

Humanity and the Future

KYOBO LIFE Sustainability Report 2020



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 its Sustainability Report in 2011 for the first time in the Korean life insurance industry. Since then, Kyobo Life has been publishing the Sustainability Report regarding the details and performance of its sustainable management activities every year. The most recent Report was published in August 2020, and this Report is the 12th Sustainability Report.

Please scan the QR for
the previous Sustainability Report



Reporting Standards

This Report was prepared in accordance with the Core Options of GRI (Global Reporting Initiative) Standards for Sustainability Management Reports. The Report was compiled based on the major issues identified through the materiality test, and the financial information included in the Report was prepared based on the Korean International Financial Reporting Standards (KIFRS). The currency used in the Report is the Korean Won (₩), while other currencies are indicated by figures.

Period and Scope of the Report

This Report outlines the sustainability management activities carried out by Kyobo Life in FY2020 (From Jan. to Dec. 2020) and some of the activities and performance continued in 2021 based on the timelines. 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 2020, 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. Meanwhile, the environmental data concern certain domestic operations, which are separately indicated.

Report Assurance

This Report has been subjected to a third party assurance process administered by the Korean Standards Association (KSA), an independent assurance company, in order to enhance validity and reliability of the data. This Report has been prepared in accordance with four principles (namely — inclusivity, materiality, responsiveness, and impact) of the AA1000AS v3, the assurance Type II and at the moderate level. Please refer to the third party Independent Assurance Report provided in the Appendix (98p).

Contact Details

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Humanity and the Future

KYOBO LIFE SUSTAINABILITY REPORT 2020

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CEO Message

Dear Stakeholders,

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

In 2020, we experienced unprecedented severe turbulent times due to the COVID-19 pandemic. However, despite the difficult business situation where face-to-face sales activities decreased and the interest rates were close to zero, Kyobo Life remained committed to growing and innovating. While pursuing digital transformation, it has actively implemented 'ambidextrous management' to improve the existing insurance business and secure a foundation for future growth. To this end, all employees devoted their utmost efforts toward achieving business goal. As a result, Kyobo Life succeeded in attaining its business plans in all areas of insurance sales in 2020.

Kyobo Life strengthened competitiveness in its main business areas by promoting the process innovation for insurance business and asset-management business based on digital technology. The company strived to secure new growth engines by exploring new company-wide innovation ideas, and expanding cooperation with external startups. Furthermore, Kyobo Life has established and carried out a 'digital transformation-based future strategy' in order to lay the foundation for success in the digital era.

It is witnessing the growing importance of ESG management that considers the environment, society and corporate governance both internally and externally. From an early stage, Kyobo Life has recognized that joint development with all stakeholders is true corporate social responsibility, and has strived to pursue ESG management by building sustainable management system. It shared the performance achieved for each stakeholder with all of them by publishing Sustainability Report every year. In particular, this Sustainability Report contains the company's efforts responding to climate and environmental changes as a financial institution such as expansion of eco-friendly investment and declaration of coal phase-out finance.

In 2021, Kyobo Life established the ESG dedicated organization to further carry out systematically and implement ESG management actively, and held ESG Council meeting to discuss major policy direction of ESG management. Kyobo Life will strive to develop with all stakeholders by establishing sincere ESG management strategy and advancing management activities rather than focusing on short-term achievement.



The commitment and performance of Kyobo Life achieved for its stakeholders in 2020 are as follows:

[Commitment to 'being a company that provides optimal insurance coverage and ongoing service'](#)

Kyobo Life values 'Insurance coverage' as its top priority and strives to provide optimal protection assets to customers. While promoting marketing activities that entail customer contact points, both online and offline, by understanding customer propensity and behavioral patterns, it launched mini-insurance products with low premium and Insurance for people with illness record, allowing more customers enjoy insurance coverage. In addition, Kyobo Life set up an AI-based insurance fraud detection system, and received the top award in status evaluation of financial consumer protection from the Financial Supervisory Service in recognition of its efforts to promote consumer rights and interests and protect the interests of financial consumers.

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

Kyobo Life strives to secure differentiated competitiveness and strengthen the competency of Financial Planners (FPs). It introduced Kyobo Life's differentiated brand for FPs, 'a Faithful Friend on the Side of Customers,' with the message of reaching out to customers as a trustful and reliable life partner — instead of simply playing a role of FP. In addition, the company is supporting the success of FPs by establishing a professional training system; such as the creation of segmented training course based on each FP's starting period and competency level and reinforcement of enabling ubiquitous and self-motivated online course. In 2020, Kyobo Life actively supported FPs to overcome difficulties in face-to-face sales activities caused by the COVID-19 pandemic and enabled them to secure 4.04 million of customer, 295 trillion Korean won of business in force, and offer 1.4 trillion Korean won of accident insurance benefit.

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

Kyobo Life strives to improve the working environment and organizational culture so that all employees can communicate with an open mind and grow on their own. Kyobo Life has established and announced 'KYOBO WORK SMART,' the work standard for Kyobo Life, and operated a program to allow the management to communicate seamlessly with working-level staffs in order to create an organizational culture that actively innovates. In addition, the company hosted a digital innovative idea contest to actively discover creative ideas from employees. In 2020, considering the difficulties in having face-to-face education, it strived to develop the capabilities of its employees by providing various educational contents through learning platforms such as 'Kyobo Learning Spoon,' and operating real-time online education.

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

Kyobo Life is committed to preemptively managing risks in response to volatility in the financial market and securing stable returns. It minimized the decline of its recurring yields through bond rebalancing by utilizing the volatility of the financial markets, and attained positive asset management performance by flexibly adjusting the portfolio of stocks and bonds. As a result, it recorded a total asset of KRW 126 trillion, net income of KRW 452.2 billion, and return on equity (ROE) of 3.69% based on the consolidated financial statement. The RBC ratio, which is the ratio of financial soundness, was 333.4%.

Commitment to 'being a company that wins together with partners'

Kyobo Life strives to build an ecosystem with its partners for win-win growth and development. It operates a fair trade compliance program to establish fair and transparent trade practices, and strives to prevent unfair practices that may occur during the process of concluding contracts through the electronic procurement system and clean contract system. In addition, it is striving to

establish a virtuous circle of win-win growth by cooperating with startups with creative ideas and outstanding technologies. As a part of such effort, the company has operated the Second 'InnoStage,' a startup support program, which provides workspace and supports business expenses.

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

Kyobo Life, as a good manager of customers' assets, has declared 'coal phase-out finance,' to respond climate-change crisis and participate in global effort for carbon neutrality, and has strived to strengthen social responsible investment by expanding investments in eco-friendly energy. In addition, Kyobo Life strives to preserve an environment for future generations to live, and create a healthy and beautiful society. To this end, it digitalized documents utilizing digital technology, reduced paper usage by improving the electronic subscription system, and joined the Carbon Disclosure Project (CDP) as a signatory, to join forces in the corporate efforts to disclose environmental information. In addition, it is continuously carrying out various social contribution activities, such as a scholarship project for youth athletics and a digital education program for youth, so as to make the youth, the leaders of future generations, grow into upright and healthy individuals.

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

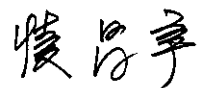
In April 2021, Kyobo Life declared the company's vision, 'To become the leading financial company delivering value in art & culture by 2025.' This means that it will become a leading company that creates differentiated customer experiences and values encompassing (art) culture and finance by expanding its business into a new area of (art) culture beyond the existing insurance business. Kyobo Life is constantly committed to the mutual development with all stakeholders by taking customer value innovation as the basis of management with the attitude that all innovation starts from the customer.

It sincerely appreciates and asks for your continued interest and support in Kyobo Life.

Thank you!

July 2021

Chang Jae-shin Chairman & CEO of Kyobo Life



**SPECIAL
ISSUE**

ESG Management of Kyobo Life

A purpose of company is to generate profits. However, if a company aims to generate profits only, the company cannot achieve good growth. Accordingly, the company needs to implement ESG management that considers stakeholders who affect and are affected by management activities and reflects environmental, social, and corporate governance (ESG) factors throughout management activities to achieve sustainable growth.

Kyobo Life has stated its sustainable management philosophy of ‘We pursue development with all stakeholders’ in the preamble of the company’s Articles of Incorporation from an early stage. In addition, since the company published the first sustainability report in the life insurance industry in 2011, we have transparently disclosed ESG activities and performance through the report every year. Going forward, Kyobo Life will continue to strive to actively carry out its economic, social and environmental responsibilities as a corporate citizen and communicate with stakeholders through sustainability management that considers ESG.

Major ESG performances that Kyobo Life has achieved are as follows.

	<p>Global Initiative</p> <ul style="list-style-type: none"> - Declared coal phase out finance - Joined the CDP signatories 	<p>Establishment of eco-friendly operations</p> <ul style="list-style-type: none"> - Established paperless office environment - Utilized electronic subscription system 	<p>Green financial investment</p> <ul style="list-style-type: none"> - Made eco-friendly financial investment of KRW 3.7 trillion
	<p>Win-win cooperation</p> <ul style="list-style-type: none"> - The Second Innostage - DAWIN Service 	<p>Consumer protection</p> <ul style="list-style-type: none"> - VOC Management - Awarded the highest grade in Assessment of Financial Consumer Protection Status announced by the Financial Supervisory Service 	<p>Human rights and diversity</p> <ul style="list-style-type: none"> - Held KWIN, Women Leadership Conference - Operated Employee Grievance Center
	<p>Composition of independent board of directors</p> <ul style="list-style-type: none"> - Ratio of outside directors-67% (as of March 2021) 	<p>Ethical management</p> <ul style="list-style-type: none"> - Kyobo Life Employees’ Code of Professional Ethics - Compliance Program (CP) 	<p>Establishment of ESG governance</p> <ul style="list-style-type: none"> - Established an organization dedicated to ESG - Operated the ESG council

In April 2021, Kyobo Life newly established an organization dedicated to ESG to further systemize and advance sustainability management of the company, and held an ESG Council meeting to look into the company’s ESG management status with top management. Going forward, Kyobo Life plans to diagnose the current status of each ESG divisions of the company led by ESG-dedicated organization, identify improvement tasks, and actively pursue them. The company will advance management through faithful ESG management from a long-term perspective rather than a short-term ESG management perspective. Through this, Kyobo Life is committed to become a company with 100-year history pursuing good growth with all stakeholders.

Future ESG Plan of Kyobo Life



01_

ESG Management of
Kyobo Life

According to the Global Risks Report 2020 published by the World Economic Forum (WEF), 'extreme weather events' and 'failure to mitigate climate change' are the risks highly likely to happen with most ripple effect, respectively. In response, governments and companies around the world are striving to mitigate climate change, and the Korean government has also declared the strategy to achieve 'Carbon Neutrality by 2050'. Climate change also affects the life insurance industry. Damages caused by extreme weather affect the asset portfolio leading to financial impact of the industry.



Declaration Event supporting Climate Financing for Carbon Neutrality by 2050

Kyobo Life plans to actively respond to climate change risks through ESG management. As a part of the efforts, Kyobo Life participated in the 'Declaration Event supporting Climate Financing for Carbon Neutrality by 2050' together with more than 100 domestic financial institutions, and declared externally that it would strive to implement carbon neutrality as a financial institution in March 2021. In addition, in May 2021, the company declared 'coal phase-out finance' and joined the 'CDP (Carbon Disclosure Project) Signatories', making efforts to reflect ESG factors in asset management. Going forward, Kyobo Life will strive to establish a system to manage and reduce climate change risks, and to reflect this in all business activities.

Main Contents of Declaration of Coal phase-out Finance

1. We will not engage in project financing for the construction of coal-fired power plants at home and abroad.
2. We will not underwrite bonds issued by special purpose companies (SPCs) for the construction of coal-fired power plants at home and abroad.
3. We will not underwrite any bonds issued for the purpose of constructing coal-fired power plants at home and abroad.
4. We will strive to expand eco-friendly investments in consideration of ESG factors, such as investment in and loans to new and renewable energy.

Declaration of 'Coal Phase-Out Finance'

In May 2021, Kyobo Life and its financial subsidiaries declared 'Coal Phase-out Finance', a voluntary declaration to suspend investment in the construction of new coal-fired power plants. The global efforts to respond to the climate crisis are made. In particular, financial institutions around the world are announcing that they will withdraw all investment in coal, one of the biggest factors causing air pollution. In Korea, more and more financial institutions are joining the declaration of 'Coal phase-out finance'. With Kyobo Life, Kyobo Securities, Kyobo AXA Investment Managers, Kyobo Lifeplanet Life Insurance, and Kyobo Life Asset Trust participated in this declaration of 'coal phase-out finance'. Kyobo Life deeply sympathizes with its commitment to carbon neutrality for a sustainable future, and plans to actively participate in efforts to reduce greenhouse gas emissions and transition to a low-carbon economy.

Joined the CDP (Carbon Disclosure Project) Signatories

Following the declaration of coal phase-out finance, Kyobo Life joined the CDP, a global environmental initiative, as a signatory in order to respond to climate change. CDP, as a non-profit organization headquartered in the UK, is commissioned by investors such as financial institutions and pension funds around the world to request major listed companies to disclose environmental information, including information on climate change, and then publish analysis reports. Environmental information disclosed through CDP is used by financial institutions around the world as data for ESG investment, and the UN is also using it as official data. Kyobo Life, as one of the large domestic life insurance companies, manages assets of customers. Kyobo Life is committed to establishing infrastructures for ESG investment by joining the CDP signatory for responsible asset management, and joining efforts to urge companies to respond to climate change.

Kyobo Life in 2020-Highlights

Kyobo Life ranked No.1 in the insurance industry segment of the Korean Sustainability Index for the eleventh consecutive year Selected as the first company after being induced into the Hall of Fame

Kyobo Life ranked No. 1 in the “Insurance Industry Segment of the Korean Sustainability Index” for the eleventh consecutive year, and was selected as a company that has been a role model in implementing sustainability management. After the glorious achievement of being inducted into the Hall of Fame for the first time in the financial industry in 2019 and receiving three awards simultaneously, Kyobo Life was recognized as the best sustainable company by stakeholders and experts in 2020. In particular, the company was highly praised for actively fulfilling corporate social responsibility despite the difficult business environment in 2020, which was a difficult year for everyone.



Korean Sustainability Conference 2020

The First Step towards Digital Kyobo, “Digital Kyobo 2020”

“Digital transformation is not an option, but an imperative”

From Greetings for the 2020 Opening Ceremony

Kyobo Life has implemented digital innovation across-the-board by carrying out new digital business activities and improving its organizational culture for digital innovation, in an effort to enhance its core business competitiveness by innovating business processes based on digital technology and to develop other future growth engines.

Attempts to Identify Future Growth Engines

We have continued to make new attempts for sustainable growth in a rapidly changing environment. Our efforts to secure future growth engines through new initiatives include “Kyobo Innostage”, which is an effort to build a digital ecosystem with promising startups; the “Unicorn Project”, which seeks to grow together with employees by identifying innovative ideas internally; and “Reverse Mentoring”, which allows employees and executives to exchange their roles to experience the latest technologies and trends.



Unicorn Project

Seasons in Gwanghwamun

Kyobo Life's Gwanghwamun Billboard, which was firstly introduced to people in 1991, marked its 30th anniversary in 2020. The 30-year-old Gwanghwamun Billboard delivered a message of comfort and hope to people around the world with song lyrics of BTS the Korean boy band. By delivering comfort and encouraging words or messages that touched the hearts of those needing courage and inspiration, the Billboard delivers uplifting new messages to many citizens bringing love and hope into their lives whenever the seasons change

2020

Spring



Autumn



Winter



Summer



Summer, special edition 1



Summer, special edition 2



2021

Spring



Summer



Introduction

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.

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Establishment of 'Future Strategy
based on Digital Transformation'



Company Overview



Since its establishment in 1958, Kyobo Life has pursued “good growth” of growing together with all stakeholders and has walked the path of a life insurance company in an honesty and sincere manner for 63 years. Based on human-oriented management, Kyobo Life carries out people-centered management activities based on the philosophy that people are the most valued assets, and companies ultimately exist for people. Kyobo Life published the Sustainability Report for the first time in the 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 (KSI) of the life insurance industry for the 11th consecutive year, thereby gaining recognition for its excellence.

Company Facts

<p>Company Name Kyobo Life Insurance Co., Ltd. (教保生命保險株式會社)</p> <p>Establishment Date August 7, 1958</p> <p>CEOs Chang-Jae Shin, Your-Hyun Yun, Jung - Bum Pyun</p> <p>Head Office Jongno 1, Jongno-gu, Seoul, Republic of Korea</p> <p>Main Business Life insurance, Retirement pensions, Trusts</p> <p>Relevant Markets Republic of Korea, Japan, USA, China, U.K., Myanmar</p>	<p>Size of organization (As of dec. 2020)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  No. of Employees 3,842 </div> <div style="text-align: center;">  No. of FP 14,530 </div> <div style="text-align: center;">  No. of FP branch 450 </div> </div>
<p>Major Financial Performances</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p>Total Assets</p> <p>KRW 125.7 trillion</p> </div> <div style="text-align: center;"> <p>Net Profits Income</p> <p>KRW 452.2 billion</p> </div> <div style="text-align: center;"> <p>No. of Policy Holders</p> <p>4.04 million persons</p> </div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p>Amount of Claims Paid</p> <p>KRW 10 trillion and 495.6 billion</p> </div> <div style="text-align: center;"> <p>RBC</p> <p>333.4%</p> </div> <div style="text-align: center;"> <p>ROE</p> <p>3.7%</p> </div> </div>	<p>Credit Ratings (As of 2021)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Domestic</p> <p>A1</p> <p>Moody's (Seven consecutive years)</p> </div> <div style="text-align: center;"> <p>A+</p> <p>Fitch (Nine consecutive years A+)</p> </div> </div> <hr/> <div style="text-align: center;"> <p>International</p> <p>AAA</p> <p>National Information & Credit Evaluation, Korea Investors Service, Korea Rating</p> </div>

Affiliates Status

Kyobo Life, with 12 affiliates, has enhanced the brand and corporate value of the company through active communication with its affiliates.

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

Corporate History

Kyobo Life has written the history of the insurance industry in Korea over the past 63 years 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
1964	Received a presidential citation on the 1st "Savings Day"
1967	Became the best company in the insurance industry with KRW 32.7 billion in insurance contracts just nine years after its foundation
1978	Amount of business in force exceeded KRW 1 trillion
1980~1999	
1980	Establishment of Kyobo Book Centre Co., Ltd.
1983	The founder, Yong-Ho Shin, received the 'Founder's Award' from the IIS (International Insurance Society)
1991	Establishment of the Daesan Agriculture Foundation
1992	Establishment of the Daesan Foundation
1995	Renamed the company as Kyobo Life Insurance Co., Ltd
1996	The founder, Yong-Ho Shin, became a laureate of the Insurance Hall of Fame by the International Insurance Institute ("IIS")
1997	Establishment of Kyobo Foundation for Education
2000~2010	
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	Won the Customer Satisfaction Grand Prize (for the fifth consecutive year and inducted into the Hall of Fame by Korea Management Association
2009	Selected as the Best Insurance Company of the Year in the Asia Life Insurance Industry
2010	Joined the International Agreement for Corporate Social Responsibility and the UN Global Compact
2011~2020	
2011	Declaration of Kyobo Vision2015
2012	The Chairman & CEO, Chang-Jae Shin, won the 'Best Insurance CEO of the Year' at the Asia Insurance Industry Awards
2013	Establishment of Kyobo Lifeplanet Life Insurance Co., Ltd.
2014	CEO of the Year' at the Asia Insurance Industry Awards Won 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 Vision2020/ Received the 'Grand Prize Award' at the 12 th Management Transparency Awards
2017	Received the 'Fair Trade Commissioner's Commendation' at the Consumer Rights Day Awards
2018	The Chairman & CEO, Chang-Jae Shin, received the Eungwan Order of Cultural Merit
2019	Inducted into the 'Hall of fame' in the Korean Sustainability Index (KSI) for the first time The Chairman & CEO, Chang Jae Shin, received the first "Korean Sustainability Leader Award" The Chairman & CEO, Chang-Jae Shin, received the first "Humane Entrepreneurship Award" Received "Technology initiative of the Year" at the 2019 Asia Insurance Industry Awards Inducted into the Hall of fame for Consumer Centered Management (CCM)
2020	Received the "Tower for High-Income Taxpayer (KRW 400 billion)" Topped the KSI in life insurance division for eleven consecutive years Received the Grand prize at the 7 th "Korean Reading Management Best Workplace Certification Awards" Received the "Minister's commendation from the Ministry of Science and ICT at the 2020 Korea ICT Innovation Awards" Nominated as the best institution on the "Financial Consumer Protection from the Assessment of Performance" by the Financial Supervisory Service and received the "FSS Awards" for two consecutive years
2021	Declaration of Kyobo Vision2025

Major Awards won in 2020

- Selected as a top company in the life insurance sector in the Korean Sustainability Index (KSI) for 11th consecutive year
- Received the Grand prize at the 7th "Korean Reading Management Best Workplace Certification Awards"
- Received the Minister's commendation from the Ministry of Science and ICT at the 2020 Korea ICT Innovation Awards

- Nominated as the best institution on the 'Financial Consumer Protection from the Assessment of Performance by the Financial Supervisory Service and received "the "FSS Awards" for two consecutive years

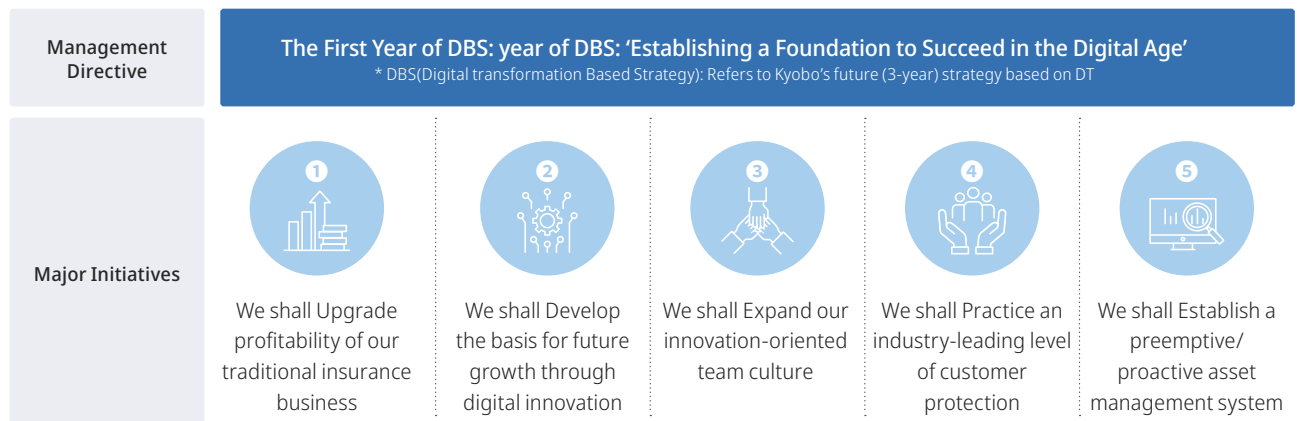


Vision & Strategy

Kyobo Life has determined and declared Vision2025 “To become the leading financial company delivering value in art & culture by 2025” as a new goal to focus on by 2025. The company aims to become an innovative company that creates differentiated customer experiences and values encompassing ‘(art) culture and finance’ through advancement into a new field of ‘(art) culture business,’ moving beyond its existing business areas in the life insurance industry.



FY2021 Management Directive and Major Initiatives









Business Areas

Products of Kyobo Life

Kyobo Life strives to provide differentiated products and services based on the nature of the life insurance industry to help customers overcome future adversity and pursue their precious dreams with confidence throughout their lives. In addition, Kyobo Life develops and provides additional services from a comprehensive perspective by providing customers various additional services depending on the subscribed product throughout the/their entire health-related process from disease prevention by health management to follow-up/post management upon occurrence of illness.



Major Insurance Products

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

Major Supplementary Services

Category	Detail
Kyobo Health Care Service	An integrated health-management service for VIP customers who subscribe to to Whole Life 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 the services of medical specialists, nurses, nutritionists, psychological counselors, sports therapists, etc.
Kyobo Edu Care Service	An education-support service for customers subscribed to [Education insurance and Child insurance was created through collaboration between Kyobo Life, Kyobo Book Centre Experts from different areas unveil the dreams and the talents of their children and develop appropriate characters and desirable leadership and followership.
Kyobo Dementia Care Service	A dementia-management service for VIP customers who subscribe to Dementia Life and Whole Life Insurance. It helps the dementia patients and their families by offering the dementia prevention services, which help them prepare for and discover dementia in advance, and the dementia care services that carefully manage dementia according to the symptoms per stage
Kyobo Health Coaching Service	A digital health-improvement service for VIP customers who subscribe to CI Insurance that improves daily habits by providing smart health management through a mobile application and makes them healthier by providing coaching programs and personal consultation after analyzing the age equivalents of their organs.

Affiliates

▶ Kyobo Book Centre

Since its foundation in 1980 aiming at creating and developing national culture and promoting national education, Kyobo Book Centre has strived to create a society where people read books and learn based on the philosophy of "People make the books, the books make people." Kyobo Book Centre strives to make intellectual and social growth by continuously providing a variety of knowledge and cultural contents through a professional and convenient system, strives to eradicate the blind spots in education. In addition, we hold the 'Story Contest' and the '2021 Young Artist Support Project' to actively support the growth of emerging writers and artists. Thanks to such interest and love, Kyobo Book Centre was able to achieve positive results, such as Topped in "Korean Customer Satisfaction Index (KCSI)" and 'No. 1 in brand power in Korea' consecutively.

Date of Establishment	Dec. 24, 1980	Total Asset	KRW 335.8 billion
Address	249 Moonbal-ro, Paju-si, Gyeonggi-do	Revenue	KRW 694.2 billion
No. of Employees	1,085	Major ESG Activities	1. Supplying books to local small and medium size bookstores and supporting transactions
No. of Branch	41		2. Expanding eco-friendly packaging (minimizing use of synthetic resin material)
Major Business	Books, newspapers and magazines		

▶ Kyobo AXA Investment Managers

Kyobo AXA Investment Managers Co., Ltd. was established as Kyobo Investment Advisory in 1988, and was reborn as Kyobo AXA Investment Managers in 2008 through a joint venture with AXA Investment, the best professional investment institution in France. With a mission to "support the customers to achieve their financial goal through optimal asset management", Kyobo AXA Investment Managers strives to generate the stable profits higher than expectation by operating transparent management system, and strict internal control and risk management system. Kyobo AXA Investment Managers, together with Kyobo Life, declared the Coal Phase-out Finance in May to join the effort of transition to a low-carbon economy. In addition, it has announced that this year's management goal is to strengthen ESG investment, and plans to strengthen responsible investment in companies with excellent ESG activities and expand its asset portfolio, including stocks and bonds.

Date of Establishment	July 7, 1988	Total Asset	KRW 69 billion
Address	Jongro 1, Jongro-gu, Seoul, Korea	Revenue	KRW 32.6 billion
No. of Employees	117	Major ESG Activities	1. Introduced stewardship code in December 2019
Major Business	Investment Trust Management, Investment Advisory and Investment Business		2. Consignment operation of Socially Responsible Investment Fund of National Pension System of Korea in October 2020
			3. Established new RI(Responsible Investment) team in 2021

▶ Kyobo Securities Co.Ltd.

Since its establishment in 1949 as the first securities company in Korea, Kyobo Securities Co., Ltd. ("Kyobo Securities") has contributed to the development of the securities industry for 73 years, guided by its clear vision and bold challenging spirit. Kyobo Securities' sole purpose is to 'provide premier financial services to enrich our clients,' and the company always thinks from the customers' perspective and strives to fulfill its responsibilities. Kyobo Securities strives to satisfy all stakeholders through transparent and ethical management. It enacted the Code of Ethics and Ethics Rules to effectively establish ethical management in the management system and organizational culture, and objectively identifies the level of ethical management through regular external diagnosis.

Date of Establishment	Nov. 22, 1949 (Merged into Kyobo Life Insurance Group in 1994)	Total asset	KRW 10 trillion 111.2 billion
Address	97 Uisadang-daero, Yeongdeungpo-gu, Seoul	Sales	1 trillion 766.5 billion
No. of Employees	924	Major ESG Activities	1. Declared Coal Phase-Out Finance of Kyobo Group
Major Business	Investment brokerage, trading business/ investment advisory business, discretionary investment business/trust business/collective investment business		2. Established ESG Council under the board of directors and set up an ESG Management Plan

SPECIAL
ISSUEEstablishment of 'Future Strategy
based on Digital Transformation'

The development of digital technology significantly affects our daily life and even the industry as a whole. Fast and convenient digital experiences are gradually raising customer expectations, and big tech companies equipped with digital technology are rapidly advancing into the insurance and financial industries. Policy-making authorities are also moving to create an environment where new technology-based products and services can be provided through deregulation such as open banking and My Data business. The spread of non-face-to-face culture resulting from the COVID-19 pandemic has been further accelerating such changes, and competition in the life insurance industry is getting fiercer.

Kyobo Life has established a 'corporate strategy based on digital transformation' in order to proactively respond to the rapidly changing business environment in line with the advent of the digital era. This roots on our ambidextrous management that improves the existing insurance business while promoting digital transformation and at the same time secures a new growth engine for the future. It aims to 'secure a sustainable growth engine and enhance corporate value'.



02

Establishment of 'Future
Strategy based on
Digital Transformation'

In December 2020, Kyobo Life expanded and reorganized the Digital Innovation Support Office into DT (Digital Transformation) Support Division aiming at laying foundation for success in the digital era. The company plans to establish a digital-based new business model, such as establishing a platform for creating new customer value, by newly establishing DT facilitation Team and Platform Business Launching TF as detailed support organizations to promote digital transformation. In addition, the company also newly established Big Data Analytics & Support Team and Artificial Intelligence Application Team to streamline customer-oriented business processes based on digital technologies (Big Data, AI, etc.).

Going forward, in order to improve the insurance business, Kyobo Life plans to improve a system so that customers can use it more easily and conveniently based on digital technology, while continuously developing and providing differentiated products and services that befit the needs and circumstances of customers. We plan to improve the asset management process and establish an advanced system to safely manage customers' assets and provide stable profits, while working closely with affiliates to secure new growth engines and providing differentiated customer experiences and services in the fields of art culture and financial investment.

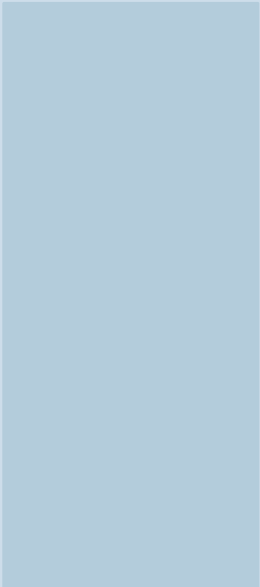
Kyobo Life has declared the company's Vision 2025 of 'To become the leading financial company delivering value in art & culture' by 2025. We will take a new leap forward as an innovative company that creates unique customer experiences and values by expanding our business into new areas instead of being complacent with the existing business methods. Going forward, we will develop and grow together with all stakeholders.



Sustainability at KYOBO

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Corporate Governance

Kyobo Life is committed to establishing stable and efficient corporate governance to ensure sustainable growth of the company and to promote the balanced interests of stakeholders, and to improving transparency in the corporate governance.

