education donation and social contribution project for the youth linked to the 4th Industrial Revolution, which helps our young heroes of the future to grow into digital talents. Kyobo Dasomi Dream Makers program is divided into the 'Dasomi ICT Future Talent Nurturing Program' and the 'Dasomi Convergence ICT Future Experience Program' according to the subjects and programs. The Dasomi ICT Future Talent Nurturing Program helps those who are 24 years old or younger to get nationally recognized licenses and certificates that will be essential in the era of the 4th Industrial Revolution, such as a 3D printer operator license, a drone pilot license, a coding program certificate, etc., and provides advices related to their path of education, so that they can grow into healthy members of the society.



Dasomi ICT Future Talent Nurturing Program

Kyobo Life provides training on 3D printer operator license, drone pilot license, coding program certificate, etc., which are highly necessary for the 4th industrial era, to enable trainees to obtain a national accreditation certificate, and the company helps people grow as healthy members of society through academic and career support.



Dasomi Converged ICT Future Experience Program

Kyobo Life fosters creative talents suitable for the 4th industrial era by providing youth, the future leaders of our society, opportunities to experience new culture based on ICT.



Kyobo Life Dasomi Dream Makers

Asia March for Undergraduate Students

Since 2002, Kyobo Life has been providing a program called the 'Northeast Asia March for Undergraduate Students' with the objective of teaching college students how to become global talents endowed with leadership skills. 'Northeast Asia March for Undergraduate Students' has been carried out for 19 years (as of 2020) according to the founding philosophy of founder Yong-ho Shin, namely, "Development of talent is the only way for Korea to revive." As many as 1,700 students (as of 2019) have participated in the program. In 2019, the year marked the 100th anniversary of the Samil Independence Movement and the establishment of the Provisional Government of the Republic of Korea, Kyobo Life has helped young people develop historical awareness based on the theme of 'Traveling Siberia to Find the Roots of Independence.' During the eight days of travel, youths visited the Russian regions of Ussurisk and Vladivostok in the footprints of the independence activists who fought for the independence of the nation abroad, and visited the site of Shinhanchon, the gathering place of anti-Japanese nationals. Kyobo Life will continue to help college students develop their leadership through on-site visits and cultural exchanges with Asian countries that are economic and historical partners and competitors.



2019 Asia March for Undergraduate Students

Beautiful Lives shared Together

Kyobo Dasomi Volunteer Work

The employees of Kyobo Life regularly participate in voluntary and meaningful public welfare activities to actively practice the company's core mission and communicate with the local community. The 182 volunteer social work teams, composed of employees and Financial Planners, are engaged in various forms of volunteer works such as DIY, as well as participating in community-based volunteer activities for community development related to community welfare organizations.

Employee Volunteer Social Work

Category	Unit	2017	2018	2019
Time of volunteer work per 1 person	Hours	6.5	6	5.5
Total amount of social work performed by employees	Hours	24,531	23,042	21,109
Total no. of employees who participated in volunteer social work (cumulative)	Persons	10,002	10,107	10,415



Kyobo Dasomi Volunteer Work

2019 Asia March for Undergraduate Students : Seeking the future of youth through the national independence movement history



Jung-hwan Moon

"What a special Independence Day!"

For me, National Liberation Day this year was so special because I fortunately could participate in the Asia March for Undergraduate Students. During this commemoration, I visited the historic sites of the Independence Movement and followed the footprints of the independence activists. As I saw in person where they had been, I could directly feel the weight of their painful and dangerous lives. In particular, for me the most impressive place was the "Ahn Jung-gun monument. When I touched the monument, I felt as if I shared in his determination for independence. The friendships developed with other participants were brief but strong. At first, I felt a bit awkward with strangers from all over the country. However, on the journey that required a 10-kilometer hike with a backpack, we walked together — receiving encouragement from each other, in order to complete the challenge. As we relied on each other to complete the tight schedule, the relationships strengthened, and when I said good-bye at the airport on the last day, I regretted the short schedule of eight days. Thank you for giving me a great opportunity for developing my historical awareness and for new experiences and fellowship.

Kyobo Life Hope Dasom Scholarship

Adolescents from orphanages and group homes and adolescent breadwinners suffer from limited educational opportunities due to financial hardships and social prejudices. Since 2003, Kyobo Life has been granting scholarships to such youths who have a passion for learning and hope for the future even in a difficult environment. Kyobo Life plans to continue its support for the youth with limited opportunities so that they will not lose their passion for learning and hope for the future even in challenging environments.

Hope Dasom Scholarship

Category	Unit	2017	2018	2019
No. of recipients	persons	89	88	79
Amount received per person	KRW 1 million	357	346	367



A student being awarded the Dasom scholarship

Employee 'One Company, One School' Financial Education

To live up to the founding principles of the company, 'Promotion of National Education' was launched to ensure that the young people of future generations can develop financial competence by reducing the financial literacy gap. Kyobo Life actively participates in the national "One Company, One School Financial Education" project. Under this project, FP Branches and FP Support Units are matched with elementary, middle and high schools countrywide to provide various types of financial education. One of the objectives of the program is to instill students with a proper attitude toward their personal finances at a young age. In 2019, the company was matched with 481 schools to provide financial education.

