

# Hanwha Life

## Sustainability Report 2021

# About This Report

## Overview

We have published the Sustainability Report since 2019, and this is the third such report. This Report is aimed at sharing our ESG performance and activities with our stakeholders in a transparent manner.

## Covered Period and Activities

This Report covers the period of January 1-December 31, 2020, as well as material outcomes through the first half of 2021, and provides data over the period of 2018-2020 for quantitative performance assessment. This Report illustrates the activities and performance of the head office and domestic branches, and environmental performance data is based on the performance of the head office and the Janggyo Building office.

## Reporting Standards

This Report aligns with the Global Reporting Initiative (GRI) Standards: Core Option, the global standards for sustainability reporting; ISO26000; and the United Nations Global Compact. All financial data is on a consolidated basis, and the reporting standards and definitions herein conform to K-IFRS. Both financial reporting and non-financial reporting are based on the fiscal year of our company's disclosure system. The use of reporting standards other than those specified hereinbefore is indicated separately.

## Report Verification

This Report was verified by the Korea Sustainability Investing Forum (KoSIF), an independent external verification organization, to ensure the transparency in the Report creation process and the credibility and fairness of the disclosed data. The written opinion of KoSIF can be viewed in the Appendix section.

## For Inquiries

Sustainability Team, Hanwha Life

TEL +82.2.789.8072

E-mail [seyeon0527@hanwha.com](mailto:seyeon0527@hanwha.com)

# Contents

<b>Overview</b>	CEO's Message	02		
	Company Overview	04		
	Milestones	06		
	ESG Governance	08		
	ESG Framework	09		
	ESG Highlights	10		
<b>Responsible Business</b>	<b>Creating Economic Values</b>	<b>14</b>	<b>E - Transition to Green Finance</b>	<b>58</b>
	Product Development	15	Environmental Management	59
	Advancing Channels	17	GHG Emissions Reduction	60
	Digital Innovation	20	Environmental Impact Reduction	61
	Asset Management	24	Environmental Awareness Enhancement	62
	[Special Report] Responsible Investment	25	[Special Report] TCFD	64
	Overseas Business	26		
	<b>S - Creating Social Values</b>	<b>28</b>	<b>G - Building Sound Governance</b>	<b>66</b>
	Social Contribution Management	29	Corporate Governance	67
	Products Creating Social Value	36	Ethics and Compliance Management	71
	Consumer-Centered Management	39	Risk Management	74
	Employees	46	Information Security	78
	Win-Win Management	52	Stakeholder Engagement	80
	[Special Report] Human Rights Management	56		
<b>Appendix</b>	Material Issue Management	82	GRI Index	94
	Business-Economic Performance	84	SASB Index	96
	Social Performance	88	Global Initiatives	97
	Environmental Performance	91	Key Awards and Recognitions	100
	Third-party Assurance Statement	92		

## CEO's Message



First and foremost, I would like to thank all our stakeholders for their continued support and encouragement.

We have strived to successfully navigate through these uncertain times to advance the wellbeing and sustainable growth of society, and this Report shares how we have pushed forward to bring our mission to life.

We not only create greater economic value based on our superior competitiveness but also contribute to social progress by remaining sensitive to the voices of our customers, employees, and business partners, as well as local communities in which we operate, and laying a foundation for the co-prosperity of all from an ESG perspective.

On the environmental (E) front, we focus on accelerating our shift to green finance by reinforcing our environmental management practices and responding to climate change in a preemptive manner as evidenced by the declaration to move beyond coal and the establishment of an eco-friendly working environment.

On the social (S) front, we are striving to fulfill our corporate social responsibility and give back to society through our efforts to build a business ecosystem centered on innovative growth, engage in diverse community outreach activities, and offer inclusive financial products for underserved and marginalized groups.

In order to accomplish sound and transparent corporate governance (G), we ensure independence and diversity of the Board of Directors. In this context, the Sustainability Management Committee was established under the Board of Directors to promote ESG management enterprise-wide and ultimately incorporate ESG factors into every aspect of our business operation.

We will increase our corporate value by continuing to develop innovative, forward-looking business models, while strengthening our foothold as a trusted partner for our stakeholders by focusing our resources on resolving environmental and social issues and engaging in activities to enhance our ESG performance.

I sincerely hope that this Report will communicate our dedication to creatively tackling challenges we face and responsibly serving our stakeholders.

Thank you.

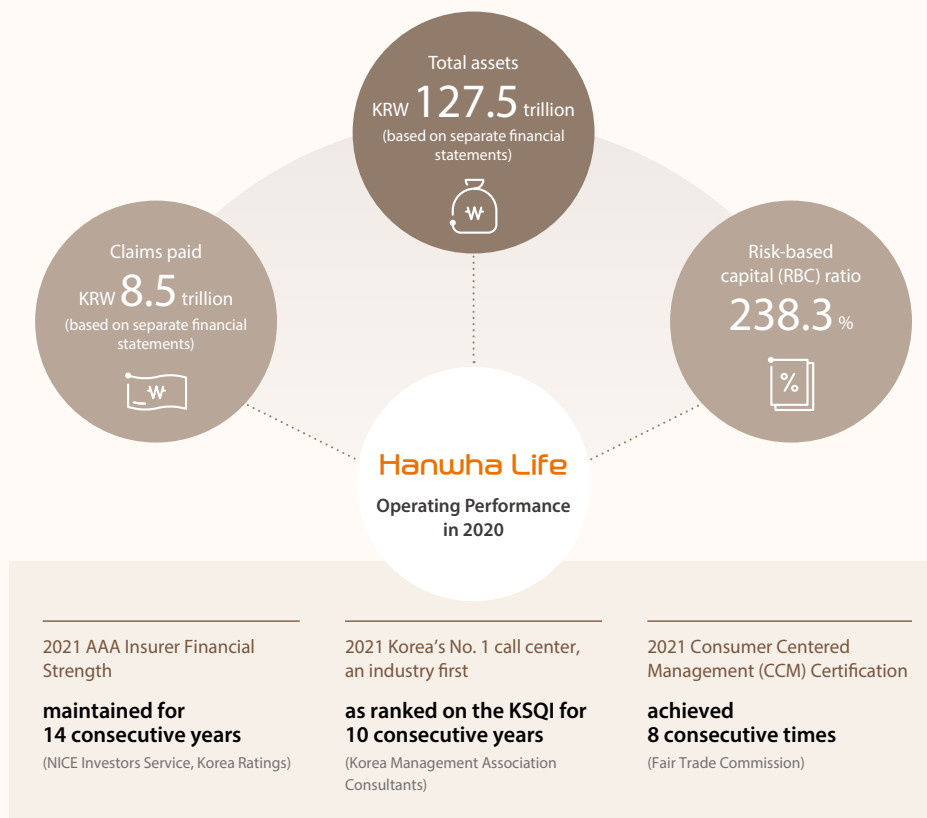
July 2021  
Yeo Seung-Joo  
CEO, Hanwha Life Insurance



## Company Overview

**We create greater value for our customers as their lifetime companion**

As Korea's first life insurance company established in 1946, we have taken the lead in advancing the nation's insurance industry and safeguarded the wellness of the public. We have pushed the boundaries of insurance to enrich the lives of our customers and offer much-needed solutions for diverse problems in life based on our customer-centered corporate philosophy and differentiated strengths. We are faithfully fulfilling our corporate social responsibility and achieving continued growth with our stakeholders.



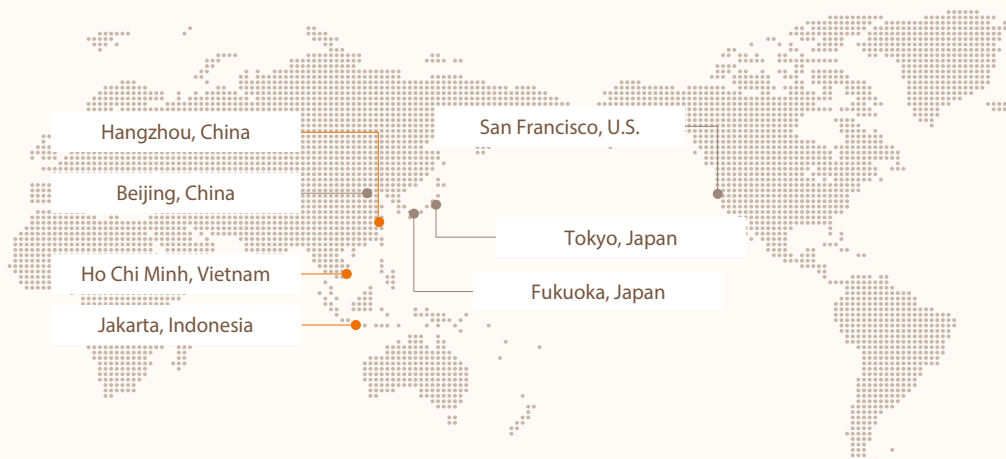
### Company Overview



Name	Hanwha Life Insurance Co., Ltd.
Head office	50 63-ro, Yeongdeungpo-gu, Seoul
CEO	Yeo Seung-Joo
Foundation date	September 9, 1946
Major businesses	Insurance, retirement pension, and asset management
Countries in which we operate	Korea, Vietnam, China, Indonesia, US, and Japan

### Global Presence

- Local Subsidiaries**  
 Ho Chi Minh, Vietnam  
 Hangzhou, China  
 Jakarta, Indonesia
- Local Offices**  
 Beijing, China  
 Tokyo, Japan  
 Fukuoka, Japan  
 San Francisco, US



### Core Values

The foundation of our continued evolution is our unique corporate culture focused on “Trust” and “Righteousness”. We articulated the core values of “Challenge”, “Integrity”, and “Dedication” based on this foundation to provide guidance for all our employees in every action and decision they take and strengthen their sense of belonging as the members of Hanwha. These core values are aimed at promoting the innovation of our corporate culture and the accomplishment of our vision.

#### CHALLENGE

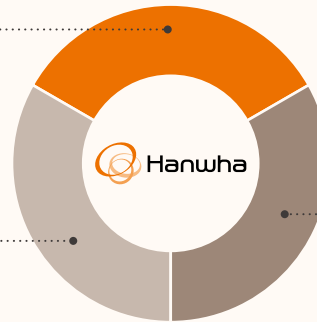
We seek to be the best in what we do based on a healthy dissatisfaction with status quo and the pursuit of innovation.

#### INTEGRITY

We uphold the principles of Hanwha Life and take pride in operating in the upright and fair manner.

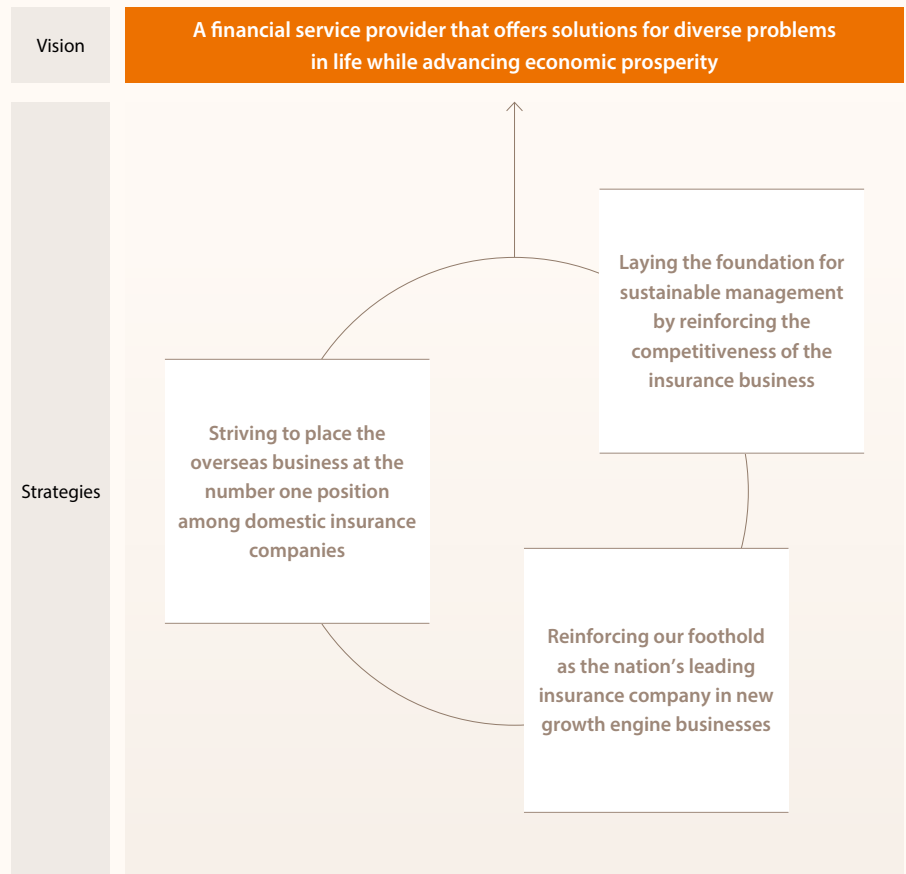
#### DEDICATION

We value relationships with all our stakeholders, including business partners, customers, and employees, and strive to exceed their expectations.



### Vision and Strategies

Our vision is “A financial service provider that offers solutions for diverse problems in life while advancing economic prosperity”. To bring this vision into reality, we established the three strategies of “Laying the foundation for sustainable management by reinforcing the competitiveness of the insurance business”, “Striving to place the overseas business at the top position among domestic insurance companies”, and “Reinforcing our foothold as the nation’s leading insurance company in new growth engine businesses”.



## Milestones

We have driven the advancement of the domestic insurance industry over the past 75 years based on our customer-centered corporate philosophy.

**Hanwha Life,**  
Korea's first  
life insurer

We move forward  
unwaveringly  
with only  
our customers  
in mind



### Inception and Leaps Forward

Our emergence signals the beginning of Korea's life insurance industry.

## 1946 - 1979

- 1946  
September Launched as Korea's first life insurance company
- 1979  
November Surpassed the KRW 1 trillion mark in value of policies in force



### Challenges and Growth

We continue to grow while solidifying our foundation.