Corporate Governance Chart



Roles of Board of Directors

The Board of Directors is a top permanent decision making body of Kyobo Life, which sets and controls the company's management goals and key strategies. More than half of the Board of Directors is composed of outside directors whose independence has been verified, and the business performance of the management is reported to the Board of Directors so that the Board of Directors can make rational decision-making. Kyobo Life appoints the Chairman of the Board of Directors every year, in principle, in order to facilitate the operation of the Board of Directors in accordance with relevant laws and to appropriately fulfill its roles and responsibilities required by laws and regulations as well as internal laws. In addition, the company strives to enhance the transparency and efficiency of decision-making by delegating tasks other than those related to the general meeting of shareholders and unique tasks of the Board to the subcommittees under the Board.

Composition of Board of Directors

Kyobo Life consists of the Board of Directors by appointing directors with diverse expertise in order to secure expertise and diverse perspectives of the members. As of March 2021, the Board is composed of nine directors in total – three internal directors, five external directors and one non-standing director. There is currently no female director on the board. In order to secure independence of the directors upon appointment, the company reviews the qualifications in accordance with the relevant laws, and the directors are finally appointed at the general shareholders' meeting. The Board of Directors has five subcommittees. In order to guarantee the independence and expertise of the committee, the company incorporates the requirements such as the number and experience of external directors stipulated by relevant laws and regulations in the internal regulations and formed the committee members accordingly.

Composition of Board of Directors

As of March 2021

Name	Category	Title	Major career	Term of office
Chang-Jae Shin	Inside director	Chairman of Management Committee, Member of Directors Recommendation Committee, Member of Remuneration Committee	Chairman of Daesan Foundation (Current) Chairman and CEO of Kyobo Life	2023.3.26
Your-Hyun Yun	Inside director	Member of Management Committee	Insurance General Manager of Kyobo Life, (Current) CEO & President of Kyobo Life (management support/government relation)	2022.3.28
Jung Bum Pyun	Inside director	Member of Management Committee	Chief Distribution Officer / head of Kye Seong Won (Current) President & CEO of Kyobo Life	2024.3.25
Joong-hyo Lee	Outside director	Chairman of Audit Committee, Chairman of Directors Recommendation Committee, Member of Management Committee	Standing Advisor of Ahnkwon Accounting firm, Chairman of Daesan Agriculture Foundation, Chairman of Kyobo Education Foundation	2022.3.28
Beom-Ha Ji	Outside director	Chairman of Risk Management Committee, Member of Audit Committee, Member of Remuneration Committee	Dean of Business School, The King's College, New York, USA, Chairman of Korea Academic Society of FP (financial planning), (Current) Professor, School of Business and Economics, Handong Global University	2022.3.26
Soon-Suk Kim	Outside director	Chairman of Remuneration Committee, Member of Directors Recommendation Committee, Member of Risk Management Committee	Member of the Judicial Administration Advisory Committee of the Supreme Court, Chairman of the Korea Association of Law School, (Current) Professor of Chonnam National University Law School	2022.3.26
Sung-Sik Hwang	Outside director	Member of Directors Recommendation Committee, Member of Risk Management Committee, Member of Management Committee	Deputy Representative of PWC accounting firm, Full-time professor, Department of Business Administration, Gachon University, (Current) Vice President and Co-CEO of Shindoh Co., Ltd	2023.3.25
Chul-Joo Lee	Outside director	Member of Audit Committee	Director of UBS Capital, (Current) Deputy Chairman of Affinity Equity Partners	2023.3.25
Hari R.Rajan	Other non-standing director	-	(Current) Corsair Capital Managing Director and Partner	2022.3.29

Operation of Board of Directors

Regular meeting of the Board of Directors is held once per month, and meetings of the temporary Board of Directors can be held on an ad hoc basis when necessary. As of 2020, Kyobo Life held nine board meetings in total, with an internal director attendance rate of 100% and an external director attendance rate of 100%.

Board meeting operation status					Matters for BOD decision in 2020
Category	Unit	2018	2019	2020	
Number of regular board meetings	Times	10	9	9	① FY2019 financial statements , FY2019 business report , FY2019 appropriation of retained earnings
Number of temporary board meetings	Times	-	-	-	② Capital increase of Kyobo Lifeplanet Life Insurance Company and Kyobo Securities Co., Ltd.
Deliberation agenda	Cases	70	77	75	③ Appointment of the CEO , Appointment of the chairman of the BOD , Appointment of BOD committee members
Total number of board meetings	Times	10	9*	9	④ Merger between Kyobo Information and Communication Co., Ltd. and Kyobo Data Center
Average attendance rate	%	100	100	100	⑤ Acquisition of stake of KCA Service Co., Ltd. owned by KCA Claim Adjustment Co., Ltd.

* Amend Figures : Total number of board meetings in 2019, 11 times → 9 times

⑥ Establishment of group internal control standards and sub-rule for operation of Group Internal Control Council

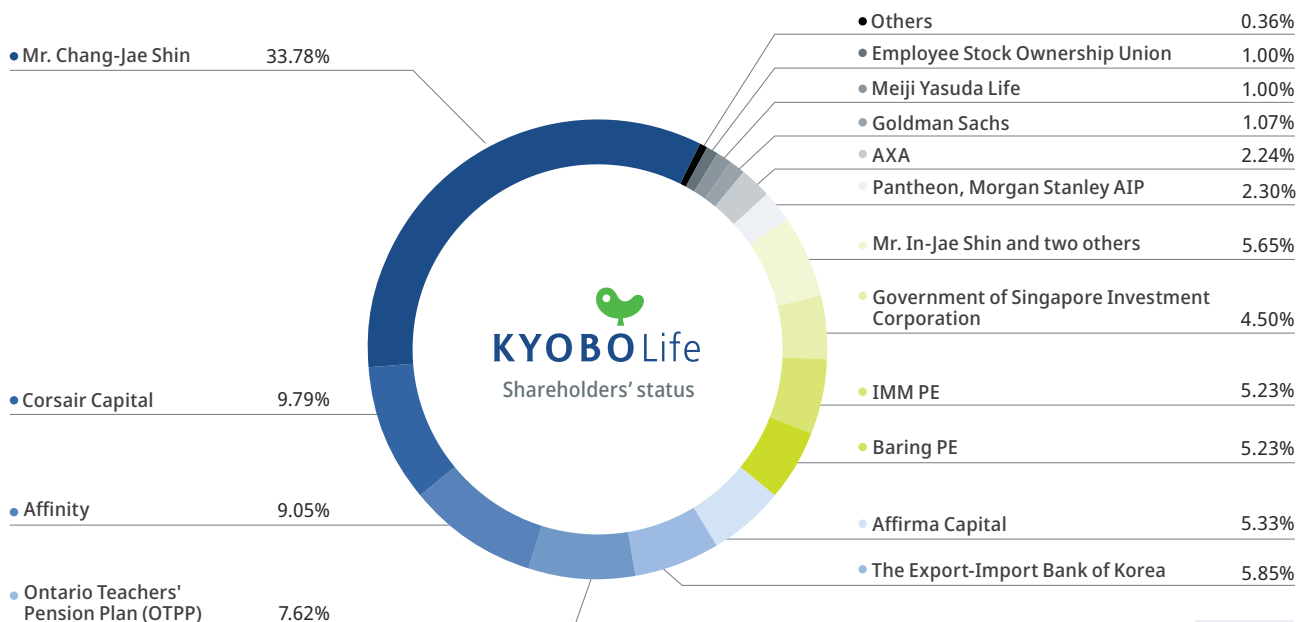
⑦ Amendment of Regulation of Board of Directors and internal control standards

⑧ Execution of MyData Business sin Financial Sector

⑨ Beneficiary certificate transactions with Kyobo AXA Asset Management Co., Ltd. and Kyobo Securities Co., Ltd.

Evaluation and Remuneration of Board of Directors

At the beginning of every year, Kyobo Life evaluates the composition and operation status of the Board of Directors to ensure that the Board properly fulfills its roles and responsibilities required by laws and regulations and the company's bylaws. Specific evaluation items include the procedure for convening the Board meeting and prior provision of agenda items, the frequency of Board meetings, and the practical ability to check the management. The remuneration of the Board is determined within the remuneration limit approved by the general meeting of shareholders. The limit approved at the general meeting of shareholders in 2020 was KRW 4 billion, and the actual amount paid was KRW 1.307 billion. Kyobo Life transparently discloses the remuneration of executives, including outside directors, on its website (www.kyobo.co.kr >> Disclosure >> Governance Disclosure).



* Kyobo Life publishes the 'Annual Report on Governance and Remuneration System' in accordance with the 'Act on Corporate Governance of Financial Companies', and you may have more information on Kyobo Life's corporate governance on its website (www.kyobo.co.kr)



Risk Management

Kyobo Life defines all possibilities that may have a negative impact on the achievement of the company's goals and cause losses to the company as 'risk,' and the company quantifies, systematically integrates and manages risks to reduce or eliminate them in advance and increase stability. In addition, Kyobo Life has established a group risk management system to systematically manage group-level risks including Kyobo Life's financial subsidiaries, while smoothly securing the relevant infrastructures and systems in preparation for the International Accounting Standard for Insurance Contracts (IFRS17) and the new solvency system (K-ICS) scheduled to be introduced in 2023.

Risk Management Principles of Kyobo Life

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

Risk Management Organization

Kyobo Life appoints a Chief Risk Officer (CRO) who supervises the risk-management system for systematic risk management, and establishes a Risk-Management Committee under the board to discuss important risk management issues of the company that may occur within the company. In addition, the company forms a risk-management organization in accordance with the Regulation on Supervision of Insurance Business and international guidelines, and sets roles and responsibilities for each department to manage major risks of the company.

Risk-Management Committee

The Risk-Management Committee is composed of three outside directors who are appointed on authority of 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 2020, the Risk Management Committee held meetings on ten occasions.

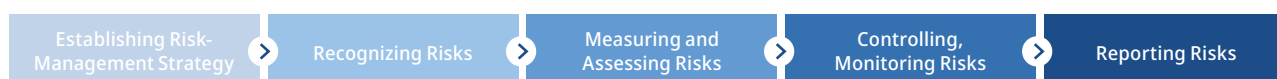
Risk-Management Council

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

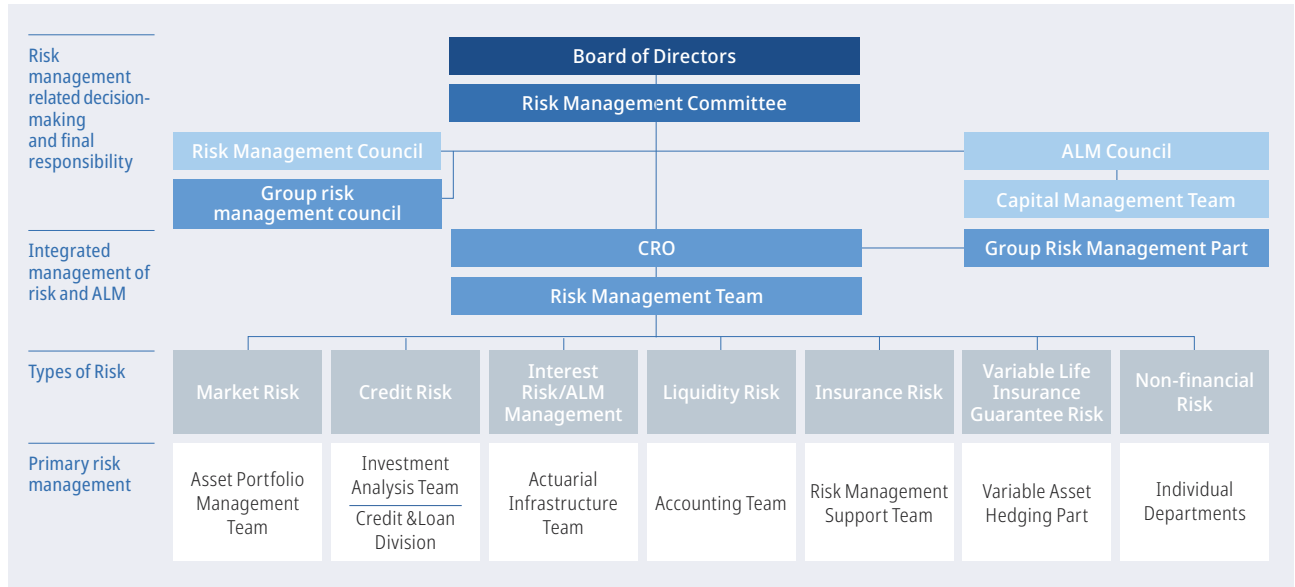
Risk-Management Administrative Organizations

The risk-management administrative organizations that assist the Risk-Management Committee and the Risk-Management Council are divided into an enterprise risk management dedicated team and individual risk-management teams, based on the roles involved. The Risk-Management Support Team is the enterprise risk-management dedicated team and 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. Department supporting group risk management was newly established in 2018 to effectively manage the risks of the financial group. The individual risk-management teams carry out the 'Do' function for each type of risk.

Risk-Management Process



Risk Management Organization



Risk-Management and System

Kyobo Life sets ‘total risk and individual risk limits’ at the beginning of each business year and is monitoring compliance status in order to secure and maintain financial quality. In addition, the company has adopted an ALM (Asset Liability Management) policy that considers both liabilities and assets to enhance the corporate value of Kyobo Life from a mid- to long-term perspective. Furthermore, Kyobo Life has established a risk-management system to prevent or reduce losses resulting from rapid changes in the financial market. The company manages risk once again before getting final approval by reviewing a risk on important decision-making matters, and the company has set up a response system to identify and respond to risks in advance by regularly monitoring risk limits and various risk factors. In the meantime, Kyobo Life classifies risks into financial risks (market, credit, interest rates, insurance, liquidity, variable insurance guarantee risks); and non-financial risks, and establishes and systematically manages management strategies by risk.

Definition of Risk and Management Methods

Financial risks		Market risks	<ul style="list-style-type: none"> • 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 risks	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Possibility of loss due to differences in interest rates and maturities between assets and liabilities • Setting and monitoring limits and Interest rate risks target duration
		Insurance risks	<ul style="list-style-type: none"> • 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 risks	<ul style="list-style-type: none"> • 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 risks	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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
Others		Social/environmental risk	<ul style="list-style-type: none"> • Efforts to prevent illegality and corruption risks through the operation of Employees’ Code of Professional Ethics, compliance education, internal/external reporting system • Efforts to prevent climate change risks through the declaration of coal phase-out finance and expansion of investment in new and renewable energy

CASE STUDY

Business discontinuation risks (pandemic)

Kyobo Life prepares crisis scenarios and countermeasures for each risk-type from a company-wide perspective, and conducts regular simulation training to ensure business continuity even in the worst situations due to rapid market fluctuations. In 2020, Kyobo Life prepared three scenarios based on the number of the COVID-19 confirmed patients, the number of deaths, the lockdown period, market indicators, and the default rate, assuming repeated pandemic situations due to the failure in blocking and preventing COVID-19, and simulated the situation. In the simulation training, we analyzed the impact of each scenario and its financial impact, and established countermeasures.



CASE STUDY

Risk management due to changes in health condition/ demography

Kyobo Life recognizes and responds to impacts of changes in health condition due to rapid population aging and environmental changes on the insurance industry as risks. We are measuring and reflecting longevity risk in the quantitative impact assessment in preparation for the introduction of K-ICS, and calculating the mortality rate of healthy insured persons using health indicators. In addition, the company organizes and operates an innovative product development TF to develop services and products reducing such risks, and provides additional services for better health (Kyobo Health Coaching Service). Kyobo Life plans actively to manage risks arising from changes in the health condition and demography.



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. Going forward, 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 financial soundness.

2015	2016	2017	2018	2020
<ul style="list-style-type: none"> · Operating a dedicated organization 	<ul style="list-style-type: none"> · Declaring contingency management system · Identifying and implementing action plans to increase available capital and reduce required capital 	<ul style="list-style-type: none"> · Reclassifying asset account of securities and issuing hybrid securities 	<ul style="list-style-type: none"> · Establishing and stabilizing the accounting system according to changes in IFRS17 	<ul style="list-style-type: none"> · Establishing IFRS9 (accounting for financial instruments) application standards and system

Integrated financial group supervision system

Since July 2018, [Norm on the Integrated Financial Group Supervision] has been applied for effective management of risks of the financial group, and the “Act on the Supervision of Financial Conglomerates” is scheduled to be enforced from the end of June 2021. Kyobo Life has established and operated a group-wide risk management system for comprehensive and systematic risk management of Kyobo financial group.

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

ORSA System

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

Reinforcement of Ethics Management

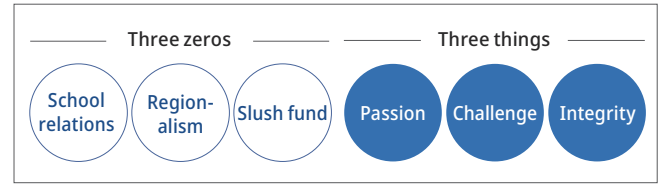
Jeong-do (Right way) Management

Motto of Kyobo Life founder was 'There are no freebies and secrets in the world'. This is because if we get it for free, we want another freebies and good luck, and we want to get it easily without effort. Based on such belief, the founder set the 'faithfulness' as a foundation of Kyobo Life's corporate culture, which has been changed into 'honesty and sincerity' underpinning the core values of the company, becoming the basis for ethical management and Jeong-Do management.

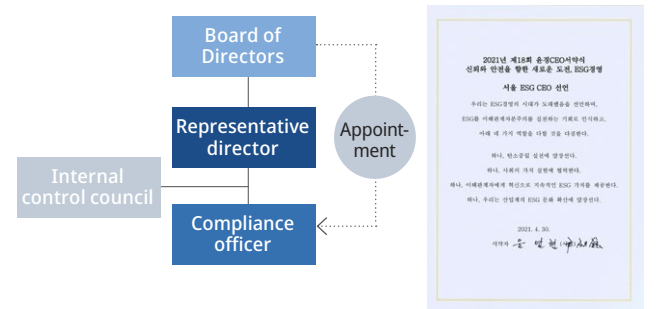
Ethics Management

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 roles as a corporate citizen. Internally, Kyobo Life has enacted the 'Kyobo Life Employees' Code of Professional Ethics' so that employees can work in an honest and faithful attitude, and externally, the CEO of the company reaffirms his willingness to implement ethical management by signing 'CEO pledge for ethics management'. In addition, the company strives to improve corporate transparency by promoting ethical management, and is committed to establishing a culture of compliance by appointing compliance manager at each department to ensure that all employees comply with the laws and regulations.

'Faithfulness', Foundation of Kyobo Life's Corporate Culture



Ethics, Compliance Management Organization Chart



CEO Pledge of Ethical Management

Kyobo Life Employees' Code of Professional Ethics

Kyobo Life has enacted the 'Kyobo Life Employees' Code of Professional Ethics' and created the Regulations on Work Ethics and the Specific Instructions to provide guidelines for ethical management of employees. In addition, all employees including the CEO, Chairman and President of the company are required to attend the 'Kyobo's Work Ethics Resolution' event at the beginning of each business year and sign the resolution to reinforce the company's ethical work culture.

Employees' Code of Professional Ethics

Our mission is to help all our customers to live a prosperous life by confidently enjoy a diverse cultural life and grow and develop intellectually, financially, and socially.

...

We will always comply with social laws and faithfully implement the key purpose and core values of Kyobo Life without being allured by undue profits, even if sometimes it seems difficult to achieve our goals.

Implementing the key purpose and core values of Kyobo Life based on high work ethics and behavior is the fastest way to develop together with all stakeholders, including customers, consultants and employees, investors and the government, and local communities, and achieve sustainable growth of the company.



The Work Ethics Resolution in 2020

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.

Specific Instructions on Work Ethics

It provides specific instructions on prohibition of acts of giving and receiving moneys between employees and stakeholders or among employees, making illegal solicitation to public officers, etc. and providing undue promise on moneys as defined in the Regulation on Work Ethics.

Communication for Ethical Management

Kyobo Life communicates constantly with its employees to help them better understand and approach ethical management. The company has created an ethics and compliance management culture, encouraging employees to practice ethical behavior. Kyobo Life conducts online/offline compliance and ethics training for each department every month so that all employees can share the job-related ethics issues and successfully implement the work ethics. All employees of Kyobo Life have completed professional ethics training 100%. In addition to this, the company provides additional training if necessary. 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.



Whistle blowing system

Kyobo Life has a whistleblowing system to detect and resolve concealed or potential fraud and misconduct at an early stage. Behaviors subject to the internal reporting (whistleblowing) include bribery and reception of entertainment, monetary accidents, human rights infringement, HR-related misconduct such as performance evaluation, sexual harassment and sexual violence, and unethical behaviors such as leakage of customer information. In order to actively protect whistleblowers, the company has established whistleblower protection regulations so that the whistleblower does not receive any disadvantages in personnel management. In addition, the compliance officer actively monitors whether the whistleblower is protected adequately in accordance with regulations to protect the whistleblower.

Complaint-Handling System for External Stakeholders

Kyobo Life is operating a 'reporting center' page on its official website to listen to feedback and resolve any complaints of the stakeholders. Kyobo Life also operates the 'VOC system' to listen to the responses of customers; an 'insurance crime-reporting system' to allow customers to report on illegal acts related to insurance contract or insurance incidents; 'legal violation reporting system' (for the illegal or unfair activities of Kyobo Life employees) to resolve various complaints and inconveniences. In particular, the 'legal violation reporting' system allows for anonymous grievances reports to be listened to without picking and choosing. Kyobo Life will continue to grow together with the stakeholders by listening more intently to their feedback.

Compliance Management

Efforts to Comply with Socio-Economic Laws

Kyobo Life strives to practice ethical management and to comply with socio-economic laws. By stipulating matters concerning standards and procedures that the employees of financial companies should comply with when performing their duties, we will strive to comply with laws and internalize ethical and compliance management practice. Thanks to the continuous monitoring by the dedicated organization, there were no violations of conflicts of interest, violation of fair trade compliance, and receipt of money or entertainment by Kyobo Life employees in 2020. However, we were imposed by sanctions two times in accordance with the Foreign Exchange Transactions Act and regulations on overseas expansion of financial institutions, but we disclosed the relevant details after taking countermeasures.

Internal Control System

Kyobo Life clarifies and manages the roles of the board, the management and compliance officers regarding internal control that is required to be followed in order to protect its shareholders and stakeholders. The company has established, maintained and operated an internal control council led by the CEO as chairperson and evaluated the appropriateness of such internal control system through the audit committee under the board, and reported the results to the board. 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 every year to supplement the shortcomings.

Assessment process



Anti-Money Laundering System

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

Compliance Program (CP)

Kyobo Life complies with fair trade laws and regulations by introducing a fair trade compliance program. The company has appointed a compliance manager and a dedicated organization to establish related systems and regime in order to comply with fair trade-related laws, and conducted continuous training and monitoring of our employees. In addition, we are disclosing the operational performance of the voluntary compliance program on our official website. Details can be found on the 'Fair Trade Compliance' page on the Kyobo Life website.

Tax Policy

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

Tax Information Disclosure

Kyobo Life transparently discloses tax information through the electronic disclosure system (<http://dart.fss.or.kr/>) and business reports.

(Unit : KRW million)

Category	FY2020	FY2019	FY2018
Corporate tax	-	6,830	507,582
Changes in deferred income tax due to temporary differences	210,046	650,282	-185,415
Income tax expense reflected directly in equity capital	-74,883	-473,266	-154,221
Additional corporate tax payment	-14,042	10,518	7,644
Corporate tax expense	121,121	194,364	175,590

*Based on separate financial statements

Tax Risk Management

Kyobo Life identifies and manages possible tax risks in advance by monitoring domestic and foreign tax-related regulations and policymakers. Kyobo Life has been establishing an internal system to ensure accurate and reliable accounting process through the internal accounting system and internal control system, and the company reports its corporate tax through external institution. In addition, if there is any disagreement in interpreting tax law, we strive to minimize tax risks by clearly interpreting the tax law through tax advice.

Tax Payment-related Award

In March 2020, Kyobo Life was awarded the "Tower for high-income taxpayer (KRW 400 billion)" on the 54th Taxpayers Day. The award is given in the name of the President to a corporation that has contributed to the national finances by faithfully paying national taxes, and Kyobo Life was recognized for its faithful tax payment.

Information Security and Personal Information Protection

Information Security

Financial companies need to establish safe information security management systems to protect customers' personal information. Kyobo Life has obtained certification by the International Information Protection Standard (ISO 27001) every year since 2007 in order to preemptively establish a security system and strengthen the level of information security. ISO 27001 is a certification that evaluates and certifies how well a company sets up plan, checks, and improves information protection policies and information security incident response system, etc. By obtaining ISO 27001, Kyobo Life was recognized for its information security management and response system. In addition, Kyobo Life makes utmost efforts to conduct periodic self-security management inspections and security audits for information security.

Security Inspection Status

	Self IT security audit	IT security management inspection	Personal (credit) information security management inspection
Purpose of Inspection	To secure efficiency in internal control of IT security by detecting and improving issues through regular inspections on appropriateness of security system operation	To enhance the appropriateness of information security management system and prevent security-related incidents, as well as to prevent vulnerability in security by visiting and improving the work space of outsourcing workers	To raise employees' and FPs' mindset of customer information protection and to prevent security-related incidents
Inspection period	<ul style="list-style-type: none"> Twice a year (at any time when detecting security incidents) 	<ul style="list-style-type: none"> Semi-annual 	<ul style="list-style-type: none"> Regular inspection : Monitoring information security, security inspection on insurance agent, security inspection on department at head office, etc. Irregular inspection : Inspecting information security when close or relocate the branch office, inspecting customer plaza, etc. Security activities : self-evaluation on customer information protection (on quarterly basis) and self-inspection on customer information protection (on monthly basis)

Information Security Council

Kyobo Life operates an information security council in order to improve the efficiency of implementation of information security-related policy and systematically manage it the company-wide. A security officer supervises operation of a consultative body, which discusses and decides matters concerning information security such as customer information protection, IT security as well as related agenda.

Customer Privacy

Kyobo Life has prepared internal regulations and continued to provide training for all employees and Financial Planners in order to protect customers' personal information. Now that customer information protection is the most important requirement that a financial company should comply with, the head of each department conducts training by themselves. Because of continued training, there have been no cases of leakage, theft, or loss of customer information.

Information Protection Training Status

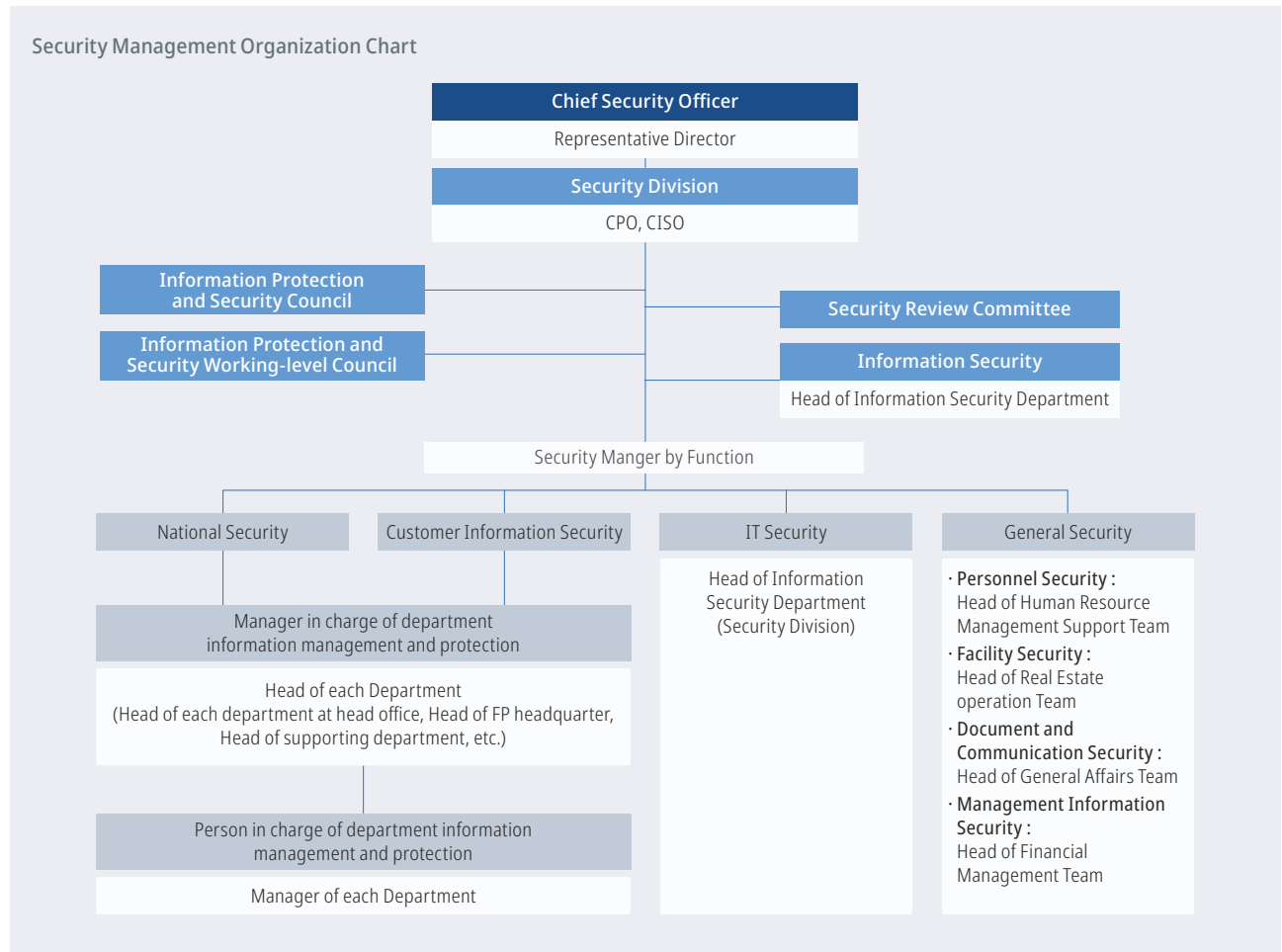
	Category	Unit	2018	2019	2020
No. of violation of and leaking customer information	Employees	Case	0	0	0
	Financial Planners		0	0	0
Customer information protection training status	Employees	Hour	11	11	12
	Financial Planners		12	11	12
	IT Management Staff		13	11	12
	Manager of Information Protection Management		28	16	14

* Training for Financial Planners: Day of Cyber Security Diagnosis (6) + Corporate level training in the first and second half (2) + PF training on simple task (2)+Q&A training(2)



Information Protection Promotion System

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



**SPECIAL
ISSUE**

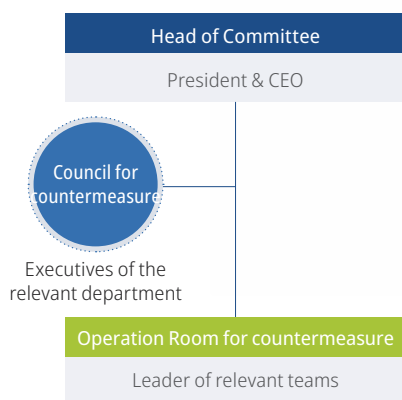
Overcoming Together: Kyobo Life's Response to the COVID-19 Crisis

In 2021, we are living in a world that we have never experienced before. Instead of visiting our hometown, which gives comfort just by thinking about it, we are saying hello through video calls; and at a wedding, which had been full of long sweet expectation, just minimum number of guests wearing face masks are extending their congratulation. Even at the school, we start the new semester without knowing the faces of our classmates. The COVID-19 pandemic not only affects the health and economy of the global community, but has also changed our daily lives. We hope that today, changed by the COVID-19 pandemic, will be a little different tomorrow, and Kyobo Life has prepared support measures for each stakeholder to actively respond to the COVID-19 pandemic.