Supporting COVID-19 Affected Customers

Kyobo Life joined the fundraising campaign with employees to help communities affected by the COVID-19 pandemic. For three days, from March 4 to March 7, 2020, Kyobo Life employees donated KRW 200 million raised by employees and the company to the Korea Disaster Relief Association. The money will be used to provide sanitary goods to the underprivileged. In addition, Kyobo Life employees have donated more than

2,000 hand sanitizers and 10,000 masks that are handmade to the vulnerable, and Kyobo Life grants special support for COVID-19 affected customers, so that they can postpone the payment of insurance premiums and loans for six months.

Employee Global Volunteer Social Work

Since 2011, the "Dasom Global Volunteer Group," composed of employees, has participated in volunteer works to improve the educational environment and residential environment of underdeveloped countries every year. Kyobo Life improves the educational environment in the impoverished rural areas of Vietnam and Laos to help children realize their hopes of learning, and building housing to provide a comfortable home for families. In 2019, over two occasions in the first and second half of the year, the employee volunteers visited Ben Tre Province, Vietnam, and Pisajal in Laos, to help the local people by building houses and planting trees. In particular, Kyobo Life has been continuously supporting poorer farmers in Vietnam to plant trees for self-sufficiency by generating income for nine years.



Employee Global Volunteer Social Work

Eco-friendly Social Contribution

Green Dasomi Family Volunteer Work

The Kyobo Life Green Dasomi Family Volunteer Group is dedicated to practicing environmental protection and creating a sustainable society, and 48 families participate in the related activities every year. Through volunteer works related to environmental themes, such as creating urban forests, recycling resources and other recycling, the company spreads the meaning and value of volunteer works and creates a desirable weekend leisure culture for families. In addition, the company contributes to strengthening family ties and forming a healthy family culture by practicing love for neighbors.

Kyobo Green Dasomi Family Volunteer Work – Status

Purpose	Help families feel family love, be ecologically sensitive, practice sharing, and create the future where they live together with others by participating in a volunteering program where all family members participate.
Description	<ul style="list-style-type: none"> ·In April : Creating the urban forest ·In May : Resource recirculation and reuse ·In September : Protection of wild animals ·In November : Climate change and energy



Green Dasomi Family Volunteer Work

Resolution of Social Issues through Job Creation

Dasomi Nursing Volunteer Group

Kyobo Life Dasomi Nursing Volunteer Group contributes to solving social problems by training female heads of low-income households as professional caregivers to create jobs, helping them become economically independent, while offering free care services to patients from the low-income class and elderly people who have no family members to care for them. In 2019, there were 33 active caregivers, and 1,350 persons received the free caregiving service.

Annual Results of Dasomi Nursing Volunteer Group

Category	Unit	2017	2018	2019
No. of nurse	persons	482	134	33
No. of beneficiaries	persons	6,597	3,014	1,350



Dasomi Nursing Volunteer Group

Beautiful Companion

Kyobo Life engages in the public project in professional and efficient ways through public agencies.

Daesan Agriculture Foundation



The Daesan Agriculture Foundation is Korea's first public foundation supporting agricultural and rural cities, and it hosts the Daesan Agricultural Culture Award, the award having the greatest authority in the field of agriculture, nurtures the next generation of agricultural talents, and implements farmer-led research on agricultural practicality. Through various public interest projects, such as rural experiences that enhance and empathize with agricultural values, projects of building consensus between urban and rural areas, and support for regional cultural events, Kyobo Life contributes to a sustainable society where urban and rural cities can live together in harmony.

Daesan Foundation



For the development of Korean literature, the globalization of Korean literature, and nurturing of youth and culture education, Daesan Foundation hosts the Daesan Literary Award, the Daesan Creative Fund, the Daesan University Literary Award, and the Daesan Youth Literary Award. Kyobo Life carries out diverse public projects such as financial support for the translation of publications of Korean literature and foreign literature, Seoul International Literature Forum and the Book Love Movement.

Kyobo Foundation for Education



The Kyobo Education Foundation is a specialized education foundation established in 1997 with the contribution of Kyobo Life to contribute to the promotion of education for the people and the creation of human culture. Kyobo Life pursues continuous self-growth with a sincere commitment and attitude, and carries out various educational projects such as the Kyobo Education Award, Personality Education Support, Leadership Education Support, and Life Education Support.