## 1985 - 2001

- 1985  
May Completed the construction of 63 Building
- 1986  
December Surpassed the KRW 1 trillion mark in total assets
- 1996  
May Surpassed the KRW 10 trillion mark in total assets
- 1997  
December Received the Presidential Award in the 1997 Labor-Management Cooperation Awards





### Journey towards Global Leadership

We aim to develop into a globally reputed insurance company and grow with our customers.

## 2012 - Now

2012	
October	Changed the company name Daehan Life Insurance into Hanwha Life Insurance
December	Acquired a local insurance company of Indonesia
November	Established Sino-Korea Life Insurance (a joint venture insurance company in China)
2013	
August	Launched Onsure (www.onsure.co.kr), an online insurance service
November	Implemented Mom's Package, a work-life balance support program
2014	
May	Performed the industry's first product complaint impact assessment
August	Obtained international business continuity management certification in preparation for disasters and incidents
2015	
March	Launched Smart Planner, an advanced digital policy purchasing system
November	Obtained PIPL (Personal Information Protection Level) certification for the Hanwha Life Call Center and launched the Hanwha Life Mobile Center app
2016	
January	Surpassed the KRW 100 trillion mark in total assets
October	Opened <b>DREAMPLUS</b> , the industry's first fintech center
2017	
January	Established Sino-Korea Life Insurance (a joint venture insurance company in China) in Jiangsu Province following Zhejiang Province
July	Inducted into the Korea Service Grand Prix Hall of Fame by the Korean Standards Association
2018	
January	Rated A1 and A+ by Moody's Investors Service and Fitch Ratings, the two internationally renowned credit rating companies, respectively
April	Opened <b>DREAMPLUS</b> Gangnam and launched HLE, Hanwha Life's e-sports club
July	Enacted the Consumer Protection Charter and held the charter declaration ceremony
October	Initiated the operation of the Big Data-based complaint projection system
2019	
February	Opened the Local Office in San Francisco, US
May	Ranked first in the call center sector of the Korean Service Quality Index for the 8 <sup>th</sup> consecutive year
June	Opened the Local Office in Fukuoka, Japan
July	Obtained Consumer-Centered Management certification for the seventh consecutive time and ranked first in the customer center sector of KSQI for the 10 <sup>th</sup> consecutive year
2020	
March	Offering Life Park as a residential treatment center for COVID-19 patients
June	Opened the Consumer Protection Center
September	Established Hanwha Financial Technology (HFT), wholly owned by the local subsidiary in Vietnam
September	Obtained two patents of AI-based claims payment review system from Korean Intellectual Property Office
October	Rated A in the ESG assessment by Korea Corporate Governance Service



### Changes and Innovation

We gain new momentum by joining Hanwha Group.

## 2002 - 2011

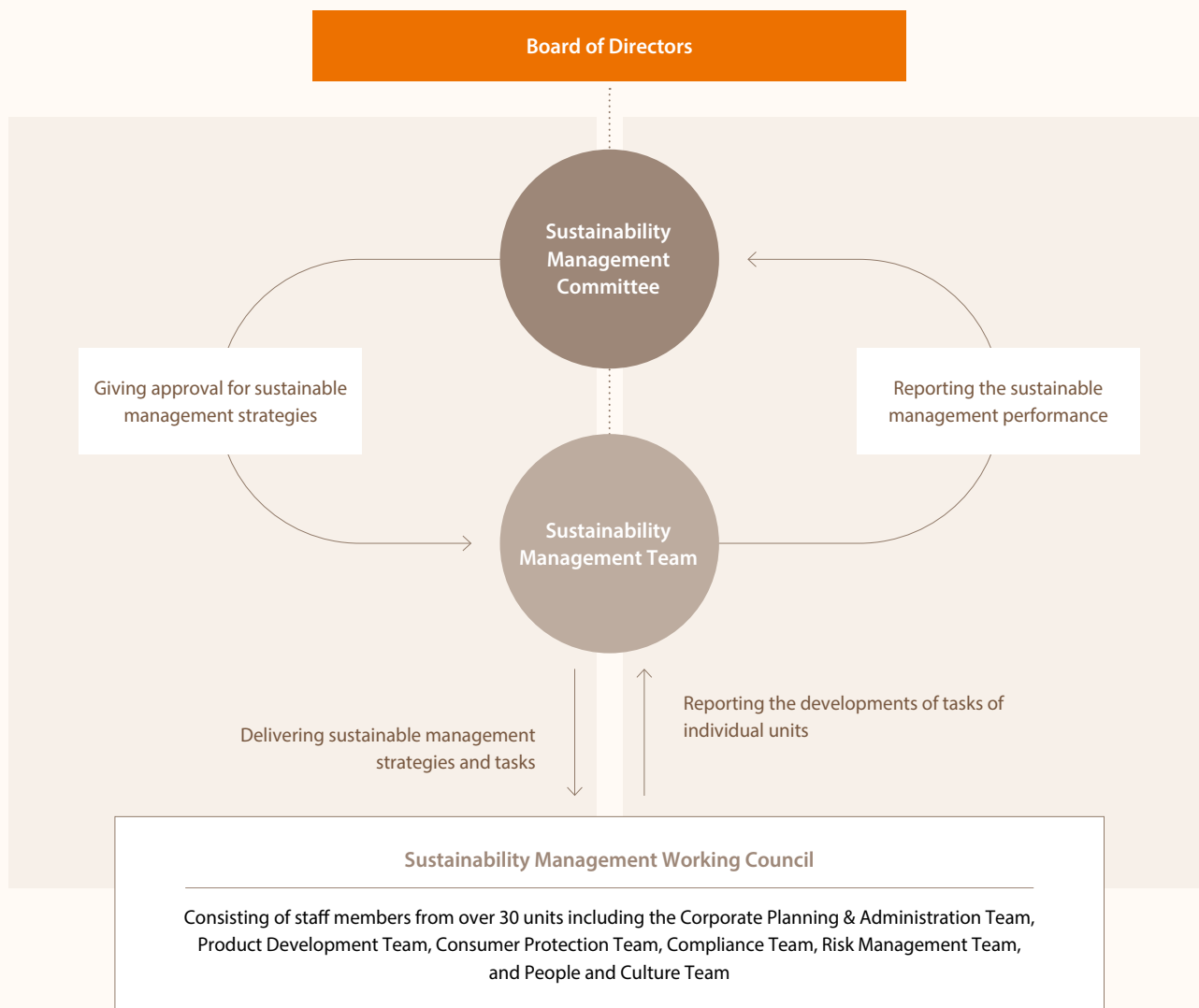
2002	
December	Incorporated Daehan Life Insurance into Hanwha Group
2003	
August	Opened the Local Office in Beijing, China
2005	
February	Established the 63 FA Center
March	Opened the Local Office in Tokyo, Japan
December	Opened the Local Office in Ho Chi Minh, Vietnam
2007	
January	Declared Hanwha Group's new CI
2008	
April	Surpassed the KRW 50 trillion in total assets and resolved all cumulative deficits
June	Established the subsidiary in Vietnam
November	Received the Comprehensive Grand Prize in the Corporate Community Involvement Awards
2009	
April	Initiated the operation of the subsidiary in Vietnam
2010	
March	Listed on the Korean Stock Exchange
2011	
November	Received the Presidential Commendation in the Korea Mecenat Convention

# ESG Governance

## ESG Governance

We established the Sustainability Management Committee under the Board of Directors in 2021 to achieve world-class ESG management and execution excellence. The Committee is chaired by Hwang Young-Key, an independent director, and comprises of three members in total including two independent directors and one executive director. We make it a rule for independent directors to account for at least two thirds of the members and serve as the chairperson of the Committee to ensure its independence and expertise. The Committee is convened frequently when deemed necessary and fulfills the role as a top decision-making body for ESG management. The Committee also establishes policies and strategies for all ESG-related areas including environment, safety, social responsibility, customer and shareholder value, and governance; reviews mid-to-long-term targets; and thereby seeks to internalize ESG management practices.

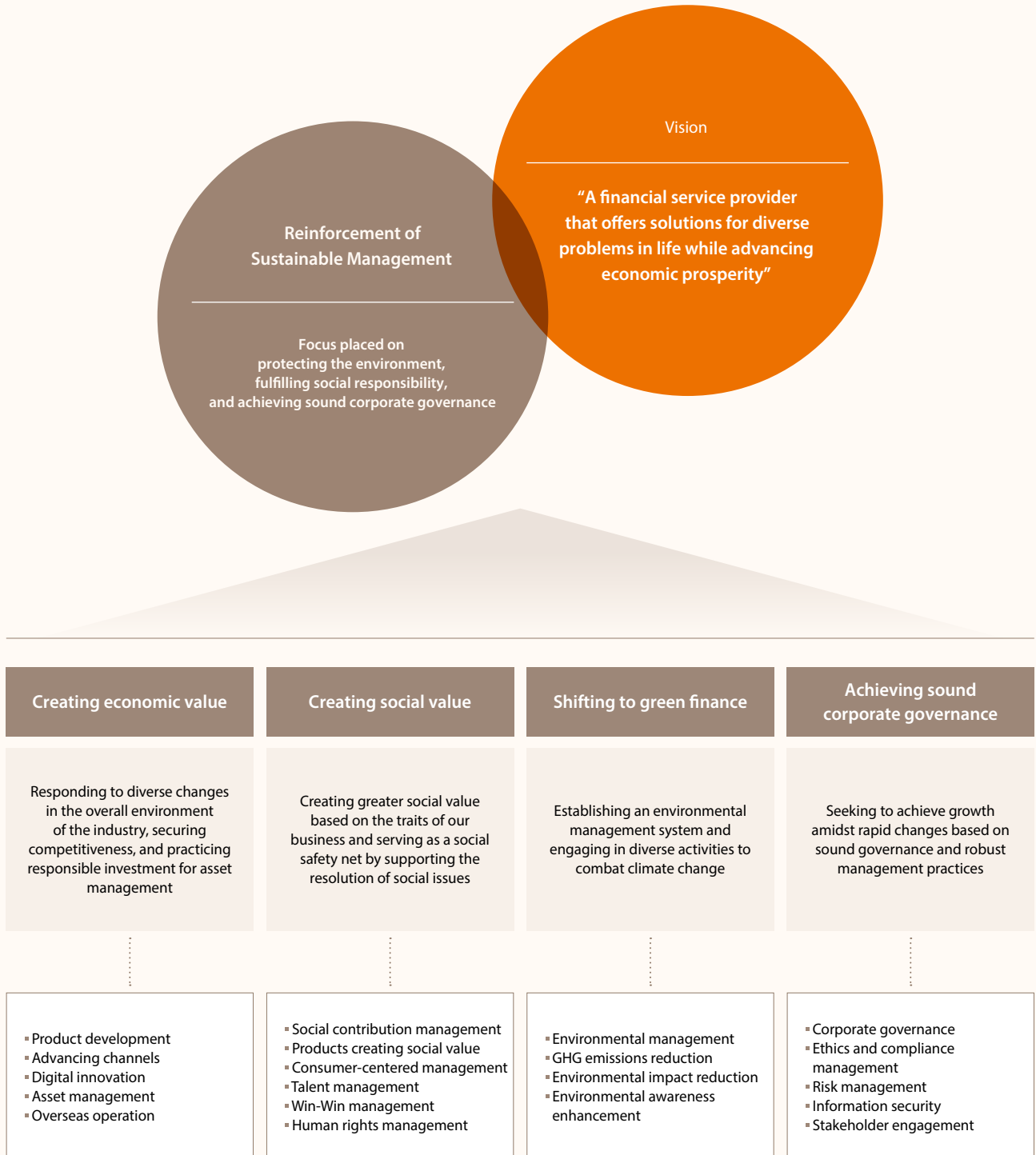
We enhanced our execution capacity for ESG management by creating the ESG-dedicated Sustainability Management Team, an ESG management control tower that ensures an efficient enterprise-wide application of ESG measures resolved by the Committee to all working-level units. The Sustainability Management Working Council, consisting of staff members from over 30 units including the Corporate Planning & Administration Team, Product Development Team, Consumer Protection Team, Compliance Team, Risk Management Team, and People and Culture Team, is responsible for executing ESG tasks.



# ESG Framework

## ESG Goals

We are striving to achieve sustainable management under the vision “a financial service provider that offers solutions for diverse problems in life while advancing economic prosperity”.



## ESG Highlights

We continue to solidify the foundation for ESG management and actively engage in ESG activities.



# E

## Environmental

### Declaration to Move beyond Coal

In January 2021, we made the declaration to move beyond coal jointly with the other member companies of Hanwha Financial Group including Hanwha General Insurance, Hanwha Investment & Securities, Hanwha Asset Management, Hanwha Savings Bank, and Carrot General Insurance.

Based on this declaration, we will not participate in any project financing for coal-fired power plant construction in Korea and abroad. We will also not acquire any bonds related to coal-fired power plant construction including those issued by special-purpose companies for coal-fired power plant construction. We will continue to expand investments in eco-friendly assets such as new and renewable energy.

## Social

### DREAMPLUS to foster startups

We uncover and foster startups through the **DREAMPLUS** 63 Fintech Center, Korea's first fintech company cultivation institution, and **DREAMPLUS** Gangnam Center as an extension of our policy to promote co-prosperity.

**DREAMPLUS** is designed to offer solutions for different stages of a startup's life cycle from foundation to expansion and global advancement. It provides support for business foundation regardless of business type, industry, method, and scale and helps startups find a wide spectrum of partners and new growth engine business and investment opportunities. Over 60 startups in 2020 alone joined hands with the member companies of Hanwha Financial Group, including Hanwha Life, as well as business partners of **DREAMPLUS**. Technologies and content of some startups were applied to our new products and services. We will continue to provide support for startups as an open innovation hub based on the core values of "Connection", "Sharing", and "Collaboration".



S

## Governance

### Establishment of the Sustainability Management Committee

In 2021, We established the Sustainability Management Committee and Sustainability Management Team to incorporate ESG factors into our management practices and promote of ESG management. The Sustainability Management Committee under the Board of Directors is responsible for managing our ESG performance and reviewing relevant policies for implementation. With the establishment of the Committee, our ESG-related policies are now determined and executed at the level of the Board of Directors, which is the top decision-making body. This enables us to build and implement ESG strategies from an enterprise-wide perspective.