The COVID-19 Pandemic Response System

Kyobo Life continuously conducts company-wide inspections through the Business Continuity Planning (BCP) to protect the company's key resources and ensure business continuity under the emergency situations such as disasters and accidents. Thanks to such efforts, Kyobo Life was able to swiftly establish a company-wide crisis management response system to minimize the impact of the COVID-19 pandemic. We have established new and regular governance and prepared a response manual to actively respond to the outbreak of the COVID-19 crisis. The company has prepared a step-wise response plan, distributed posters guiding quarantine rules to prevent infection, and actively responded through regular in-house broadcasts of quarantine rules in accordance with the government's quarantine guidelines. In addition, we have prepared an emergency scenario in preparation for the highest alert of the government regarding the COVID-19 quarantine. As such we plan to actively respond when a crisis occurs.

Corporate Governance in Responding to the COVID-19 Pandemic



*As of date between 2020 and June 2021

03_

Overcoming Together:
Kyobo Life's Response to
the COVID-19 Crisis

Supporting test for COVID-19

558 persons

COVID-19 test costs

KRW 62,803,725



Kyobo Life hopes that the COVID-19 crisis will end as soon as possible.

We hope that the market economy, which has been contracted due to the prolonged pandemic, will be revived and that the lost ordinary lifestyle will be restored. Going forward, Kyobo Life is further committed to creating a better tomorrow for all stakeholders.



+ Customers

Kyobo Life has deferred insurance premium payments, payment of general loan principal and interest, and payment of insurance contract loan principal and interest for six months to support customers suffering from the COVID-19 pandemic. We expanded the beneficiaries of the financial support from confirmed cases and those in self-quarantine to small business owners and SMEs to support the customers and members of society suffering from the COVID-19 pandemic. In addition, we switched customer activities centered on face-to-face activities to the non-face-to-face activities to prevent customers from experiencing any inconvenience in the entire process of sign-up, retention, and payment. The company hosted the Kyobo Nobiliaire Concert online to deliver comfort to everyone who is tired by the prolonged COVID-19 pandemic.



+ Local Community

Kyobo Life strived to contribute to the local community by minimizing face-to-face volunteer works and switching it to non-face-to-face service in accordance with the quarantine guidelines. In a situation where the volunteer activities were suspended nationwide due to the COVID-19 outbreak and the vulnerable groups and beneficiaries were having a lot of difficulties, Kyobo Life supported the vulnerable mainly through DIY activities such as 'COVID-19 Prevention Popup Book Making activities,' which can be conducted without face-to-face activities. Kyobo Life, in cooperation with the Ministry of Health and Sports of Myanmar, provided 5,000 rapid diagnosis kits to support the damage caused by COVID-19 not only in Korea but also overseas.

+ Employees and Financial Planners

Kyobo Life provided safety and health items such as hand sanitizer and masks to the employees and Financial Planners of all business sites to keep the safety of employees the top priority. We strived to overcome the damages together by providing necessary quarantine items to the business sites, and by delivering necessary items to those in self-quarantine. In addition, we have implemented a scattered working system and a flexi-time work system for all employees to prevent the spread of disease and minimize damage in case of emergency. Employees who are at risk of infection, such as pregnant women, are granted special leave and reduced work hours from 10:00 to 17:00 throughout the entire period. Kyobo Life has adopted telecommuting for some of its employees, and has established relevant infrastructure and systems so that they can work anywhere, regardless of location. Meanwhile, Kyobo Life is supporting COVID-19 test costs for employees and Financial Planners with suspected COVID-19 symptoms to preemptively respond to the infection. We are committed to ensuring the safety of our employees by introducing the vaccination leave system earlier than other companies.

Stakeholders Engagement

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.

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Amount of Claims Paid

KRW **10** trillion and
495.6 billion

Socially Responsible Investment(SRI)

KRW **8,971.6** billion

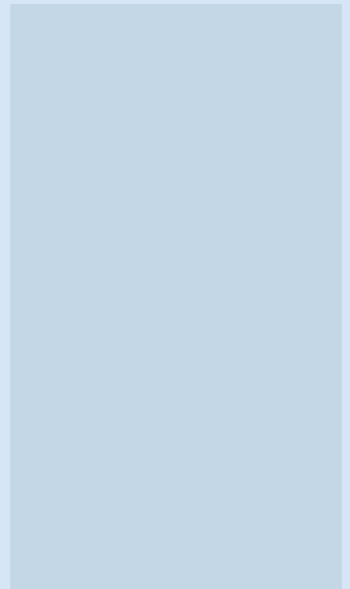
Energy Usage

-37.93TJ(compared to previous year)

Companies newly signing the Clean contract system







52 companies





Sustainable Management System

Kyobo Life has established a sustainability management system consisting of ① its commitments to its stakeholders; ② the principles according to which its promises are implemented; and ③ key performance indicators (KPI) based on the company's sustainability management philosophy of 'Pursuit of Shared Growth with All Stakeholders.' In 2021, with the increasing importance of construction of an ecosystem through win-win cooperation, Kyobo Life classified its partners as its important stakeholders and readjusted its sustainability management system. Kyobo Life strives to contribute to achieving UN Sustainable Development Goals (UN SDGs) through the sustainability management based on the stakeholders' engagement.

	Sustainable Management Philosophy					
Stakeholders						
	Customers	Financial Planners	Employees	Investors	Partners	Partners Government & Local Communities
Promise	A company that provides optimum insurance coverage and ongoing services	A company that succeeds together with its Financial Planners	A company that grows together with its employees	A company that is attractive to investors	A company that cooperates with partners	A company that grows together with the government and local communities
Principles	<ol style="list-style-type: none"> 1 We will listen to our customers and manage the company from their perspective. 2 We will enhance service quality throughout the policy lifecycle, from subscription to persistency and benefits payments. 	<ol style="list-style-type: none"> 3 We will respect and trust the Financial Planners as our business partners. 4 We will establish fair standards and help Financial Planners to engage in their sales and service activities with peace of mind. 5 We will support the development of our Financial Planners into insurance experts. 	<ol style="list-style-type: none"> 6 We will maintain our corporate culture of joy, pride and trust. 7 We will provide equal opportunities and rewards according to fair evaluation criteria. 8 We will support our employees' growth and development as insurance experts. 	<ol style="list-style-type: none"> 9 We will continue to produce exceptional profits based on good growth. 10 We will increase the value of the company through preemptive financial and non-financial risk management. 	<ol style="list-style-type: none"> 11 We will grow together with our partners through fair transaction 12 We will create a sustainable financial eco-system by supporting out business partners. 	<ol style="list-style-type: none"> 13 We will fulfill our tax payment and cooperation obligation by complying with the national tax and relevant laws. 14 We will fulfill our social and environmental responsibilities as corporate citizen.
KPI	Persistency Rate ¹⁾ 80.8% Satisfaction Level of customers 73.1points Market Share ²⁾ 11.9%	Satisfaction Level of FP 71.5points Retention Rate ³⁾ 43.5% (those who work for more than 13 months)	Satisfaction Level of Employees - Training hour provided to each employee 83.1hour	ROE ⁴⁾ 3.7% RBC ⁵⁾ 333.4% Total asset ⁶⁾ KRW125.7trillion Socially responsible investment (SRI) ratio ⁷⁾ 9.8% KRW8,971.6billion	No. of companies signed on Clean contract system 52companies Investment in digital strategy (Accumulated) KRW44billion	Tax KRW114.6billion Social Contribution Ratio ⁸⁾ /Amount 1.5%/KRW5.7billion Energy Consumption ⁹⁾ 618.06TJ

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

2) Market Share: Based on premium income as of the end of December 2020

3) 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

4) 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

5) 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

6) Total assets: Based on consolidated financial statements

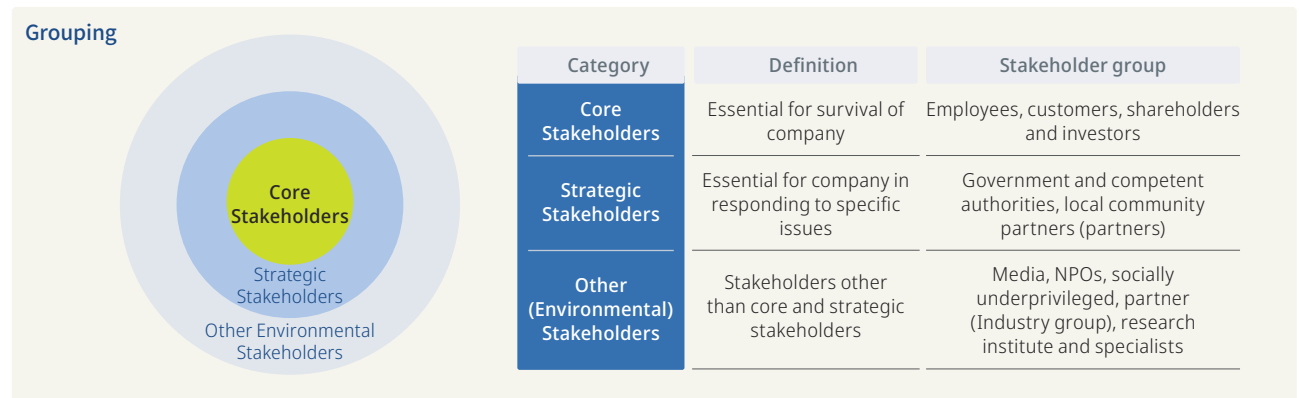
7) Social contribution ratio: Amount of social contribution/Net Income, based on consolidated financial statements.

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

9) Energy consumption: TJ * Standardized in calorific units has been changed to TJ from TOE.

Stakeholder Engagement

Kyobo Life has clarified the purpose of stakeholders' engagement based on its sustainability management philosophy of 'Pursuit of Shared Growth with All Stakeholders.' To this end, Kyobo Life classifies the stakeholders in accordance with identification of stakeholders and engagement process presented by ISO 26000, AA1000SES and GRI and redefines the core stakeholders and strategic stakeholders as key stakeholders. In addition, as the importance of win-win cooperation with various partners increases due to the COVID-19 pandemic and accelerated digital transformation, the company classifies 'Partner' as key stakeholders based on the global standard recognizing such importance, and readjusts its sustainable management system.



Definition of Stakeholders and Communication Channels

Stakeholders	Definition	Issues	Efforts of Kyobo Life and Achievement	Main communication channel and cycle
Customers	Individuals or groups subject to subscription or potential subscription of products created through Kyobo Life's economic activities	Spreading a trustworthy customer protection culture Information Security and Personal Information Protection (Privacy)	Establishment of consumer protection system(Obtained Consumer-oriented management (CCM) certification for 8 consecutive years) Regular security management and inspection (Acquired ISO 27001 certification)	<ul style="list-style-type: none"> The company website (all times) the customer panel system (once a year) the customer satisfaction survey (once a year) the VOC system(all times), VIP customer invitation event (all times), asset management seminar(all times), blog and SNS(all times)
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	Support for strengthening the competency of Financial Planners Stable asset management	Improvement of Financial Planner competency strengthening training course Pursuing stable profits through ALM policies* that comprehensively consider assets and liabilities(ROI 3.6%, ROE 3.2%, declaration of coal phase-out finance)	<ul style="list-style-type: none"> The company website exclusively for the FPs(all times), the FP satisfaction survey (once a year) the excellent FP group (often) MDRT (once a year), the FP meeting, etc.
Employees	An individual or group who is employed by Kyobo Life and provides certain work or services and receives corresponding compensation	Creating a good environment to work Employee competency development and talent cultivation	Operation of flexible working system (flex-time work system and telecommuting) and establishment of smart office environment Support for employee competency strengthening process(Average training hour per person-83.1 hours, support KRW 212,000 per person)	<ul style="list-style-type: none"> The digital communication magazine (all times), the labor-management meeting, the labor-management council (all times), brief on management status (twice a year) employee job commitment level survey (once a year)and the newsletter, etc
Investors	An individual or group that provides capital to Kyobo Life for the purpose of specific profit pursuits	Enhancement of financial soundness Development of digital technology based products and services	Maintained credit rating 'A1' from Moody's for 7 consecutive years, credit rating of 'A+' from Fitch for 9 consecutive years AI-based insurance fraud detection system (K-FDS), underwriting system (BARO)	<ul style="list-style-type: none"> The company website, IR, the general shareholders' meeting (once a year) the BOD meeting (once a month)
Partners	An individual or group who provide certain products and services to Kyobo Life and receives corresponding compensation	Reinforcement of ethical management Establishment of transparent and diverse governance	Establishment of Kyobo Life Employees' Charter of Professional Ethics and Employees' Code of Professional Ethics (Clean contract system, establishment of fair trade culture, etc.) Transparent governance structure (BOD evaluation and remuneration disclosure)	<ul style="list-style-type: none"> Website (reporting illegality) (all times) Noticing Clean contract system (often) Open innovation program (once a year)
Government and Local Communities	Living communities directly or indirectly affecting or being affected by Kyobo Life's corporate activities	Pre-emptive risk management Compliance with social and economic regulations	Establishment of infrastructures in preparation for enforcement of IFRS and K-ICS Implementation of program to comply with the social and economic regulations such as Compliance Program and Anti-money laundering, etc.	<ul style="list-style-type: none"> The company website (social contribution), Kyobo Dasomi Volunteers and the social contribution meeting

※ Issue per stakeholder: Results from an online survey in May 2021

Sustainable Management Expert Interview

For Kyobo Life to carry out its social responsibilities and grow sustainably, we interviewed experts in every sector of ESG.

ESG (Environment-Social-Governance) Policy

Korea Sustainability Investing Forum- Commissioner
Tae-han Kim



Kyobo Life needs to build a system that reflect ESG in the management decision-making

Recently, there has been growing interest in ESG, and ESG-based sustainable finance is becoming itself a new standard for advanced finance, leading to the introduction of relevant policies. In 2018, the EU announced the Sustainable Financial Action Plan, incorporating ESG factors into the financial supervision system, while at the same time introducing infrastructure for sustainable finance, such as the ESG disclosure system, green bond guidelines, and green industry classification system. In 2020, the Korean Financial Services Commission and the Ministry of Environment formed a green finance task-force to introduce relevant policies and systems, and the National Pension Service of Korea announced that it would expand the amount of responsible investment to 50% of total operating assets by 2022. Kyobo Life has strengthened internal sustainability management system, and has steadily strived to expand sustainable finance by participating in the Climate Finance Support Declaration. Now is the time to advance, based on these achievements of the company, with ESG a key factor determining future corporate competitiveness. It is recommended that Kyobo Life build a system that can reflect ESG in the management decision-making. I propose the company introduces an ESG committee within the BOD in terms of corporate governance, to expand the scale of socially responsible investment and portfolio management based on climate change scenarios in terms of asset management, and to implement preemptive disclosure of ESG information in terms of responding to stakeholders.

It is important to recognize the true value of human rights and build human rights culture.

Although the history of human rights management is not long, the perception that a company cannot postpone human rights management is becoming widespread among companies. However, only a few companies stick to the appropriate principles and practice human rights management. Globally, the principles of human rights management have already been firmly established, and now the legislative efforts are being made. I expect that Kyobo Life will introduce human rights management that is consistent with global standards while monitoring the global trends. Appropriate human rights management refers to the activities of establishing and implementing human rights values within the company. It includes activities to identify and disclose what human rights risks Kyobo Life is currently facing, and what countermeasures it has taken, and what results it has made. To ensure the effectiveness of these activities, the full commitment of the CEO and the enhancement of human rights awareness of employees should be a prerequisite. Furthermore, honest and direct communication with potential and current victims of human rights abuses is essential. I expect that Kyobo Life will truly recognize the value of human rights and build a human rights culture, rather than just making activities for formal checkbox on human rights.

Human Rights/ Labor

Law School of Sogang University-Professor
Sang-soo Lee



ESG Evaluation

KCGS- Team leader
Jin-sung Kim



It is time to consider how the company can enhance stakeholders' awareness of ESG.

Recently, interest in ESG has been spreading widely in Korea. The emergence of ESG provides an opportunity to consider the importance of not only 'financial information,' but also 'non-financial information,' as the main criteria for corporate management and investment. Major overseas countries have already standardized the disclosure methods and mandated the disclosures, recognizing the importance of non-financial information. Disclosure of ESG information has the effect of transforming corporate management into environmental management, social responsibility management, and governance. The purpose of ESG evaluation is to diagnose the ESG management level of a target company based on such information. The overseas financial industry is developing products and services using ESG evaluation, such as using ESG ratings for sustainability-linked loans and in the screening process. In Korea, some financial institutions seem to provide such services. It is thus an appropriate time for Kyobo Life to consider raising the ESG level of stakeholders as well as that of the company. Furthermore, in a situation where the global standard-setting organizations such as GRI and CDP are pursuing standardized criteria for ESG information disclosure, it is necessary for Kyobo Life to prepare for this.

Kyobo Life is recommended to proactively play an exemplary role responding to change in trend.

On April 29, 2021, the German Constitutional Court ruled that the German government's law on climate change, under which greenhouse gas emissions will be reduced by 55% by 2030, is insufficient. If it is reduced by only 55% by 2030, the burden of reducing greenhouse gas emissions will be transferred to the younger generation after 2030, which is a violation of the constitutional right of freedom. After the ruling, the German government made an official announcement that it would reduce greenhouse gas emissions by 65% by 2030, and by 88% by 2040. Boosted by such determination, the price of carbon credits in Europe rose to 53 Euros per ton as of mid-May 2021. This movement responding to climate change is accelerating rapidly not only in Germany but also worldwide. At the same time, there is a growing responsibility on asset management companies, which greatly affects the decisions on which businesses and which infrastructure will be operated through investments in bonds and securities. Kyobo Life should carefully consider whether the company is investing its assets in accordance with international standards. I expect that Kyobo Life will take the initiative in playing an exemplary role under such changes.

Climate Change

Greenpeace-Expert advisor
Ji-seok Kim



Local Society

Innosociallab-Representative
Dae-kwon Ko



Kyobo Life is recommended to continue good activities further based on feedback on its social contribution activities.

I would like to make three recommendations on the social contribution of Kyobo Life. Firstly, quantitative and qualitative changes in the demography are becoming apparent due to the recent intensification of polarization, low fertility rate and population aging, and the emergence of new technologies and conflicts. I think the business of Kyobo Life is also evolving in line with these demographic changes. Social contribution activities of the company should also reflect such change. It is time for Kyobo Life to think about what kind of principles and tools Kyobo Life possesses to promote its advancement of social contribution, what kind of crises are faced by the local community, one of Kyobo Life's important stakeholders, what efforts Kyobo Life has made to solve them and with what results. In other words, Kyobo Life needs to review its perspectives on social contribution. Secondly, especially this year, many parts of society have changed and they will change even more due to the national crisis caused by the COVID-19 pandemic. Against this backdrop, I hope that Kyobo Life will make appropriate social contribution needed by our neighbors in the way that the company has done thus far. Thirdly, Kyobo Life is contributing to society at a high level, both quantitatively and qualitatively. I expect that Kyobo Life communicates with its stakeholders by clearly and concisely classifying social contribution activities into three sectors: the sector where Kyobo Life directly contributes to society; the sector where the company contributes to society through the foundation; and the sector where the company increases social contribution effects by participating in activities of other organizations such as the Life Insurance Social Contribution Committee.

Stakeholders Interview

Kyobo Life holds a 'Stakeholder Meeting' to develop sustainable management of Kyobo Life and make meaningful changes. In 2021, Kyobo Life conducted a stakeholder survey online due to the continued COVID-19 pandemic. We conducted in-depth interviews to collect stakeholders' opinions on key issues in each sectors such as general/economic/social/environmental sectors, and on the material issues derived from materiality assessment. The interview provided us an opportunity to listen to various opinions about the direction Kyobo Life should take in the future.

Customers

Min Chae, Kim



Communication is essential to appropriately practice customer-centered management. It is important to disclose information transparently, but it is also important to collect the opinions from various stakeholders, including customers, through active communication. It is also important to try to actively communicate with customers through various channels. A company should diversify channels to enable communication in a non-face-to-face environment as well as face-to-face environment. Above all, I think it is very important to understand customer's needs through sincere communication. In this regard, it is important to respond to the demands of the global society, such as ethical management, expansion of eco-friendly investment, climate risk management, etc. However, I think that since the opinions of stakeholders are reflected in the actual implementation process, it is a true ESG management activity and customer-oriented management rather than just ESG washing.

Communication is essential to appropriately practice customer-centered management.

Employees

Ahram Lee
Corporate Planning Team



In the era of the 4th industrial revolution, the company is actively pursuing digital transformation at the corporate level. In addition, we have led ESG management, which has become a hot topic recently, and the company was selected as the top company in the Korean Sustainability Index's life insurance business category for 11 consecutive years. As an employee, I am proud of our willingness and effort to follow the changing trends of the times. However, in order to become a company beloved for more than a century, above all, continuous attention to and care for employees, the company's internal stakeholders, is required. In addition to creating a safe and good working environment, I hope that the company pays more attention to diversity and inclusiveness within the company as well as to make safe and good environment to work to create a culture that only our company can realize. Moreover, in a situation where human rights are gaining more importance worldwide, I hope that the company adopts a human rights policy and conducts regular impact assessments to consider the direction in which the company should proceed together with its employees.

I want the Company thinks about the direction that the company should pursue with all employees.

Financial Planners

In-ok Kim,
FP Manager at Sky FP
Branch



In 2020, we had many difficulties in sales due to the COVID-19 pandemic. However, with the company's active support, we could overcome difficulties together. In addition, the fact that the company has received an excellent credit rating in recognition of its outstanding ability to pay insurance claims through stable asset management even in a difficult condition is very reliable in protecting customers' valuable assets as a FP. Live Talk education, which provides training in real time allows us to have good experience of listening to and learning from more various instructors than before. It is expected that the COVID-19 pandemic will continue for some time. We need supports in a variety of ways in meeting customers and communicating the value of insurance. I ask the company to consider ways to increase contact points with customers by improving the convenience of insurance subscription system and providing various products and services.

I ask the company to consider ways to increase the point of contact with customers together.

Partner participating

Jjakkak Alligator,
in the Round-1 Inno Stag

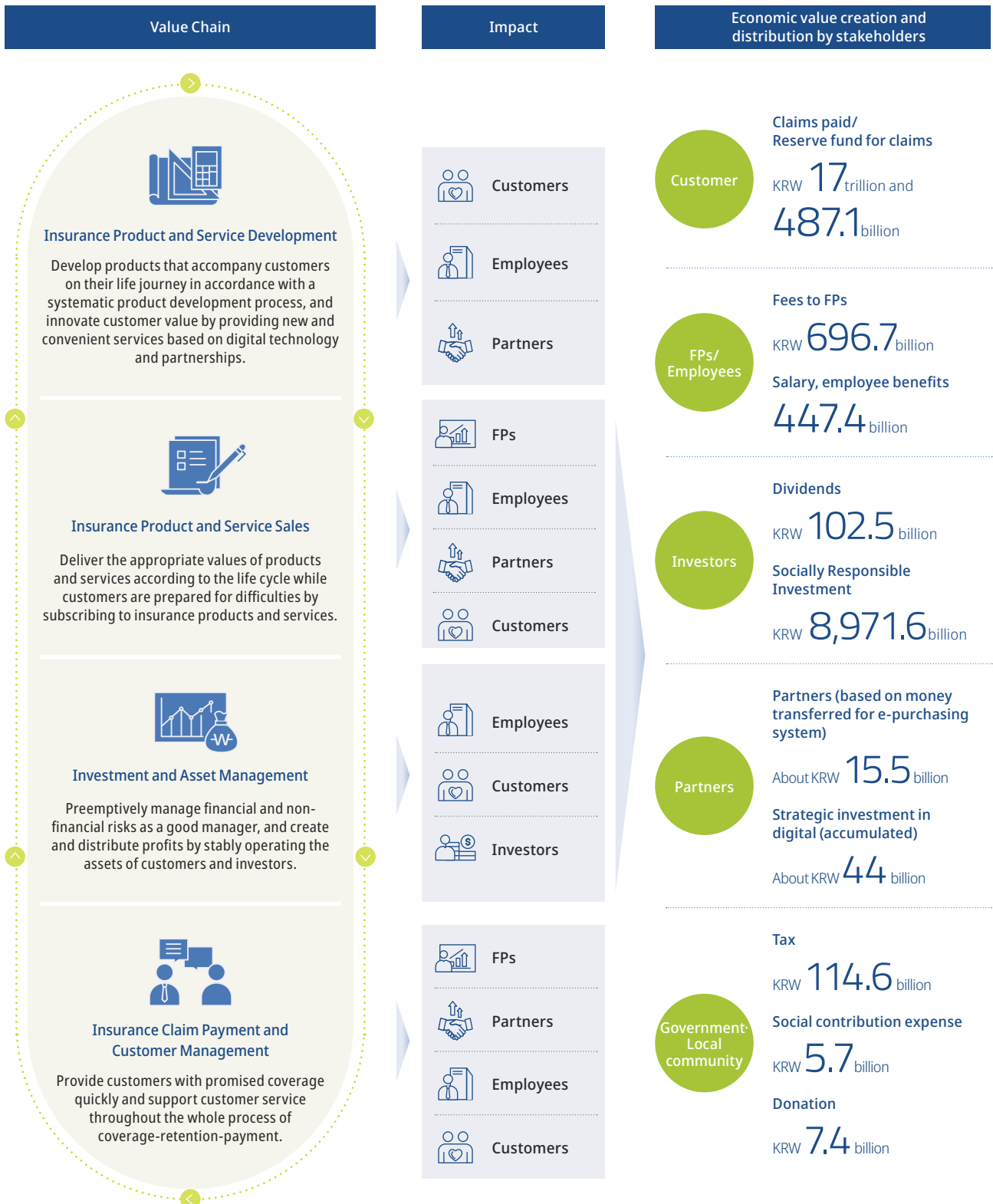


Through the Inno Stage this time, I realize that Kyobo Life is not only known as a strong figure in the traditional insurance industry, but also is making diverse attempts to accelerate innovation and secure new growth engines. It was impressive to see Kyobo Life constantly making new attempts in line with rapidly changing trends and changes. I think that one of the great competitiveness of Kyobo Life is that it does not simply convert a person's life from birth to death into money, but considers what factor the person needs at some point of time to create synergy with Kyobo Life partners and to derive and try various opportunities. I would like to extend my appreciation for arranging collaborations with various departments so far. Going forward, I think that it is necessary for projects such as 'Inno Stage' to be continued and external PR activities to be carried out for win-win cooperation with partners.

I hope that opportunities for win-win growth with partners will be continuously provided.

Kyobo Life Value Chain

Kyobo Life affects and is affected by stakeholders in the entire value chain of customer management, from product development to insurance claim payment, and distributes the economic value created to stakeholders. Kyobo Life pursues joint development with all stakeholders through sustainability management.



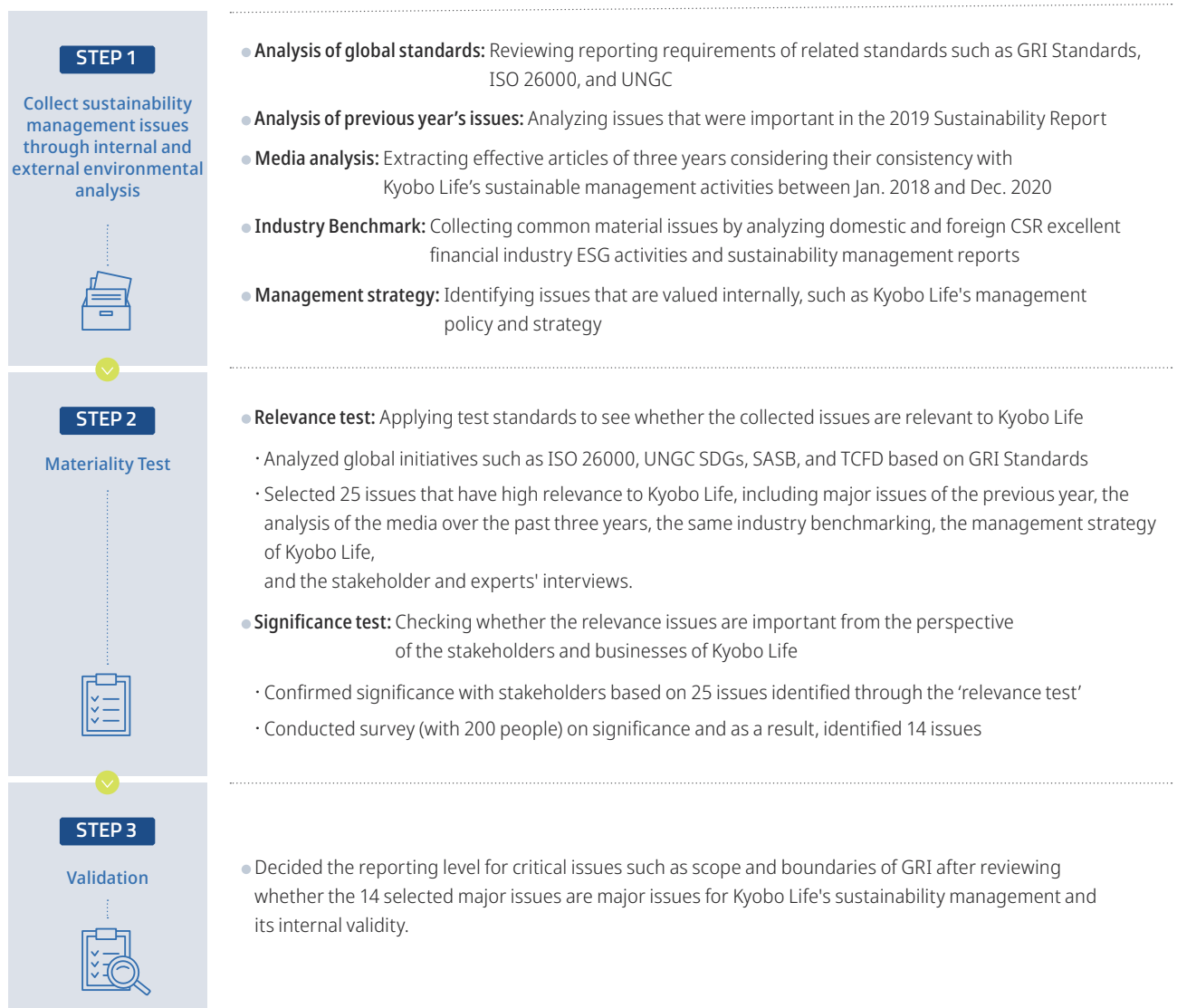
Materiality Test

Kyobo Life has conducted materiality tests in order to identify items of interest to external/internal stakeholders, and factors that may 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 identified material issues through Relevance and Significance assessments of the relevant issues based on the materiality test method described in ISO 26000 and GRI Standards. Compared to the previous year, ethical management was selected as the most important issue, and new issues identified included 'strengthening access to financial services,' 'complying with social/economic laws,' and 'expanding investments in the eco-friendly energy sector.' Although 'Enhancing Financial Planners' competencies' was not included in the material issues for the year concerned, it was in the previous year nonetheless selected as a material issue in terms of top issues and its impact.