Win-win Cooperation

Kyobo Life pursues win-win cooperation with its transaction partners and the local communities in implementing management activities. By pursuing development of Kyobo Life along with the shared growth with its partners and local communities, Kyobo Life has been able to successfully maintain a virtuous cycle of win-win development. Product vendors, affiliated hospitals, etc., are the partners of Kyobo Life, and there are 25 product vendors and 147 affiliated hospitals who have been working constantly with Kyobo Life as of 2019. Kyobo Life designates the affiliated hospitals considering how easy they are for the customers to get to and whether they can provide an appropriate level of diagnosis. Also, Kyobo Life regularly visits those hospitals to give one-on-one training and management related to the entire diagnosis process, including how to apply for diagnosis, how to enter data through websites, how to send the results, etc.

Partner & Vendor Status

Category	Unit	2017	2018	2019
Procurement-related vendors	No.	26	36	25
Affiliated hospitals	No.	159	151	147

Strengthening win-win cooperation

DA-WIN Service for Mutual Growth with Partners

Kyobo Life operates the DA-WIN service program for mutual growth by sharing the accumulated know-how of its award-winning customer satisfaction service with its partners. DA-WIN is Kyobo Life's own distinctive program creating shared value (CSV), through which the company practices the management philosophy of sharing and favoring, while supporting public agencies, medical agencies and general companies, by providing CS education (consulting) for customer satisfaction, an organizational activation program, and compulsory education (covering the prevention of sexual harassment in the workplace, and the protection of personal information). The name of this service, DA-WIN, means win-win growth and development of Kyobo Life and partners.

Status and Performance of DA-WIN Service

Category	Unit	2017	2018	2019
Service recipients (No. of companies)	No. of partners	1,030	1,199	1,430
Service recipients (No. of persons)	Persons	63,399	71,714	66,619



DA-WIN Service Activities

Kyobo DA-WIN Service Program



CS Quality Improvement

We enhance service competitiveness of the company by improving customer-service.



Organizational Activation

We upgrade HR competitiveness of the company by creating a sound organization culture and pleasant working environment . .



Compulsory Education

We support compulsory education programs of the company.



Employee Benefit Support

We support employees so that they can pursue a healthy balance between work and life psychologically and economically.

Operating “Innostage”, a Win-win Cooperation with Startups

In 2019, Kyobo Life launched and operated ‘Innostage,’ a collaboration program with startups, to provide innovative insurance services to customers through collaboration with competitive startups. The 10 startups selected based on the possibility of collaboration with Kyobo Life were provided with financial support of KRW 30 million for each start-up and space required for a 12-week collaboration project, and were given mentoring service through FuturePlay, a specialized training institution for startups. In addition, Kyobo Life supported an open API, a cloud-based application development environment, and an environment that allows people to com-

municate with Kyobo Life's related departments at all times for smooth collaboration with Kyobo Life. In order to support sustainable growth of the startups, the company held a demo day event where the startups present the synergy created through collaboration projects with Kyobo Life to the employees of Kyobo Life, VC, and follow-up investors. In 2020, Kyobo Life is supporting the round-2 Innostage start-ups and we are committed to creating a virtuous win-win cycle through a collaborative business model with startups, leading digital innovation, and identifying new growth engines.

*Innostage : As a combination of innovation and stage, this refers to a new stage to create a collaborative ecosystem for digital innovation of Kyobo Life and win-win with startups.

Participants	Major Services	Changes after participating in Innostage
Dooing Lab	·An AI solution that helps one to keep record of his/her meals by taking a picture	·Received KRW 10 billion investment from Green Cross Health Care ·Applied to Food Lens, Kyobo Life's health coach service and the number of users tripled
Wehuddling	·Delivery of customized breakfast based on personal diet habit data	·Received KRW 1.2 billion investment from Translink Capital, a Silicon Valley investor ·Its sales is rapidly growing after its business model was changed from B2B to B2C
Kitten Planet	·AR-based children's dental care training & smart brush	·Expected to receive KRW 5 billion investment in the second half of 2020 ·service for dementia insurance subscribers that prevents dementia, improves habits and monitors conditions
Later (miaB)	·Mobile will/message delivery service that is easy to use and delivers messages at designated time	-
Growing Mom	·On-line infant care consulting platform based on data analysis	·Great success in a recent SNS challenge program, with accumulated participation of 48,000 users. ·Its monthly on-line service sales increased by 500%.
Jjakkak Alligator	·Hour-based childcare matching service that matches parents seeking nannies and job-seeking college students and nursing teachers	·Received KRW 6.3 billion Series A investment in late March 2020 ·Kyobo Life employee welfare * Jjakkak Alligator, Jjakkak Island tie-up. ·Provided additional service to the existing Educare members (Expanded the service area) ·Carried out on-line care program for the disabled children at Purume Children's Rehabilitation Hospital
Doctor Diary	·Operates Korea's largest diabetes self-care service and on-line commerce dedicated to diabetes	·Song Jeyoon, the representative, was selected as Forbes' 30 most influential leaders in Asia under 30 in 2020
The New Gray	·A platform that provides fashion suggestions and off-line styling to the seniors and produces & shares contents	·Expansion into the affiliate commerce using the senior fashion influencers developed through styling.
Searches	·Defines persona using personal life pattern information and identifies the needs and ideas of users and market.	·Collects and processes (including data crawling) customized data and provides analysis service for identification of products sold by certain customer and trends of competitors
H Partners	·Caregiver matching and caregiver service management platform	-



Opening Ceremony of Innostage Co-working Space



DEMODOY OF INNOSTAGE

Interview with the Innostage Manager

The round-2 of Innostage to be administered



Please introduce Innostage briefly.