G

# Responsible Business

Creating Economic Values	14
Creating Social Values	28
Transition to Green Finance	58
Building Sound Governance	66

## Creating Economic Values

The insurance industry has remained sluggish due to demographic changes such as population aging and the low-growth, low-interest-rate environment. Changing financial regulations and policies also raise financial market volatility. We are striving to actively respond to uncertain conditions across all sectors of the insurance industry to enhance our competitiveness and thereby create greater economic value.

### Materiality of Topic

Uncertainty in the business environment in Korea and abroad continues to expand due to market saturation, advancing mobile and online transaction technologies, and intensifying competition incurred by the convergence of different financial sectors. It is critically needed to enhance competitiveness across all aspects from product development to sales channels and asset management. In addition, the importance of responsible investment is being highlighted in the wake of the expansion of the ESG investment market and the introduction of responsible investing promotion measures by National Pension Service. Thus, we are seeking to bring about positive social change through responsible investment.

### Hanwha Life's Management Approach

Our mid-to-long-term strategy focuses on further reinforcing our domestic businesses from within and taking the lead in our overseas and new growth engine businesses. We offer a wide range of products and services tailored to meet the needs of our customers who form the core of the insurance business. We reach out to more customers through diversified digital channels and services and thereby enhance our competitiveness. We made the declaration to move beyond coal to ensure responsible investment and revised the guidelines on the exercise of voting rights to reflect the ESG criteria for the first time among domestic life insurance companies. We also enacted the ESG investment guidelines to incorporate ESG factors into every investment decision we make.



ESG investment guideline of unit-linked funds  
**Enactment of the ESG investment guidelines**



Onsure's market share  
**21%**



## Product Development

### Product Development Strategy

We aim to offer products and services tailored to meet the diversifying needs of our customers to enhance competitiveness and customer value. To this end, we continue to closely communicate with our customers and keep abreast of their changing lifestyles. We will achieve continued growth by providing products pinpointedly designed to ensure customer satisfaction.

### Product Development Process

We are equipped with a systematic process spanning product development, sales preparation, product release, and after-sales monitoring. We particularly strive to develop products that ensure consumer protection.

For product development, we closely cooperate with the Insurance Review Team, Underwriting Team, SIU Team, and Consumer Protection Team to perform the consumer impact assessment and verify whether the development and sale of the product is likely to infringe on consumer rights. We strive to elicit product development centered on consumer protection and thereby enhance customer value by including the head of the Consumer Protection Team in the Product Development Council.

<b>Product development</b> Confirming the product details based on target customers, channels, risks, etc. <b>1</b>	<b>1 Drawing up a proposal</b> <ul style="list-style-type: none"> <li>Analyzing marketability and extracting ideas</li> <li>Determining details and specifying the product</li> </ul>
	<b>2 Consulting relevant units</b> <ul style="list-style-type: none"> <li>Holding the product concept meeting</li> <li>Holding the working-level product development meeting</li> <li>Collecting opinions of involved units on marketability</li> <li>Determining the roles and tasks of involved units</li> </ul>
	<b>3 Reviewing the possibility of product development</b> <ul style="list-style-type: none"> <li>Consumer impact assessment-Reviewing the possibility of customer right infringement to ensure customer protection</li> <li>Reviewing potential risks of the product</li> </ul>
	<b>4 Finalizing the proposal</b> <ul style="list-style-type: none"> <li>Holding the Product Development Council (heads of teams and headquarters)</li> <li>Finalizing the decision to release the product</li> </ul>
<b>Sales preparation</b> Undergoing product authorization procedures and legal review of terms and conditions <b>2</b>	<b>5 Preparing required documents and attaining authorization</b> <ul style="list-style-type: none"> <li>Preparing required documents</li> <li>Undergoing verification and attaining authorization</li> </ul>
	<b>6 Making preparations for product sale</b> <ul style="list-style-type: none"> <li>Drawing up terms and conditions, product summary, and disclosure data</li> <li>Creating and verifying the product description</li> <li>Establishing a marketing plan and creating training materials</li> </ul>
<b>Product release and monitoring</b> Performing after-sales monitoring and identifying improvement points <b>3</b>	<b>7 Product release</b> <ul style="list-style-type: none"> <li>Completing preparations by relevant units and notifying approval for product sale</li> <li>Distributing terms and conditions and sales promoting materials</li> </ul>
	<b>8 After-sales monitoring</b> <ul style="list-style-type: none"> <li>Monitoring profitability and sales volume based on the sales portfolio</li> <li>Collecting opinions of those on the frontline and market responses</li> <li>Identifying improvement points</li> </ul>

## Product Development Performance

We design and release products that cater to the needs of our customers in a timely manner through our advanced product development process to ensure customer satisfaction. To provide wider access to our products, we have eased insurance eligibility for customers with pre-existing medical conditions and come up with products that reach out to a greater range of customers. In 2020, we developed five whole life insurance and GI insurance products, nine general insurance products (health and injury insurance products), and two online-only protection insurance products.

### Main Products

Category	Product	Traits
Existing products enhanced and modified for greater customer satisfaction	Hanwha Life "Special" Cancer Insurance	<ul style="list-style-type: none"> <li>Minimizing protection gaps by strengthening low-cost cancer protection and providing payouts with no benefit reduction period</li> <li>Offering wider options (renewable term and non-renewable term) to help more customers purchase suitable policies at affordable prices</li> </ul>
	Hanwha Life "Substantial Plus" GI Insurance	<ul style="list-style-type: none"> <li>Reinforcing protection of the main contract by ensuring the 100% advance payout rate with low cash surrender value</li> <li>Easing the premium burden by introducing the lapse-supported product (50% during the premium payment period)</li> </ul>
	Hanwha Life "Substantial Plus" Whole Life Insurance	<ul style="list-style-type: none"> <li>Offering the death benefit with affordable premiums based on low cash surrender value</li> <li>Universal life insurance allowing policyholders to pay additional premiums and make withdrawals</li> </ul>
	Hanwha Life "Essential" Surgery Protection Health Insurance	<ul style="list-style-type: none"> <li>Expanding insurance protection coverage and claims payments for different coverage types and operations</li> </ul>
	Hanwha Life "Essential" Surgery Protection Whole Life Insurance	
Products for customers with pre-existing medical conditions	Hanwha Life "One Q" Simplified Issue Health Insurance	<ul style="list-style-type: none"> <li>Offering wider access for more customers through a simplified questionnaire</li> </ul>
	Hanwha Life Simplified Issue "Substantial" Whole Life Insurance	<ul style="list-style-type: none"> <li>Whole life insurance with low cash surrender value for policyholders with pre-existing medical conditions</li> </ul>
	Hanwha Life "Extremely" Simplified Issue Whole Life Insurance	<ul style="list-style-type: none"> <li>Whole life insurance with low cash surrender value and disclosures reduced to two for policyholders with pre-existing medical conditions</li> </ul>
	Hanwha Life Simplified Issue "Happy Golden Years" Dementia Insurance	<ul style="list-style-type: none"> <li>Protection covering mild to advanced dementia</li> </ul>
Products designed to expand contact points with diverse customers	LIFEPLUS "We Will Protect You" Health Insurance	<ul style="list-style-type: none"> <li>Protection for prospective and current soldiers</li> </ul>
	LIFEPLUS "Oh My Pick" Cancer Insurance	<ul style="list-style-type: none"> <li>Cancer insurance offering customizable protection at affordable prices targeting Millennials</li> </ul>
	LIFEPLUS "Work Out" Health Insurance	<ul style="list-style-type: none"> <li>A healthcare-promoting product, which measures physical activities of policyholders and proposes healthcare programs tailored for their individual needs</li> </ul>

## Advancing Channels

### Channel Strategies

In order to preemptively respond to rapidly changing market conditions and offer expert services to our customers, we established Hanwha Life Financial Service dedicated to insurance policy sales through physical division in April 2021. It is Hanwha Life's subsidiary and a new channel created based on the advantages of our existing channels (equipped with superior capital strength, infrastructure, and training system) and the general agencies (handling a wider range of products and ensuring greater decision-making latitude on the business frontlines). Hanwha Life Financial Service partners with major general insurance companies to establish general insurance partnership centers in different regions and provide product consulting spanning life insurance and general insurance while also establishing auto insurance centers, etc., to serve a greater customer base.

We are taking active measures to establish sales channels based on profitability through the expansion of sources of revenue. To keep abreast of the GA market driven mainly by general insurance, we are reinforcing the general protection product lineup and training and marketing support. We are also expanding our sales based on the strategy focused on long-term payment annuities in the bancassurance (BA) market. As for corporate sales, we are aiming to achieve a net addition of reserves through the expansion of corporate customers purchasing new operation management insurance and enhancing our consulting capacity to advance into the growing DC (Defined Contribution)/IRP (Individual Retirement Pension) market.

The spread of the pandemic throughout 2020 has required the insurance industry to adopt contact-free business practices. As such, we established Life MD, a digital platform for planner licensing, customer management, and product sales, in addition to "Onsure", an online channel for customers to purchase insurance policies.

Category	Description	Performance in 2020	Operation Plan for 2021
<b>Hanwha Life Financial Service</b>	Korea's largest-scale insurance sales specialist launched in April 2021, by separating the FP organization, etc., through physical division to preemptively respond to rapidly changing market conditions and provide specialized services to customers	<ul style="list-style-type: none"> <li>Outstanding FP recruiting performance (number of FPs registered per branch: 0.99 in 2019 → 1.39 in 2020)</li> <li>New FP settlement rate improved (13<sup>th</sup> actual operation rate: 42.2% in 2019 → 46.2% in 2020)</li> <li>* Material outcomes of 2020 achieved prior to the launch of Hanwha Life Financial Service in 2021</li> </ul>	<ul style="list-style-type: none"> <li>Establishing a proactive sales system in line with the changes of the business environment and a performance-centered organizational culture</li> <li>Remaining dedicated to serving customers through recruiting strategy innovation and customer-centered consulting competitiveness enhancement</li> </ul>
<b>HFP</b>	A channel aimed at offering differentiated comprehensive financial services mainly for workers' organizations (HFP: Hanwha Financial Planner)	<ul style="list-style-type: none"> <li>Reinforcing the foundation for its growth by enhancing the organization's operation efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcing the portfolio by focusing on general protection insurance products to expand profitability</li> <li>Pushing ahead with the expansion of our share in the major markets</li> </ul>
<b>Hanwha Life Lab</b>	HLA newly launched as Hanwha Life Lab as of April 2021, to highlight its identity as GA of experts who design and study an innovative financial lifestyle	<ul style="list-style-type: none"> <li>Newly launched as a life lab through the integration of Hanwha Life Asset and Hanwha Financial Asset</li> </ul>	<ul style="list-style-type: none"> <li>Preparing the foothold as a large-scale GA that deals with products of all sectors of life insurance and general insurance</li> </ul>
<b>GA Business Unit</b>	A channel that manages the sales of our insurance products through GAs that market financial products by partnering with diverse financial institutions	<ul style="list-style-type: none"> <li>Reinforcing the product lineup and improving the long-term retention rate and financial resources by increasing the sale of general insurance products</li> </ul>	<ul style="list-style-type: none"> <li>Pushing ahead with the expansion of the market share</li> </ul>
<b>BA Business Unit</b>	A channel that manages the sales of our insurance products by partnering with banks and financial institutions	<ul style="list-style-type: none"> <li>Ranking first in the industry in terms of scale and share of long-term payment pensions (five years at minimum) in the second half</li> </ul>	<ul style="list-style-type: none"> <li>Expanding the scale and share of long-term payment products gradually</li> <li>Expanding the sales of lump-sum payment products</li> </ul>
<b>Corporation Business Unit</b>	A channel for corporate sales to market retirement pensions and for EB (Employee Benefit) sales management to market group annuity and group protection insurance	<ul style="list-style-type: none"> <li>Achieving the net addition of retirement pension account reserves by exceeding the targets set by the premium income and paid benefit plan</li> <li>Diversifying the business model to continually expand the amount</li> </ul>	<ul style="list-style-type: none"> <li>Pushing ahead with the expansion of the operation management reserve</li> <li>Actively advancing into the DC/IRP market</li> </ul>
<b>Onsure</b>	An online channel designed to enable customers to search, plan, and purchase insurance policies	<ul style="list-style-type: none"> <li>Exceeding the business plan targets for initial monthly premium amounts /initial monthly premium amounts for protection products and surpassing the 20,000 mark in retained customers</li> </ul>	<ul style="list-style-type: none"> <li>Improving performance by reinforcing high-efficiency online marketing</li> </ul>

## On-Site Management

### Strategic Direction for On-Site Sales of Hanwha Life Financial Service

Vision	<b>Hanwha Life Financial Service serving as a companion for our customers throughout the entire stages of life</b>		
Strategic direction	Revamping	<b>Sales system with greater decision-making latitude</b>	<ul style="list-style-type: none"> <li>▪ Creating a more efficient organization at the headquarters</li> <li>▪ Reducing the layer of sales organizations</li> </ul>
		<b>Performance-centered organizational culture</b>	<ul style="list-style-type: none"> <li>▪ Establishing a flexible organizational culture</li> <li>▪ Expanding performance-based compensation</li> </ul>
	Paradigm shift	<b>Industry's best compensation system</b>	<ul style="list-style-type: none"> <li>▪ Increasing total commissions and advance payments</li> <li>▪ Reinforcing the welfare programs including "Together Fee"</li> </ul>
		<b>Recruiting strategy innovation</b>	<ul style="list-style-type: none"> <li>▪ Attracting talented professionals</li> <li>▪ Absorbing high-performing GA organizations</li> </ul>
	Productivity expansion	<b>Integrated consulting for life insurance and general insurance</b>	<ul style="list-style-type: none"> <li>▪ Expanding the product lineup</li> <li>▪ Offering outstanding general insurance products</li> </ul>
		<b>Training system reinforcement</b>	<ul style="list-style-type: none"> <li>▪ Improving the quality of training content</li> <li>▪ Supporting activities mainly via online channels</li> </ul>

### FP Cultivation Program

We help our FPs develop their capacity through diverse training programs. We launched the online training courses in 2020 and plan to complete and further advance the digitalization of all our training courses by 2021.