Materiality Test Process





Key issues and reporting boundaries are as follows:

Order	Change YoY	Key issues	GRI Standard Aspect	Impact	page
1	+8	Strengthening ethical management	GRI 102-16, GRI 102-17	Internal/external	23~25
2	+10	Development of digital-based products and services	-	Internal/external	47
3	-1	Stable asset management	GRI 201-1	Internal/external	73
4	-3	Information security and personal information protection	GRI 418-1	Internal/external	26~27
5	New issue	Complying with the socio-economic laws	GRI 419-1	Internal/external	24
6	+1	Creating a good working environment (work and life balance)	GRI 401-2, GRI 401-3	Internal	61~62
7	-2	Employees' competency development and nurturing talent	GRI 404-1, GRI 404-3	Internal	62~64
8	-2	Practice customer-oriented management (Developing customer-oriented customized products and strengthening customer contact)	-	Internal/external	48~50
9	+1	Proactive risk management	GRI 102-11	Internal/external	20~22
10	+1	Establishing transparent and diverse corporate governance	GRI 102-18	Internal/external	18~19
11	-7	Spread a culture of trusted customer protection (Providing accurate information to customers)	GRI 417-1, GRI 417-2, GRI 417-3	Internal/external	51~52
12	-4	Enhancement of financial soundness	GRI 201-1	Internal/external	74
13	New issue	Expand investment in eco-friendly energy sectors	-	Internal/external	75
14	New issue	Strengthening access to financial service (Improving financial service convenience for general customers)	-	external	53
15	-13	Support for Financial Planners' competency building	-	Internal	55~56



Compliance with the Ten Principles of UNGC

Kyobo Life joined the UN Global Compact (UNGC) in September 2010 for the first time in the insurance industry and has complied with ten principles in four sectors - human rights; labor; the environment; and anti-corruption - presented by the UNGC. This Sustainability Management Report contains information on the Company's observance of the ten core principles. In addition, every year, the company submits a CoP (Communication on Progress) report to the UNGC head office transparently to disclose the implementation performance with stakeholders.

Activities for Ten Principles of UNGC

	Principles	Policies and Activities of Kyobo Life	Page
Human Rights 	1 Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> Declared support for human rights protection by joining UNGC Enacted the Code of Ethics for Kyobo employees All employees participated in the pledge to 'practice code of ethics' (every year) Declared its commitment to ethical management externally (CEO signed the Ethical Management Pledge) 	3, 23-24
	2 Ensure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> Conducted training for code of ethics for all employees Conducted training to eradicate and prevent sexual harassment Conducted training on perceptions of the disabled Established standards for protection measures for customer service staff Complied with personal information protection obligation (ISO 27001) Operated grievance-counseling system 	24, 26, 62, 65
Labour Standards 	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,	<ul style="list-style-type: none"> Cooperative labor-management culture (Union membership rate 73%) Collective agreement is applied to all regular workers) 	62
	4 The elimination of all forms of forced and compulsory labor;,	<ul style="list-style-type: none"> Prohibited forced labor Operated reporting center for undue extended work 	61,65
	5 The effective abolition of child labor; and,	<ul style="list-style-type: none"> Prohibited child labor 	65
	6 The elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> Prohibited discrimination in work Complied with the same basic salary and compensation ratio for male and female workers Conducted performance evaluation on regular basis Ratio of female workforce (41.6%), Ratio of female managers (19.7%) Declared support for the Principles for Empowerment of Women (WEPs) 	62, 65, 68, 90
Environment 	7 Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> Joined the CDP signatories Declared support for coal phase-out finance Established eco-friendly management activity system 	4-5, 75, 81
	8 Undertake initiatives to promote greater environmental responsibility; and,	<ul style="list-style-type: none"> Activities to save energy Supported introduction of paperless office Replaced outdated facilities to reduce greenhouse gas 	81-82, 92, 93
	9 Encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> Expanded eco-friendly financial investment 	75
Anti-Corruption 	10 Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Ethics education and practice program Fair Trade Compliance Program Clean contract system 	24-25, 78

SDGs Implementation Status between 2020 and 2021

Sustainable Development Goals (SDGs) are the common goals that the international community should achieve by 2030 to end poverty and make the happiness for all. It consists of a total of 17 general goals and 169 detailed goals. Kyobo Life selected and strived to implement six goals that the company can participate in and implement well, and we conducted an online stakeholders' survey with 200 stakeholders to collect their opinions, in order to identify tasks that need to be carried out in earnest. Kyobo Life is committed to communicating with stakeholders and achieving the UN SDGs.

SDGs	Major Activities	Achievements of Kyobo Life in 2020		
 <p>No poverty</p>	<ul style="list-style-type: none"> Ties of Love activities Kyobo Dasomi Sound and Light Program Supporting poor farmers in Vietnam by providing seeds and farming tools for economic independence 	<p>Amount supported for Ties of Love activities</p> <p>KRW 360,000,000</p>	<p>No. of persons benefited from Sound and Light Project</p> <p>43 persons</p>	<p>Supports for extremely poor farmers</p> <p>690 households, Provided 27,600 trees</p>
 <p>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 	      		
 <p>Quality Education</p>	<ul style="list-style-type: none"> Kyobo Hope Dasom Scholarships Kyobo's youth leadership program : 'Change' One company – One school, financial education Operation Kyobo Life Youth Athletics Cup Championship : Support Kyobo Sports Talent Development Scholarship Northeast Asia March for Undergraduate Students Kyobo Dream Makers 	<p>No. of persons benefited from Kyobo Hope Dasom Scholarships</p> <p>96 persons</p> <p>Amount supported for Kyobo Life Youth Athletics Cup Championship</p> <p>14 persons</p>	<p>No. of persons benefited from Kyobo's youth leadership program: 'Change'</p> <p>40 persons</p> <p>No. of persons benefited from Kyobo Dream Makers</p> <p>98 persons</p>	
 <p>Gender Equality</p>	<ul style="list-style-type: none"> Fair recruitment and implementation of performance evaluation Operation of KWIN Mentoring for female employees : Female Leadership Conference Declared gender equality through WEPS-UNGC 	<p>Conduct regular performance evaluation</p> <p>twice a year</p> <p>Hold mentoring program</p> <p>once a year</p>	<p>Holding Female leadership conference</p> <p>once a year</p> <p>Declare support for WEPS (June 2019)</p>	
 <p>Industry, Innovation and Infrastructure</p>	<ul style="list-style-type: none"> Socially Responsible Investment (SRI) 	<p>SRI investment ratio</p> <p>9.8%</p>	<p>Amount of SRI</p> <p>KRW 8,971.6 billion</p>	
 <p>Climate Action</p>	<ul style="list-style-type: none"> Reduction of paper use through implementation of an Electronic Subscription System Establishment of paperless office environment Response to climate change through declaration of coal phase-out finance Joining environment initiative Carrying out energy saving activities 	<p>Electronic subscription system</p> <p>24,424 cases per year</p> <p>Expand eco-friendly financial investment</p> <p>KRW 3,758.5 billion</p>	<p>Reduce paper use</p> <p>13,438,000 sheets</p> <p>Energy consumption</p> <p>-37.93 tJ (compared to previous year)</p>	<p>Declare coal phase-out finance, join CDP Signatories (In May 2021)</p> <p>Reduce greenhouse gas emission</p> <p>1,871 tCO₂</p>



SPECIAL
ISSUE

For Sustainable Tomorrow

These days, life of human kinds is deeply connected to the sustainability around the world. From overflowed plastic containers of purchased products and disposable products used for our convenience to the resulting climate change, convenience in everyday life has been Group Risk Management Part linked to the future of the planet. This has made many companies around the world strive to focus on sustainability and reflect it throughout their business. With the belief that 'a sustainable tomorrow begins with people,' Kyobo Life has paid a lot of attention to its internal stakeholders, its employees. Kyobo Life seeks to practice joint development with all stakeholders and advance a sustainable tomorrow. This Report contains interviews that the company conducted with employees who are working hard for sustainable growth, and status of today made by their efforts.

Sustainability

Q

What does it mean to be sustainable?

>

I think the word sustainable can be summarized as 'cannot be maintained independently'. It seems to me, in the society we live now, all subjects are intertwined like organisms and influence each other. Like plastic containers made for convenience are now destroying ecosystems, becoming the main cause of climate change, and leading to activities to solve them and develop new and renewable energy, things are influencing each other. ESG, which has become the hot issue recently, started as a tool to measure the value of a company. Until now, for many companies, if ESG was merely treated as a tool to prevent the decline of corporate value, now it becomes an essential element in overall corporate management. A company that cannot be sustainable, has no choice but to be weeded out.

Minseo Kim, Younghwa Lee
Corporate Planning Team

Q

How can we continue to meet a sustainable tomorrow?

>

The company simply needs to focus on what it can do well, find it, and execute it well. Let's take a brand project as an example. The company developed a new and renewable energy while solving the environmental pollution that occurs during the production of sneakers and making it be sustainable. It furthermore, changed the business model of subscription instead of distribution. An automotive brand and a famous fashion designer collaborated to create a new perspective on fashion by using leather seat scraps. The key in here is that the companies can actively respond to environmental issues in their main business doing our job and connect it to our business. Our company is constantly caring about the financially vulnerable. Our company is also carrying out many activities to improve financial accessibility, such as publishing Braille guides for the visually impaired and operating a sign language customer center for the hearing impaired. We focus on our main job to do what we can do best. 'Dasomi Support for Saving Small Breath', which is over now, is still mentioned as an exemplary case carried by civil society. This has made a positive achievement in the society by using 'preterm baby' instead of 'premature baby', bring social attention to the issue. All these are the result of our unceasing contemplation on what we can good at and practice.

Minseo Kim, Younghwa Lee
Corporate Planning Team

04_

For Sustainable Tomorrow

Organizational Culture

Tomorrow starts with diversity_ D&I culture (Diversity & Inclusion)

Q D&I is understood as an attempt to correct the underlying structural inequality that exists in both society and the workplace. What do you think the D&I culture of Kyobo Life is? And what is the object of diversity and inclusion that the company should focus on in the future? And what D&I programs/systems the company is planning, if any?

> D&I Kyobo Life pursues is a 'culture of diversity and inclusion' that acknowledges the differences of every individual, accepts and integrates such differences. It means enabling the organization to overcome "discrimination" intrinsic in the organization, demonstrates creativity and develops into an 'organization capable of innovation'.

D&I of Kyobo Life was first introduced in 2011 with KWICK (Kyobo Women's Innovative Next Generation) program, a networking organization (mentoring) program that supports the growth and development of female employees within the organization. The company has provided a networking opportunity where the employees can communicate and empathize with many external and global talents and mentors through KING (Kyobo Innovative Next Generation), which consists of the next generation the organization, and KWIN Conference every year. D&I provides one-on-one mentoring matters difficult to ask : relationship management, effective and efficient communication between members, career management, work-family life balance, etc., which the organization members want to know in a social relationship. It is a program that supports and encourages employees to handle relationships better.

Going forward, I expect that Kyobo Life's D&I will become an organizational culture that helps understand and embrace differences between not only male and female workers, but also between members of the organization, such as workers working in the field and head office, heads of organizations and members, recruited talents from other companies, foreigners, and the disabled. I also expect that all employees can have open mind through KWIN Conference.



Assistant manager Narae Seo,
New Markets Strategy and Operation Team



Assistant manager Jueun, Ko
Open Innovation Team

Win-win Growth

Tomorrow to make together- Growth together with Startups

Q Investing in the potential of startups. I think that identifying opportunities for future growth at an early stage to grow together and creating such ecosystem is the responsibility conglomerates. What potentials does the company focus on when selecting companies to grow together with? What virtuous cycle ecosystem of mutual growth between companies Kyobo Life dreams of?

> The company is exploring platform-oriented business opportunities that can create new customer value through collaboration with startups with external technologies and business models, and innovative startups that can realize innovation and synergy in the insurance business.

It is not an easy task to discover startups with high growth potential, jointly develop business models, and create synergies. The company is continuously exploring innovative startups that can create new customer value and accelerate the digital transformation of insurance business through external technologies and new business models.

This year marks the third year of InnoStage, and it has strived to create a continuous collaboration model with startups by selecting 15 teams, verifying their business feasibility and then proceeding with the business through investment review during the program period.

In particular, among the companies selected for the second InnoStage program last year, there were some brand new startups, and it was interesting and rewarding to see them grow rapidly during the program period.

Going forward, it will continue to explore various contents and secure differentiated technologies by nurturing and collaborating with the startups. I think it will become a win-win strategy since the startups, which have technologies and ideas, but lack the capital, can secure the necessary forces such as capital and infrastructure. Both parties can help each other and grow together as partners that can sustainably develop together.

Stakeholders Impact

Customers	46
Financial Planners	54
Employees	60
Investors	72
Partners	76
Government · Local Communities	80
<hr/>	
Special Issue	69
Unicorn Project, Innovation led by Employees	

Customer Satisfaction level

73.1 point

Settlement Ratio of FP

43.5%

Training hour provided to each employee

83.1 Hours

ROE

3.7%

Strategic Investment in digital

KRW 44 billion

Social Contribution Amount

KRW 5.7 billion

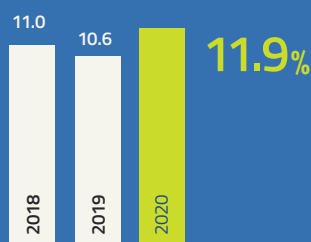


Kyobo Life's management activities for customers

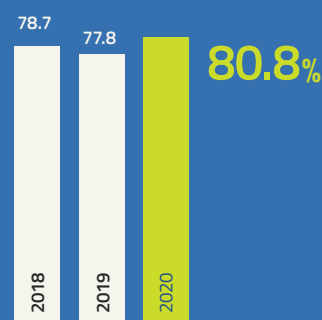
MANAGEMENT APPROACH FOR CUSTOMERS

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

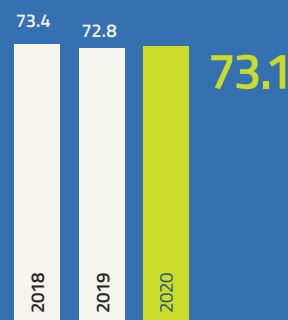
Market Share ratio¹⁾
(Unit : %)



Persistency ratio²⁾
(13th month, Unit : %)



Customer satisfaction level
(Unit : Point)



1) The market share rate is based on Premium Income

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

Key Activities in 2020

- ✓ Accelerating digital innovation focused on customer value
- ✓ Intensifying customer touch point activities
- ✓ Establishing trustworthy customer protection culture

Importance

In 2020, we witnessed rapid development of digital technology and the spread of non-face-to-face culture resulting from the COVID-19 pandemic. Such changes in the environment have led to the increasing importance of cyber information security, personal information protection, and digital technology-based product and service development to enhance customer convenience. Kyobo Life practices customer-centered management (CCM) with the highest priority in customer value enhancement, one of key stakeholders in corporate management. In addition, providing customers with accurate product information and enhancing customers' access to financial services are a material issue for sustainability management as a financial company.

Management Methods

Kyobo Life has set its 2020 management directive as 'Beyond Survival, Go for Digital Kyobo', and has strived to enhance customer value by defining activities of 'accelerating digital innovation focused on customer value' and 'intensifying customer touch points' as key initiatives. In addition, the company conducts its own customer satisfaction survey every year to reinforce customer-centered management, and establishes a consumer protection system to provide accurate information to customers and to protect their rights. In the meantime, Kyobo Life is fully committed to information security and personal information protection by obtaining and maintaining the international information protection standard (ISO 27001) certification every year.

Future Areas of Focus

Kyobo Life plans to establish a company-wide digital transformation strategy to actively respond to changes in the digital environment and enhance customer value, and carry out digital transformation in the insurance business sector. Kyobo Life plans to improve customer convenience by developing products and services that meet customers' needs, while continuing its effort to implement customer-centered management philosophy to reinforce a culture of reliable customer protection.

Development of Digital-based Products and Services

Opening 'AI-based Insurance Fraud Detection System called 'K-FDS'

In April 2020, Kyobo Life started operating Kyobo-Fraud Detection System ('K-FDS'), AI machine learning technology based system to detect insurance fraud, for the first time in the life insurance industry. AI of the K-FDS learns the characteristics of insurance fraud, finds suspects of similar behavior, responds to organized insurance fraud, automatically finds suspects of collusion, and analyzes the association with the involved hospital to prevent an insurance fraud. Since July 2019, the company has detected 11 suspected new insurance fraud cases through the pilot operation of the K-FDS, and prevented the leakage of KRW 606,046,000 of illegitimate insurance benefits/payment to protect valuable assets of customers.

K-FDS was built by utilizing Kyobo Life's proprietary technology and its own data for the first time in the insurance industry, and is evaluated to be the most accurate in terms of ability to analyze cases in the insurance industry. In addition, in recognition of its creativity and innovativeness, the K-FDS was selected as an excellent development by the supervisory authority.



Award winning for the contribution in preventing insurance crime in 2020

AI-based Underwriting System "BARO"

BARO (Best Analysis and Rapid Outcome), which won the 'Technology Initiative of the Year' award at the 2019 Asian Industry Awards in recognition of its digital innovation, has been upgraded. BARO is an AI-based underwriting system that integrates natural language-processing and machine-learning technologies developed by Kyobo Life. In the existing system, when it received an insurance policy subscription, the AI underwriter analyzed the subscription application and automatically approved the contract. Now, the updated system allows underwriters to determine the acceptance of special conditions and the reason for rejection in the pre-examination process, and guide the customers which supplementary documents need to be prepared. This makes underwriters focus more on important tasks, such as high-risk contracts, and improves work efficiency. Going forward, BARO will be gradually applied to various insurance services such as services for insurance claims to raise the level of customer satisfaction.

'Kare'; From Health Care to Donation

In line with the highly increased interest in healthcare due to the aging population and the COVID-19 pandemic in 2020, Kyobo Life opened a new healthcare application service, named 'Kare'. It is a non-face-to-face health care service designed to enhance the value of good health of customers and contribute to promotion of customers' health through psychological care services and health promotion management within one application by reflecting the customers' needs for non-face-to-face service. In particular, in 2020, as more people feel depressed due to the COVID-19 pandemic, the 'Kare' program was in cooperation with the professors of the Department of Psychiatry at University Hospital to provide additional psychological care services, such as psychological analysis and color therapy for mental health.

On the other hand, Kyobo Life conducted the 'Smile Again' campaign, supporting the establishment of a 'small library' for children in orphanages which had not been supported by volunteers by collecting photos of smiles from participants who took pictures of themselves while smiling using the AI camera installed in Kare in March 2021. The campaign envisions a virtuous cycle of donations that smile of participants can make the beneficiaries smile again, and the company delivered books to children at nursery school who had less volunteer support due to the COVID-19 pandemic, giving them emotional stability. 'Kare' service contributed to make customers stay healthy both physically and mentally by managing their physical health and emotional well-being and supporting the underprivileged through 'smile' donations.



Kyobo Life's 'Kare', 'Smile Again Campaign

Easy loan at ATM without card – "Smart withdrawal service for insurance contract loan"

In September 2020, Kyobo Life introduced the 'Smart withdrawal service for insurance contract loan' for the first time in the industry using Fintech technology to enhance the convenience of customers who uses insurance contract loan. The 'Smart withdrawal service for insurance contract loan' is a service that allows customers to withdraw cash at a nearby convenience store or subway ATM without a physical card. User should first apply for the service through the Kyobo Life mobile App application or call center to use the service. User can withdraw the money up to a maximum of KRW 300,000 per day from 8:00 am to 11:30 pm every day. Going forward, Kyobo Life will strive to enhance customer convenience and access to financial services.

Practicing Customer-Centered Management

Certificate for Customer-Centered Management (CCM)

Kyobo Life has been pursuing customer-centered management in order to prevent and promptly respond to customer complaints. The Customer-Centered Management (CCM) certification is a system to assess whether a company organizes all activities that it is conducting from the customers' perspective, and continuously improves the relevant management activities. Since the first introduction of certification in 2007, re-assessment on the company certified has been conducted every two years. Kyobo Life has been granted the certification eighth consecutive times since it obtained the certification in 2007 for the first time, and was inducted into the Hall of Fame in 2019.

Customer Satisfaction Surveys

Kyobo Life has conducted customer satisfaction surveys in order to respond swiftly to changes in the market. Kyobo Life uses the results of each survey to assess the level of customer satisfaction and understand the customers' needs, and then seek ways of improving its services to raise customer satisfaction. The results of the 2020 survey show that overall customer satisfaction increased by 0.3 points year on year to 73.1 points in overall sectors. In particular, the company won higher points in 'insurance subscription', 'subscription process', and 'payment service' sectors.

Customer Satisfaction Survey

Survey subject	Adults aged 20 - 64 who subscribed to life insurance within the preceding three years
No. of respondent	2,000 persons in total
Period of survey	August ~ September 2020

Customer Satisfaction Survey

(Unit : Point)



Lifelong Care Service – Focus on 'optimization of customer coverage'

Kyobo Life has provided a service called the 'Lifelong Care Service' to provide better coverage and services to customers since 2011. As a 'persistency service' for its subscribers, the Lifelong Care Service is a service whereby the company provide balanced service in the entire process of 'subscription-retention-payment' of insurance to realize the reliable customer coverage. All Financial Planners of Kyobo Life pay regular visits to customers to explain the contents of existing contracts, apply for unclaimed benefits, check the coverage, and provide guidance on healthcare and various other diverse customer services. Kyobo Life has been operating the

Lifelong Care & Customer Support Team dedicated to strengthen of implementation of the Lifelong Care Service and customer-satisfaction management. Thanks to such efforts, approximately 85.2% of customers have experienced 'Lifelong Care Service' over the last 10 years, and received approximately KRW 5.09 billion of unclaimed benefits.

Lifelong Care Service Provision Status

* Cumulative data since project launch

	Service Experience Rate (Unit : %)	2018	2019	2020
		81.6	82.7	85.2
	Payments for unclaimed accident insurance benefits (Unit : KRW Bn)	2018	2019	2020
		42.1	42.8	50.9

Responsibility for Insurance Products and Services

Kyobo Life strives to make customers properly understand the value of life insurance, to prevent unfairness and damage that may occur with products and services, and to promote a system to protect customers. In addition, the company is committed to providing better products and services to its customers in all stages, from the insurance subscription to 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 and processes to ensure that all the Financial Planners thoroughly execute faultless insurance sign-up procedures.

Faultless Insurance Sign-up

Compliance with three principles	<ul style="list-style-type: none"> · Issuance of a contract containing the personal signatures of the insured and subscriber · Delivery of insurance policy and providing full explanation on the contract · Delivery of contract copy to the subscriber
Notification of requirements before signing	<ul style="list-style-type: none"> · Clients are advised to fill out all the requirements on the form in person prior to signing
Full explanation of information that customers need to know	<ul style="list-style-type: none"> · Clients receive a detailed and accurate explanation of all items requiring explanation, such as product characteristics and coverage

Mis-sells Status based on FP Channel

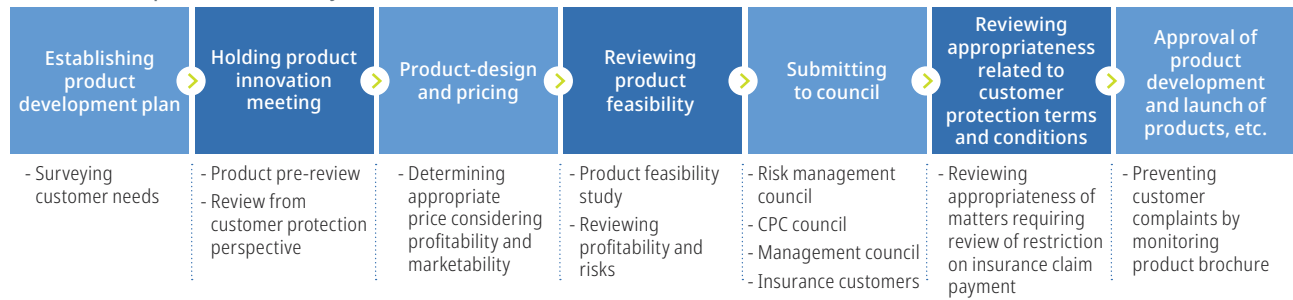
Indicators	Unit	2018	2019	2020
Mis-sells rate	Case (%)	1,340 (0.30)	885 (0.18)	589 (0.13)

* Based on FP Channel

Fair and Transparent Product-Development Process

Kyobo Life develops insurance products based on scientific rationality by reflecting customers' needs. It is releasing newly developed insurance products with the approval of the Financial Supervisory Service, and analyzing the differences between the expected experience rate at the time of product launch and the actual experience rate after a certain period to maintain fairness in the product designing process through re-pricing.

Product Development Process of Kyobo Life



Development of Products Customized to Customers

Kyobo Life is striving to provide differentiated and customer-centered insurance products and enhance the value of its additional through product innovation. Kyobo Life makes efforts to utilize various internal and external ideas to secure value competitiveness, and to develop insurance products satisfying the customers' needs, which change according to life-stage needs of customers, and the environmental changes when developing the products. In 2020, Kyobo Life widened scope of products by releasing Mini Insurance less burden for insurance premium and Insurance for eligible insured so that more customers can enjoy insurance coverage.

CASE STUDY

Launched 'Group insurance for less than 5 people'- Innovative financial service designated by Financial Services Commission

In April 2021, Kyobo Life launched 'Group Insurance for Less than 5 People', which was designated as an innovative financial service by the Financial Services Commission. '(No dividend) Kyobo High Class Employer's Liability Coverage Insurance' and '(No dividend) Kyobo Group Liability Insurance' provide coverage for the death, injury and illness of workers of small businesses with more than two and less than five employees, and offer differentiated additional services such as legal/labor services, education services, and health consultations to the employers. It is expected that this will reduce the burden of small businesses with fewer than five employees on industrial accident risks, which have been in the blind spot of by insurance coverage, and provide an opportunity to improve employee welfare.

New Products for Face-to-Face Channel Launched in 2020



(No-dividend) Kyobo Budget Health Plus Insurance



(No-dividend) Kyobo Simplified Issue Whole-Life Insurance



(No-dividend) Kyobo Mini-insurance



(No-dividend) Kyobo Mini-Savings Insurance



(No-dividend) Kyobo Plus Hybrid Variable Whole Life Insurance



(No-dividend) Kyobo New My Whole-Life Customized Health Insurance



(No-dividend) Kyobo New My Whole-Life Customized Dementia Insurance II



(No-dividend) Kyobo My First Health Insurance

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

· (No dividend) Family Account Insurance (2002)	· (No dividend) Second CI Coverage Special Policy Conditions (renewable type) (2010)	· Keep-Your-Dream-Alive (No dividend) Kyobo Pension Insurance II (2016)
· (No dividend) Kyobo All Love Whole-life Insurance (2003)	· (No dividend) Kyobo My Child Guardian Insurance (2012)	· (No dividend) Kyobo Premier CI Insurance (2016)
· (No dividend) Kyobo EduCare Insurance (2004)	· (No dividend) Kyobo Grandson Love Insurance (2013)	· (No dividend) Kyobo My Whole-Life Customized Health Insurance (2017)
· (No dividend) Kyobo Group Disability Insurance (2005)	· Preview (No dividend) Kyobo Variable Pension Insurance (2014)	· (No dividend) Kyobo Substantial Variable Whole-Life Insurance (2017)
· (No dividend) Kyobo Life Care Insurance (2006)	· My Love Family (No dividend) Kyobo NEW Whole-life Insurance (2015)	· (No dividend) Kyobo In-Advance CI Insurance (2017)
· (No dividend) Kyobo My Child Future Variable Insurance (2007)		· (No dividend) Kyobo Variable Education Insurance (2018)
· (No dividend) Kyobo CI Whole-life Insurance (2008)		

Claim Payments by Kyobo Life

Kyobo Life currently disburses insurance payouts through 48 Customer PLAZAs and 34 insurance payout reception windows to protect the valuable assets of customers, and to support the customer in overcoming unexpected accidents (e.g. disease). 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 claims payment

	Total claims paid (Unit : KRW 100 million)	2018	2019	2020
		90,057	104,510	104,956

	Total number of payments (Unit : 1,000 cases)	2018	2019	2020
		3,531	3,727	3,647

Status of accident claim filed by proxy and benefit payment service via home delivery

Category		2018	2019	2020
Accident claim filed by proxy	KRW 100 million	5,271	5,473	5,276
Benefit payment service via home delivery	KRW 100 million	1,135	2,079	2,138

Protection of Customers' Rights and Interests and Prevention of Unfair Transaction

Kyobo Life operates an advertising review system that protects the rights and interests of customers, and requires compliance officers to approve product advertisements or insurance information materials through compliance with insurance-related laws and regulations. The company strives to prevent unfair trade practices such as false, exaggerated, deceptive, unfair comparisons and slander, and act of unduly inducing the customers of its competitors. In this regard, there has been no case that violates legal statutory and autonomous regulations.

Status of product advertisement and insurance product brochure reviews

(Unit: Case)



Culture, With Customers

Kyobo Nobiliaire Concert

Since 2012, Kyobo Life has been communicating with 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 its customers. In 2020, the concert was conducted online to provide warm comfort and healing in everyday life for more customers who were exhausted due to the COVID-19 pandemic. Not only customers, but also Financial Planners and employees were able to easily and safely enjoy and participate in the arts and culture program through online performances and developed their artistic perspective. Kyobo Life continues to grow together with customers through artistic communication based on 'culture'.



Kyobo Nobiliaire Online Concert

Digital Communication based on Humanities- "Reading, Strolling and Feeling in Gwanghwamun"

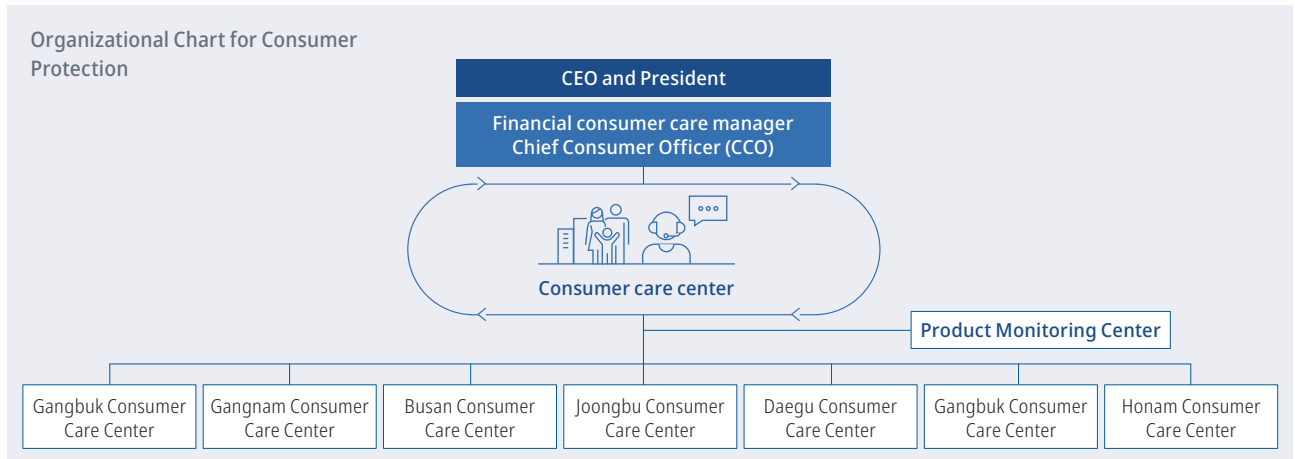
Kyobo Life operates a humanities contents website "Kyobo Life Story: Reading, Strolling and Feeling ('RSF') in Gwanghwamun", which reflects the brand philosophy of 'Respect for Human Values'. 'RSF' is the result of our consideration to help people including our customers to get fulfilment of the wisdom of life and the emotions of the heart in Gwanghwamun in everyday life. Humanities-oriented content, such as literature, history, philosophy, etc., are shared with customers in various forms, such as lectures, videos, etc. Marking the 100th anniversary of the death of Patriot Gwansun Yu, Kyobo Life, together with Kyobo Book Centre, operated a contact-based customer history experience program, 'The Mission Season 2 (Find hidden independence movement funds)' with the founding ideology of national education promotion and national capital formation. In the program, customers carried out a mission of receiving a letter from Baek Beom Kim Ku and delivering independence movement funds together with three independence martyrs. It, through the program, tried to strengthen digital-based communication with customers. When a customer successfully completed the mission, it was linked to a donation in the real world, allowing the customer to experience historical knowledge, fun, and even donation. Going forward, Kyobo Life will continue to expand its empathy (communication) with customers through the liberal arts.