Kyobo Life is administering Innostage as a part of its open innovation. Through Innostage, we plan to discover capable start-ups with new digital technologies and business models in early stage and create collaborative ecosphere for digital innovation with them through development, business collaboration and investment

What are Kyobo Life's investment and development philosophies?

Kyobo Life intends to provide programs suitable for the needs per each stage of growth to the start-ups with high-growth potential, commercialize the business models by jointly developing them with applicable organizations of the company and establish a virtuous cycle of creating financial profit by increasing the corporate value.

What are your future plans?

Round-2 of Innostage was launched on July 3, 2020 to continue the promotion of open innovation, and we are administering round-2 of Innostage by working with Crypton, a professional accelerator. The start-ups in the areas of healthcare for promotion of health, future tech that can be applied to insurance products and innovation that will change the existing lifestyle will be invited as the round-2 of Innostage, and 342 start-ups have applied for their places in the program. We will engage in a 16-week program with the finally selected 5 start-ups and introduce the results and services we will have developed jointly with the company's working-level departments at the Demo Day in the second half of the year.

**Jueun Koh, Assistant Manager,
Digital New Business Team**



Launch of the round-2 of Innostag

Establishing a Fair Trade Culture

Kyobo Life operates a supplier evaluation, Kyobo electronic purchasing system, and K-Marketplace to realize win-win cooperation through fair transactions with suppliers. In addition, for even better operation, we are continuously trying to develop related data by managing related data and collecting opinions on improvements.

Transparent Transactions with Vendors

Kyobo Life has implemented systems and policies that can assure transparency in transactions with external vendors related to major business activities of the company.

Kyobo Electronic Purchasing System



Kyobo Life manages the entire procurement process using the cyber-procurement system to operate the process transparently and fairly. Through this system, vendors can process the procurement works free from the physical limitations imposed by time and space, and Kyobo Life is assuring transparency in vendor selection by conducting non-face-to-face, competitive bidding.

Administration of 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 and the adopted 'Clean Contract System,' which is aimed at promoting win-win relationships among stakeholders by establishing a trade practice where request for or acceptance of money, valuables or treatment are not tolerated.

Compliance Program

Kyobo Life held the Declaration Ceremony for Voluntary Practice of Fair Competition and thereby declared that it will voluntarily comply with the laws related to fair trade and engage in fair competition in the finance and insurance markets. Kyobo Life designated Voluntary Fair Trade Compliance Managers, established an organization dedicated to compliance, and implemented related systems and processes, while conducting continued training and monitoring of its employees.

Environmental Management

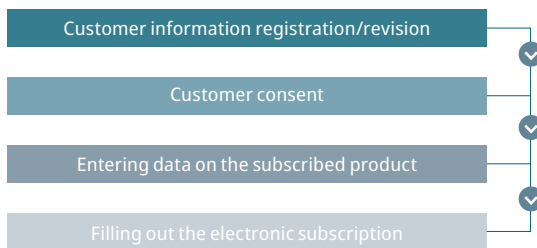
Kyobo Life is a company that manages its life insurance business, which covers diverse life and health threats, but recognizes that the environment is a critical issue that has both direct and indirect effects on life insurance. As consumer demands for an eco-friendly Management Approach are increasing, Kyobo Life sees this as a new opportunity for, rather than a limitation of, its growth.

Eco-Friendly Management

Electronic Subscription System for Environmental Protection

Lots of paper gets used in the entire insurance policy subscription from customer information registration to preparation of application. Kyobo Life works under the Electronic Subscription System to minimize the environmental impact, save costs and improve productivity by reducing the amount of paper it uses. The Financial Planners can access the Electronic Subscription System using their tablet PCs and handle the entire process of subscription from acquiring customers' permissions, to delivering policy design form, and acquiring the electronic signature with the System. The Electronic Subscription System is also available through Kyobo Life's official website.

Electronic Subscription Process



Status of Electronic Subscription

Item	Unit	2017	2018	2019
Electronic subscription (monthly average)	Policy	14,309	16,638	19,350

Creation of Paperless Office Environment

Having recognized the importance of environmental protection, Kyobo Life is striving to create a paperless office environment to reduce the amount of paper it consumes while increasing work efficiency. We plan to apply the paperless system mainly to the Customer PLAZAs and expand the scope to all parts of the company. Especially in the second half of 2020, we will convert the Comprehensive Insurance Policy Information Booklets, which are delivered to some two million customers through mail in paper form to a mobile version.