<b>Online on-site sales courses</b>	<ul style="list-style-type: none"> <li>▪ Operating online courses for experts of different fields → Expanding on-site sales support and trainees</li> <li>▪ Producing and supplying learning guides and self-check tools for systematic self-learning</li> </ul>
<b>FPs and sales team heads with greater efficiency</b>	<ul style="list-style-type: none"> <li>▪ Expanding trainees through online courses</li> <li>▪ Enhancing learning effects through the PMP learning model that combines both online and offline courses</li> </ul>
<b>Sales strategy themes</b>	<ul style="list-style-type: none"> <li>▪ Operating the variable life insurance sales, DB marketing, and customized team head strategy courses to provide on-site training support and realize enterprise-wide sales strategies</li> </ul>
<b>Livestreaming of training lectures</b>	<ul style="list-style-type: none"> <li>▪ Producing diverse types of content and offering livestreaming to enhance enterprise-wide sales competitiveness and keep up with the growing needs for contact-free lifestyles - New / Contact-free lifestyle / Live / Content catering to on-site needs</li> </ul>

### Support for Channel-Specific Training

We provide specialized training for consulting tailored to meet individual needs of our customers and improve the capacity of our on-site sales staff members.

We develop and offer training courses based on on-site needs to foster the expertise of FPs as well as staff members for GAs, bancassurance, and corporate sales through the head office and training institute.

In 2020, we introduced Live Edu, a contact-free, real-time training system that helps our staff members receive training any time anywhere. Live Edu offers real-time interactive video lectures designed to minimize training void for those who experience difficulties in physically attending group training due to the issues of commuting distance, the government's social distancing policy, etc.

We have established and flexibly operated courses based on the government's social distancing guidelines to compensate training and communication of on-site staff members suspended due to the prolonged pandemic.

### On-Site Communication

We continue to reinforce communication between the head office and business frontier to keep abreast of rapidly changing trends and secure growth engines.

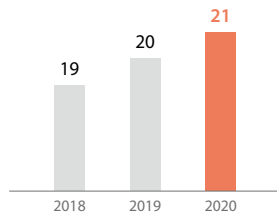
To enhance the capacity of FPs and customer satisfaction, the branch heads offer on-site coaching for FPs. We also perform awarding ceremonies and invitational events every May for FPs with outstanding performance to motivate and instill pride into our sales staff members. In 2020, those eligible for award nomination were expanded to include affiliated companies and branches of GAs, heads of GA organizations, and heads of BA organizations. Due to the pandemic, invitational events were cancelled, and the awardees were given trophies and certificates separately.

### System Improvement for Reinforcing On-Site Sales

We launched Smart Planner, a sales support system equipped with the industry's first digital insurance purchasing program, and began to distribute tablets to sales staff members in 2012 to reinforce the on-site consulting capacity of FPs and build an efficient sales environment. In 2018, Smart Planner was integrated into H.O.P (HanaOne One-Stop Platform). In 2020, **LIFEPLUS** Consulting (insurance asset analysis) was launched to elevate our financial planning services to new heights. We plan to expand the tasks that can be directly handled by FPs via the system to ensure greater efficiency, while further enhancing user convenience by actively reflecting opinions of the FP Sales and Communication Center.

## Digital Innovation

**Onsure's market share**  
(Unit: %)



### Digital Channel

In 2013, we launched Onsure (online + insurance), an online direct insurance policy purchasing channel, for the first time among large-scale life insurance companies, to digitally offer insurance services tailored to meet diversifying needs of customers.

We opened the mobile website to reach out to a greater customer base and continue to renovate it by improving the signup process and simplifying the electronic signature system. In 2020, we released LIFEPLUS "We will protect you" Health Insurance for young recruits and LIFEPLUS "Oh My Pick" Cancer Insurance targeting Millennials and Gen Z as an extension of our efforts to secure young customers. In 2021, Hanwha Life "Sangsang eSang" Variable Annuity, our very first online-only variable annuity targeting adventurous young investors, was released.

### Products Optimized for the Online Channel

<p><b>LIFEPLUS</b> "We will protect you" Health Insurance (for prospective and current soldiers)</p>	<ul style="list-style-type: none"> <li>▪ The industry's first insurance specialized for men aged 19-35, who are scheduled to join the military, to provide risk protection during military service</li> <li>▪ Can be purchased by parents and girlfriends like a gift</li> <li>▪ Lump-sum payment of affordable premiums and protection offered for two years</li> <li>▪ Extensive coverage for multiple injuries and diseases, including the complex regional pain syndrome (CRPS), which is more common among men in their 20s (especially soldiers), for the first time in the industry</li> <li>▪ Exclusive usage right* to CRPS protection guaranteed for six months</li> </ul> <p><small>* Exclusive usage right: The company holding the exclusive usage right is entitled to sell a newly developed product exclusively and prevent other companies from selling similar products for a preset period of time to have its first-mover advantages protected.</small></p>
<p><b>LIFEPLUS</b> "Oh My Pick" Cancer Insurance</p>	<ul style="list-style-type: none"> <li>▪ A customizable cancer insurance policy for cost-conscious young customers, which allows policyholders to select the cancer types for protection</li> <li>▪ Can be purchased easily through KakaoPay authorization</li> </ul>
<p><b>Hanwha Life</b> "Sangsang eSang" Variable Annuity</p>	<ul style="list-style-type: none"> <li>▪ Our company's first online variable annuity that invests in diversified global investment destinations via Income Plus Asset Allocation Fund, etc., and can provide a fund portfolio tailored for each customer's investment propensity</li> <li>▪ The annuity operating fee is linked to Return on Investment (ROI), and, if no ROI is generated, the operating fee of the month is not deducted.</li> </ul>

#### Case Study Insurance Claims Payments via the "Point Platform"

We operate the service for insurance claims payments via the "Point Platform" to further enhance customer experience and diversify our services. Customers can purchase products and service at discounted prices on the "Point Platform" with interim and maturity benefits from savings insurance provided as points. The "Point Platform" is applied with the blockchain-based smart contract technology to enable rapid settlement and safeguard customer information. This service helps customers purchase products and service at lower prices and enables the development of customizable insurance products by analyzing related data. In recognition of such advantages, it was selected as the Innovative Financial Service by the Financial Services Commission. We plan to expand our partnerships with startups to provide greater benefits to more customers.

## Digital Customer Services

### Digital Transformation of the Signup Process

We provide the signup process via smartphone to ensure customer convenience. After consulting an FP face-to-face, customers can complete the process by using the electronic signature via smartphone. This process enables customers to purchase a policy with greater convenience regardless of time and space constraints. We also made it possible to submit required documents as photos via smartphone.

We developed a natural language processing algorithm in relation to customer notifications to be applied to the screening process and thereby ensure the prompt delivery of signup results.

### Digital Monitoring Service

Onsure has improved customer convenience by introducing a variety of verification and monitoring systems since 2018. The eHappy Call system enables customers to monitor their contracts via KakaoTalk or email anytime anywhere all year round, thus contributing to mis-selling prevention.

## Hanwha Life APP

Hanwha Life App is our leading one-stop financial platform created by integrating services scattered across the website and Onsure to ensure maximum efficiency. All customers, including non-policyholders, can access and use the wide spectrum of services from monitoring existing insurance policies to purchasing new policies.

### Major Advantages of Hanwha Life APP



**1 Enhanced convenience and security with simplified password verification**

We introduced the simplified verification system to ensure customer convenience and security. The authentication certificate, pattern, fingerprint, and i-Pin can also be used for online identification in addition to simplified verification.

**2 At-a-glance information and streamlined procedures**

Customers can check information about existing policies, major menu items frequently used, and the accident insurance claim filing process at a glance on the app. We streamlined the task handling procedures to ensure accelerated task handling. The app also allows customers to compare the protection details of similar products purchased by others based on Big Data.

**3 Seamless experience from product search to signup**

All our insurance products can be searched on the app. The app also offers the mobile signup process.

### Expanding coverage amounts based on Big Data

Since we expanded coverage amounts for individual customers based on Big Data in 2019, we have developed and applied the underwriting score model. This model enables us to expand coverage amounts for relatively low-risk customers through the segmentation of coverage from death to diagnosis, hospitalization, and injury/disability. We plan to apply this model to underwriting, in addition to coverage amounts, on a continued basis to enhance accessibility for customers.

### AI-based claims payment review system

We introduced the AI-based automatic screening system for the screening of eligible recipients of fee-for-service health insurance and fixed-benefit insurance to maximize customer convenience. This system employs the convolutional neural network (CNN) algorithm, a key deep-learning technique of AlphaGo. We had the system analyze data from over 11 million insurance claims over the period of 2017-2019 35,000 times through its learning process and confirmed the appropriateness of the outcomes to ensure its effectiveness and eliminate the possibility of error. This reduced the waiting period from filing a claim to receiving the benefit paid by one to two days. We obtained two patents from Korean Intellectual Property Office in recognition of the originality of the system for the first time in the industry. We will continue to enhance customer convenience and competitiveness by achieving technological innovation and digital enablement.

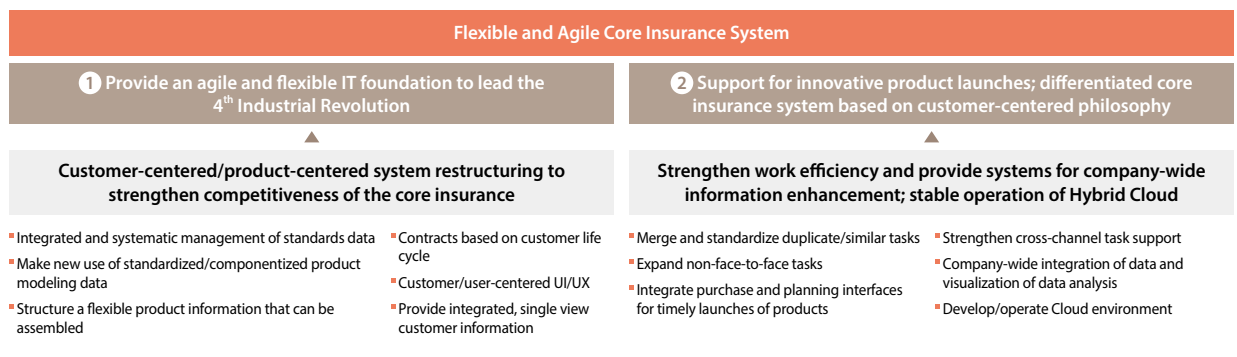


### LIFE MD, a Digital Sales Channel

We launched LIFE MD, the industry's first mobile app-based sales channel capable of handling all procedures from planner recruitment, sales promotion, contract signing, and customer management. LIFE MD is a state-of-the-art platform through which prosumers (producer + consumer) with outstanding financial literacy are given opportunities to work as a planner online and create income in a contact-free manner. We provide all training for the planner qualifying examination, financial consumer protection, mis-selling, etc., online and distributing training materials in digital form, thereby saving approximately 183 pieces of paper per person. A cutting-edge security system is applied to protect personal information throughout the entire mobile app-based sales process, and we make sure that individual customers directly type in their personal information. We plan to foster LIFE MD into an optimal sales channel option in the era of contact-free lifestyle.

### Case Study Digital Innovation System for the Overall Value Chain

We are working to enhance our information systems in line with the changing digital environment, from the core business of insurance (products, contracts, underwriting, claims, variable, etc.) to marketing and customer support. To leap ahead as a top global insurer, we are building a core insurance system that is flexible and agile by focusing on the customers and applying innovative technology.





## Information Sharing Channels

We closely communicate and share wide-ranging information with our customers via diverse channels including our website. We operate the mobile Hanwha Life App, as well as the LIFEPLUS App designed to offer content closely related to our customers' preferences and lifestyles for innovative customer experience. We also offer valuable information for everyday life about insurance, finance, and healthcare through our Facebook, blog, and YouTube channels.

### LIFEPLUS



- **LIFEPLUS** is a brand jointly launched by Hanwha Financial Group (Hanwha Life Insurance, Hanwha General Insurance, Hanwha Investment & Securities, Hanwha Asset Management, and Hanwha Savings Bank) to provide content designed to enrich our customers' everyday lives.
- Financial content: aimed at catering to the financial needs of Millennials and Gen Z
- Everyday life content: aimed at delivering the brand value of **LIFEPLUS** and enhancing customers' quality of life

### LIFEPLUS APP

- "Ideas to make everyday life more fulfilling and enjoyable" offered for the 2030 generation overwhelmed by information overload of portal sites in the five categories reflecting **LIFEPLUS**'s pursuit of holistic wellness
- **Micro-healing**: Information on the trendiest places and activities that provide healing experiences in the urban environment
- **Travel**: Best spots to visit in Korea and abroad with vivid reviews by travelers
- **Hobbies**: Hobbies and activities that can be enjoyed indoor and outdoor to bring sparkle to everyday life
- **Economy**: Information on investing in real estate, stocks, etc., as well as business trends
- **Healthcare**: Healthcare information on at-home workout moves, meal plans, etc., to stay fit and vital



### Hanwha Life SNS channels



- **Facebook**: Content on insurance, finance, and other areas closely related to everyday life to ensure close communication with customers



- **Blog**: Content authored by our employees with a focus on themes that can further enrich customers' lives, from insurance to real estate, investments, taxes, and healthcare



- **YouTube**: Differentiated content on insurance, finance, blockchain, e-sports, etc., created jointly with experts and celebrities of different fields

### Hanwha Life APP

- An integrated set of services offered to enable users to handle all insurance-related tasks, from viewing all purchased policies to signing up for new policies, by accessing a single app to ensure maximum convenience
- Insurance information viewed with a simplified login option
- Non-members also allowed to search and purchase insurance products



### Case Study Hanwha Life YouTube Channel



We closely communicate and share information with Millennials and Gen Z via our YouTube channels specializing in diverse fields (insurance, finance, healthcare, blockchain, e-sports, etc.). Each channel features invited experts and celebrities to deliver knowledge and differentiated content in an easy-to-understand manner. Our insurance channel offers a program dedicated to unique insurance products and entitled "It's Raining Insurance". Through our healthcare channel, we deliver the latest healthcare news and knowledge in collaboration with the nation's first physician-cum-journalist Dr. Hong Hye-geol. The **LIFEPLUS** channel has invited celebrities popular among Millennials and Gen Z, such as YouTube creator Shuka and hip hop musician Don Mills, to talk about financial and investing skills. We plan to more actively reach out to Millennials and Gen Z through diversified content.