Trusted Consumer Protection Activities

Kyobo Life strives to protect the information and rights of its valued customers. To this end, the company strives to strengthen the awareness of all employees and Financial Planners regarding customer information protection, systemize the internal processes, and utilize VOCs in the management.

Consumer Protection

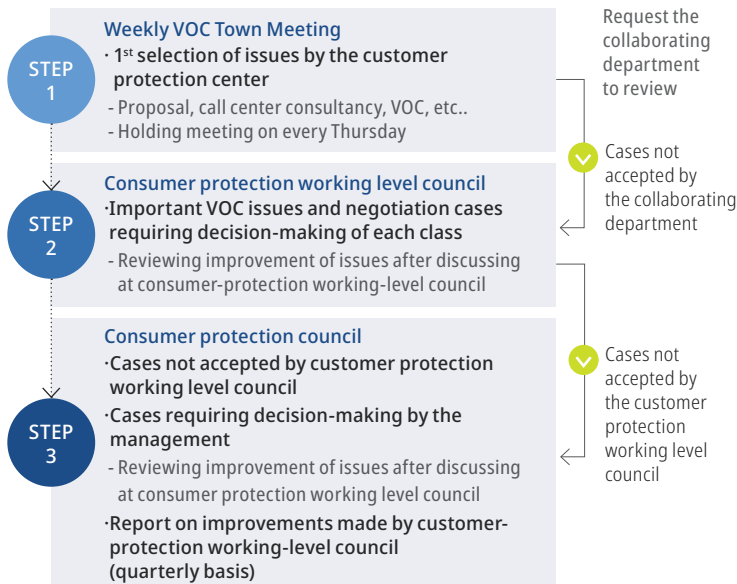
Kyobo Life has adopted and operated the Consumer Protection Charter to help customers overcome adversity and to practice customer-centered management. In addition, the company operates an organization dedicated to consumer protection in order to prevent customer complaints in advance by performing customer-centered services, and to handle complaints promptly and fairly.



Consumer-Protection System

Kyobo Life regards the voice of the customer as an important asset of the company. In order to practice customer-centered management, Kyobo Life strives to actively listen to feedback from customers, and to make improvements based on this. The company continuously strives to understand the customers' needs through on-site visits, meetings, and the use of the VOC system. In particular, Kyobo Life operates the VOC (Working-level) Council to discuss important issues based on VOC in order to analyze customer feedback, share improvements, and prepare customer protection measures for each department. In 2020, VOC (Working level) Council held a total of 15 times of meetings (12 working-level meetings and 3 Council meetings). As of the end of December 2020, out of 31 proposals made, 23 proposals were improved, and 5 proposals are currently under improvement. With respect to the improved proposals, as representative examples, the company the electronic transferring methods, such as mobile insurance policy service to prevent misdelivery of subscription related papers, and improved the insurance reinstatement process by extending period available for reinstatement.

Stage-wise Improvement of VOC Issues for Customer Protection



CASE STUDY

Weekly VOC Town Meeting

The department in charge of consumer protection has been holding 'Weekly VOC Town Meetings' since 2020 in order to review the improvement of system/process of VOC collected through various channels, and to prevent consumer damage and secure timeliness for business improvement. The department reviews major issues selected through the VOC Town Meetings, and presents them to the Consumer Protection (Working level) Council if necessary for decision-making by the management. It is committed to becoming a trusted company by prioritizing the customers' position first and actively reflecting the needs of financial consumers in the management.



'NICE Kyobo Campaign' for Consumer Protection

Kyobo Life conducted a company-wide campaign to become a NICE KYOBO which 'leads a consumer-centered insurance sales culture' by reflecting the meaning of customer-centered values, which are the core values of the company, and gaining trust from customers through 'faultless signing up and active customer service'. Act of the Financial Consumer Protection(the "Act") significantly strengthens the responsibilities and obligations of financial institutions toward financial consumers to prevent and protect financial consumers from damage. Kyobo Life commenced the 'NICE Kyobo' relay campaign to preemptively respond to the demands for consumer protection and lead a consumer-oriented insurance sales culture. In the meantime, Kyobo Life has established corporate governance dedicated to customer protection and strives to strengthen the awareness of all employees and Financial Planners through the relevant training.



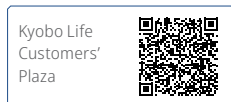
NICE KYOBO CAMPAIGN

*NICE: This means providing Needful products In time, considering and Caring for insurance consumers, and having Emotional exchanges with consumers. It contains Kyobo Life's commitment to prioritizing consumer trust.

Stricter Disclosures for Consumer 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.

Kyobo Life produces and distributes the 'Brief Report for Customer Protection' every month in order to vividly share the voices of customers (VOC) and spread the best practices for customer protection so that all members of the company can understand the importance of VOC and are encouraged to have interest and practice in customer protection.



Winning 'Award for Excellent Financial Institution for Financial Consumer Protection' from the FSS

Kyobo Life won the 'Award for Excellent Financial Institution for Financial Consumer Protection' from FSS chosen as the best company in protecting customers with the highest evaluation scores among life insurance companies in the 'Financial Customer Protection Survey' conducted by the Financial Supervisory Service (FSS). The award shows that the Kyobo Life's efforts to implement the customer-centered management well prevent financial accidents continuously, and improve customer protection system win public recognition.

The company was given 'good' or higher grade in nine categories. In particular, Kyobo Life was selected as the 'best company,' the highest grade in three categories including business sustainability and financial accidents.



Winning 'Awards for Excellent Financial Institution for Customers' from FSS

CASE STUDY

Earning 'Good' grade in the Financial Consumer Protection Survey

In the Financial Consumer Protection Survey, Kyobo Life earned the overall rating of 'Good' and achieved the best assessment results among life insurance companies. The FSS conducts the Financial Customer Protection Survey every year to induce financial institution to establish customer protection system and strengthen its function, and evaluate the customer protection level from a holistic perspective. To this, Kyobo Life won 'Excellent' awards in three categories, 'Good' awards in six categories, and 'Average' in one category out of 10 categories in total. In particular, it obtained the highest rating of 'Excellent' in the financial accidents category. As customer expectations rise and the financial authorities strengthen consumer protection, Kyobo Life is committed to continuously improving its business processes and protecting the financial customers.

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

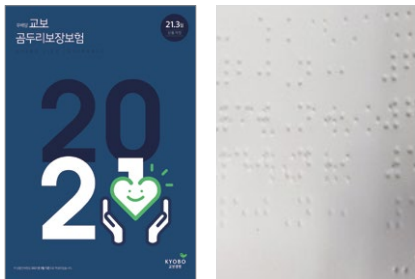
Strengthening Accessibility to Financial Services

Provision of Additional Priority Information to Protect Elderly Financial Customers

Kyobo Life provides additional key information in the product brochure to enhance the understanding of elderly policyholders over the age of 65 years. Important information such as withdrawal of subscription, contract cancellation, and handwritten signatures is provided in a way that is easier to understand and be checked by enlarging font size of the information and using capital letters.

Insurance Product Brochure for the Visually Impaired

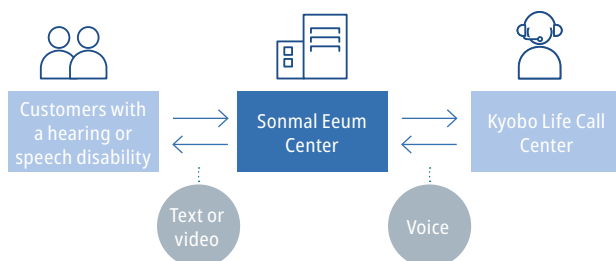
Kyobo Life has produced and distributed a Braille-based product brochure to customers with visual impairments in an effort to rectify any difficulties they may experience when using its financial services. Ensuring all customers to use financial services conveniently regardless of physical disabilities and enhancing accessibility for them are the work that the company should do. The Braille-based brochure of Gomduri Coverage Insurance has thus been produced exclusively for visually impaired customers.



Gomduri Coverage Insurance brochure printed in Braille

Consulting Services for Customers with Hearing or Speech Impairments

Kyobo Life is committed to ensuring equal rights for all customers, and to allowing them to resolve their curiosity about its products and services. Kyobo Life operates a consultant service through communication relay service that allows customers with hearing or speech impairments to be provided with support regarding financial services. A customer with a hearing or speech impairment 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, a sign-language interpreter via video streaming (sign language) and text message, the interpreter delivers the message to the Kyobo Life call center consultant by voice. Using the service described above, customers with hearing or speech impairments can obtain detailed information about insurance products, along with information on how to pay insurance premiums, and apply for insurance claims.



Consulting Services in Foreign Languages for Foreign Customers

Kyobo Life started gradually to implement monitoring of new contracts made in foreign languages (English and Chinese) for the first time among insurance companies in 2019. The company allocated professional counselors who can speak English and Chinese, and from February 2020, the consulting service in foreign languages of English and Chinese was expanded to all products. This has made the company minimize mis-sells that may occur with foreign customers at the sign-up stage and provide a better quality of service to them.

Consulting Service provided for Foreign Customers in 2020



* It is calculated based on the service provided through advance reservation

Support for Customers Affected by the COVID-19 Pandemic

Kyobo Life believes that complying with the daily rules with strong quarantine awareness is the way to practice customer-oriented management, and has taken the lead in supporting the customers who suffered from the COVID-19 pandemic.

At a time when people had trouble in purchasing hand sanitizers/masks, employees of Kyobo Life donated about 2,000 hand sanitizers and 10,000 masks made by themselves to the underprivileged, and donated a total of KRW 200 million to the National Disaster Relief Association in an effort to help the underprivileged overcome the crisis. The company provided special support to affected customers, such as deferment of insurance premium payments and loan principal and interest repayments. In addition, in some regions where influence of the pandemic was strong, it strived to help more people by temporarily relaxing the subscription diagnosis process. No one can predict when the pandemic will end, and how much more damage and pain we will suffer from the COVID-19 pandemic, but Kyobo Life is committed to assisting all customers to overcome the challenges and adversity as much as possible.

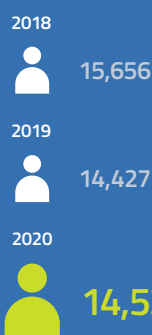


Kyobo Life Employees to make Hand Sanitizer for the underprivileged

Management activities of Kyobo Life for Financial Planners

MANAGEMENT APPROACH FOR FINANCIAL PLANNERS

Kyobo Life will respect and trust the Financial Planners as our business partners

Financial Planners
(Unit: Person)Financial Planner settlement ratio¹⁾
(13th month, Unit: %)Financial Planner satisfaction level
(Unit: Point)

Key Activities in 2020

- ✓ Building online education platforms
- ✓ Operation of Consultant Inconvenience Support Center
- ✓ Operation of Kyobo MDRT Day

1) Financial Planner Settlement Ratio (13th month) : (No. of advanced Financial Planners in the 13th month/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

Importance

Financial Planners are key business partners and important stakeholders of Kyobo Life, who create value by providing products and services of Kyobo Life to the customers. As the needs of customers are becoming more diversified due to the aging of the population and the increase in single-person households, products and services have also been diversified, requiring enhancement of Financial Planners' competencies for sustainable development of the company. In this regard, Kyobo Life strives to create a systematic training environment to enhance the competencies of Financial Planners. Kyobo Life also strives to actively support the sales activities of Financial Planners and reinforce motivation for higher performance.

Management Method

Financial Planners play an important role of correctly delivering products and services of Kyobo Life to the customers. Accordingly, Financial Planners (FPs) are expected to continuously develop their competency to provide correct information to customers based on excellent financial knowledge. Kyobo Life is building a systematic education system, such as creating an online educational environment while establishing a plan to enhance FP's competency every year. In 2020, the company built an online education platform so that Financial Planners can learn anytime, anywhere, and provided various educational curricula such as courses for products, services, and financial certificates. In addition, Kyobo Life resolves inconveniences and complaints in sales fields through the Consultant Inconvenience Support Center while striving to support activities of FPs such as support for professional knowledge through the Financial Planning Center.

Future Areas of Focus

Kyobo Life plans to strengthen the digital capabilities of Financial Planners to support their sales activities under the expanded non-face-to-face culture due to the COVID-19 pandemic, and establish a system such as the improved electronic subscription system. In addition, through the active communication with Financial Planners and resolution of inconveniences, it strives to ensure all Financial Planners work in a happy workplace. Kyobo Life will actively support sales activities of Financial Planners by developing various products and providing competency enhancement programs so that they can become financial experts who are trusted by customers.

Financial Planners Competency Development Support

In 2020, Kyobo Life provided various kinds of support to raise the competency of its Financial Planners. In particular, it improved the education curriculum and renewed the textbooks to strengthen the capabilities of new FPs. The curriculum was subdivided and customized according to the competencies of the existing FPs. In addition, in response to the changing environment, the company selected three core competency elements of Financial Planners - digital application competency; financial planning competency; and health information competency - and strived to strengthen such competencies.

New Financial Planners

Since 2019, Kyobo Life has introduced and operated the 'Rookie Training Center,' a customized training program for new FPs. The 'Rookie Training Center' targets FPs within three months of commencing employment and provides systematic training to improve knowledge and competencies of FPs, such as knowledge on products, computation and digital utilization. Then, new FPs are transferred to the branch and FP regional support unit for systematic training every month. In particular, in 2020, the company provided e-Books and online lectures through the platform as well as on-site training to support self-directed learning of FPs anytime, anywhere.

Existing Financial Planners

Kyobo Life subdivided the existing Financial Planner groups according to competency, and conducted customized training. For each group, branch/regional support unit/financial planning center provide customized training in regards to level of the group. In particular, for high-performing Financial Planners, the company provided training on finance/tax as well as training with diverse contents including cultural study and liberal arts to upgrade their financial planning skills.

Digital -based Training Support

Kyobo Life has been operating various education channels to create a better educational environment for Financial Planners. Kyobo Life has provided Live Talk (a real-time education platform), M-Learning (a video education platform), and e-Books (online textbooks) so that Financial Planners have self-directed learning anytime, anywhere. In 2020, the company improved the system so that Live-Talk, M-Learning, e-book, etc. could be accessed within one application, and updated educational contents at all times by reflecting the needs of Financial Planners to strengthen the competency of Financial Planners.

Enhancement of Health Management Information Counseling Competency

Kyobo Life supported Financial Planners with education on health management information so that they could convey more in-depth value of family-life protection products and related services to customers. Kyobo Life produced a health management information textbook titled 'Wise and Healthy Life' to train Financial Planners. This has helped Financial Planners to learn health-related statistics, information for health check-ups and health management support, and areas where they can provide consultation service in compliance with the medical laws, and support customers to lead a healthy life.

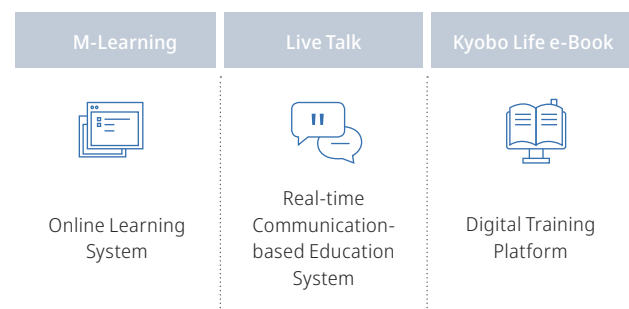
Long-term Training System for New FPs



Existing FP Training Support System

Learning class to become standard FPs	Improvement of sales habit and competency proposing products to target customers
Learning class for high performance FP	Enhancement of competency of marketing for VIP customers
Class for prime Financial Planners	Enhancement of competency of marketing for VIP customers utilizing knowledge in finance and tax

Online Learning Platform



CASE STUDY

Live Talk of Busan FP Division



Busan FP division utilizes 'LiveTalk', a real-time streaming service, and operates FP education programs four times a month. When the FP division broadcasts, the regional support unit and branch watch it real-time using the M-learning App, and communicate each other using the chat function. In addition, it conducted a LiveTalk workshop for the first time among the FP division to communicate non-face-to-face about key areas of focus of FP division.

Sales Approach for Financial Planners

Financial Planner Satisfaction Survey

Kyobo Life conducts FP satisfaction survey every year to assess the competitiveness of Financial Planners compared to other companies, and to support their sales activities. By analyzing the survey results, the company is trying to derive improvement directions to enhance the satisfaction of Financial Planners. The satisfaction level of Financial Planners in 2020 was 71.5 points, rose by 0.9 points from the previous year.

Financial Planner Satisfaction

(Unit: point)



Operation of the ‘Consultant Inconvenience Support Center’

Kyobo Life has operated a ‘Consultant Inconvenience Support Center’ to handle inconveniences and difficulties experienced by Financial Planners in the process of providing customer service, and support smooth customer coverage activities. FPs can request counseling and assistance via the sales support system or by phone, and such requests are relayed and processed to the corresponding departmental managers to ensure quick processing. The processing result is directly conveyed to FPs to support their activities and enhance satisfaction level. The number of complaints reported to the ‘Consultant Inconvenience Support Center’ in 2020 was 139 cases in monthly average, increased from the previous year, but the duration of processing days and immediate processing rate have been improved. In addition, among complaints registered, important matters for the company are presented to the Consultant Inconvenience Support Committee so that solutions can be discussed and found.

Operation Status of Consultant Inconvenience Support Center (Monthly Average)

Category	Unit	2018	2019	2020
Number of complaints reported and counseled	Case	118	134	139
Duration of processing days	Day	4.0	3.5	2.9
Immediate processing rate	%	68.6	72.1	76.5

CASE STUDY

Complaint reported to Consultant Inconvenience Support Center



Matters reported

As Lifelong Care Service of Smart On (by sending from Dream On to Smart On) does not provide customer name search function, it causes inconvenient in searching customer name on each screen. Please incorporate a search function to find the customer name on screen using Lifelong Care Service of Smart On.

Processing result

We looked into and apply a method that can quickly supplement the issue reported to resolve the inconvenience in use by collaborating with the relevant team (we added a customer name search function).



Support for Differentiated Comprehensive Asset Management Service

Kyobo Life supports the sales activities of FPs through financial planning centers in seven regions nationwide. The Financial Planning Center offers a variety of solutions, including financial investment and real estate consulting services, tax savings and legal consulting services, consulting on inheritance/gift, and family business succession consulting, for customers’ concerns about asset growth, asset protection, and asset succession. Wealth managers with international certified Financial Planners (CFP) qualifications provide optimal and customized consulting services to customers in cooperation with the experts in each field, thereby supporting Financial Planners and VIPs to maintain a long-term relationship while providing training on laws and taxation to reinforce competencies. In 2020, as non-face-to-face culture is spreading due to the COVID-19 pandemic, the company opened ‘YouTube’ channel for easier access to asset management information online, and provided a non-face-to-face asset management consulting service through video conference.



Non-Face-to Face Asset Management Counseling Service

Kyobo Asset Management System (KAMS)



'Faithful Friend on My Side', Establishing FP Brand

Kyobo Life has developed a dedicated brand based on the differentiated skills and expertise of Financial Planners to support face-to-face sales activities of Financial Planners. The brand slogan is 'Faithful Friend on My Side,' which means that Financial Planners are equipped with the expertise (smart) and friendliness to provide customized services to customers to build a relationship that goes beyond the simple relationship between Financial Planners and customers. The company created a kit with a renewed brand design and provided it to Financial Planners free of charge to realize the meaning of the brand, and planned the 'Let's make Band' project in which Financial Planners challenge to become five-members band. The entire process is shared through social media to make Financial Planners and customers enjoy pleasant communication.

- Three Key Values of Faithful Friend on My Side
- FP offering customized insurance service
- FP handling customer's trust with utmost importance
- FP providing (service/help) necessary to customers in advance



FP Brand 'Faithful Friend on My Side'

'Let's Start a Band' Project, a Pleasant Challenge of FP

Kyobo Life started 'Let's Start a Band' project as the first project to get closer to customers by allowing FPs to show their passion and share the familiar image with customers. The five FPs who were selected through fierce competition from all over the country were able to show a wonderful performance after three months of practice. FP Young-soon Lee of the Jeongok FP branch who played the drums said, "It was never an easy challenge, but it was possible because of the sincere support from the people around me. It was a special opportunity for me to look back on my life as a consultant, a mother and a wife, as well as my reality and dream."



You can see the lively performance on YouTube.

Support for High-performing Financial Planners

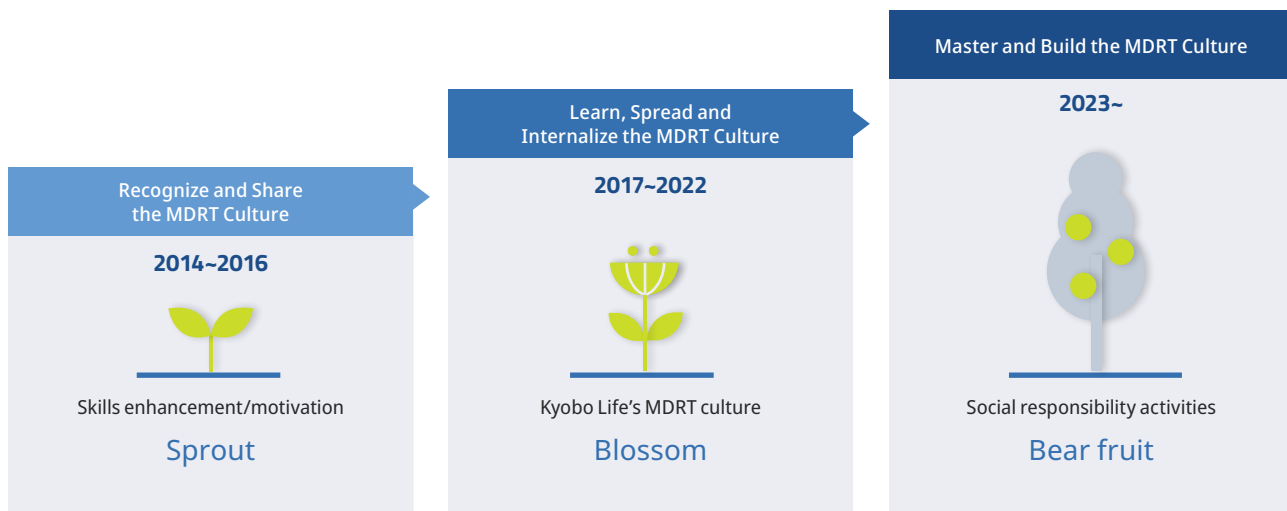
Kyobo MDRT Day

To instill a sense of pride among the top-performing Financial Planners and boost their motivation, Kyobo Life held the '2021 Kyobo MDRT Day' event. The two-day event was held online due to the COVID-19 pandemic under the theme of 'Have a passion for learning!' Under the sub-theme of 'Learning' on the first day, and 'Passion' on the second day, various programs were provided such as special lectures by external instructors and sharing of best practices from fellow Financial Planners. In addition, the FPs pledged to implement social value beyond the insurance industry through communication on the meaning of MDRT culture and the MDRT culture declaration ceremony.







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).
- > Seniors lead juniors with genuine heart, and juniors show respect to seniors.
- > Aim for long-term, continuous success.
- > Provide a lending hand to neighbors in difficulty (social volunteer work).

Establishing Kyobo's MDRT Culture



Kyobo MDRT Day Online Event in 2021

MDRT Sharing culture	
<p>Communication President & CEO</p> <p>Sharing Kyobo Life's MDRT culture and its meaning, etc.</p>	
Building competency	
<p>Special lecture by external instructor (I)</p> <p>Kim Kwang-seok (Digital business expert and columnist) Story about new perspective, survival strategy, and sales strategy to become a successful FP in the digital era presented by economists</p>	
<p>Special lecture by external in-structor (II)</p> <p>Lee Sang Hwa (Former speed skating national team player) A life story that conveys the habits and passion for success, and the learning and experiences gained from difficulties</p>	
Sharing information/knowledge	
<p>FP session Sales Idea</p> <p>Experience and knowhow Story about Growth of MDRT, Sharing MDRT experi-ence and know-how, etc.</p>	
<p>MDRT Speak</p> <p>Meaning of MDRT Short Speech to reflect on the meaning of MDRT</p>	
Motivating	
<p>Motivating Encouraging and inspiring FP-ship</p> <ul style="list-style-type: none"> · MDRT Culture Declaration ceremony · Video of MDRT topic · Spot video, etc. 	

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

Kyobo Life launched the 'Financial Planner Prime Leaders Club' for high-performance FP representing the company and holds regular meetings to listen to various opinions from the field. In addition, by providing benefits such as competency development and activity support to club members, Kyobo Life strives to enhance pride of high-performance FPs and establish a high-performance culture.



Launching Event of Prime Leaders Club

Overseas Language Program for Children of High-Performing Financial Planners

Since 2004, Kyobo Life has been providing the 'Overseas Language Program for Children of High-Performing Financial Planners' with the objective of nurturing a sense of pride in their achievements. This semi-annual program gives the children of FPs with high performance the opportunity to go overseas to participate in the carefully selected language study program in summer and in winter. The selected children can receive customized English classes from a native-speaker based on their language proficiency in the overseas country and get to live with a host family, directly experiencing local culture. The company could not provide the overseas language program in 2020 due to the COVID-19 pandemic, but once the COVID-19 pandemic ends, the company will run the program with children selected in the relevant year. This program was introduced and operated by Kyobo Life for the first time in the industry, and is highly favored by Financial Planners since it is organized and financed by Kyobo Life. FPs can rely on the company for nurturing their children.



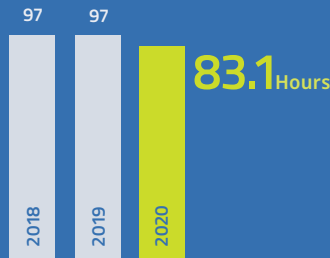
Overseas Language Program of Kyobo Life

Management activities of Kyobo Life for Employees

MANAGEMENT APPROACH FOR EMPLOYEES

Kyobo Life strives to create a safe and good environment to work for its employees.

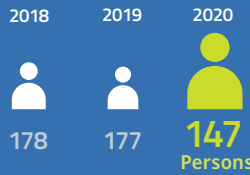
Training hours per person
(Unit : Hour)



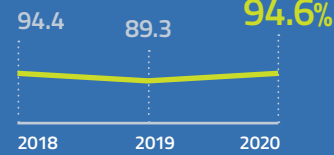
Competency development cost per person
(Unit : KRW)



Parental leave applicants
(Unit : Person)



Return from parental leave¹⁾
(Unit : %)



Key Activities in 2020

- ✓ Enhanced digital competency
- ✓ Improved organizational culture
- ✓ Created safe working environment

1) Return from parental leave: No. of persons returned after the parental leave/No. of persons on parental leave* 100(%)

Importance

Employees of Kyobo Life are important stakeholders and key players of the company, and creating a working environment in which employees can work safely with mutual cooperation and trust is one the important issues for the company's sustainable growth.

In addition, continuously development of employees' capabilities and nurturing talents is getting more importance to actively respond to the rapidly changing environment, to develop high-quality products and services, and to make mutual growth.

Management Methods

Kyobo Life strives to improve the organizational culture so that its employees can communicate with an open mind and work in an exciting and cheerful working environment. In addition, the company has implemented flexible work systems and PC-on/off systems to strike a balance between work-and-life, and introduced Robotics Process Automation (RPA) to enhance work efficiency. The company does not spare any supports to strengthen employees' capabilities. Kyobo Life develops an online learning platform to provide diverse contents that fits the trend in real time, and provides supports so that employees can obtain professional certificates and master's/doctoral degrees.

Future Area of Focus

Kyobo Life plans to continue its efforts to provide a safe and healthy working environment for its employees. In addition, we plan to expand digital-based non-face-to-face education that replaces face-to-face education responding to changes in the business environment, such as acceleration of digital transformation, the COVID-19 pandemic, and the 52-hour workweek system, and we also plan to build a learning platform system to support employees' competency enhancement.

Creating Good Work Environment to Work

Creating an environment where employees want to work so that they can be satisfied with their work and improve their quality of life is the things that the company should put in a considerable effort. Kyobo Life strives to create a work environment where employees can strike a harmonious balance between work and life.

Implementation of the 52-hour Workweek System

Kyobo Life strives to create a happy workplace by improving quality of life through work and life balance, and improve work productivity. To this end, Kyobo Life adopted the 52-hour workweek earlier than other financial institutions, and is thus aiming to protect the work-life balance of its employees. Moreover, in 2018, the company introduced its 'flexible working system' 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
(Unit : Person)

2019 2020 2021.1Q

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

1 0 **0**



Flexible working hours
(Unit : Person)

2019 2020 2021.1Q

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.)

294 116 **54**

Time-difference Commuting System and Telecommuting

In order to prevent the spread of the COVID-19 pandemic and keep the safety of employees, Kyobo Life has adopted and implemented a time-difference commuting system for all employees to minimize the contact with other people during commuting and break times. In addition, the company strived to protect the safety of its employees and create an efficient work environment through the scattered work and telecommuting system.

Flexi-time Work and Telecommuting Status

As of December 2020



Flexi-time work
(Unit : Person)

2020 **2,081**

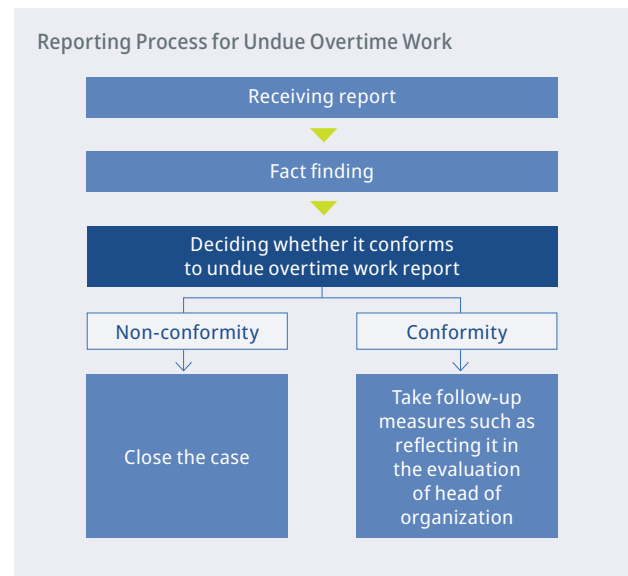


Telecommuting
(Unit : Person)

2020 **526**

Operating Reporting Center for the Undue Overtime Work

Kyobo Life operates the Reporting Center for Undue Overtime Work, a system that protects organization members from unreasonable overtime/nighttime/holiday work to realize 'work-life balance'.