Reinforcement of Waste Management

Kyobo Life entrusts the waste generated by its office spaces to an approved waste-processing company. Waste from the company's major buildings, including the headquarters, is discharged and recycled separately, and the annual amount of waste discharge is recorded and managed accordingly.

Promoting Eco-friendly Transportation Methods

Kyobo Life prohibits its employees from traveling to and from the training institute in Cheonan (Gyeseongwon) by private car, and instead pays its employees' transportation costs based on KTX train fares to reduce carbon dioxide emissions during their commutes. In addition, Kyobo Life has established a nationwide satellite broadcasting system for all its sales and service sites, so that employees can participate in major events without having to assemble in one place.

Reducing Electricity Usage

Kyobo Life minimizes the operation of employee elevators other than during rush hours and lunch hours and maintains the building temperature above 26°C during summer and not more than 20°C during winter to reduce energy consumption. Furthermore, since 2008, Kyobo Life has been conducting the 'three voluntary energy and resource saving campaign' whereby it encourages employees to turn off unnecessary lighting and unused computers and to use office resources economically.

Status of Environmental Management

The following data have been compiled from 38 company buildings managed by Kyobo Realco Inc. However, the data for office paper and toner usage and waste discharge originate only from the Headquarters.

Office Paper and Toner Usage



Category	Unit	2017	2018	2019
Office paper	Box	4,764	4,730	4,662
Toner	Unit	3,514	3,514	3,358

Water Usage



Category	Unit	2017	2018	2019
Total usage	TON	511,151	491,385	466,353
Recycled amount	TON	6,088	5,865	5,241
Recycled ratio	%	1.2	1.2	1.1

Carbon Dioxide Emissions



Category	Unit	2017	2018	2019
Direct	tCO ₂	5,283	5,535	4,750
Indirect	tCO ₂	30,774	28,821	27,130
Total	tCO ₂	36,057	34,356	31,880

Waste Emissions



Category	Unit	2017	2018	2019
Total emissions	TON	329	283	277
Recycled amount	TON	319	274	268
Recycled ratio	%	97	97	97

*'Waste' refers to regular office waste produced by the company buildings.

Energy Usage



Category	Unit	2017	2018	2019	
Direct energy	Gas	TOE	2,032	2,179	1,834
	Oil	TOE	347	321	301
	Subtotal	TOE	2,379	2,500	2,136
Indirect energy	Electricity	TOE	15,020	14,333	13,502
	Regional heating	TOE	31	43	30
	Subtotal	TOE	15,051	14,376	13,532
Grand total	TOE	17,430	16,876	15,668	
Compared to the previous year	TOE	-889	-554	-1,208	

*TOE : Amount of energy produced when burning one ton of oil, standardized in calorie units



APPENDIX







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Compliance with the Ten Principles of UNGC

Kyobo Life joined the UN Global Compact (UNGC) in September 2010 and declared its commitment to adhere to the principles of the UNGC. This Sustainability Management Report contains information on the Company's observance of the ten core principles.



	Principles	Key report contents	Page
 Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	· Kobo Life Employees' Code of Professional Ethics	17
	2. Make sure that they are not complicit in human rights abuses	· Protection of and respect for human rights · Promotion of customer protection activities	53 42-43
 Labour Standards	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	· Culture of cooperative labor management relations	52
	4. The elimination of all forms of forced and compulsory labor;	· Prevention of forced labor	53
	5. The effective abolition of child labor; and	· Prevention of child labor	53
	6. The elimination of discrimination in respect of employment and occupation.	· Prevention of discrimination in the workplace	53
 Environment	7. Businesses should support a precautionary approach to environmental challenges;	· Eco-friendly social contribution activities	65
	8. Undertake initiatives to promote greater environmental responsibility; and	· Energy saving activities	69-70
 Anti-Corruption	9. Encourage the development and diffusion of environmentally friendly technologies.	· Expansion of eco-friendly financial investment	55-56
	10. Businesses should work against corruption in all its forms, including extortion and bribery.	· Program of ethical education and practice	17-18
		· Programs of autonomous compliance with fair trade	68
		· Clean contract system	68
		· Cyber purchase system	68