## Asset Management

### Asset Management Strategy

We ensure stable long-term asset management, pursuit of investment returns through risk management, sound liquidity management, and adherence to the Stewardship Code pursuant to the Insurance Business Act and our investment policy paper to protect our customers and company.

In order to grow into a globally reputed insurance company and asset management specialist, we recruit talented people in Korea and beyond and foster them into global leaders.

### Strategic Direction

We focus on asset allocation planning and execution according to our asset/liability management strategy in order to achieve highly efficient investment return. To aggressively and preemptively respond to rapid changes in the financial market, we strive to diversify our investment assets and effectively manage risks.

### Operating Risk Management

In addition to profit-centered business strategies, we establish and operate asset and liability management (ALM) investment strategies, which are perfected by reflecting the traits of insurance on asset management plans, to maximize corporate value. We ensure transparency in asset management by operating Front/Back Office as a separate organizational unit and reviewing and controlling processes for risk management, compliance, and other activities related to asset management. We steadily manage risks (interest rate risk, market risk, credit risk, liquidity risk, operational risk, reputational risk, etc.) to enhance the soundness of our asset portfolio.

Category	Unit	2018	2019	2020
Invested assets	KRW billion	89,760	96,461	98,557
Rate of investment return	%	3.7	3.45	3.47



## Responsible Investment

### Promoting Responsible Investment

#### 1 Declaration to Move Beyond Coal

We made the declaration to move beyond coal jointly with the other member companies of Hanwha Financial Group including Hanwha General Insurance, Hanwha Investment & Securities, Hanwha Asset Management, Hanwha Savings Bank, and Carrot General Insurance in January 2021. Based on this declaration, we will not participate in any project financing for coal-fired power plant construction in Korea and abroad. We will also not acquire any bonds related to coal-fired power plant construction including those issued by special-purpose companies for coal-fired power plant construction. We will continue to expand investments in eco-friendly assets such as new and renewable energy.

#### 2 Guidelines on the Exercise of Voting Rights

We seek to ensure the sound growth of our investee companies and deliver higher return to our customers by reinforcing stewardship. To this end, we revised the Guidelines on the Exercise of Voting Rights to reflect ESG performance for the first time among domestic life insurance companies. The gist of the revision is the reflection of corporate social responsibility in the exercise of voting rights. In 2021, we did not exercise our voting rights for nine companies on the grounds of "reasons for disqualification of directors and auditors", "excessive director compensation", etc.

#### 3 ESG Investment Guidelines

We strive to incorporate ESG factors in every investment-related decision and expand ESG investments. As an extension of such efforts, we enacted the ESG investment guidelines for Investment linked insurance. These guidelines apply to investment assets of unit linked funds, run by our carefully selected asset management companies. Based on these guidelines, the ESG Investment Committee discusses and determines solutions for material issues related to ESG investment policies such as the revision of the ESG Investment Guidelines. The Committee also evaluates ESG factors of prospective and current investee companies by referring to the results of an outside specialist's evaluations (ratings, scores, etc.). These guidelines serve as a milestone for us to perform the negative screening strategy to exclude industries and companies, which receive negative evaluations based on our ESG standards, from our portfolio, as well as the integrated ESG strategy to systematically and explicitly incorporate ESG factors in the investment decision-making process. Lastly, these guidelines provide guidance on the evaluation of ESG factors within the investment process when selecting and assessing a consigned asset management company.

### Responsible Investment Performance

In order to drive the sustainable development of society and enhance our company's financial soundness, we are promoting responsible investment focused on ESG (Environmental, Social, Governance) factors. We are expanding our investments in new and renewable energy such as solar power, wind power, and fuel cells while continually investing in water resources management and sewage treatment. We are also engaging in community-friendly investments in public-interest facilities such as schools and cultural centers. We will continue to step up responsible investment through our engagement in eco-friendly and community-friendly projects from an ESG perspective.

#### Responsible Investment Performance

(Unit: KRW million)

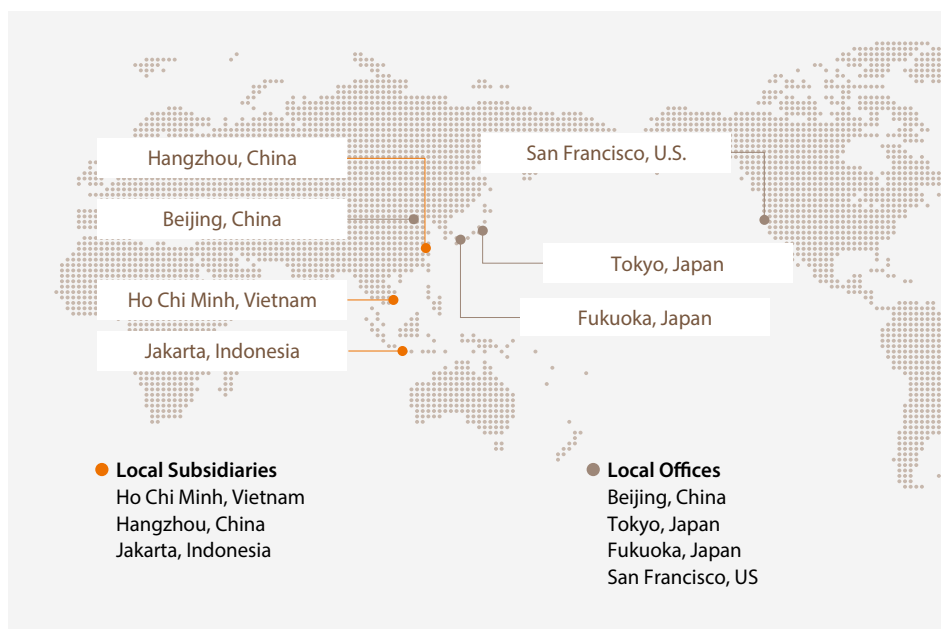
Category		2018	2019	2020
Green Investment	Renewable energy	1,203,641	1,253,247	1,378,454
	Water resources and sewage management	524,600	493,208	462,640
Social Investment	Schools and cultural facilities	232,872	162,761	145,299

## Overseas Business

### Global Network

We are reinforcing our global presence based on our status as the nation’s first insurance company to have reached the break-even point in the overseas market. We are focusing on strengthening the sales competitiveness of our existing overseas subsidiaries in Vietnam, China, and Indonesia, while seeking opportunities to preempt the local digital financial market, to secure future growth engines in the Asian region.

### Global Presence



Local Subsidiaries
<p>We market insurance products tailored to cater to the needs of local consumers through our local subsidiaries in three countries.</p> <p><b>Vietnam</b> We established a wholly owned local subsidiary in Vietnam in June 2008. In 2020, we established <b>Hanwha Financial Technology</b>, wholly owned by the local subsidiary in Vietnam, to preemptively respond to the rapidly changing global digital environment and provide differentiated services through a digital platform.</p> <p><b>China</b> We stepped into China in 2012 and established a joint venture company with 50% of its shares held.</p> <p><b>Indonesia</b> We advanced into Indonesia in 2012 by acquiring an 80% stake in a local insurance company. We currently hold a 99.6% stake in our local subsidiary in Indonesia.</p>

Local Offices
<p>We established local offices at overseas hubs for local market research. Our local offices are responsible for research on local insurance products and regulations, asset management trends, consumer research in relation to our head office-led new businesses such as insurtech and healthcare, etc.</p> <p>The locations of our local offices currently in operation include Beijing, China (opened in August 2003), Tokyo and Fukuoka, Japan (opened in February 2005 and June 2019, respectively), and San Francisco, US (opened in February 2019).</p>

## Country-Specific Strategies

### Vietnam

We are the first among domestic life insurance companies to have established an overseas subsidiary (Vietnam) in 2008. Our local subsidiary in Vietnam, in its 11<sup>th</sup> year of operation in 2020, was able to take firm root in the Vietnamese market based on a meticulous localization strategy, through which local planners have been fostered and products and services that cater to the needs of local consumers have been developed. The subsidiary continues to grow, recording KRW 15.2 billion in earnings before tax and KRW 169.6 billion in premium income in 2020 after reaching the break-even point in 2016.

The subsidiary built a nationwide sales network by expanding the number of its branches to 142 in major cities including Ho Chi Minh, Hanoi, and Da Nang, while working to diversify sales channels (bancassurance, group sales, online sales, etc.) and elevate the asset management system to new heights. The subsidiary also focuses on reflecting the latest trends and changing preferences of Vietnamese consumers in the products offered in a timely manner. We expect the subsidiary to continually achieve substantial growth and rise as a leader in the local market.

<p><b>Diversifying the product portfolio</b></p>	<p>Our subsidiary in Vietnam strives to diversify its portfolio centered on savings insurance products and improve profit. It has engaged in R&amp;D for protection insurance such as cancer insurance since 2018 and advanced into the group insurance market in 2019 to expand its customer base. Its soon-to-be-released variable life insurance is expected to fulfill the rising needs of local consumers for investment products in the low-interest-rate era.</p>
<p><b>Supporting local planners to grow into expert asset managers</b></p>	<p>As most of the local planners are working part-time, the subsidiary initiated the full-time agent (FTA) program to encourage part-time planners to take on a full-time role and thereby expand the pool of available planners. The program consists of regular working-day training sessions and special sessions designed to foster high-performing, high-income planners. The subsidiary anticipates that such practices will drive an increase in full-time planners. It is also taking action to reinforce the expertise of planners and help them grow into competent asset management specialists. It is currently test-operating an all-full-time-planner branch in Ho Chi Minh and plans to increase such branches applied with separate fee and sales guidelines.</p>

### China

Sino-Korea Life Insurance has pursued a multi-channel strategy, designed to target individual planner, bancassurance, and group channels simultaneously, since its inception in 2013. It continues to operate on a stable basis as evidenced by its arrival at the break-even point in 2020. The head office is located in Hangzhou, Zhejiang Province, and, driven by the head office's successful leap forward in the early stage, it advanced into Jiangsu Province in January 2017 and Anhui Province in December 2020.

### Indonesia

Our local subsidiary in Indonesia aims to rise as an established brand through efficient profit and loss management and corporate value enhancement. To this end, it has built high-performance individual planner organizations in major cities including Jakarta and pushed ahead with profit-driven sales strategies. It also seeks out new business opportunities by making improvements for group channels and operating digital channels to expand the young customer base.

## Creating Social Values

Companies grow based on interaction with diverse stakeholders as corporate members of society. Stakeholders challenge companies to create not only economic value but also social value by taking action to address social issues, and their needs are becoming increasingly diverse and complex. We engage in community outreach activities built on our nature closely interconnected with different stages of life cycle to achieve co-growth with society and create greater social value.

### Materiality of Topic

Companies are being required to take more aggressive action to fulfill their corporate social responsibility. They are expected to actively interact with communities in which they operate and strive to resolve social issues. We, as a major insurer, are directly and indirectly connected to everyday lives of all our stakeholders from customers to local communities, employees, and business partners and thus should operate in a manner that prioritizes their needs.

### Hanwha Life's Management Approach

We remain attentive to the voices of all our stakeholders, from local communities to customers, employees, and business partners, and engage in activities to ensure their wellness. In particular, we are equipped with an advanced consumer protection system aimed at enhancing customer satisfaction, while seeking to establish an innovative corporate ecosystem and achieve co-prosperity by supporting business partners and fostering startups. We focus on creating greater social value through products and services we offer as an insurance company and share in the moves to address social issues. We design inclusive products that embrace financially vulnerable groups and contribute to building sound communities, thereby fulfilling our role as a social safety net.



Organized by the Fair Trade Commission

**Obtained Consumer-Centered Management (CCM) certification**

**for 8 consecutive times**



Organized by GPTW

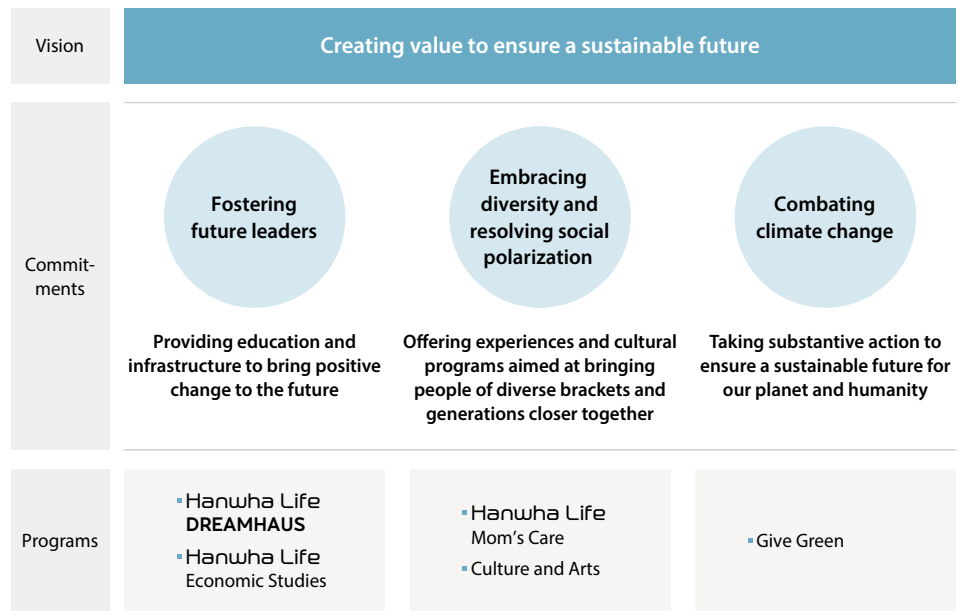
**Selected as the Best Workplace for Women in 2020**

**for 6 consecutive years**

## Social Contribution Management

### Community Outreach

We aim to realize the vision “Creating value to ensure a sustainable future” by fulfilling the commitments of “Fostering future leaders”, “Embracing diversity and resolving social polarization”, and “Combating climate change” through community outreach. In parallel with changes brought forth by the pandemic, we are striving to flexibly redefine and update our strategies and programs to ensure the wellbeing of both current and future generations and inspire more.