Adoption of RPA for Work Smart

Kyobo Life has adopted Robotics Process Automation (RPA)* to comply with the 52-hour workweek system and improve the work-life balance for employees. The RPA project is a project that automates simple and repetitive tasks of the company using robots and Kyobo Life has applied RPA to 50 tasks in 24 sectors including marketing, product support, and contract management since 2017. In 2020, the company carried out a total of 50 tasks that were selected as priority tasks among the excellent competitor benchmarking cases and RPA proposals presented inside the company through the RPA stage 3 project, with the goal of saving 35,000 hours of work and strengthening our core business competitiveness. By automating simple and repetitive work process, employees can enhance work efficiency and focus on creative, high-value-added tasks. Kyobo Life will strive to advance RPA further and to create a good working environment.

*RPA (Robotics Process Automation): It refers to an IT technology that automates regular and repetitive tasks performed by humans such as data collection, input, and comparison using robotic software.

Employee Welfare System

Kyobo Life operates an employees' welfare system to guarantee living stability, housing stability, and healthy cultural life so that employees can maintain a work-life balance.

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

Creating Safe Working Environment

Safety and Health

Due to the nature of insurance business, most of Kyobo Life employees are engaged in office work with a low incidence of occupational accidents and diseases. Matters related to the safety and health of employees are shared with all employees through the 'Management Policy on Safety and Health', and they are appropriately managed in accordance with the employment regulations and safety and health management regulations. In addition, we have established the Occupational Safety and Health Committee in accordance with Article 24 of the Act on Occupational Health and Safety, and appointed and operated a safety and health manager in accordance with Article 15 of the same Act. We have established 'Protection Guidelines for Customer Service Staff' for employees working at the customer touch point in compliance with the relevant laws and protected them according to the manual. The number of Kyobo Life's industrial accidents that happened in 2020 was zero, the leave rate and the absenteeism rate due to industrial accidents as well the work-related mortality rate was zero.

Establishment and Operation of Protection Guidelines for Customer Service Staff

Kyobo Life has established 'Protection Guidelines for Customer Service Staff' for employees who provide customer service at the customer touch point. Kyobo Life defines employees who provide products or services through face-to face customer service or through information and communication networks as customer service staff. In addition, we have prepared a customer response manual on problematic behavior for customer service staff and provided regular training.

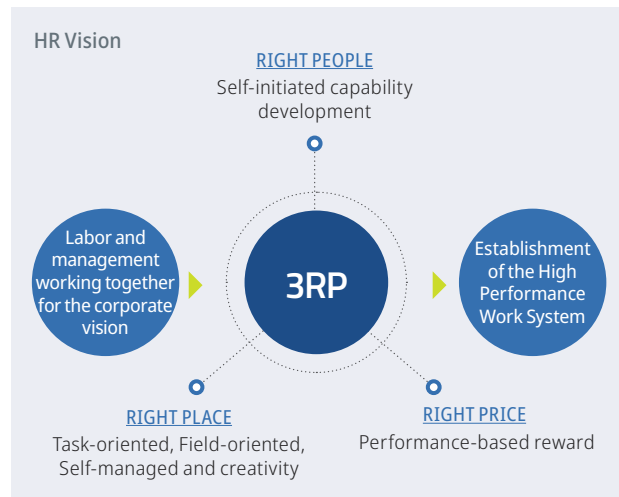
Culture of Cooperative Labor-Management

Kyobo Life constantly strives to build cooperative and advanced labor-management relationships. The company holds labor-management consultative meetings on a regular basis to build relationships of mutual respect and trust through continued communication. In 2020, there were 3,629 employees who are eligible to join the labor union, and 2,643 of them (73%) joined the labor union, which accounted for 69% of total 3,835 employees. The collective bargaining signed in 2020 were fully applied to all regular employees.

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

Human Resource Management

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



Transparent and Objective Performance Evaluation and Compensation

Kyobo Life conducts regular semi-annual and annual performance evaluation for transparent and impartial performance evaluation. In the process of performance building, employees can receive feedbacks from their heads and colleagues, and can therefore develop and improve their capabilities and performance. All employees of Kyobo Life are evaluated fairly and rewarded according to their performance regardless of their occupational position.

Regular Performance Evaluation Status

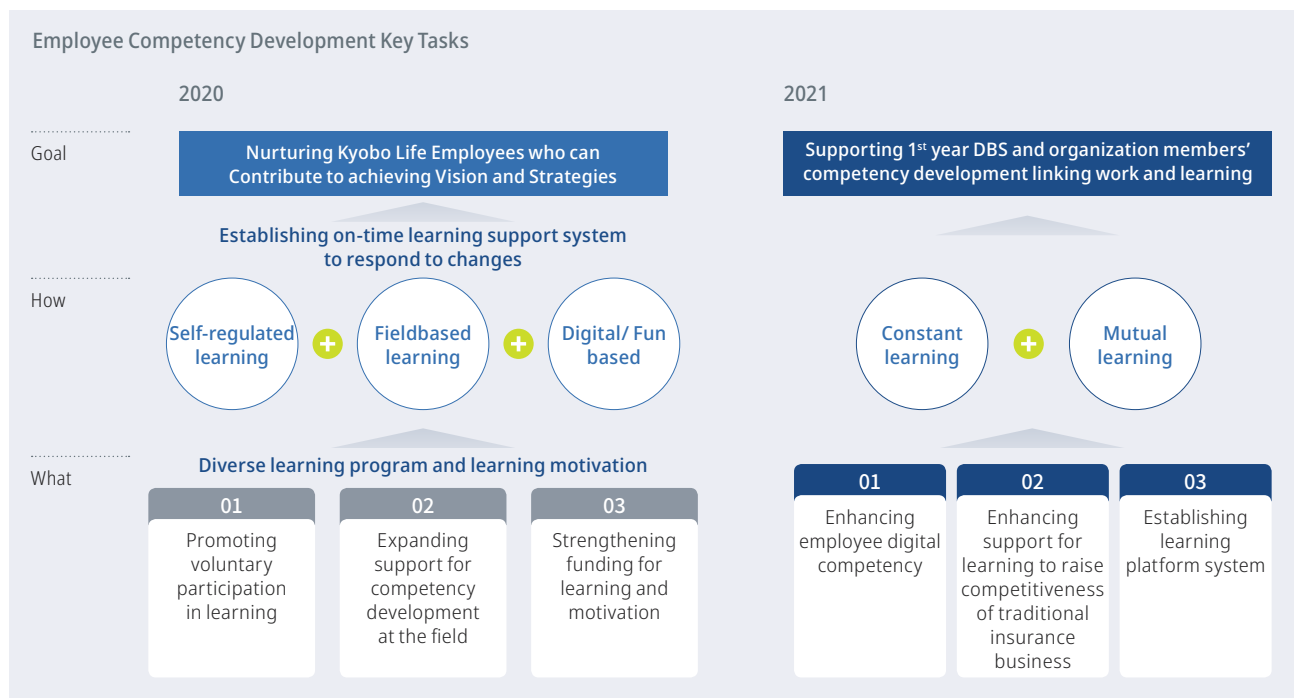
Category	Unit	2018		2019		2020	
		1st half	2nd half	1st half	2nd half	1st half	2nd half
Performance evaluation targets	Total Person	3,194	3,568	3,206	3,532	3,196	3,556
	Male Person	1,795	2,073	1,760	2,042	1,727	2,046
	Female Person	1,399	1,495	1,446	1,490	1,469	1,510
Persons completed Performance evaluation	Total Person	3,194	3,568	3,206	3,532	3,196	3,556
	Male Person	1,795	2,073	1,760	2,042	1,727	2,046
	Female Person	1,399	1,495	1,446	1,490	1,469	1,510

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

Support for Competency Development and

Kyobo Life supports the employees to develop competencies necessary to create work performance through 'constant learning' and 'mutual learning,' where the employees can learn the knowledge and know-how necessary for work with co-workers anywhere anytime. In addition, we are providing optimal training and learning experience reflecting changes in education trend and monitoring opinion of members of the company. In 2020, Kyobo Life expanded and supported the non-face-to-face education such as online education and micro learning according to the changes in non-face-to-face environments caused by digitalization and the COVID-19 pandemic. We focused on the operation of self-directed learnings including Reading Workshop, Kyobo Learning Spoon, and commissioned education as well as digital learnings such as professional course on Kyobo data analysis and course on digital understanding (4th industrial revolution and insurance industry), etc.

In 2020, the company supported a total of 296,099 hours and an average of 83.1 hours per employee of competency development learning and a total of KRW 715,815,000 of its expense despite restrictions on participation in training due to COVID-19. In 2021, we plan to expand the provision of digital and non-face-to-face education considering accelerated digitalization and the prolonged COVID-19 pandemic, and promote the establishment of digital education system (Kyobo Digital School) based on DBS strategy aiming at strengthening digital competency of all employees. We also plan to establish and provide learning platform system which support reciprocal learning between the members by linking work and learning at the workplace.



Employee Competency Development Training Support Costs

Category		Unit	2018	2019	2020
Total training hours	Total training hour per year	Hour	330,009	360,299	296,099
	Average training hours per person		97	97	83.1
	Average training hours(male)		99	97	86.1
	Average training hours(female)	Hour	95	96	84.7
	Average training hours(manager)		60	56	41.8
	Average training hours(employee)		97	104	85.4
	Average training hours per person	Total amount of annual competency development support costs	Won	818,518,000	846,754,000
	Competency development support cost per person ¹⁾	Won	249,000	259,000	212,000
	Training cost per person ²⁾		1,248,000	1,266,000	1,109,000

1) As for competency development and learning support costs, the cost of supporting the training desired by employees is reported

Calculation formula: Total amount of annual competency development and learning costs/ Subject of competency development and learning for members

2) The education and training cost per person was calculated by dividing the total education and training costs by number of employees in the register (excluding those subject to self-learning), and it includes supports cost given to work-level division (job-specific training, etc.).

Calculation formula: Total annual education and training costs / total number of members (including those who are subject to self-learning such as wage peaks and people on leave)

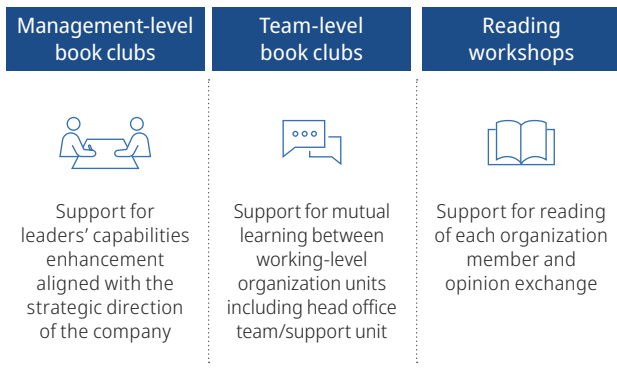
Support for Competency Development

Operation of In-house Library

Kyobo Life operates an in-house library to actively support its employees to strengthen work competencies. With the help of professional librarians, employees can not only read specialized data, but also acquire knowledge in various fields such as the humanities. Upon request, the company provides data to employees working offices outside the head office through the in-house document system to support competency development of all employees.

Won Grand Prize at the Reading Management Best Workplace Awards (by the Ministry of Culture, Sports, and Tourism)

All employees from top management to members of the organization of Kyobo Life consider founding philosophy of 'Promotion of National Education' as an important pillar of business management. The 'Reading Management Best Workplace Awards' is organized by the Ministry of Culture, Sports and Tourism to promote the culture of reading books in the workplace, and selects companies with excellent performance of promoting book reading. In recognition of Kyobo Life's efforts to create the culture of book reading inside the company through the programs such as management-level book clubs, team-level book clubs, and reading workshops, the company won the grand prize at the 'Reading Management Best Workplace Awards' by the Ministry of Culture, Sports, and Tourism. The awards received were donated to charities in the local community. Going forward, Kyobo Life will create a culture that actively supports all members of the organization to develop their capabilities and grow based on reading.



Ceremony of awarding Grand Prize at the Reading Management Best Workplace Awards

Digital Competency Development

Course on Digital Understanding and Advanced Course

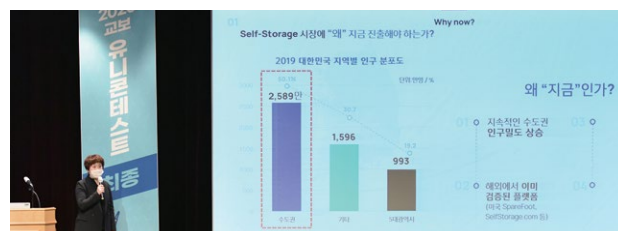
Kyobo Life has developed and operated a course on digital understanding for all members of the company under the theme of '4th Industrial Revolution and the Insurance Industry', including changes in the insurance environment, InsurTech, and customer experience analysis to enhance digital understanding. In addition, we have developed and operated advanced course on digital such as digital and life insurance, digital marketing, and digital transformation & business analytics to support systematic digital competency development for each employee class, and in addition to this, we are now supporting regular digital learning of members by providing the latest micro-learning contents within the Kyobo Learning Spoon.

Professional Course on Kyobo Data Analysis

Kyobo Life has selected a person in charge of the field department and operated an advanced course to learn data understanding, data extraction and processing, and data analysis for 4 months to enhance the data utilization and analysis capabilities of the members of the field departments so that they can carry out and support digital innovation. After completing the learning, the participants implemented application to the field by performing tasks of field data analysis, and we plan to operate professional course on data analysis once every half year in FY2021.

Unicorn Project

Sustainable growth requires innovation and change. Kyobo Life has implemented the Unicorn project to start the innovation by the employees and to explore new business models. The Unicorn project is a kind of in-house venture system in which the company identifies new and creative ideas like an imaginary unicorn, and secures new growth engines. Employees freely formed an agile team to propose 275 new business platform ideas, and the final three teams selected through a transparent and fair process carried out commercialization verification study for several months. The company provided active supports in the entire process of acceleration from analyzing customer pain points to prototyping and holding demonstration days. The system and infrastructure were prepared so that teams with high feasibility could be launched as the first in-house venture teams. The Unicorn project does not stop at simply developing ideas internally, but also plans to support spin-off of the teams like a real startup in the future. Going forward, Kyobo Life plans continuously to operate the in-house venture system to help employees realize their dreams and capabilities.



2020 Unicorn Project

Human Rights Management

Kyobo Life aims to realize “humanistic value” rather than profits through management based on the belief that the “precious values upheld by people must be respected and realized.” In this regard, Kyobo Life is committed to protecting the dignity and labor rights of employees and strictly prohibiting discrimination in the workplace. In addition, the company actively supports and complies with the principles of human rights and labor as defined in the UN Global Compact, such as protection of and respect for human rights; prevention of human rights abuses; recognition of freedom of association and the right to collective bargaining; elimination of forced labor; abolition of child labor; and the elimination of discrimination in employment and occupation. The company prohibits child labor under the age of 15, and strictly restricts the employment of youth under the age of 18 and prohibits all forms of forced labor against the free will of workers. This has been stipulated in the company’s employment regulations.

Prohibiting Discrimination in Employment and Occupation

Kyobo Life prohibits discrimination in employment based on gender, age, ethnic group, religion, and social status, and enhances fairness in the employment process through the blind recruitment procedure. The company prohibits any discrimination in employees’ duties, and provides equal opportunities in the decisions relating to base pay, promotion, compensation, and training fairly and solely based on individual performance and capability. The base salary for new college graduate employees in 2021 is 184% of the minimum wage (KRW 42.80 million), and the same base salary and remuneration rate applies to both male and female employees without any discrimination in salary system based on gender. Meanwhile, 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 any discrimination that can take place out of awareness in the workplace.

Education for Protection of and Respect for Human Rights

Kyobo Life strives to continuously create a culture that protects and respects human rights. The company conducts education on respect for human rights on a regular basis for all employees and Financial Planners. The company holds regular training sessions to prevent sexual harassment, to enhance understanding of the disabled, and to prevent harassment in the workplace in order to establish a human rights protection culture, and Kyobo Life provides additional resources via the intranet and satellite broadcasts to strengthen the effects of the training. In addition, we reflected the provisions related to prohibition of harassment specified in the Labor Standards Act in the employment regulations of the company aiming at creating a culture of mutual respect and consideration. All employees participated in the education for human rights protection, and the completion rate of statutory education for human rights protection in 2020 was 100%.

Statutory training for employees to protect human rights (Unit : %)
* As of period between 2018 and 2020



Operation of Employee Grievance Counseling Office

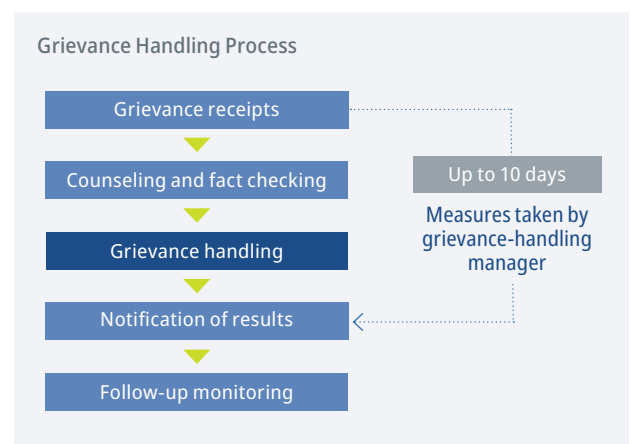
To ensure a pleasant working environment for employees, and to prevent direct and indirect human rights violations in the course of performing their work, Kyobo Life operates the ‘Grievance Counseling Office,’ and the company listens to and proactively resolves employee grievances. The Grievance Counseling Office guarantees anonymity and operates a hotline for prompt resolution of grievances. In addition, a counseling system was also established to prevent sexual harassment and abuse in the workplace. Grievances reported for the period from 2018 to 2020 through Employee Grievance Counseling Office numbered zero.

Employees’ Grievance Resolution Status

Category	Unit	FY2018	FY2019	FY2020
Grievances reported	Case	0	0	0
Grievances resolved	Case	0	0	0

Complaint handling system

Category	Responsible department
Grievance counseling system	Human Resource Development Team
Counseling system for sexual harassment	Human Resource Development Team
Counseling system for abuse in the workplace	Human Resource Development Team



Open Culture

We live in an environment where innovation is made in a daily life. Innovation does not have just the concept in the large category. Even in our daily life, we can see the innovation. For example, if we make simple face-to-face report instead of making written report so that a person reviewing the report can give swift feedback reducing unnecessary time consumption, it can also be an innovation. In 2020, all members of Kyobo Life made an effort to understand the meaning of innovation correctly and practice innovating on a daily basis. In addition, we strived to create a more flexible and horizontal communication culture in 2020. The company considered on the purpose and necessity of digital transformation at the company-wide level, and the top management listened to the opinions of members of each generation through various channels and found improvements to internalize the digital transformation in 2020.

Enacting Kyobo Work Smart- for Smart Today

Kyobo Life adopted 'WORK SMART,' Kyobo Life's standard of work, so that employees can work smarter to lead the digital era. The company operated a Working Group centered on the millennials generation to break away from the existing framework, eliminate unnecessary cultural practices, and maximize innovative thinking and autonomy of employees. In addition, we waged a company-wide campaign during the adoption process to actively listen to and reflect the opinions of employees. Work Smart is meaningful in that it takes a bottom-up approach rather than a top-down approach, initiated by the employees. Thus, it is expected that Work Smart will create a smart work environment and improve work efficiency.

Kyobo Work Smart

- 01 | The leader (senior) listens first with an open mind.
- 02 | Opinion of the other person may be better than mine.
- 03 | Not trying is the biggest failure.
- 04 | I take initiative and work by self-motivated.
- 05 | I put the customers and the company first before my department.
- 06 | I do not engage in the acts that are not honorable to my colleagues and family.
- 07 | The conference room is a place where I can talk without fear.
- 08 | I sensitively respond even to small pain points of customers.
- 09 | I only report accurate facts on time.
- 10 | I leave the office or take a break from work without affecting or being affected by others.



KYOBO WORK SMART W/G

Q What do you think is the work culture that requires the innovation at Kyobo Life? What does it mean to adopt 'Work Smart'?

> Kyobo Life is innovating the organizational culture to realize a 'Digital Kyobo'. Innovation can be achieved not only through technology, but also through a culture of making self-change. To this end, the MZ generation Working Group considered that establishing horizontal communication is the first step toward innovation, because teams dominated by the opinions of leaders tend to go against the trends of the digital age. In this regard, we have to create a culture in which anyone can express his/her beliefs and opinions, regardless of position, age, or gender. I believe that we can successfully implement Work Smart for all employees only when it is supported by horizontal communication and culture. Our working group has established Kyobo Work Smart to create an organizational culture for Kyobo Life where digital innovation can actively take place. It was not created and shared by one team, but was implemented by members from various departments and positions gathered to listen to the opinions of all employees through the discussion for several months, which is meaningful itself. I think only when the company and its employees work together to create a good company to work, can it have true meaning.



Jin-young Yoo,
Assistant manager at W/G

Open Café

The company has operated 'Open Café,' a communication channel between the top management and members of the organization to break down a wall between members of the organization and between generations for the present and future development of the company. Open Café is a program designed to make the staff members of the organization communicate with top management about their thoughts and opinions on their interests, major issues of the company (departmental culture, working methods, etc.), and the obstacles that hinder innovation, to create a flexible organizational culture. Kyobo Life divided the groups into three categories — the 2030 generation; the older generations; and mixed generations (older generation + 2030 generation) — to listen to the opinions of all employees by generation, and held meetings through video conferences to enhance efficiency. Representative directors and presidents (management support/government relation division) attended and listened to the opinions of employees, and strived to make the improvement for the company together with the employees by reflecting the opinion expressed by employees. It is very meaningful in that Open Café broke away from the conservative culture of the insurance industry and that the top management made an effort to directly communicate with employees and create a horizontal culture. Kyobo Life will continue to communicate with employees and create a horizontal and flexible culture.

Q What areas need to be improved first to create a flexible and horizontal culture? As an employee, what do you think of communication channels such as 'Open Café'?

> **The older generation** As an organization member, it was a good opportunity for me to consider and share my opinions with the management about what I want the company to do, how to work according to the flow of the digital age, and how I think about the organizational culture. In addition, seeing the management directly respond to and review the proposals of members of the organization, I found it worthwhile in that participation in Open Café could contribute to the creation of the company system and culture. I hope that there will be more communication opportunities within the company, like Open Café that allow employees to freely share and communicate their opinions.

Jinyoung Bok, Manager of Human Resources Development Team



> **2030 Generation A.** Taking that the purpose of creating a flexible and horizontal culture is to promote autonomous and creative work and realize innovation into consideration, I think that efficiency in decision-making should be achieved first. If we reduce formal reporting and approval procedures and give each member more autonomy in handling the work, creative and innovative ideas will be more actively presented, making a flexible and horizontal organizational culture.

Of course, this requires a sense of responsibility for job performance and basic trust in colleagues and subordinates. Open Café was a brand new program in which the management directly listens to and shares opinions with employees without going through other channels or intermediate processes. Before participating in the program, I didn't even know of the Open Café system. I thought it would be better if we can share and communicate with all the employees about the content discussed at Open Café, so that more diverse opinions and ideas can be gathered.

Minjoo Lee, Assistant manager of Brand Communication Team



Operation of Reverse Mentoring

The company operated a reverse mentoring program for executives and MZ generation members to narrow the gap between members of each generation and create a culture of mutual understanding and respect based on communication and empathy. Reverse mentoring has different meaning from the existing mentoring. It is a communication program with a reverse idea that young members of the organization become the mentors and coach the management. One executive and two employees form one team for about three months, and they had time to increase their digital familiarity and share market trends and interests through various experiences with themes selected by MZ generation mentors. Reverse mentoring could enhance digital competencies of executives and help them to communicate with the younger generation members of the organization, and mentors were able to get closer to executives to whom they had less accessible. In addition, we shared a video of our experience within the company, so that all members of the organization agreed on the need for communication. Kyobo Life will strive to create a flexible and horizontal culture through regular meetings and continuous utilization of communication channels.

Q What is your impression on the reverse mentoring program?



Mentee (executive officer)

> "I experienced the digital world well while implementing assignments with a young mentor like a friend, and it was a great help in communicating with members of the organization."

"I am sorry that the mentoring period is too short, and I wish more executives would participate",



Mentor (Employee)

> "It was nice to be able to get closer to executives who are difficult to approach, and I was able to learn a lot more while preparing for the mentoring."

"I feel sorry that we could not secure enough time and engage in various activities such as outside activities due to the COVID-19 pandemic and the schedule of mentees."



reverse mentoring program


For Better and Matured Life-D&I Culture

Support for Women’s Empowerment Principles (WEPs)

The Universal Declaration of Human Rights proclaimed that all people are born free and equal in dignity and rights irrespective of race, color, language, religion, etc. Global interest in the empowerment of women, from nurturing female leaders to gender equality in the workplace requires support and engagement from the business community. 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)


Women’s Empowerment Principles

1




Establish high-level corporate leadership for gender equality

2




Treat all women and men fairly at work – respect and support human rights and nondiscrimination

3




Ensure the health, safety and well-being of all women and men workers

4




Promote education, training and professional development for women

5




Implement enterprise development, supply chain and marketing practices that empower women

6




Promote equality through community initiatives and advocacy

7



Measure and publicly report on progress to achieve gender equality



KWICK(Korea Women’s Innovative Council in Korea) Mentoring

Kyobo Life operates Korea Women’s Innovative Council in Korea (‘KWICK’), a mentoring program for women, as part of a D&I culture that recognizes and respects individual diversity. KWICK is a mentoring program for women operated for the purpose of pursuing growth, development of female members, and motivating them within the organization as part of the D&I (Diversity & Inclusion) culture. It is a WIN WIN program in which senior female colleagues share their cumulated experiences and knowledge as mentors with juniors, the mentees, and help them develop their careers and leadership while coaching, and mentors grow together. Kyobo Life operates the KWICK mentoring program to strengthen the motivation for the growth, development, and performance of female human resources, a valuable resource of the company. Going forward, the company plans to operate growth support program 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.

Holding Korea Women’s Innovative Network (KWIN) Conference

Since 2012, Kyobo Life has held the ‘KWIN D&I Conference’ every year to motivate the growth and development of female talent, support leadership development, and spread a culture of diversity and inclusion within the company. The 2020 Conference, which was held online due to the COVID-19 pandemic, provided lectures by prominent figures from various fields at home and abroad under the theme of ‘Next Normal & Leadership (Awaken the giant within)’, and 800 women and next-generation leaders from leading global companies at home and abroad participated in the conference. Going forward, Kyobo Life will continue to provide support for continuous growth and development by improving the competency of female employees and creating an environment where each individual can demonstrate diversity and creativity.



KWIN D&I Conference

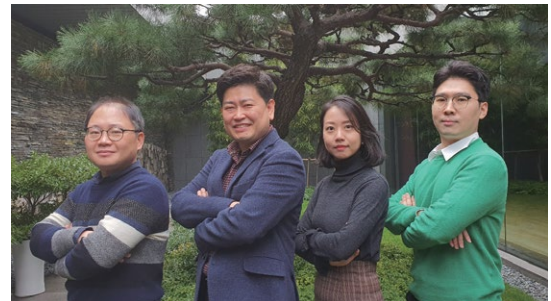
Unicorn Project, Innovation led by Employees

Kyobo Life has carried out the Unicorn Project to create a digital innovation culture and secure future growth. The Unicorn Project is a corporate project to explore good ideas that can make a real Unicorn company as a kind of in-house venture system. Employees freely form an agile team to propose an idea on business process innovation or new business model, and the company discovers creative ideas. Kyobo Life transparently selects outstanding ideas through direct vote by employees and evaluation by internal and external experts, and the team members who proposed the best ideas conduct the commercialization verification process by themselves.

This Unicorn Project is meaningful in terms that the evaluation is conducted by employees as well as internal and external experts as primary evaluators, where the novelty and creativity of the ideas are confirmed from the perspectives of MZ generation consumers through the millennial generation evaluation group. This has allowed Kyobo Life to take a step closer to nurturing talent for future competitiveness and enhancing customer value. This Report contains interviews with 'Giraffe Ranch,' and 'Space Combine,' which won the Best/Excellence award in the first new business sector of the Unicorn Project.

Best Award

Giraffe Ranch, Donation Fund investing in Talent



Q What new business item did Giraffe Ranch propose?

Giraffe Ranch is an "All-new fun content-based donation-funding SNS platform" that was created with the concept of supporting the dreams of talented millennials together.

Q What are the strengths of Giraffe Ranch?

Giraffe Ranch provides a transparent donation experience through direct matching between content creators and donation participants. In addition, it provides a higher level of social networking experience through social networking that starts with donations. It is a total donation-funding platform where participants make donations in various areas from donation to promising prospects to various social issues, disaster support, and political support. It is a differentiated reward system that rewards everyone who just views an advertisement so that they can experience a donation without money.

05_

Unicorn Project,
Innovation led by Employees

Q Do you have any vision or goal you are aiming for?

Giraffe Ranch is pursuing three main goals:

- 1 **Synergy with Kyobo Life** – Realizing differentiated ESG management and implementing the talent nurturing philosophy such as education insurance in the digital space, and enhancing the brand image to future prospective customers, MZ generation
- 2 **Leading a new donation culture** – Providing a differentiated donation experience through advertising rewards, and expanding difficult and heavy concept of donations into ‘funation (fun +donation) through transparent donation experiences
- 3 **Contributing to social value creation** – Creating conditions for gifted people who have talent but face difficulties to realize their dreams, realizing equal opportunities and creating social values

Q What does Giraffe Ranch want to change in society?

We want to change the donation which is hard and difficulties in our society to ‘funation’ that is a fun content-based donation SNS (Fun) supporting talented friends who dream of a better tomorrow and that encompasses finance, distribution and social media benchmarking the overseas C2C Fundraising model with diverse donation subject.

Q Who are the team members?

Giraffe Ranch was created by experts who combine their expertise in broadcasting and PR sectors cumulated for many years with digital. Giraffe Ranch was created through cooperation between CEO Kim Geun-pyo, who manages Kyobo Life’s in-house broadcasting, deputy general manager Shin Jeong-sik, who is in charge of general technical supervision of in-house broadcasting, manager Han Ji-won, who is in charge of communication strategy, and assistant manager Hwang Yun-jeong, who is in charge of external public relations.

Q What was good about participating in the project? Or did you have any difficulties or things you want to improve?

For five months of the project period, we had to work on the job. Nevertheless, the process of materializing ideas through demonstration was very rewarding. As an employee of an insurance company, I deeply felt that securing new growth engine by exploring new business is very important in a situation where the life insurance industry faces low interest rates and low growth era. It was a great opportunity to participate in the project where our ideas could become new business items while we were wondering what kind of new platform we can make using the company’s resources. I thought that working on new business that incorporate digital on the solid foundation of existing businesses would be consistent with the company’s ambidextrous management. We will do our best to commercialize the idea in the future.