Awards/Association and Membership regarding Sustainability Management

Kyobo Life's Awards for Sustainability Management

Date	Description
Dec. 2019	Kyobo Life ranked No. 1 in the insurance industry segment of the Korean Sustainability Index for the tenth consecutive year and was inducted into the Hall of Fame.
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'
Nov. 2019	Kyobo Life received the Grand Award in the area of service industry from the Korean Readers' Choice Award (KRCA) for the fifth consecutive year
Nov. 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'
Feb. 2016	Wins the 12th Transparent Management Grand Prize jointly hosted by five economic organizations.
Oct. 2015	Wins the Grand Prize at the 4th Financial Customer Protection Grand Awards (Financial Supervisory Service Director Award).
Dec. 2014	Wins the Private Corporation Award in the process sector at the 1st Porter Prize for Excellence in CSV.
Oct. 2014	Wins the 2nd 'Most Loved Company' Presidential Award.
Nov. 2013	Awarded the Consumer Grand Prize by the Korean Society of Consumer Studies
Nov. 2013	Wins the UN Global Compact Best Practice Award
Nov. 2012	Wins 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	Wins 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	Wins 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	Wins the Minister's Award from the Ministry of Health & Welfare in recognition of its efforts to promote welfare for the disabled.
Sept. 2010	Wins 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 wins the '2010 Korea CEO Award' hosted by the Korea Management Association.
May. 2010	Chairman and CEO Chang-Jae Shin wins 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.

Association and Membership Regarding Sustainability Management

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
UN Global Compact Korea	Exchanges information on the implementation of corporate social responsibility (CSR).	2010

GRI Standards Index

Universal Standards				
	Topic	Disclosure	Page	Verified
GRI 102 : General Disclosure				
Organizational Profile	102-1	Organization name	8	●
	102-2	Activities, main brand, product and service	8, 10	●
	102-3	Location of the headquarters	8	●
	102-4	Location of business places	8	●
	102-5	Organization ownership and legal form	13	●
	102-6	Market area	10	●
	102-7	Size of organization	8	●
	102-8	Information on employees and workers	49	●
	102-9	Organization supply chain	66	●
	102-10	Major changes to the organization and supply chain	No major change	●
	102-11	Approach or principle related to prevention	16, 69	●
	102-12	External initiative	28, 72	●
	102-13	Memberships subscribed	73	●
Strategy	102-14	Name of top decision maker	2-3	●
	102-15	Major influence, risk and opportunity	11	●
Ethics and Integrity	102-16	Value, principle, standard and code of conduct of organization	11, 17-19	●
	102-17	Ethics related consulting and complaint handling system	17-18	●
Governance	102-18	Governance structure	12-13	●
	102-35	Remuneration policy	13	●
Stakeholder Engagement	102-40	List of stakeholder groups	29	●
	102-41	Collective bargaining agreement	52	●
	102-42	Identification and selection of stakeholders	29	●
	102-43	Stakeholder participation method	29	●
	102-44	Core topics and issues of interests suggested by stakeholder participation	29, 34-35	●
Reporting Practices	102-45	List of entities included in the organizations' consolidated financial statements	8	●
	102-46	Definitions of reported contents and boundary of topic	35	●
	102-47	List of material topics	35	●
	102-48	Re-statement of information	Footnote to be added when necessary	●
	102-49	Change to major material topic and boundary of topic	Footnote to be added when necessary	●
	102-50	Reporting period	about this report	●
	102-51	The most recent date when the report was published	about this report	●
	102-52	Reporting period	about this report	●
	102-53	Contact detail for any question on the report	about this report	●
	102-54	Reporting method under the GRI Standards	about this report	●
102-55	GRI Content Index		●	
102-56	External verification		●	

GRI Standards Index

Topic-specific Standards				
	Topic	Disclosure	Page	Verified
GRI 200 : Economy				
GRI 201 : Economic results 2016	103	Explanation on material topics and boundaries, management approach method and composition	38	●
	201-1	Generation and distribution of direct economic value	27	●
GRI 300 : Environment				
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	70	●
GRI 303 : Water 2016	303-1	Water withdrawal by source	100% water and sewage	●
	303-3	Water recycled and reused	70	●
GRI 306 : Waste water and material 2016	306-2	Waste by type and disposal method	70	●
GRI 307 : Compliance to environment laws 2016	307-1	Number of fines and sanctions due to violation of environmental law and regulation	None	●
GRI 400 : Society				
GRI 401 : Employment 2016	103	Explanation on material topics and boundaries, management approach method and composition	48	●
	401-3	Parental leave	49	●
GRI 403 : Industrial health and safety 2016	403-3	Occupational disease occurrence rate or worker with high risk of occurrence	52	●
GRI 404 : Training and education 2016	103	Explanation on material topics and boundaries, management approach method and composition	44, 48	●
	404-1	Average hour of training for one worker in a year	50	●
	404-2	Program for strengthening of workers' capabilities and management of career	50~51	●
GRI 405 : Diversity and equal opportunity 2016	405-2	Rates of base pay and incentive per gender	53	●
GRI 412 : Human rights evaluation 2016	412-2	Employee training on human rights policy and procedure	53,18	●
GRI 417 : Marketing and labeling 2016	103	Explanation on material topics and boundaries, management approach method and composition	38	●
	417-1	Law and procedure related to product and service information and labeling	42~43	●
	417-2	Law related to product and service information and labeling and voluntary violation of regulation	No case of violating relevant law	●
	417-3	Violation of law related to marketing communication	No case of violating relevant law	●
GRI 418 : Protection of customers' private information 2016	103	Explanation on material topics and boundaries, management approach method and composition	38	●
	418-1	Number of complaints related to the violation of rules on the protection of customers' private information, and loss of customers' information	No complaints were raised regarding this matter	●