#### Case Study Supporting Local Communities Affected by COVID-19

##### Mom's Care Market

We provided aid for socially vulnerable groups and our policyholders who own micro-businesses affected by the pandemic through Mom's Care Market. Using Sarangmoa Fund donated by our employees, we purchased goods worth KRW 300 million from 300 micro-businesses (KRW 1 million each) recommended by our FPs and donated them to over 500 single-parent households and welfare facilities undergoing difficulties due to the pandemic.

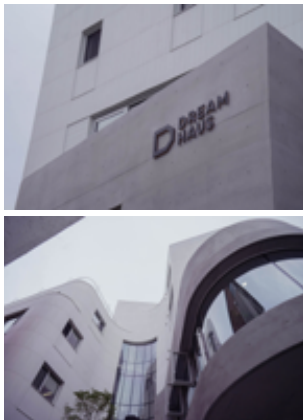
##### Offering the Life Park Training Institute as a residential treatment center

In March 2020, we offered the Life Park Training Institute as a residential treatment center for COVID-19 patients amid a nationwide surge in confirmed cases. Through this measure, we contributed to resolving the shortage of hospital beds and helped mild cases recover without hospitalization.

##### Donating daily necessities and personal protective equipment to Vietnam

We raised funds via our SNS channels based on a matching grant scheme for children of underprivileged families affected by the pandemic and delivered them to 8 areas of 4 cities in Vietnam. Funds raised by the employees of our local subsidiary in Vietnam were used to donate 8,000 units of personal protective equipment for healthcare workers.

## Hanwha Life DREAMHAUS



Hanwha Life **DREAMHAUS** is our shared housing program designed to provide more housing options for young generations and lay a foundation for them to grow and achieve their dreams.

**DREAMHAUS** aims to help build “a sustainable network for realizing dreams” through which young people with similar future goals can share ideas, inspire one another, and take strides forward together.

In October 2019, **DREAMHAUS** I opened in Yeonnam-dong, Mapo-gu, under the theme “My Own Brand”, bringing together 22 young residents who dream of showcasing their own brands. Following the first-generation residents (October 2019-October 2020), the second-generation residents (October 2020-October 2021) have moved in and engaged in a wide spectrum of projects through the monthly community programs, as well as branding-related training and mentoring.

Seven artists, planners, and IT developers among the residents recently held a joint exhibition. **DREAMHAUS** plans to continuously encourage such cooperation and serve as a platform for more transboundary projects that transcend the boundaries of online and offline spaces.

We will continue to drive the evolution of **DREAMHAUS** by diversifying the themes and develop systems to facilitate communication with its residents to foster future specialists.

## Hanwha Life Economic Study Class



In order to help children and youth improve their financial literacy skills, we operate Hanwha Life Economic Study Class, which offers education using content jointly developed by Financial Supervisory Service and Hanwha Life and introduces actual cases concerning basic financial knowledge and upright financial habits for youth to learn and practice. We also initiated online courses for those students with contact-free needs due to the pandemic.

Financial experts with work and teaching experience were selected as lecturers. In particular, we began to give priority to women in 2021, thus contributing to creating jobs for women. The 30 selected lecturers disperse financial information and knowledge to over 10,000 students of 300 classes at 281 elementary and middle schools around the country for a year. They educate students about the importance of financial literacy and make financial knowledge more accessible by sharing actual cases.

## Hanwha Life Happy Friends



Hanwha Life Happy Friends is designed to help youth, who are the future leaders of our society, grow into creative, competent problem-solvers by remaining attentive to and striving to seek solutions for diverse social issues.

It was first launched as Youth Volunteer Group in collaboration with World Vision in 2006 and has engaged in activities to resolve social problems under the slogan “Tiny Steps to Bring Positive Change to the World” since 2019.

Over 5,760 young students have participated in themed projects in 8 regions around the nation via Happy Friends over the past 15 years, making small yet meaningful changes to everyday life. They succeeded in installing sidewalk guard rails, preventing parking violations, and installing LED streetlights and solar security lights for the safety of school children, having staff members stationed at automatic ticket kiosks for senior citizens, and improving inefficient bus service routes.



## Hanwha Life Mom's Care

We have identified problems experienced in different stages of life cycle of institution-reared children and developed a wide range of programs to help them stay healthy and achieve sound self-reliance after discharge from child welfare facilities.



### Mom's Care Cuddly Toy

Mom's Care Cuddly Toy was produced to help children in institutional care develop attachment bond. The pre-recorded heart sounds are played when children hug these toys, helping them feel as if being cuddled up in the mother's arms and learn to manage and express diverse emotions.



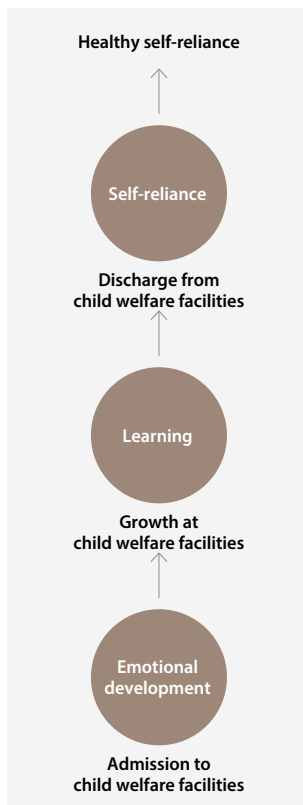
### Mom's Care Blossom Mat

Mom's Care Blossom Mat is designed to help children grow imagination, nurture thinking skills, and achieve emotional development. It consists of multiple fragments assembled together that can be unfolded on the floor like flower petals. It is effective in enriching imagination and developing the tactile sense.



### Mom's Care Storytime Skirt

Mom's Care Storytime Skirt is designed to foster healthy reading habits and expressive power in children. It has a long trail upon which children can sit while listening to stories. It is intended to be worn by the teacher for storytime sessions to signal that it is time for reading in a witty manner and induce children to read.



Adults	<b>Mom's Care Dream Internship</b> Job experience for employment	<ul style="list-style-type: none"> <li>Providing opportunities for career path exploration and on-the-job orientation</li> <li>Supporting job-seeking activities</li> </ul>
Adults	<b>Mom's Care Dream Emergency Fund / Savings Insurance</b> Financial mentoring Raising a lump sum of money	<ul style="list-style-type: none"> <li>Offering financial coaching and planning the career path and future vision</li> <li>Providing KRW 350,000 per month to help them realize their dreams</li> <li>Helping save KRW 10 million for 3 years and offering protection coverage (signed up by 16 in 2021)</li> </ul>
School-age children	<b>Mom's Care Bookstore</b> Enhancing reading habits and expressive power	<ul style="list-style-type: none"> <li>Offering reading and discussion classes to enhance children's expressive power and social skills</li> <li>Developing books and learning tools tailored for children with low intellectual performance</li> <li>Matching one special education teacher with each welfare facility to visit once a week</li> </ul>
Preschoolers	<b>Mom's Care Volunteer Group</b> Physical and emotional development Diverse themed activities	<ul style="list-style-type: none"> <li>Pairing each volunteer with one child</li> <li>Helping each child experience diverse themed activities</li> </ul>
36 months	<b>Mom's Care Emotional Development Play</b> Attachment bond formation Emotional support	<ul style="list-style-type: none"> <li>Providing integrated developmental support for 36-month-old toddlers reaching developmental milestones</li> <li>Matching one child development specialist with each of the 26 child welfare facilities around the nation</li> <li>Engaging in campaigns and legislative advocacy to improve related systems</li> </ul>

\* Outstanding Culture and Arts Sponsor Certification: This scheme was initiated by the Ministry of Culture, Sports and Tourism in 2014 to promote corporate sponsorship of arts. It is aimed at acknowledging achievements of corporations and organizations that remain dedicated to sponsoring cultural activities and arts.

## Culture and Arts

We organize and sponsor an array of events and programs from performances to festivals, thereby contributing to the nation's cultural and artistic evolution and promoting communication with local communities. One leading example is HANWHA Classic, an annual classical music concert that features world-class conductors and artists from around the world. In recognition of our dedication, we were selected as the winner of the Grand Prize (Presidential Citation) in the Korea Mecenat Convention in 2011 and the Cultural Contribution Award (Minister's Award) in 2019. We have also been certified as the Outstanding Culture and Arts Sponsor\* by the government since 2017.

### Concert at 11:00 am

We have co-organized Concert at 11 with Seoul Arts Center since 2004 to culturally inspire the public and contribute to the development of classical music. The concert is staged at 11:00 am on the second Thursday of each month, exploring a diverse repertoire with commentaries.

### Symphony Festival

We have sponsored the Symphony Festival since 2000 to bring classical music and the public closer together. More than 20 domestic symphony orchestras participate in this festival every year. This festival offers opportunities for musicians of diverse positions, from established and experienced players to up-and-coming artists, to perform on stage at Seoul Arts Center, while making classical music more accessible to the public.

### Pop & Classic Concert

This concert has been staged since 2004 as an extension of our efforts to provide more opportunities to enjoy well-organized, accessible cultural events for residents of local cities and thereby expand the base of art enthusiasts. We fill each year's event with a rich repertoire of different genres to reach out to and closely interact with more local residents. We will strive to make this concert take firm root as one of the most significant musical performances.

### Seoul International Fireworks Festival

The Seoul International Fireworks Festival has been held annually since 2000 under the slogan "Sharing Hope through Fireworks" It is attended by companies equipped with world-class fireworks techniques including HANWHA. This festival has taken root as one of the nation's leading cultural events, offering unforgettable memories to over 1 million citizens each year. In addition, our employees volunteer to ensure its smooth operation and site cleanup afterwards to minimize any possible negative social impacts of the festival.

### Healing LIFEPLUS Healer

In 2016, we initiated a healing program capitalizing on arts for our Call Center consultants. Professional arts lecturers are dispatched to our Call Centers in Seoul, Daejeon, and Busan and offer tailored healing sessions spanning a wide spectrum of subjects from calligraphy to folk painting, photography, kalimba, and gayageum. The analysis of the performance of the program in 2020 indicated that stress of consultants was notably relieved and their satisfaction concerning tasks and organization was enhanced. This program also contributed to instilling vitality into the culture and arts scene affected by the prolonged pandemic by creating jobs.

### Hanwha Life e-Sports

We run HANWHA Life e-Sports, our professional League of Legends team to build and deliver a youthful corporate image and appeal to consumers in their 20s and 30s who are prospective customers.

Community outreach-related costs in

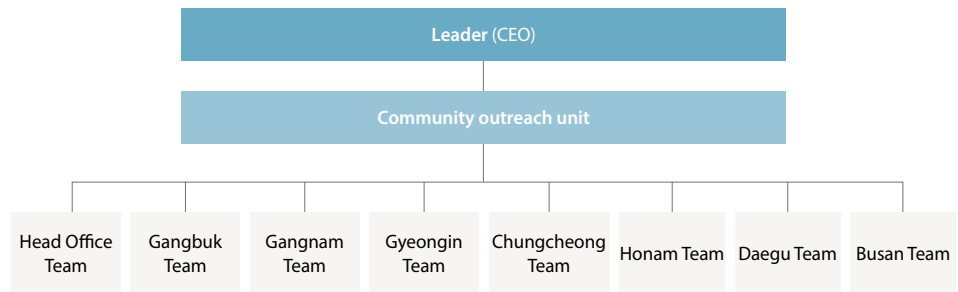
KRW **3.428** billion

## Employee Engagement in Community Outreach

### Hanwha Life Community Service Group

We provide support for socially marginalized groups and engage in community service based on active participation of our employees and FPs. Community service is an important vehicle to preserve our heritage built on our respect for life engraved in our DNA as a life insurance company. We launched the Hanwha Life Community Service Group in 2004 and have formed partnerships with volunteer groups of different communities. We collect opinions of community residents through monthly meetings and organize our activities accordingly.

We recommend our employees to invest 1% of their yearly work hours in volunteering to encourage their engagement in community outreach. In 2020, 46.25% of our employees took part in the activities led by the Hanwha Life Community Service Group.



### Raising Sarangmoa Fund

Sarangmoa Fund is created through a matching grant scheme. For every donation made by our employees and FPs, our company donates the matching amount. The fund is used to support a variety of community outreach activities of culture, arts, sports, etc. As of the first half of 2021, KRW 12 billion (in cumulative sum) was collected.

Collected amount of Sarangmoa Fund (in cumulative sum as of the first half of 2021)

KRW **12** billion

### Expanding Employee Engagement in Global Community Outreach

We encourage our employees to engage in global community outreach activities as well to uphold the value of sharing. In Vietnam, we stage the "I Love Hanwha Day" event to reach out to the underserved and provide scholarships to students of low-income families. In Indonesia, we perform diverse projects aimed at meeting the needs of socially marginalized and poverty-stricken groups.

Hours of engagement in volunteer work per employee in 2020

**2.58** hours

\* Face-to-face volunteer hours decreased due to the pandemic

#### Case Study Hanwha Life VIP Members' Donation Program

The Hanwha Life VIP Members' Donation program provides an option for VIP customers to choose to forgo gifts and benefits and donate an amount equivalent to such gifts and benefits. We select VIP members each year based on premiums paid for policies in force over the last ten years and either provide a wide range of benefits or make arrangements to donate an amount equivalent to such benefits. A total of 34 VIP members chose to make a donation this year, and we, along with our employees, joined in their philanthropic effort through matching grants. KRW 10 million raised jointly by Hanwha Life, our employees, and VIP members was delivered to the Korean Association for Children with Leukemia and Cancer to help pediatric patients. This program has remained in operation over the past eight years since its introduction in 2014. As many as 580 VIP members donated KRW 110 million in cumulative total.

## Programs Jointly Operated with Local Communities

### Advocating Respect for Life

#### Dodam Dodam Support Center – launched in 2013 jointly with Korea Food for the Hungry International and Kyung Hee University Hospital at Gangdong

We established a rehabilitation center within the hospital to provide integrated developmental rehabilitation services required for the healthy growth of premature newborns weighing less than 1.5kg (very low birth weight). We also provide healthcare guidance and information for families with premature babies.

#### “Awaken the Literary Girl inside You” Program – launched in 2019 jointly with Eastern Social Welfare Society

We created a self-help group of single mothers to motivate them through reading and writing and thereby promote their transition to self-reliance. We also provided furnishings to enhance living conditions and opportunities to experience cultural activities (performances, trips, etc.) for single-mother families to help mothers develop a stronger bond with their children.