Excellence award

Space & Combined, Value beyond Space

Q What new business items did Space & Combined propose?

It is a ‘self-storage brokerage platform’ that provides one stop services from price comparison-brokerage-payment services provided by self-storage companies at once when users input their needs. The concept of ‘self storage’ may be unfamiliar, but it is a service that stores the goods or rents a space to store goods. Although it is in its infancy in Korea, it is in high demand in the United States and Europe. Demand in Asian regions, such as Hong Kong and Japan, where people suffer from housing shortages, continues to rise.



Corporate Planning Team aram

Q What are the strengths of Space & Combined?

The one of the biggest strengths is that it can dominate the domestic market as a first mover. In addition, our platform replaces unnecessary time and efforts consumed for search and it provides optimal solutions to users. DB collected in the operation process can be connected to a hyper-personalized service through modeling service.

Q Do you have any vision or goal you are aiming for?

Free Your Space, Upgrade Your Life – What we are pursuing is to improve people's quality of life by offering spatial freedom. Spacious space enhances the quality of life. Using our services, many people can take one step closer to a worthwhile life. Space has the meaning of 'space,' but it also has the meaning of 'universe,' in other words, the universe means 'infinity'. We believe that our possibilities and the life of value we offer can be expanded indefinitely. Helping anyone to enjoy infinity is the goal of our Space & Combined.

Q What does Space Combine want to change in society?

Growing together with the local community – The goal of Phase 2 of our platform is a win-win through collaboration. We plan to develop and provide new service through "collaboration" with small businesses in the local community. The world is organically connected, and for sustainable growth, both large and small businesses should grow together. We believe that the services that our platform provides are a new link that can proactively connect the two categories. It will create new social values through joint development with local communities.

Q Who are the team members?

Space Combine was formed by 'valued people'. It is composed only of people who have competency and passion, regardless of title, and who can discover each other's hidden values and make them shine. From planning to presentation, and Demo day... Ahram Lee (CEO), Younghwa Lee(CSO) and Minseo Kim of Corporate Planning Team, Soohwan Ryu(CDO) of Subsidiary Operation Support Team worked together in the entire process. The project is now over, but our team is One for All, All for One!

Q Do you have any advice for the members who will participate in the next project?

The most difficult thing was to find time in order to participate in the project while staying on the job. All of the team members are highly responsible for their respective tasks, so after work and on weekends, we often gather to carry out the project. I was very tired, but I really enjoyed the time to the end of project. Most of all, the chemistry between the team members was really good, and the self-directed experience of each team members definitely helped us to do other tasks. I think I was lucky to be able to experience all these processes from concretizing the ideas to writing business plans and demos...at once while working at work. And the online/mobile-based tools I experienced while making various materials gave me an opportunity to understand the essence of "work smart" in depth.

Q What is your advice for the next participants?

Try it first. As we were the first runner, we went through a lot of trial and error, but nonetheless it was the most pleasant time as an office worker. Of course, a company may prefer ideas that are stable and profitable. However, it is not easy to have an opportunity to demonstrate my ideas as they are. To challenge the unknown world of novelty, I think this is the beginning of innovation.

Management activities of Kyobo Life for Investors

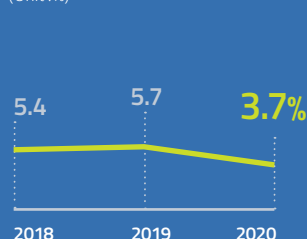
MANAGEMENT APPROACH FOR INVESTORS

We will increase the value of the company through preemptive financial and non-financial risk management.

Total Assets
(Unit : KRW trillion)

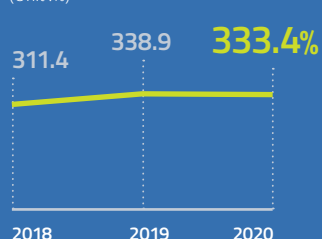


Return on Equity *(ROE)
(Unit :%)



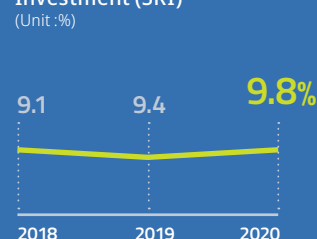
* It has changed based on the consolidated financial statements (it was based on separate financial statements in 2019)

Risk Based Capital (RBC)
(Unit :%)



* Amended figures: 2018 (311.8%), 2019 (339%)

Socially Responsible Investment (SRI)*
(Unit :%)



Key Activities

- ✓ Maintained credit rating 'A1' from Moody's for 7 consecutive years
- ✓ Expanded socially responsible investment
- ✓ Declared coal phase-out finance

Importance

Investors are key stakeholder of Kyobo Life for sustainable growth. Since life insurance products are long-term products, long-term stable asset management, solid financial soundness, and preemptive risk management are the most important issues to generate sustainable profits. In addition, the expansion of investment in the environmental and energy sector is an important issue that financial companies should respond in order to reduce climate change risks that are expanding globally.

Management Methods

Kyobo Life adopts the Asset Liability Management (AML) policy that comprehensively considers assets and liabilities for long-term stable asset management. In addition, Kyobo Life has secured the financial soundness best in the industry through preemptive and flexible risk management responding to various issues such as the introduction of new systems such as IFRS17 and K-ICS and the COVID-19 pandemic. In addition, Kyobo Life continues to invest in eco-friendly energy sectors as part of its efforts to reduce climate risks. Kyobo Life is committed to enhancing value of the company.

Future Area of Focus

Kyobo Life plans to establish a preemptive and proactive asset management response system in preparation for changes in industrial structure and social perception in the post-COVID-19 era. We plan to build an asset management portfolio that considers the environment, society, and governance (ESG), closely monitor the changing economic situation as the COVID-19 situation subsides, establish an asset management strategy that responds flexibly to changes in the financial market, increase the company's value and generate outstanding profits.

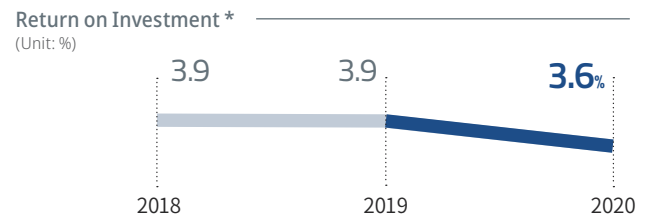
Stable Asset Management

Kyobo Life makes utmost efforts stably to generate profit from a long-term perspective so that we can provide the coverage we promise to our customers and to secure competitiveness of the company. To this end, Kyobo Life adopted the Asset Liability Management (ALM) policy that befits to the long-term insurance products of life insurance companies. 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

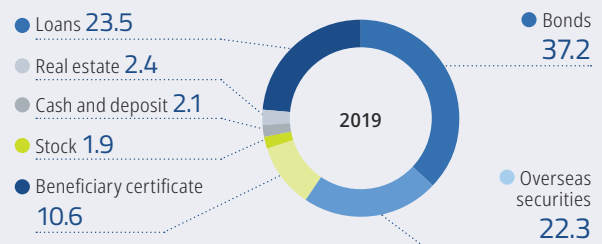
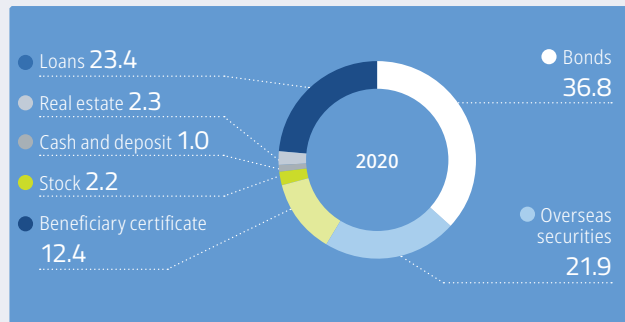
Asset Management Performance in 2020

In 2020, the financial industries experienced a global economic downturn due to the COVID-19 pandemic. However, despite uncertainties in the financial market, we achieved a good return on investment of 3.6% by rebalancing the bonds and proactively responding to the stock market. We made outperformance the benchmark regarding variable assets by flexibly adjusting the portfolio in response to market changes.



*Return on Investment (ROI) = $\frac{[\text{Investment Gain} / \{(\text{assets at the start of period} + \text{assets at the end of period} - \text{Investment Gain}) / 2\}]}{100}$

Kyobo Life's Assets Portfolio (Unit: %)



Asset Management Strategy in 2021

In 2021, the global economy is expected to recover gradually boosted by economic stimulus policies adopted to overcome the economic downturn caused by COVID-19 and the development of vaccines and medicines around the world. However, the volatility of the financial market is expected to increase due to the issues such as the resurgence of the COVID-19, industrial restructuring from an ESG perspective due to changes in public perception after the COVID-19 pandemic, and the China-U.S. trade conflict. In response to these environmental changes, Kyobo Life set the establishment of a preemptive and proactive asset management system as one of its key initiatives in 2021 and set up an asset management strategy to strengthen the competitiveness of the asset management sector.

2020 Asset Management Strategy

- ✓ Establishing portfolio in preparation for low-interest rate and strengthened regulation
- ✓ Actively utilizing overseas markets to overcome limits in domestic markets
- ✓ Securing assets soundness
- ✓ Strengthening manpower and capability in asset management sectors

2021 Asset Management Strategy

- ✓ Improving asset portfolio considering environmental changes
- ✓ Making active response to low interest rate environment
- ✓ Keeping stance of responding to institutional change
- ✓ Establishing regular crisis management system
- ✓ Securing consilience-type human talent flexible to changes

Key Financial Performances

1 Growth

Kyobo Life actively supports sales forces in a difficult business environment where face-to-face business activities are reducing due to the COVID-19 pandemic and the volatility of the financial market is increasing. At the same time, the company generates stable business performance through thorough risk management and asset management response. As a result, total assets at the end of fiscal year 2020 were KRW 125 trillion and 704.7 billion, representing a 8.3% increase year on year.

2 Profitability

In 2020, Kyobo Life actively responded to the difficult business environment and achieved its business targets in insurance business and asset management sectors. However, due to the increased reserve for variable insurance in preparation for new capital regulations and special allowance paid to prevent turnover of financial planners, net income in 2020 reached KRW 477.8 billion, down 28.4% from the previous year. ROE, a profitability indicator, was 3.7%, the highest among large domestic life insurance companies.

3 Stability (Financial Soundness)

As of the end of FY 2020, the RBC Ratio of Kyobo Life was 333.4%, a decrease of 5.5%p over the previous year. This is a result of increased credit risk due to an increase in alternative investment and stock investment made to increase asset management profits under the low interest rates condition. Since the introduction of the RBC ratio, Kyobo Life has maintained the highest level of financial soundness among the insurance companies through thorough and efficient management.

4 Insurance Sales Performance

In 2020, even in a difficult sales environment resulting from the COVID-19 pandemic, Kyobo Life achieved its business plan across the insurance business division through the efforts such as providing differentiated products and services befitting customers' needs, improving system to support non-face-to-face sales activities, and supporting digital marketing activities. In 2020, insurance premium income of Kyobo Life is KRW 14.28 trillion, increased by 14.8% year on year. The number of current customers and the amount of retained premium is 4.04 million and KRW 295 trillion, respectively.

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



Enhancement of Financial Soundness

Moody's awards Kyobo Life an 'A1' Rating for the 7th consecutive year, while Fitch gives Kyobo Life an 'A+' Rating for the 9th -consecutive year

In 2021, Kyobo Life was awarded an 'A1' rating, the highest rating among domestic life insurance companies, by Moody's (Moody's Investors Service), one of the world-leading credit rating agencies for the 7th-consecutive year. In particular, the outlook for credit rating has been upgraded from A1 (negative) to A1(stable). In addition, Kyobo Life received 'A+' rating from Fitch Ratings for the ninth consecutive year for its comprehensive insurer financial strength including profitability as well as financial soundness. This was the result that stability and financial soundness of Kyobo Life has been globally recognized under the difficult management environment resulting from the COVID-19 pandemic and prolonged low interest rates. Korea Ratings, Korea Investors Service, and Nice Credit Rating, which are domestic credit rating agencies, also gave Kyobo Life the highest rating of 'AAA' by highly appreciating stable profit structure, excellent financial soundness, and differentiated sales base of Kyobo Life.

Credit rating in 2021

Moody's
A1_(stable)

Fitch Ratings
A+_(stable)

Korea Ratings, Korea Investors Service, NICE Credit Rating

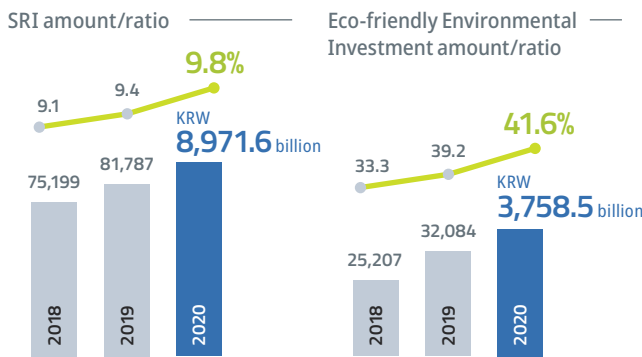
AAA

Socially Responsible Investment and Eco-friendly Investment of Kyobo Life

The impact of non-financial factors on the stability in managing assets is continuously increasing, so it is very important to establish a stable long-term management system. Kyobo Life has set as an assessment philosophy of investing in the ‘Sustainable companies that engage in sound businesses, improving the asset soundness of the company and supporting stable realization of profits through systematic risk analysis and appropriate decision-making, and contributing to the shared prosperity of all stakeholders thereby’. In addition, Kyobo Life considers ESG (environment, society, and governance) in the investment decision-making process, in principle. Moreover, the company applies negative screening approach under which the company restricts investment in cigarettes or non-humanitarian weapons-production companies, and incorporates it in the company’s bylaws to prevent investment in the socially harmful companies.

*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

Kyobo Life’s ‘Declaration of Coal Phase-out Finance’ and joining in the CDP Signatory in May 2021 was a very symbolic starting point for ESG investment and also shows an effort to respond to climate change risks as a financial institution. Kyobo Life has strived to steadily reduce the proportion of assets related to fossil fuels, and in the meantime, Kyobo Life is actively seeking investment in funds that are positive from an ESG point of view or utilize ESG strategies. As of the end of 2020, Kyobo Life invests KRW 8.9 trillion in infrastructure such as roads and ports, as well as sewage treatment facilities, renewable energy, etc. While continuously expanding ESG investment, Kyobo Life is reorganizing its systematic investment process, including preparing for adoption of its own ESG investment evaluation list.



Joined the Declaration of Coal Phase-Out Finance

Recognizing the seriousness of the climate change crisis, Kyobo Life strives to mitigate the negative impact of climate change on investment assets while fulfilling its responsibilities as a good investor. In this regard, Kyobo Life and its financial affiliates declared ‘Coal phase-out finance’ in May 2021. Kyobo Life plans to stop investing in the construction of new coal-fired power plants both at home and abroad, and strengthen investment in eco-friendly and new and renewable energy sectors. In addition, Kyobo Life joined the investor signatory to CDP* to be with the international community in efforts to disclose climate change information by companies.

Status of Investment in New and Renewable Energy within Eco-friendly Investment

Category	Unit	2018	2019	2020
Total investment amount in new and renewable energy	KRW 100 million	15,535	22,660	28,610
Solar power	KRW 100 million	12,788	19,204	25,222
Wind power	KRW 100 million	1,525	1,294	1,250
Others	KRW 100 million	1,222	2,162	2,139

CASE STUDY

Eco-friendly Investment of Kyobo Life

In 2010, Kyobo Life started investing in new and renewable energy such as solar power, wind power, etc., and has been actively investing in new and renewable energy at home and abroad. In particular, in 2021, Kyobo Life plans to start investing in the ‘fuel cell power generation’ business, which is classified as a new and renewable energy business pursuant to the ‘Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy’. The fuel cell produces electricity, heat and water through the electrochemical reaction between hydrogen and oxygen without combustion, thus emitting almost no air pollutants. Going forward, Kyobo Life will strive to expand eco-friendly investments and fulfill its social responsibilities.



Transparent Disclosure and Communication

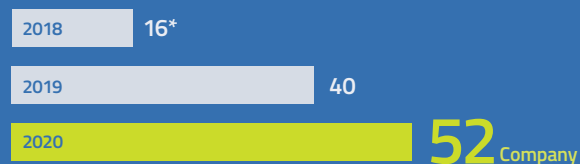
Kyobo Life regularly and transparently discloses corporate performance and major management issues in accordance with applicable laws and regulations for smooth communication with investors. Financial reports are subject to strict audits by external auditors every year, and major disclosures such as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

Management activities of Kyobo Life for partners

MANAGEMENT APPROACH FOR PARTNERS

We will grow together with our partners through fair transactions.

Companies newly signing the Clean contract system
(Unit: company)



* Collected after the renewal of electronic purchasing system in 2018

Strategic investment in digital
(cumulative amount)*



*Commitment (since 2018)

Key Activities

- ✓ Selecting companies participating in Round-2 of the Open Innovation (Inno Stage)
- ✓ Digital strategic investment amount
- ✓ Clean contract system

Importance

Partners of Kyobo Life are important stakeholders in delivering to customers the products and services of Kyobo Life. Fair and transparent transactions are an essential factor for sustainable management, and partnerships with companies with excellent technology and creation of a digital ecosystem are very important for the sustainable growth of the company in the digital transformation of the company in line with the development of digital technology. Kyobo Life seeks to grow together with its suppliers and business partners.

Management Methods

Kyobo Life has established contractual business regulations and complied with them when signing contracts in order to establish fair trade practices, and the company selects its business partners in a fair and transparent manner via the electronic purchasing system. In addition, we are preventing any unfair practices that may occur during the transaction through the 'Clean contract system'. Kyobo Life is also operating 'INNOSTAGE,' an open innovation system, to actively identify and support startups that can create synergy with the life insurance business.

Future Areas of Focus

Kyobo Life plans to raise awareness of fair trade by regularly providing training for fair trade compliance officers. In addition, we are implementing an ambidextrous management that reinforces the capabilities in the traditional insurance business sector and strengthens new growth engines. To this end, the company plans to identify and actively support companies with excellent digital technology and build a digital ecosystem.

Digital technology is breaking down the barriers of the industry, and more and more companies are providing new services based on their technical skills, thereby gaining more influence. Kyobo Life strives to strengthen its competitiveness in the life insurance industry, a main business sector, and secure future growth engines through close exchanges with various partners. In this regard, Kyobo Life defined suppliers and business partners as partners. We will strive to grow together with our partners based on the fair and transparent transaction culture that we have diligently built so far, and help create a sustainable ecosystem by supporting our business partners.

Management of Major Partners

Kyobo Life seeks mutual growth through win-win cooperation with major partners. Kyobo Life is, transparently and faithfully, implementing contracts entered into with fairly selected partners. In addition, we conduct regular information security education for partners providing computer-related services handling customer information.

Major Partners

Computer system management company

In order to apply rapidly changing digital technology to business activities and to improve work efficiency, Kyobo Life is cooperating with a professional computer system management company to improve the system and enhance stability.

Office fixture supplier

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

Office Supplies Supplier

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

Partner hospital

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

No. of Partners

Category	Unit	2018	2019	2020
Vendors*	Company	36	25	35
Partner hospital	Hospital	159	151	147

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

Establishing a Fair Trade Culture

Kyobo Life has been striving to establish a fair and transparent trading culture from the beginning. In 2006, we held the Declaration Ceremony for Voluntary Practice of Fair Competition, and thereby declared that we will voluntarily comply with the laws related to fair trade and engage in fair competition in the finance and insurance markets. Since then, all employees of Kyobo Life have pledged to achieve sustainable growth through fair competition through the Declaration for Voluntary Practice of Fair Competition.

CASE STUDY

Declaration for Voluntary Practice of Fair Competition

We, the employees of Kyobo Life, hereby pledge to improve the company's competitiveness and achieve sustainable growth by voluntarily practicing fair competition as follows:

We share the view that fair and free competition contributes to the development of the company and society and strive to practice it.

We respect the order of market competition and take the lead in making sound development of the insurance industry through fair competition.

We voluntarily comply with fair trade laws and do not engage in unfair collusion or unfair trade practices.

We do not use unfair terms and conditions or use false or exaggerated labels or advertisements.







Employees of Kyobo Life
December 30, 2016



Spread of Socially Responsible Management within the Partners

Kyobo Life has implemented systems and policies that can assure transparency in transactions with external vendors. We have established our own electronic purchasing system, and proceeded with entire purchasing process from company registration, to bid announcement, and bidding-safely and transparently, online. New companies that register in the electronic purchasing system should consent to the Clean Contract System, and partners are selected through fair screening and evaluation process based on the evaluation criteria. In the meantime, Kyobo Life has established contract regulations to ensure that all employees comply with the regulations when entering into a contract and the company prohibits any collusion and unfair trade practice in the course of implementing the contract through the Clean Contract System.

Evaluation Items for Partners

 Human Resources Status	 Equipment/Facility Status
 Delay In Tax Payment	 Financial Soundness
 Excellent Management	 Performance Of Supplying To Other Company

CASE STUDY

Clean Contract System

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

Penalty Upon Violation of Clean Contract System

- Restricted from participating in the bid for three to five years in case of engaging in unfair practices such as collusion
- Restricted from participating in bidding and contract signing for three to five years in cases of providing money and entertainment
- Disadvantages related to transactions
(Cancellation or termination of all or part of the contract in the process of executing contract)

Companies newly signed-up on the Clean Contract System

(Unit: company)

	Companies newly signed on Clean Contract System	2018	2019	2020
		16*	40	52

* Collected after the renewal of electronic purchasing system in 2018

Creating Sustainable Ecosystem

With the development of digital technology, abilities to identify startups with excellent technologies and ideas and to create a collaborative ecosystem become essential requirements for sustainable development. Kyobo Life will explore new growth engines through business partnerships with startups, and strive to create a win-win digital ecosystem that provides startups a foothold for growth.

Open Innovation, Commitment to growing together (Round-2nd INNOSTAGE)





Since 2019, Kyobo Life has strived to create a virtuous cycle of win-win growth with excellent startups with innovative technologies through the 1st and 2nd programs of InnoStage. While the 1st INNOSTAGE focused on healthcare services, in 2nd program we comprehensively focused on and selected the startups equipped with the technology to provide a variety of life care services to customers. The five selected companies were provided with funding support of 20 million won for business development, and a space for co-working. In addition, through the one-on-one mentoring of 'Krypton,' a professional accelerator (startup incubator), Kyobo Life provided full support for startups to grow and develop further. Kyobo Life supported an open API, a cloud-based application development environment, and an environment that allows people to communicate with relevant departments of Kyobo Life at all times for smooth collaboration with Kyobo Life while holding a demo day event where the startups present the synergy created through collaboration projects with Kyobo Life. Moving forward, Kyobo Life will continue its efforts to explore new growth engines through business partnerships with startups and to create a digital ecosystem for win-win growth that provides a foothold for growth for startups.

*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.



Launching Ceremony of Round-2 of INNOSTAGE

Companies participating in the the 2nd INNOSTAGE

Participants	Changes after participating in Inno Stage
 Frip Frientrip 'Frip', Host-based leisure activity platform	- Korea's first activity platform-related insurance product MVP test - Exceeded 1 million cumulative members
 D. TIME 'inssait', a comprehensive human resources management cloud service for small and medium-sized enterprises	- Secured new customer identification channels through collaboration with Kyobo Life - Earned membership of 134 new companies during the round-2 of Inno Stage
 THINGS 'Monthly Thing,' a health management platform based on women's lifestyle	- Attracted new customers for Kyobo Kare and Things' Service
 Lomin 'Text scope,' AI-based Atypical Character Recognition (Optical character recognition- OCR) Service	- Selected major target markets (finance and insurance) - Improved recognition rate of insurance claim related documents (informal text)
 JEJEMEME 'Snapshot,' Automated child photo management and video production platform	- Reorganized business model and acquired patent - Grew 1,100% in downloads and 1,500% in subscribers - Selected as Google App of the Year in 2020



Demo Day Event of 2nd INNOSTAGE

CASE STUDY

Synergy between the 1st INNOSTAGE and Kyobo Life

During 1st INNOSTAGE, 'Food Lens,' an artificial intelligence food photo recognition technology solution of 'Dooing Lab,' was installed in 'Kyobo Health Coaching Service,' and 'Jjakkak Alligator,' a hour-based childcare matching service, was collaborated with Kyobo EduCare Service, significantly enhancing customer satisfaction.

DA-WIN Service for Mutual Growth with Partners

Kyobo Life operates the DA-WIN service program for mutual growth by sharing the accumulated expertise of its award-winning customer satisfaction service with its partners. DA-WIN service is Kyobo Life's unique and differentiated win-win program supporting success of partners while practicing the management philosophy of sharing and favoring by providing free CS education and consulting, an organizational activation program, and statutory education (covering the prevention of sexual harassment in the workplace, and the protection of personal information) for public agencies, medical agencies and general companies. The name of this service, DA-WIN, means win-win growth and development of Kyobo Life and partners.

Kyobo Life 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 family life psychologically and economically.

Status and Performance of DA-WIN Service

Category	Unit	2018	2019	2020
Service recipients (No. of companies)	No. of partners	1,199	1,430	833
Service recipients (No. of persons)	Persons	71,754	62,388	29,296

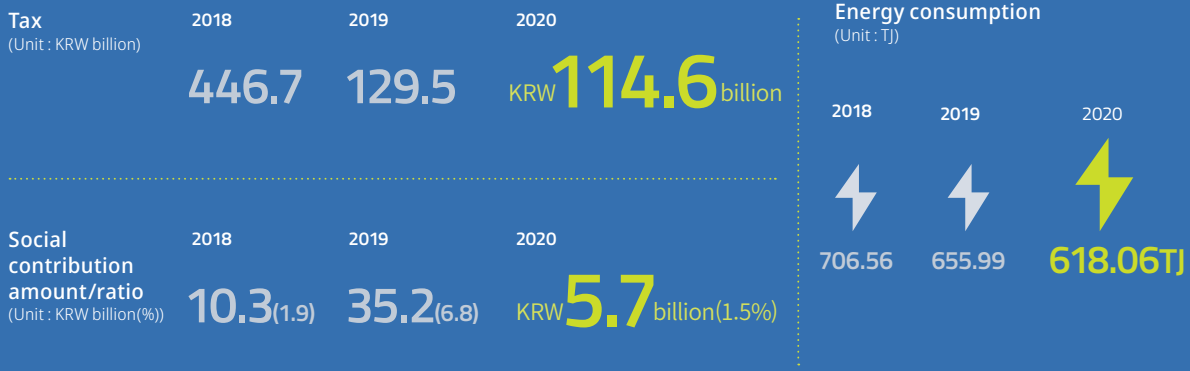


DA-WIN Service Activities

Management activities of Kyobo Life for government and local community

MANAGEMENT APPROACH FOR GOVERNMENT AND LOCAL COMMUNITIES

We will fulfil our social and environmental responsibility as a corporate citizen.



Key Activities

- ✓ Joined the CDP Signatory
- ✓ Established an environmental foundation for paperless office environment
- ✓ Kyobo Life Youth Athletics Cup Championship scholarship project
- ✓ Kyobo Dasomi Dream Makers

Importance

Kyobo Life is committed to fulfilling its social responsibility to create a healthy and beautiful society, and growing and developing together with the local community. Kyobo Life strives to preserve and improve the environment in which our future generations will live by considering the characteristics of its business. In addition, we are continuously carrying out social contribution activities in order to respect the precious values pursued by humans and to help them realize the values.

Management Methods

As a part of environmental management efforts, Kyobo Life continues its efforts to create a paperless office environment. While promoting the electronic subscription system, the company is digitalizing the documents written by customers visiting the customer PLAZA. In addition, as a financial company, Kyobo Life joined the Carbon Disclosure Project (CDP) as a signatory joining forces in global efforts to demand corporate environmental information disclosure. In the meantime, Kyobo Life focuses on supporting neighbors overcoming their adversity led by the 'Kyobo Dasomi Volunteer Service Group' established in December 2020, and helping children and adolescents to live as matured individuals who constantly practice self-growth and sharing with a healthy body and mind.

Future Areas of Focus

As a financial company, Kyobo Life is committed to joining the global efforts to transfer to a low-carbon economy in response to climate change, and implementing environmental management activities that consider the characteristics of the business. In addition, Kyobo Life will strive to help its neighbors overcome adversity and grow through continuous social contribution activities rather than one-time activities. By doing so, Through such effort, it will strive to fulfill its responsibilities as a member of the local community and to develop together with the local community, pursuing joint development.

For a Tomorrow of Togetherness- Environmental Management

Climate change is transforming our lives. Climate change destroys ecosystems, and accelerates the speed of global warming one step further than yesterday, blurring the boundaries of seasons. The world is concerned and making efforts in responding to climate change. As a life insurance company, Kyobo Life joins the efforts to respond to climate change. Kyobo Life and its financial affiliates officially declared the 'coal phase-out finance' externally in May 2021 and decided to suspend new investment in the construction of coal-fired power plants to implement carbon neutrality. In addition, the company, as a leading company in sustainable management, joined the CDP signatory to take part in efforts to disclose environmental information and transfer to a low-carbon economy. As a leading company in sustainable management. In addition, Kyobo Life practices environmental management by establishing a paperless office environment and promoting efficient energy-use. Kyobo Life will become a company which endeavors for tomorrow and next generation, not today and ourselves.

Joining the Carbon Disclosure Project (CDP)

In March 2021, Kyobo Life participated in the 'Declaration Event supporting Climate Financing for Carbon Neutrality by 2050' together with more than 100 domestic financial institutions, and declared externally that it would strive to implement carbon neutrality as a financial institution. As a trustee that manages customers' assets, Kyobo Life joined the CDP (Carbon Disclosure Project) as a signatory in May 2021 to preemptively respond to climate change risks and contribute to the transition to a low-carbon economy. CDP, as one of the global initiatives, requests the investment target company to disclose environmental information such as carbon emissions and biodiversity, thereby enhancing the transparency of information disclosure and ultimately contributing to reducing environmental risks. Going forward, Kyobo Life will actively request the disclosure of environmental information of companies through the CDP to enhance investors' right to know and actively respond to climate change.

Eco-friendly Workplace

Efforts to Create a Paperless Office Environment

Kyobo Life is striving to create a paperless office environment to reduce the amount of paper it consumes while creating a digital work environment. By way of showing an example, we provided tablet PCs for work to all heads of organization to replace all written meeting material with electronic documents, and we converted the notice, which was delivered through mail in paper form to electronic media such as text message, e-mail, Talk service, etc. In addition, we carrying out digitalization of documents for works requiring forms, such as contracts and application forms in order to establish an eco-friendly digital system. In 2020, we established the electronic documents system with which we can process insurance/loan documents that require customer confirmation for customers visiting Customer PLAZA. As a result, we could enhance customer convenience by making customers fill out a minimum number of documents, while reducing costs such as printing and storage costs. In addition, with the establishment of a digital system, we could resolve the customers' information security issues, enhancing customers' satisfaction. Going forward, Kyobo Life will expand the scope of conversion and application, and further strive to reduce the carbon footprint incurred in the process of paper production and transportation through a paperless transition.