Third Party Assurance

To the management and stakeholders of Kyobo Life

■ Foreword

The Korea Standards Association (hereinafter “the Assurers”) was commissioned to perform an independent audit on Kyobo Life’s Sustainability Report 2019 (hereinafter “the Report”). The Assurers have provided an independent opinion based on a review of the data contained in the Report prepared by Kyobo Life (“the Company”), and all the statements and performance data included in the report are the responsibility of Kyobo Life.

■ Independence

The Assurers, as an independent assurance body, have no professional interest in Kyobo Life other than in providing this third-party assurance on the Report, and they are not related to the Company in any way that may undermine its independence or cause a conflict of interest.

■ Assurance Standards

The Assurers have verified the inclusiveness, compliance with the principles of materiality, responsiveness and Impact, and reliability of the data disclosed in the Report at the “moderate” level in accordance with the AA1000 Assurance Standard with 2018 Addendum; and the GRI Standards have also been applied in the verification process.

■ Type and Scope

The Assurers conducted (the) Type 2 verification according to the AA1000 verification standards (AA1000AS), which means that the audit assessed the accuracy and reliability of the Company’s statements and performance data provided in the Report. The verification scope is from January 1, 2019, to December 31, 2019 and the assurance focused on systems and activities including policies and goals, businesses and programs, standards, and achievements of the Company’s sustainability management. In addition, the financial audit was conducted on environmental and societal data and economic performance in a broad sense. The Verification of stakeholder engagement was limited to a review of the Company’s materiality test process.

■ Methodology

The Assurers collected data, information, and evidence by using the following method.

- Review and analyze media coverage on the Company’s sustainability management
- Visit Kyobo Life Headquarters and interview with sustainability managers
- Review systems and processes that were used in improving the performance of sustainability management and preparing the Report
- Crosscheck between the financial performance data in the Report and the data in the Assurers’ report on the Company’s financial statements and disclosures
- Examine internal documents and basic data

■ Results and Opinions [Principles & Process]

The Assurers have reviewed the content of the draft report and offered our opinions, and the report has been revised accordingly. The Assurers have not found any material errors or inappropriate statements regarding the content of this report. The Assurers offers the following opinions on Kyobo Life’s Sustainability Report 2019 :

Inclusiveness - Did the Company include stakeholders in the process of strategically responding to issues of sustainability management?

The Assurers have verified that the Company is aware of the importance of stakeholder participation and is striving to establish a process that will increase their participation. The Company has identified its customers, financial planners, employees, investors and government/local communities as stakeholder groups. The Assurers have verified that the Company possesses communication channels for each stakeholder group and is collecting different opinions through those channels.

Materiality - Did the Company include material information that can assist stakeholders to make informed decisions?

The Assurers find that the Company has neither omitted nor excluded any material information that stakeholders need to know. We have confirmed that the Company conducted a materiality test on the key issues that were identified in the analysis of the internal and external environment(s) and prepared the report based on the results of the analysis.

Responsiveness - Did the Company respond to the demands and interests of (the/its) stakeholders?

The Assurers have verified that the Company is properly responding to the demands and interests of its stakeholders by reflecting the opinions collected from stakeholders (them) on the Report. The Assurers have found no evidence that the Company’s responses to material issues involving stakeholders were (have been) misrepresented or misstated in the Report.

Impact - Does the Company appropriately monitor its impact on the stakeholders?

The Assurers have 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 Application

The Assurers have verified that the Report was written in accordance with the Core Option of the GRI Standards. Based on the documents provided by the Company, the Assurers have verified that the Report complies with the requirements specified in the indices of the Universal Standards and the Topic-specific Standards.

Universal Standards

The Assurers have verified that the Report complied with the requirements of the Universal Standards of Core Option, and reviewed the following indices :

102-1 to 102-13 (Organization Profile), 102-14 to 102-15 (Strategy), 102-16 to 102-17 (Ethics and Integrity), 102-18 and 102-35 (Governance), 102-40 to 102-44 (Stakeholder Participation), 102-45 to 102-56 (Reporting Practice), 103 (Management Approach)

Topic-specific Standards

The Assurers have verified the detailed items on the material aspects identified through the process of determining the reporting items and reviewed the following indices

Economy : 201-1
 Environment : 302-1, 305-1, 303-1, 303-3
 Society : 401-3, 403-3, 404-1, 404-2, 405-2, 412-2, 417-1, 417-2, 417-3, 418-1

■ Opinions and Recommendations [Performance /Issues]

The Assurers offer the following proposal to implement strategies in sustainability management in response to the issues with coherence at the organizational level.