### Taking on New Challenges

#### We’re S+Eniors – launched in 2014 jointly with Korea Microcredit Joyful Union and Seoul 50 Plus Foundation

We provided support for prospective retirees aged 45 and older to plan the second half of their professional lives ahead. We designed a senior employment model through an idea contest, recruited and trained candidates, and matched them with internship positions and jobs in socioeconomic sectors.

#### Impact Path – launched in 2020 jointly with Impact Square and Merry Year Foundation

We provided support for social ventures operated by young entrepreneurs to pioneer overseas sales channels and reinforce their global business capacity. We helped them participate in overseas fairs to network with global investors and enrich experiences, while offering consulting service for products with global impacts and product improvement plans.

### Fostering Future Generations

#### “Let’s Play in the Forest” Program – launched in 2015 jointly with Green Korea and local Children’s Centers

This program was launched to help children of underserved families, who are often deprived of opportunities to engage in outdoor learning and nature activities, achieve healthy emotional and physical development by exploring and playing in the natural environment. We also operated additional programs to help children value and appreciate nature, such as “Befriend the Forest in Your Community”, through which children visit the nearest forest every month to learn about its seasonal changes; “Explore the Forest Ecosystem through Five Senses”; “Little Library in the Forest”; and “Learn Songs about Our Ecosystems”.

#### Orange Club – launched in 2018 jointly with JUMP and Seoul Children’s Center Council

We provided weekly coaching sessions for sports skills at local Children’s Centers and organized a sports festival for children. These programs are evaluated to have contributed to closing gaps in access to physical activity for disadvantaged children and promoting the value of physical activity.

## Global Community Outreach

### Vietnam

#### Improving Healthcare Infrastructure

We have set up four healthcare centers in medically underserved regions (Van Phong, Kim Truy, Lang Gam, and Tra Binh) and offered quality healthcare services to over 1.2 million local residents. In 2019, we opened a children's ward within a local hospital in Krong Bong, Dak Lak Province, to provide hygienic and advanced treatment to underprivileged children and mothers. We are currently preparing to launch a child abuse prevention campaign in Vietnam.

#### Providing Health Insurance Support

We are the first Korean company in Vietnam has signed up to Vietnam's health insurance scheme to provide protection for local employees. We also provided financial aid for health insurance contributions of medically underserved groups, and the number of beneficiaries over the period of 2014-2020 stands at 53,810. Through these measures, we have improved access to healthcare services and eased the economic burden of vulnerable groups.

### Indonesia

#### Creating Child-Friendly Cultural Spaces

We have operated child-friendly cultural spaces at three locations in Jakarta since 2017. These spaces were built on unused land in rundown neighborhoods, with the opinions of local residents and the government actively reflected from the initial design stage onwards. These spaces offer sports, arts, and culture classes for local children to learn and play in a safe environment and achieve healthy physical and emotional development. In 2021, we plan to open the fourth space and the Family Data Center that serves as a control tower for data management, counseling, and education for families with children in Jakarta.

### China

#### Supporting Special Education Schools

We partnered with diverse special education schools in China to provide support for artistic activities of local students. We organized the project to produce and distribute calendars using students' artworks with the special education school in Hangzhou.

## Products Creating Social Value

### Inclusive Finance

#### Inclusive Financial Products

We showcase a variety of insurance products to provide seamless protection for financially vulnerable customers such as senior citizens, those with pre-existing medical conditions, and those financially underprivileged. Our wide-ranging products are aimed at helping them better prepare for potential risks of daily life and improving their quality of life, thereby fulfilling corporate social responsibility.

	Background	Product	Contributions
Senior customers	<ul style="list-style-type: none"> <li>▪ Rapid population aging</li> <li>▪ Burden of dementia treatment expenses</li> <li>▪ Growing needs for caregiving insurance</li> </ul>	<b>Hanwha Life “Happy Golden Years” Dementia Insurance</b> <ul style="list-style-type: none"> <li>▪ Protection covering mild to advanced dementia</li> <li>▪ Purchasable with a simplified notification if having no dementia-related underlying conditions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supplementing the weak points of dementia protection</li> <li>▪ Offering the special condition of conversion to an annuity for policyholders who do not develop dementia</li> <li>▪ Contributing to the resolution of issues resulting from growing caregiving needs (seniors caring for seniors, job loss due to extended family caregiving, bankruptcy due to extended family caregiving, murder committed by unpaid family caregivers, etc.)</li> <li>▪ Supplementing weak points and limitations of the nation’s institutional support (integrated nursing and caregiving service, long-term care, etc.)</li> </ul>
		<b>Hanwha Life “Always by your side” Nursing Insurance</b> <ul style="list-style-type: none"> <li>▪ Protection covering the entire simplified cycle from initial diagnosis to inpatient and outpatient treatment, in-hospital and at-home caregiving, disability treatment, and rehabilitation</li> </ul>	
Customers with pre-existing medical conditions	<ul style="list-style-type: none"> <li>▪ Restrictions concerning insurance policy purchasing for those with mild diseases or with pre-existing medical conditions such as diabetes and hypertension</li> </ul>	<b>Hanwha Life Simplified Issue “Centenarian” Health Insurance</b> Hanwha Life “One Q” Simplified Issue Health Insurance <ul style="list-style-type: none"> <li>▪ Simplified screening to offer wider access to general insurance for customers with pre-existing medical conditions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Providing protection for customers with pre-existing medical conditions as extensive as that for those without such conditions</li> <li>▪ Easing the premium burden by offering renewable term products and expanding the spectrum of choice for policyholders by diversifying renewal cycles</li> <li>▪ Providing protection for customers with pre-existing medical conditions as extensive as that for those without such conditions</li> <li>▪ Providing protection for customers with pre-existing medical conditions as extensive as that for those without such conditions</li> </ul>
		<b>Hanwha Life Simplified Issue “Happy Golden Years” Dementia Insurance</b>	
		<b>Hanwha Life Simplified Issue “Substantial Plus” Whole Life Insurance</b> <ul style="list-style-type: none"> <li>▪ Simplified screening to offer wider access to whole life insurance and dementia insurance for customers with pre-existing medical conditions</li> </ul>	
		<b>Hanwha Life “Extremely” Simplified Issue Whole Life Insurance</b> <ul style="list-style-type: none"> <li>▪ Whole life insurance with low cash surrender value and list of disclosures reduced to two for policyholders with pre-existing medical condition</li> </ul>	
Financially underprivileged groups	<ul style="list-style-type: none"> <li>▪ Youth discharged from child welfare facilities marginalized from medical and welfare services</li> <li>▪ The possibility of protection gaps for customers with disabilities</li> </ul>	<b>Hanwha Life “Mom’s Care” Savings Insurance</b> <ul style="list-style-type: none"> <li>▪ Providing support for youth recommended by Social Solidarity Bank for purchasing Dream Savings Insurance (financial aid for premium payments)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supporting youth discharged from child welfare facilities to prepare the basis for self-reliance (KRW 10 million in three years)</li> <li>▪ Protection coverage for fracture, treatment with plaster casts, predefined burns and corrosions, surgical treatment, etc., during the insured period to contribute to resolving social marginalization</li> <li>▪ Protection coverage for cancer, death, etc., offered with affordable premiums through discounted operating fees, etc.</li> </ul>
		<b>Hanwha Life “Gomduri” Protection Insurance for Customers with Disabilities</b> <ul style="list-style-type: none"> <li>▪ Protection insurance for those registered as “persons with disabilities” pursuant to Article 32 (Registration as Persons with Disabilities) of the Act on Welfare of Persons with Disabilities and those registered as “persons wounded on active duty” pursuant to Article 6 (Registration and Determination) of the Act on the Honorable Treatment of and Support for Persons, Etc., of Distinguished Service to the State</li> </ul>	

### Support for Financially Vulnerable Groups

We are equipped with a variety of services and systems designed to ensure easier access to insurance services by financial vulnerable groups.

First, we enable policyholders to designate a representative to file an insurance claim by proxy after signing up. This representative is entitled to file all insurance claims, except for the death benefit. The representative can be designated at any point throughout the duration of the insured period so as to benefit more customers in need.

We separately produce notifications with enlarged text for senior customers aged 65 and older.

For policyholders affected by COVID-19, we provide premium payment deferral, rapid processing of insurance loans and insurance benefit payments, six-month deferral of loan principal and interest repayment, etc. For general protection insurance policyholders with disabilities, we provide the option to offer the same tax deduction as insurance products exclusive for customers with disabilities.

<p><b>Toll free number exclusive for customers with disabilities</b></p>	<ul style="list-style-type: none"> <li>▪ +82.80.851.0063 (toll free)</li> <li>▪ Offering same services as those for customers without disabilities</li> <li>▪ Customer → Toll free number exclusive for customers with disabilities → Customer identification (mobile phone number and resident registration number) → Counselor connected</li> </ul>
<p><b>Relaying the service of the Sign-to-Speech Translation Center</b></p>	<ul style="list-style-type: none"> <li>▪ Supporting customers with hearing impairment and speech and language impairment relaying the translation service of the Sign-to-Speech Translation Center of the National Information Society Agency</li> <li>▪ 1588-6363+Sign-to-Speech Translation Center (107)</li> <li>▪ Customer ↔ Sign-to-Speech Translation Center intermediary (107) ↔ Call center counselor</li> <li>▪ New contract monitoring, basic product information, guidance on documents, contract information, certificate issuance, etc.</li> </ul>
<p><b>Email and fax for counseling service dedicated to customers with disabilities</b></p>	<ul style="list-style-type: none"> <li>▪ helper63@hanwha.com</li> <li>▪ +82.2.2169.0630(fax)</li> </ul>
<p><b>Sharing and Inspiring Counter</b></p>	<ul style="list-style-type: none"> <li>▪ Counter dedicated to financially vulnerable customers (those with disabilities, seniors, pregnant women, etc.)</li> <li>▪ Seats reserved and priority counseling service offered for financially vulnerable customers</li> </ul>

#### Case Study Mom's Care Savings Insurance

We showcased Mom's Care Savings Insurance designed to help youth discharged from child welfare facilities take the important first step into society and achieve sound self-reliance. This is a three-year savings insurance product, which can be used to save approximately KRW 10 million for the duration of three years by depositing KRW 280,000 every month. This product was designed to mature in three years based on the fact that financial support from the central and local governments for youth discharged from child welfare facilities begin to dwindle after the lapse of three years. To ease their premium burden, KRW 200,000 out of the total amount of monthly premium (KRW 280,000) is paid by Hanwha Life. This product also covers fracture, treatment with plaster casts, surgical treatment, and predefined burns and corrosions to provide protection from unexpected accidents.

### Healthcare Products and Services

We aim to go beyond offering ex post safety devices for medical expenses and loss of income due to diseases and accidents and help our customers maintain healthy lives. To this end, we continue to design and release products that serve as healthcare solutions.

#### LIFEPLUS “Work Out” Health Insurance

Our LIFEPLUS “Work Out” Health Insurance is aimed at helping customers make exercise a habit. It is the industry’s first product designed to measure the workout intensity of the five physical activities and offer rewards for insurance risks reduced in reverse proportion, thus encouraging policyholders to better care for their health. We offer the Hello App, our healthcare platform that can be launched on smartwatch, for the accurate measurement and management of exercise. We also developed the integrated workout intensity indicators for different physical activities. In recognition of our contributions to expanding the role of insurance as a healthcare solution through this original and innovative product, we were granted the exclusive usage right to this product over the period of six months by the Korea Life Insurance Association.

#### Hello App



Hello App

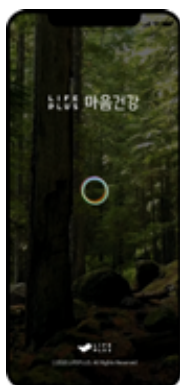
The Hello App was released as a membership service exclusive for our policyholders, which provides tailored healthcare services based on each individual user’s health data. We expanded the parameters of existing services that simply collect and offer health data and designed more advanced, detailed programs, such as the program connected to the purchased policy and the gut healthcare program.

The Hello App does not merely show the number of steps walked for the day but converts other types of activities such as mountain climbing, cycling, running, and swimming into equivalent step counts. It also offers premium discounts for those who reach the preset targets in connection with LIFEPLUS “Work Out” Health Insurance, elevating customer experience to new heights.

In March 2021, the Kids Microbiome Examination service, which diagnoses and proposes improvement ideas for the gut microbiome of children under 14, was released for our policyholders to systematically care for their children’s health with greater ease.

We plan to expand services featured on the Hello App to help our policyholders effectively check their health conditions and take interest in health-promoting activities, while also offering tailored healthcare solutions for specific target groups.

#### LIFEPLUS Mental Health Group Insurance



LIFEPLUS Mental Health Group Insurance

With the rise in social costs incurred by mental illnesses and the aggravation of depression due to the prolonged COVID-19 pandemic leading to various social issues, we released LIFEPLUS Mental Health Group Insurance, a combination of mental illness prevention services and protection insurance. It offers the End-to-End Mental Health Total Solution that encompasses prevention, diagnosis, and treatment. LIFEPLUS Mental Health Group Insurance is currently operated as a group insurance product targeting Hanwha Life employees. We plan to market the product to the public in the near future.