Notice on Customer Insurance Contract sent in 2020



No. of notice sent after converted to electronic media

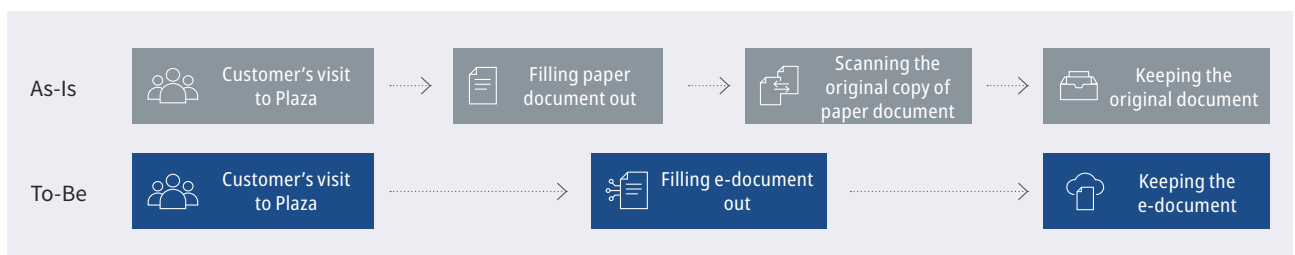
4,034,430 cases



Amount of paper reduced due to the conversion into electronic media

13,438,000 papers

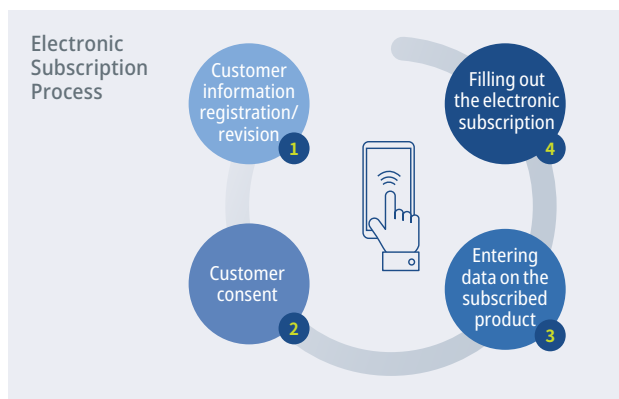
Business Process



Electronic Subscription System to Minimize Environmental Impact

Lots of paper is used in the entire insurance policy subscription from customer information registration to preparation of subscription application. Kyobo Life operates the electronic subscription system to minimize the use of paper and simplify the subscription procedure. Tablet PCs replaced papers in the entire process of subscription from acquiring customers' consent, to delivering policy design form, and acquiring the electronic signature. In 2020, through the electronic subscription system, we have reduced the amount of paper used equivalent to 24,424 cases, reduced the possibility of loss of subscription forms and security risks, and reduced costs while improving work convenience.

Status of Electronic Subscription (Annual)



Reinforcement of Waste Management

Kyobo Life entrusts the waste generated by its office spaces to an approved waste-processing company, and checks and manages the annual amount of waste discharged. In 2020, the amount of waste discharged from the head office was 149 tons, decreased by 46% from the previous year. Kyobo Life is managing cumulative data to reduce discharge of waste, and the company maintains the recycling rate of about 95% as of 2020.

Efforts to Reduce Carbon Dioxide Emission

Kyobo Life is committed to reducing carbon dioxide emissions generated due to traveling. The company 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 satellite broadcasting system for all working sites except for head office, so that employees can listen to the major events without participating it. In particular, in 2020, we established virtual conference system to reduce unnecessary traveling of employees.

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 degrees C during summer and not more than 20 degrees 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.

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 per 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.



Green Dasomi Family Volunteer Work

Family Love Rural Experience/ Ranch Experience

Experiencing family love life in rural area/ranch is a program that helps urban residents experience rural life and culture and feel the preciousness of nature and life. Families with children in kindergarten or elementary school participate in the program, and learn the gratitude and importance of agriculture/rural life and learn about safe and healthy food through various and fun experiences. By participating in the rural life-experiencing program, children can learn healthy minds and value of life, and contribute to the economic development of the local community.

- 
Wonderful farming experience

Harvesting of healthy Korean agricultural products such as rice, potatoes, sweet potatoes, apples, and grapes
- 
Delicious food experience

Digging potatoes and eating potato pancakes, picking persimmons to make dried persimmons, etc.
- 
Traditional culture experience

Family yut play, national archery experience, fire field farmers' mud hut experience, rice cake making, pottery making, etc.
- 
Ecological experience

Catching rice paddy snail, grasshopper, and dragonfly, fishing a catfish, fisherman experience, tidal land ecology experience, etc.

For Tomorrow to Walk Together- Social Contribution Activities

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

We can create human development and happy life. Kyobo Life respects the precious values that people pursue, and strives to realize such values. Led by the 'Kyobo Dasomi Social Volunteer Group', founded in December 2002, the company focused on supporting neighbors overcoming their adversity led by the 'Kyobo Dasomi Volunteer Service Group' established in December 2020, and helping children and adolescents to live as matured individuals who constantly practice self-growth and sharing with a healthy body and mind. 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

One to three babies out of every 1,000 are born with hearing loss. If he or she misses medical treatment time, it will have to live with hearing and speech impairment for the rest of its life. Kyobo Life is supporting the cost of artificial cochlear surgery and speech rehabilitation for one year to low-income families who are experiencing economic and emotional difficulties. Artificial cochlear surgery involves inserting a thin electrode wire into the cochlea to convert sound signals into electrical signals to be heard. If a child who has been diagnosed with hearing loss has undergone surgery before the age of three and is well rehabilitated, normal communication is possible. Kyobo Life is building a support system so that all children can hear the bright and joyful sounds of the world. In 2020, the company has helped a total of 43 hearing-impaired children find sound so that they can grow into healthy members of society through true communication with their families and society.



Wow Dasomi Sound-and-light Program

Ties of Love Campaign

The 'Ties of Love' campaign is a program to help underprivileged children grow up to be healthy adults in the better environment. Since 2003, employees of Kyobo Life have donated a certain portion of their monthly salary, and the company has provided a certain amount to create a 'Love Fund (matching fund)' to support the underprivileged children and babies in baby box in Korea. As of 2021, as many as 1,413 employees have participated in the '20-year-old Ties of Love' campaign, and total amount provided reaches KRW 360,000,000.



Ties of Love Campaign

Kyobo Life Youth Athletics Cup Championship

Since 1985, Kyobo Life has organized the Kyobo Life Youth Athletics Cup Championship. '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 people competing in athletics, swimming, judo, ice-skating, gymnastic, tennis and table tennis, held in local cities in collaboration with local autonomous governments to contribute to the vitalization of the local economy. More than 140,000 players have participated in the Championship, and about 450 of them have played for the national team. In 2020, although we did not hold the Kyobo Life Youth Athletics Cup Championship due to the COVID-19 pandemic, prioritizing safety of participants, we will continue our support so that the youth athletes can show their ability.



Kyobo Life Youth Athletics Cup Championship

Kyobo Life Scholarship for Youth Athletics

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 having a positive influence. Kyobo Life selects two promising athletes by category every year through the 'Kyobo Life Youth Athletics Cup Championship' and provides KRW 2 million scholarships for six years to students from middle school to high school. In addition, we are operating the differentiated programs such as personality building education, psychological education and counseling, reading program, mentoring, etc. to help them grow into leaders with the right personality. In 2020, we provided total of KRW 4,400,000 to 14 promising athletes in total. Going forwards, Kyobo Life will strive to support to help holistic growth beyond becoming the athletes, realizing the goal of nurturing 'good human beings.'

Kyobo Dasomi Dream Makers

‘Kyobo Dasomi Dream Makers’ is a program that helps our young heroes of the future to grow into digital talents. Kyobo Dasomi Dream Makers program is divided into two sub-programs depending on the subject and program.

Dasomi ICT Future Nurturing Project provides training for drone, S/W, and 3D printer operation technicians with high technical use, which is essential in the fourth industrial era, so that the adolescent can acquire nationally-certified qualifications and grow as a healthy member of society by supporting their academic careers.

Second, ‘Dasomi Convergence ICT Future Experience Program’ supports young people to develop creative talents suitable for the 4th industrial era by providing opportunities to experience ITC-based new culture. In 2020, we provided opportunities to a total of 98 youth. In 2021, we will support the growth of professionals through education in various fields such as webtoons.



Kyobo Dasomi Dream Makers

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 of ‘Experience-oriented, character development, and wisdom cultivation’. 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.

CHANGE Beneficiaries Status

	2018	2019	2020
 No. of direct beneficiaries (Unit : Person)	-	145	40

Asia March for Undergraduate Students

‘Northeast Asia March for Undergraduate Students’ has been carried out according to the founding philosophy of founder Yong-ho Shin, namely, ‘Development of talent is the only way for Korea to revive’ with the objective of making college students develop leadership skills which appropriately understand the history and culture of Asian region, resolve problems together through community event. Since 2002, Kyobo Life has been providing a program that supports college students, who have been developing their dreams as young leaders, to see and experience the economic, social, historical, and cultural sites of Asian countries, so that they can develop their dreams and visions as future leaders. So far, we have provided opportunities to a total of 1,700 students to grow. Although it was not possible to proceed with the program in 2020 and 2021 due to the global pandemic of COVID-19 considering the safety of students, we will continue to support students to develop leadership and become mature members of society through tours and cultural exchanges in Asia, which are economic and historical partners and competitors.

Beautiful Lives shared Together

Employees’ Volunteer Work

The employees of Kyobo Life voluntarily participate in voluntary activities. Employees, in cooperation with the local welfare centers, are engaged in various forms of volunteer works such as DIY, as well as participating in volunteer activities for community development.

CASE STUDY

Suwon FP Supporters [SC] HAPPY Angel



Best Awards

Beneficiary

Community Child Center in Gwoseon-dong, Suwon

Activities

- Developing children’s emotions through various monthly play programs
- Expanding voluntary activities, including voluntary donation of goods
- Improving employee engagement and culture of praise/encouragement among club members

“I feel interesting and rewarding as I voluntarily participated in the CS club activities, and the consideration and support of the FPs and the supporters helped me a lot”

➤ Our ‘HAPPY Angels’ conducted programs that combined play and education befitting to the level of elementary school students, such as art painting programs and choirs. I also felt a sense of pride as I saw a play culture that is good to build close bonds with the beneficiaries to be established. At first, it was not easy to participate in the regular volunteer work by taking time out of busy work hours, but I think that our volunteer team has grown seeing the students who are getting better day by day. In addition, as we enjoy the volunteer activities, a culture of praise was formed in which club members encouraged and recognized each other.

Employee Volunteer Social Work Status

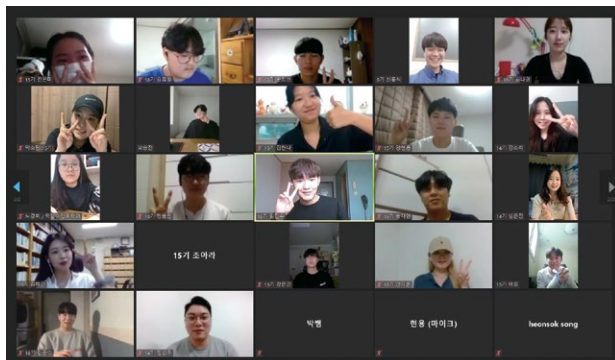
Category	Unit	2018	2019	2020
Time of volunteer work per 1 person	Hour	6	5.5	4.1
Total amount of social work performed by employees	Hour	23,042	21,109	15,645
Total no. of employees who participated in volunteer social work per year (cumulative)	person	10,107	10,415	7,640

Kyobo Life Hope Dasom Scholarship

Since 2003, Kyobo Life has been granting scholarships to adolescents from orphanages and group homes and adolescent breadwinners suffer from limited educational opportunities due to financial hardships and social prejudices but who have a passion for learning and hope for the future even in a difficult environment. We support the 'Hope Dasom Scholarship' to help students continue their studies and motivate them, while also providing emotional support through 'community' such as local meetings and camps so that they can rely on each other. 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 Status

	2018	2019	2020
 No. of recipients per year (Unit : Person)	88	79	96
 Amount received per person (Unit : KRW 10,000)	346	367	345



A student being awarded the Dasom Scholarship in 2020

'One Company, One School' Financial Education

Kyobo Life carries out the 'One Company, One School Financial Education' project to ensure that the young people of future generations can develop financial competence and to reduce the regional financial literacy gap. Under this project, professional financial instructors of Kyobo Life are matched with elementary, middle and high schools countrywide to provide various types of financial education focusing on actual cases. Kyobo Life strives to reduce blind spot of financial education by providing education continuously.

Dasomi Global Tree of Hope Economic Self-Reliance Support Project

Ben Tre Province, Vietnam, is an area where more than 30,000 households live in poverty with a monthly income of less than US\$37. Since 2013, Kyobo Life has been carrying out the planting tree project so that the residents of farm households in the extreme poverty in Ben Tre Province can overcome the poverty on their own and become economically independent. In 2020, we supported as many as 690 households support with 27,600 grapefruit trees, seedlings, agricultural tools, and cultivation education to solve the poverty problem and establish an economic self-reliance support system. As a result of long-term support, the average monthly income of farmers increased from US\$37 to US\$180 so that the residents were able to solve poverty through economic independence.



Dasomi Global Tree of Hope Economic Self-Reliance Support Project

Dasomi Global Volunteer Social Work

Since 2011, the 'Dasom Global Volunteer Group,' composed of employees, has participated in volunteer work 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 builds houses to provide a comfortable home for families.

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 Award, the award having the greatest authority in the field of agriculture, nurtures next-generation agricultural talents, and implements farmer-led research on agricultural practicality. Through various public interest projects, such as agriculture and rural experiences that enhance and empathize with the value of agriculture and rural life, 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, research and publication 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 carries out various educational projects such as the Kyobo Education Award, Personality Education Support, Leadership Education Support, and Life Education Support in order to realize the value of nurturing good citizen.

FACT BOOK — Economic data

1. Economic Value Creation and Distribution

	Unit	2018	2019	2020
Customers	Claim paid/Reserve funds for claims	12,217.8	14,556.1	17,487.1
Financial Planners	Fees	613.0	588.4	696.7
Employees	Salary, Employee benefits	425.4	439.0	447.4
Investors	Dividends	102.5	153.75	102.5
Local Communities	Donation, Social contribution expense	46.4	44.4	13.1
Government	Tax	446.7	129.5	114.6
Partners	Purchasing cost*	8.7	11.5	15.5

*based on money transferred for e-purchasing system

2. Profit and Stability Indicators

	Unit	2018	2019	2020
Net income	KRW Bn	528.0	628.2	452.2
ROE		5.4	5.7	3.7
ROA	%	0.5	0.6	0.4
RBC		311.8	338.9	333.4

3. Premium income

Despite the economic downturn caused by the COVID-19 pandemic, increase in sales of savings products and premium income of retirement pension have been led to increase in premium income to KRW 14 trillion and 280 billion, 14.8% increase year on year, in the business year of 2020.

	Unit	2018	2019	2020
Protection		5,611.7	5,560.0	5,607.6
Annuity		3,398.8	3,255.8	3,023.6
Savings	KRW Bn	975.5	1,089.5	2,401.6
Corporate Pension		2,182.3	2,530.2	3,247.2
Total		12,168.3	12,435.5	14,280.0



You may refer to the auditor's report of Kyobo Life for more information.

4. Summarized Consolidated Statement of Financial Position

Category	Unit	2020	2019	2018
Total Asset		125,704.7	116,053.4	108,819.9
Cash and due from bank		1,940.6	2,649.7	2,383.2
Securities		70,800.7	66,181.6	61,079.9
Loans		22,353.3	20,762.6	20,720.0
Investment in associates		36.3	35.2	96.9
Investment property		1,094.7	1,129.5	1,083.5
Property and equipment		1,378.7	1,367.7	1,288.6
Intangible assets		296.3	328.9	72.8
Other assets	KRW Bn	4,431.1	3,323.1	3,303.3
Separate account assets		23,373.0	20,275.1	18,791.7
Total Liabilities		112,812.4	103,668.8	98,255.6
Liabilities under insurance contracts		75,573.4	71,926.1	69,488.0
Policyholder's equity adjustment		1,461.8	1,416.5	894.8
Other liabilities		11,846.8	9,588.2	8,617.2
Separate account liabilities		23,903.6	20,738.1	19,255.6
Capital		12,892.3	12,384.6	10,564.3
Capital – controlling ownership		12,567.6	11,935.2	10,151.0

5. Summarized Consolidated Statement of Comprehensive Income

Category	Unit	2020	2019	2018
Operating revenue		18,644.9	15,495.8	14,671.0
Operating cost		17,960.6	14,590.5	13,863.9
Operating profit		684.3	905.3	807.1
Non-operating profit	KRW Bn	-17.9	3.3	-23.4
Income before corporate tax		666.4	908.5	783.6
Corporate tax		188.6	241.0	219.3
Net income		477.8	667.5	564.4
Net income – controlling ownership		452.2	628.2	528.0

FACT BOOK — Social data

1. Employee Status

The total number of Kyobo Life employees was 3,842, an increase by 20 persons from the previous year. In 2020, there were 118 employees newly hired (2.6%), and 48 employees retired (1.2%). The total number of employees comprised 1,511 regular female employees (41.6%), and 2,121 regular male employees (58.4%). There were 35 employees with disabilities (0.9%) on the company's payroll. There were 153 female managers representing 19.7% of the total workers and this figure has been steadily increasing for the past three years. Average service years of Kyobo Life's employees are 17.5 years for males and 15.2 years for females.

	Category	Unit	2018	2019	2020	
Employee status	Total number of employees		3,839	3,822	3,842	
	Executives	Persons	41	41	41	
	Employees		3,789	3,781	3,801	
	No. of female managers	Person (%)	140(17.6)	147(18.7)	153(19.7)	
Employment type	Permanent*	Percentage of permanent employees (%)	3,624(94.4)	3,624(94.8)	3,632(95.6)	
		Males	2,135	2,112	2,121(58.4)	
		Females	1,489	1,512	1,511(41.6)	
	Non-permanent*	Percentage of non-permanent employees (%)	91(2.4)	157(4.1)	169(4.4)	
		Males	2	99	103(60.9)	
		Females	89	58	66(39.1)	
	Employees with disabilities		29(0.8)	35(0.9)	35(0.9)	
	National veterans	Person (%)	79(2.1)	77(2.0)	75(2.0)	
	Foreigners		-	-	1(0.03)	
	New hires and retirees	New hires	Total employment	189	115	118
males			86	58	80	
females			103	57	38	
Retirees		Retirement rate	Person (%)	79(2.1)	95(2.5)	47(1.2)
Details on employees	Rank	Staff (staff-general manager)	3,646	3,623	3,633	
		Over head of department	152	158	168	
		Executives	41	41	41	
	Rank	Under 20s	Person	51	25	16
		20s		440	425	434
		30s		1,309	1,300	1,250
		40s		1,635	1,546	1,452
		Over 50s		404	526	690

※ Job placement of employees with disabilities: IT- 3persons/Field- 20 persons/HQ- 12 persons

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

* Details on employees have been reported since 2019

Number of Employees by Region

Category	Unit	Seoul	Busan	Daegu	Incheon	Gwangju	Daejeon	Ulsan	Gyeonggi	Gangwon	Chungbuk	Chungnam
2019	Persons	810	213	135	136	115	99	56	392	60	63	74
2020		774	222	127	121	111	106	54	404	54	64	65
Category	Unit	Jeonbuk	Jeonnam	Gyeongbuk	Gyeongnam	Jeju	Overseas	Headquarters	Sejong	Total		
2019	Persons	76	64	121	128	35	3	1,232	4	3,816*		
2020		71	66	120	125	36	3	1,308	4	3,835		

* Excluding directors

* Changes in reporting standard: FP headquarters → Region (Number of employees by region has been calculated and reported since 2019.)

* Correction : Total no. of employees in 2019, 3,822 persons → 3,816 persons (excluding the directors)

2. Labor Union Membership Status

Category	Unit	2018	2019	2020
Total number of employees		3,839	3,822	3,835
Number of employees allowed to join the labor union	Person	3,667	3,781	3,629
Number of labor union members		2,640	2,593	2,643
Labor union membership rate out of total employees	%	69	68	69
Labor union membership rate out of employees allowed to join	%	72	69	73

3. Parental Leave Status

Category	Unit	2018	2019	2020
Use of parental leave	Usage rate (Total)	178	177	147
	Usage rate (Male)	6	11	16
	Usage rate (Female)	172	166	131
Return rate	Return rate	168(94.4)	158(89.3)	139(94.6)
	Return rate (Male)	6(100)	10(91)	14(87.5)
	Return rate (Female)	162(94.2)	148(89.2)	125(95.4)
% of returning employees who stay on the job for more than 12 months	Continuous service rate (Male)	(100)	6(100)	3(100)
	Continuous service rate (Female)	(83.8)	85(97.7)	90(92.8)
	Total	(91.9)	91(97.9)	93(93.0)
Number of retirees after utilizing parental leave*	Person	-	-	8

* Number of retirees after utilizing parental leave has been reported since 2019.

FACT BOOK — Environmental data

Kyobo Life has continuously managed the environmental data for 37 offices.

1. Energy use

Kyobo Life establishes an energy saving plan for each company building every year to manage energy consumption. In addition, we strive to improve and manage energy efficiency by adopting standard guidelines for energy.

Category	Unit	2018	2019	2020
Direct energy	Gas	91.23	76.79	69.50
	Oil	13.44	12.60	10.34
	Subtotal	104.67	89.39	79.84
Indirect energy	Electricity	600.09	566.56	537.79
	Regional heating	1.80	1.26	0.42
	Subtotal	601.89	567.82	538.21
Grand total	TJ	706.56	657.21	618.05
Compared to the previous year	TJ	- 23.19	- 49.35	- 39.16
Energy intensity	TJ/1000m ²	1.20	1.12	1.05

※ Changed energy measurement unit from TOE to TJ

2. Carbon dioxide emissions

Kyobo Life has been continuously replacing outdated facilities in order to comply with the Clean Air Conservation Act and to reduce greenhouse gas. In 2020, the company replaced 10 aged boilers in the Gwanghwamun building of Kyobo Life and Kyobo Tower building with high-efficient/environment-friendly materials. As a result, Kyobo Life could decrease carbon dioxide emissions, a major cause of climate change, by 1,871 TCO₂ compared to the previous year.

Category	Unit	2018	2019	2020
Direct(Scope1)		5,535	4,750	4,224
Indirect(Scope2)	TCO ₂	28,821	27,130	25,785
Total		34,356	31,880	30,009
Intensity	TCO ₂ e/1,000m ²	58.5	54.3	51.1

3. Waste Disposal

Kyobo Life entrusts the waste generated by its office spaces to an approved waste-processing company, and identifies and manages the amount of waste annually. Waste emitted from the headquarters is reported, and in 2020, the amount of waste decreased by 46% compared to the previous year due to a decrease in visitors and telecommuting of tenants resulting from the COVID-19 pandemic.

Category	Unit	2018	2019	2020
Total emissions	Ton	283	277	149
Recycled amount		274	268	141
Recycled ratio	%	97	97	95

※ 'Waste' refers to regular office waste generated by the company's buildings.

※ Reporting area : Headquarter building

4. Water Usage

Category	Unit	2018	2019	2020
Total usage	Ton	491,385	466,353	413,903
Recycled amount		5,865	5,241	3,815
Recycled ratio	%	1.2	1.1	0.9

5. Office Paper and Others

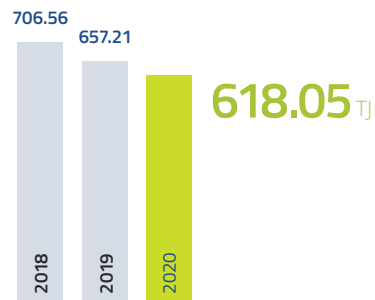
Category	Unit	2018	2019	2020
Office paper	Box	4,730	4,662	4,893
Toner	Unit	3,514	3,358	2,463

※ Reporting area : Headquarter building

Environmental DATA at a glance

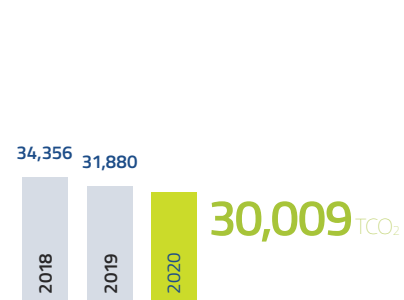
Energy use

(Unit : TJ)



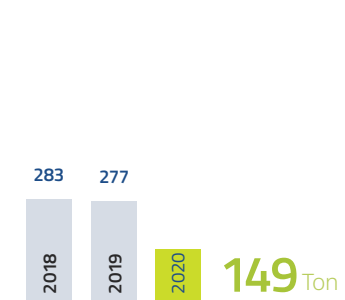
Carbon dioxide emissions

(Unit : TCO₂)



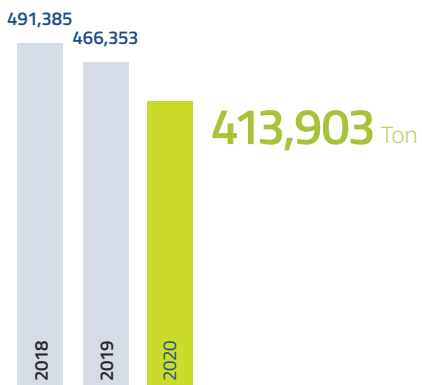
Waste Disposal

(Unit : Ton)



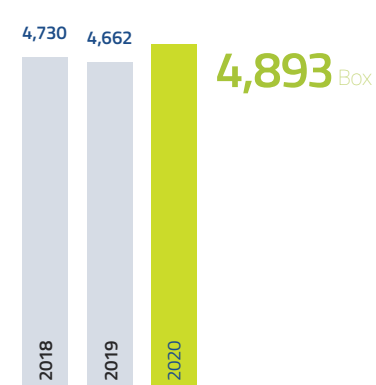
Water Usage

(Unit : Ton)



Office Paper

(Unit : Box)



Awards/Association and Membership Regarding Sustainability Management

Kyobo Life's Awards for Sustainability Management

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

Associations and Memberships 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
CDP(Carbon Disclosure Project)	Request companies to disclose the environmental information	2021

GRI Standards Index

Universal Standards

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GRI Standards Index

Topic-specific Standards

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GRI 300: Environmental			
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Emissions 2016	305-1	Direct (Scope 1) GHG emissions	92
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Waste 2016	306-2	Management of significant waste-related impacts	92
Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	None
GRI 400: Social			
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	401-1	New employee hires and employee turnover	90
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	404-3	Percentage of employees receiving regular performance and career development reviews	62
Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	65
Marketing and Labeling 2016	103	Management Approach 2016	46
	417-1	Requirements for product and service information and labeling	46-48
	417-2	Incidents of non-compliance concerning product and service information and labeling	None
	417-3	Incidents of non-compliance concerning marketing communications	24
Customer Privacy 2016	103	Management Approach 2016	26-27, 46
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
Socioeconomic Compliance 2016	103	Management Approach 2016	24, 91
	419-1	Non-compliance with laws and regulations in the social and economic area	None

SASB Index

Kyobo Life strives to transparently disclose the performance of local business management to all stakeholders. Accordingly, for the first time this year, the company is reporting major ESG information with high financial importance according to reporting standards for the insurance industry recommended by SASB(SASB, Sustainability Accounting Standard Board) in the United States.

Transparent Information & Fair Advice for Customers

SASB Code	Accounting metric	Reporting Location
FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Major legal proceedings can be found in the annual report.
FN-IN-270a.2	Complaints-to-claims ratio	Kyobo Life's Official Website
FN-IN-270a.3	Customer retention rate	P. 46
FN-IN-270a.4	Description of approach to informing customers about products	Kyobo Life's Official Website

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

Incorporation of Environmental, Social, and Governance Factors in Investment Management

SASB Code	Accounting metric	Reporting Location
FN-IN-410a.1	Total invested assets, by industry and asset class	P. 73, 75
FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance(ESG) factors in investment management processes and strategies	P. 75

Policies Designed to Incentivize Responsible Behavior

SASB Code	Accounting metric	Reporting Location
FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or Environmentally responsible actions and/or behaviors	Kyobo Life provides health check-ups as a bonus to maintain a healthy life for customers and provides additional product services such as Kyobo Health Coach.

1) If the insured proves that he or she has received a national health check-up or general health check-up after five years from the contract date, 0.1% of the insured amount is accumulated or paid to the policyholder. (Limited to 10 times at maximum, once a year)_Vary by product

2) Further details can be found in Kyobo Life's official website. (Kyobo Life's Official website)

Environmental Risk Exposure

SASB Code	Accounting Metric	Reporting Location
FN-IN-550a.3	Description of approach to managing capital-and liquidity-related risks associated with systemic non-insurance activities	p.20-22

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 2020 (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 v3 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, 2020, to December 31, 2020 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.

- Media research and analysis related to Kyobo Life’s sustainability management
- 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 2020:

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 assessment 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 (Strategy), 102-16 to 102-17 (Ethics and Integrity), 102-18(Governance), 102-40 to 102-44 (Stakeholder Engagement), 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, 303-3, 305-1, 305-2, 306-2

Society: 401-2, 401-3, 404-1, 404-3, 417-1, 417-2, 417-3, 418-1, 419-1

■ 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 Insurance is the first life insurance company in Korea to share with its stakeholders its economic activities and achievements by publishing sustainability reports. As the leading life insurance company in Korea, its sustainable management efforts have been acknowledged: for the past 11 consecutive years, it ranked first in the Korean Sustainability Index (KSI)'s life insurance division. Moreover, even amidst the high economic uncertainty due to COVID-19, it accomplished its 2020 goals through "ambidextrous management:" improving existing insurance business while promoting digital transformation. As the assurance auditor for its economic achievements, I recommend Kyobo Life Insurance continue fulfilling its mission to "become the leading financial company delivering value in art and culture" through continued transparent management based on innovations in sustainable management and credibility in its accounting.

Environment performance

Kyobo's declaration to phase out coal financing is highly appropriate given the climate change led environmental crisis. Amidst unprecedented climate change events and ever growing interest in ESG, investment decisions by institutional investors are becoming ever more important. In response, international organizations and government financial policy institutions are strengthening policies to expand responsible investment for reducing green-house gases. Kyobo Life Insurance appears to have a deep understanding and active implementation of environmentally responsible investments such as renewable energy and infrastructure. I recommend that, henceforth, Kyobo present its principles, directions, and goals in environmental investment and expand its concrete implementation based on international financial environmental investment policies such as the Task Force on Climate-Related Financial Disclosures (TCFD).

Social performance

For the past 12 years, Kyobo Life Insurance has continuously implemented management centered on stakeholders including customers, financial planners, executive and staff members, investors, business partners, and local communities. As a result, it maintained its top KSI position for the past 11 consecutive years and, in 2019, was inducted into KSI's hall of fame. In 2021, with the increasing domestic and international interest in ESG management, Kyobo Life Insurance established a unit dedicated to developing ESG management and advancing operation of its ESG Council. Henceforth, given its plan to conduct a firm-wide ESG management assessment, I recommend: that it increase its long-term company value by reexamining and consulting its key issues in each ESG sector; and that it maximize the creation of social value by establishing a strategy and systemic management plan.

July 2021

Myung Soo Kang, KSA Chairman & CEO



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Myung Soo Kang

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.

DECLARATION OF VISION2025

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

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

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

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

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

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



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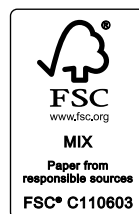
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Humanity
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