Economic performance

Kyobo Life pursues human-centered management and is continuously promoting ‘good growth,’ through which the company grows together with all stakeholders, based on the vision of becoming ‘the no. 1 life insurance company in product and channel innovation,’ to prepare for the era of the 4th Industrial Revolution. To overcome the national crisis triggered by COVID-19 and prepare for the post-COVID-19 period, Kyobo Life is committed to continuously and comprehensively improving its ability to deal with changes in the global management environment. It will do so by continuing to manage financial and non-financial risks, while cooperating with its various customers and numerous partners.

Environment

The investment decisions by institutional investors in the era of environmental crises caused by climate change are becoming increasingly important. Accordingly, international organizations and global financial institutions are striving to increase responsible investment. We need to better understand and actively participate in environmentally responsible investment in the areas of high-efficiency energy technology, renewable energy and clean fuel. Kyobo Life, as an institutional investor, is positively interested in and participates in socially responsible investment. Kyobo Life need to suggest principles, directions and goals of environmental investment and specifically define the details on all issues related to our environmental investment activities according to the future environmental investment policies of the global financial community, such as the Task Force on Climate-related Financial Disclosures (TCFD).

Social

Based on the strong intentions and commitment of its management, Kyobo Life has been carrying out the stakeholder management and steadily sharing goals, activities, and achievements with its stakeholders through the sustainability management report for the past 10 years. The financial industry needs to carry out sustainable management in various areas, as do other industries, and it can spread socially positive influence through asset management that considers ESG. Kyobo Life established a phased plan to reflect ESG elements in its investment decisions and disclosed the plan through this Report. We believe these efforts played a leading role not only in the life insurance companies, but also in all Korean financial institutions. We hope that Kyobo Life will establish an effective system and produce good results so that the ESG investment of Kyobo Life can be presented as best practices in the future.



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July 2020

Sang-jin Lee, KSA Chairman & CEO

이 상진

The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, certified GRI training partner, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and UN CDM DOE (development operational entity), and as an assurance provider of the Korean government's greenhouse gas energy target management system.

Summarized Consolidated Financial Statements

Summarized Statement of Financial Position

(Unit : KRW Bn)

	2017	2018	2019
Total asset	104,564.7	108,819.9	116,053.4
Cash and due from banks	1,563.8	2,383.2	2,649.7
Securities	58,411.7	61,079.9	66,181.6
Loans	18,781.4	20,720.0	20,762.6
Investment in associates	92.3	96.9	35.2
Investment property	1,102.5	1,083.5	1,129.5
Property and equipment	1,299.3	1,288.6	1,367.7
Intangible assets	50.8	72.8	328.9
Other assets	4,204.1	3,303.3	3,323.1
Separate account assets	19,058.7	18,791.7	20,275.1
Total Liabilities	94,711.7	98,255.6	103,668.8
Liabilities under insurance contracts	66,713.3	69,488.0	71,926.1
Policyholders' equity adjustment	736.8	894.8	1,416.5
Other liabilities	7,784.3	8,617.2	9,588.2
Separate account liabilities	19,477.3	19,255.6	20,738.1
Capital	9,853.0	10,564.3	12,384.6
Capital - controlling ownership	9,455.8	10,151.0	11,935.2

*Based on Consolidated Statements

Summarized Profit and Loss Statement

(Unit : KRW Bn)

	2017	2018	2019
Operating revenue	15,353.0	14,671.0	15,495.8
Operating cost	14,395.1	13,863.9	14,624.8
Operating profit	957.9	807.1	871.0
Non-operating profit	-20.5	-23.4	3.3
Income before corporate tax	937.4	783.6	874.3
Corporate tax	263.4	219.3	231.6
Net income	674.0	564.4	642.7
Net income - controlling ownership	640.0	528.0	603.4

*Based on Consolidated Statements

Vision2020 Declaration

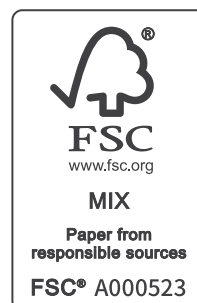
Our mission is to help all our customers to confidently pursue their most cherished dreams throughout their lives by overcoming future adversity through mutual cooperation.

To this end, we will always put our customers first in our thoughts and actions, be honest and sincere in every respect, and take up new challenges and try again even if we fail.

When we achieve Vision2020, Kyobo Life will become the best company in the insurance industry, a company that does not falter in any environment and whose employees will be recognized as the best insurance experts.

Through this process, Kyobo Life will grow together with its customers, Financial Planners, investors, communities, and all stakeholders, as well as contributing greatly to the national economy and enhancing public welfare.

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



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Humanity
and
the Future