Prevention	▶	Diagnosis and Treatment
<ol style="list-style-type: none"> <li>1 Mental healthcare program exclusively developed by Hanwha Life (including “Calendar of Feelings”, “Diary of Innermost Feelings”, etc.)</li> <li>2 “Therapeutic Exercise” with specialists</li> <li>3 “Take These Challenges” service for staying motivated</li> </ol>		<ol style="list-style-type: none"> <li>4 “Simplified Medical Examination” and “Mental Health Checkup” exclusively developed by Hanwha Life</li> <li>5 “Locate the Nearest Psychiatrist and Psychological Counseling Center” service</li> <li>6 Financial support for the diagnosis of the three common mental illnesses (depression, panic disorder, and post-traumatic stress disorder) and non-organic sleep disorders</li> </ol>



## Consumer-Centered Management

### Consumer Protection Strategy

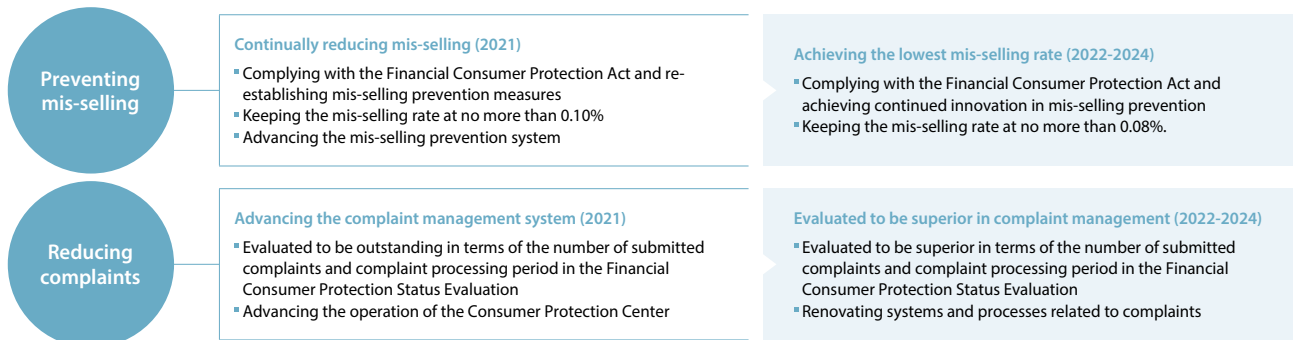
We make sure to conform to all industry principles and standards, undergo all legitimate procedures, and help consumers make informed decisions. In this context, we operate a variety of systems to protect consumers' rights and prevent disputes throughout the entire work process from product development to sales and follow-up management.

We grouped the FP-centered sales organizations, customer centers physically visited by customers, call centers, customer protection center for VOC, and online and mobile websites as the material channels of customer contact; compiled the standards for tasks, services, and operation at each channel into a manual; and shared them via diverse media to internalize them. We continuously update and improve related processes and manuals by reflecting regulatory changes, VOC, internal and external evaluations, best practices, and monitoring results, while ensuring consumers' rights and enhancing our services enterprise-wide through stringent evaluations and employee recognition.

### Consumer Protection Strategy

Ensuring the rights of financial consumers		
Reducing complaints	Reinforcing the dispute prevention system	Improving the management of mis-selling
<ul style="list-style-type: none"> <li>Reducing complaints through the improvement of systems and processes</li> <li>Reducing complaints in relation to mis-selling on a continued basis</li> <li>Removing the possibility of the recurrence of complaints in close cooperation with relevant units such as the Claim &amp; Investigation Team and Insurance Service Team</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcing complaint prevention training and enhancing evaluations in relation to mis-selling</li> <li>Enhancing related systems and processes through the Consumer Protection Working Council and VOC analysis</li> <li>Expanding and advancing the complaint projection system</li> </ul>	<ul style="list-style-type: none"> <li>Conducting the mis-selling elimination campaign</li> <li>Reinforcing mis-selling prevention training for sales managers and FPs</li> <li>Pushing ahead with the upward adjustment of weight concerning complaints and mis-selling for sales managers</li> </ul>

### Mid-to-Long-Term Consumer Protection Roadmap



### Case Study Financial Consumer Protection Guidelines

We recognize the protection of financial consumers as a salient issue and strive to incorporate our corporate philosophy of "together with our customers to travel farther" into every action and decision. We formed the Financial Consumer Protection Act Response TFT and established the Financial Consumer Protection Guidelines to enable the implementation of substantive consumer protection measures in response to the enactment of the Financial Consumer Protection Act.

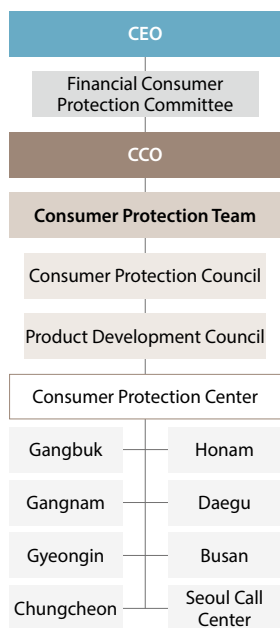
Based on these guidelines, we created the process to verify that mis-selling has not been committed (compliance with the six sales principles, execution of the duty to truthfully represent the products sold, etc.) and established the system to verify the execution of the supervision duty to prevent mis-selling of the GA channel, while also identifying potential issues and improvement points for individual sales channels. With the implementation of the Financial Consumer Protection Act, we aim to preemptively respond to customer complaints on the frontlines and ensure that different sales channels actively practice consumer protection.

### Consumer Protection System

The Consumer Protection Team, a unit dedicated to consumer protection and directly controlled by the CEO, is comprised of the Consumer Planning Part, Consumer Support Part, and Consumer Protection Part to more efficiently fulfill its role. The Consumer Planning Part is responsible for establishing and executing related policies, preventing mis-selling, and analyzing and reflecting VoC. The Consumer Support Part is tasked with managing external evaluations in relation to consumer protection, promoting consumer-centered management practices, and managing ads and promotional materials, while the Consumer Protection Part handles internal and external complaints and takes measures to prevent their recurrence.

### Financial Consumer Protection Committee

The Financial Consumer Protection Committee is a decision-making body in relation to internal control of financial consumer protection, which is convened biannually by the CEO. The Committee consists of the CEO, CCO, Risk Management Officer, and other CEO-designated executives responsible for financial consumer protection. The Committee reviews and discusses related business directions, improvement points for major systems, the results of design and management assessment for product development, sales methods, disclosure, executive and employee compensation programs, and measures to be taken as a result of financial consumer protection inspections.



### Consumer Protection Council

The Consumer Protection Council revises major consumer protection programs, establishes related policies, and promotes VoC-based business improvement activities. The Council is chaired by the CCO appointed by the CEO and consists of ten members including the heads of the Customer Service Team, Underwriting Team, Claims Management Team, Insurance Business Team, Strategic Channel Sales Team, GA Department, Corporate Planning & Administration Team, Product Development Team, and Compliance Team. The Council reviews material consumer-related issues in different stages from product development to sales, contract maintenance, and follow-up management and establishes appropriate measures. Through the Council, we seek to promptly come up with effective improvement measures from the perspective of consumers for complaint handling, ad and promotional material review, VoC reflection, etc., and achieve executional excellence to ensure consumer protection and satisfaction.

### Consumer Protection Center

In order to achieve executional excellence for consumer protection on the business frontlines, we realigned complaint handling units at regional headquarters and newly opened the eight Consumer Protection Centers within the Call Centers under the Consumer Protection Team in May 2020. We also expanded the responsibility and authority of consumer protection staff members and strive to protect the rights and interests of consumers in every action and decision.

**Case Study** Building a Happy Place to Work

We have operated the “Building a Happy Place to Work” service since March 2008, through which we provide CS training programs and lectures for other corporations and public institutions. The programs include basic and advanced CS, leadership, organizational revitalization, specialized training, and financial training. Over 159,886 employees of 3,645 corporate customers completed this training as of April 2021. We are contributing to promoting consumer-centered corporate culture of SMEs and micro-businesses and to raising the overall quality of consumer service across the industry.

## Consumer Protection Activities

### Establishing and Declaring the Financial Consumer Protection Charter



We revised the Financial Consumer Protection Charter enacted in 2018 in line with the Financial Consumer Protection Act implemented on March 25, 2021, and held the declaration ceremony to announce our reinforced financial consumer protection principles and encourage mis-selling prevention and consumer protection enterprise-wide. Due to the pandemic, this ceremony was attended by a limited number of people including the CEO, CCO, and one male and female representative employee from the Sales Business Unit. All employees and FPs joined in the campaign to make the pledge to conform to the charter online, reaffirming their will to offer products and services that exceed the expectations of customers and strive to improve related systems and processes.

### Performing Online Consumer Protection Training

We perform online consumer protection training for all employees and FPs to raise their awareness on financial consumer protection, prevent complaints in advance, and thereby achieve customer satisfaction. In 2020, a total of 19,864 participants (3,886 employees and 15,978 FPs) completed this training course. In 2021, we offered the online “Complete Mastery of the Financial Consumer Protection Act” course for all employees and FPs in the wake of the implementation of the Act. The participants were taught the 6 principles of selling; major points of the Act such as shifting the burden of proof and the right to cancel illicit contracts; and ways to avoid mis-selling.

Number of participants who completed the 2021 Online Consumer Protection Training Course

FPs **16,119**  
Employees **3,815**

### Operating a Consumer Portal

We are operating a consumer portal within our website as an extension of our efforts to practice consumer-centered management. The portal transparently discloses VoC, our consumer protection programs, the number of complaints received, our complaint handling process, financial education for consumers, FAQ, etc., to promote interaction with consumers.

### Reinforcing the System to Protect Customer Rights

We check VoC collected via diverse channels and reflect the results in our enterprise-wide business improvement activities. We also reinforced system security to safeguard our customers’ rights. We prevent information leakage through personal information encryption and stringent access control. We are maintaining a world-class information security system as evidenced by our capacity to retain ISO27001, an international standard on information security management.

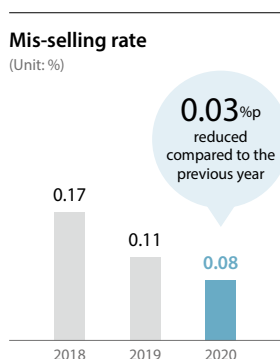
### Personal Information Protection Activities in 2020

<p><b>Offering security training</b></p>	<ul style="list-style-type: none"> <li>▫ Offering personal information protection training for all employees and FPs</li> <li>▫ Over 17,000 participants in 2020 (72 minutes per person)</li> </ul>
<p><b>Sharing security issues</b></p>	<ul style="list-style-type: none"> <li>▫ Updating the latest security issues and incidents via email, popup window, etc. (warnings against email phishing and ransomware, etc.)</li> </ul>
<p><b>Performing security inspections</b></p>	<ul style="list-style-type: none"> <li>▫ Restricting unauthorized access to customer information</li> <li>▫ Reporting the results of on-site inspections to the CEO</li> </ul>

## Consumer Protection-Oriented Sales Practices

### Prioritizing Mis-selling Prevention

We stringently follow the best sales practices and prioritize mis-selling prevention. We strive to prevent mis-selling and improve related practices in the contract signing stage and ensure consumer protection. We receive complaints regarding the contract signing stage through our Call Centers and FPs and promptly respond to them. In order to achieve zero mis-selling, we regularly visit the frontlines, conduct inspections, and offer training on mis-selling prevention. We also offer video streaming of mis-selling prevention training sessions and operate Zero Mis-selling Day every month for FPs and sales staff members to improve their understanding of related laws and regulations and their capacity for zero mis-selling.



**Zero Mis-selling Day**

- Sharing implications of rejected cases of external complaints and the importance of mis-selling prevention
- Providing information on consumer protection laws and sharing the latest developments

**Mis-selling prevention training sessions**

- 2018: Zero Mis-selling – sales knowhow of branches boasting zero mis-selling
- 2019: Mis-selling Prevention Plus – consumer management knowhow of FPs at outstanding branches
- 2020: Mis-selling Prevention No.1 – consumer management knowhow of FPs at branches boasting zero mis-selling
- 2021: Financial Consumer Protection No.1 – major provisions of the Financial Consumer Protection Act and mis-selling prevention strategies

### Internationalizing Mis-selling Prevention Practices

In order to root out illicit sales practices and mis-selling, we perform regular inspections and improvement activities concerning sales processes of face-to-face channels. We have distributed the Ethical Code of Conduct for Sales to all branches including Hanwha Life Financial Service and offer training regularly. We have also executed mystery shopping each year since 2013 and have reflected the results in the special evaluation for sales managers since 2016 to elicit more active on-site management by sales managers. We visit the frontlines of sales frequently to prevent mis-selling practices. We frequently conduct inspections on the mis-selling status on the sales frontlines to check whether each sign up form was filled out in the policyholder’s handwriting and diagnose variable life insurance suitability. We also interview branch heads, FPs, and support personnel to identify the causes of mis-selling.

### Posting the Zero Mis-selling Poster at All Business Sites

As an extension of our efforts to root out mis-selling and prevent related complaints, we produced and distributed the zero mis-selling poster to all our business sites. The design of the poster is based on the No. 1 cause of mis-selling and related complaints in the previous year. With the enactment of the Financial Consumer Protection Act in 2021, we are encouraging all employees and FPs to fully grasp the major provisions of the Act, including the six principles of selling and shifting the burden of proof, and recognize the importance of mis-selling prevention.



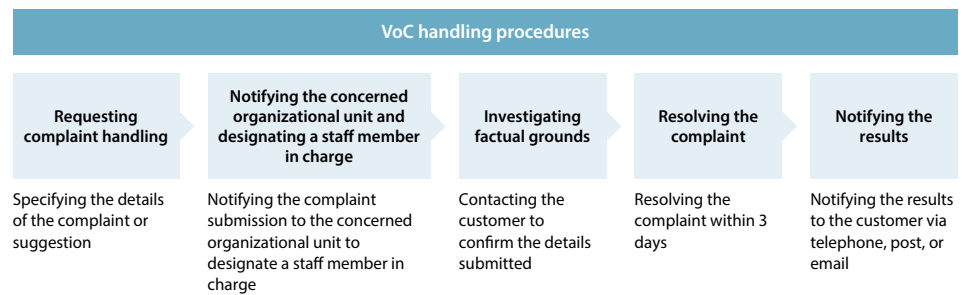
Posters to promote mis-selling prevention from 2018 to 2021

## VoC Collection and Handling System

### Operating the VoC channel

We operate diverse, easily accessible channels for consumers to submit their opinions and complaints. Consumers can submit their opinions through our regional Customer Centers, the consumer portal within our website, the electronic complaint submission window at the bottom of our website, and the opinion submission window of the mobile **ḤḤḤḤḤḤ** Life App. VoC submitted through diverse points of contact are registered on **ḤḤḤḤḤḤ** Talk Talk, our VoC management system as one of the five categories (praise, inquiry, request, complaint, suggestion) to be rapidly handled by organizational units in charge.

### VoC Handling Procedures



### Collecting Consumer Opinions

We actively collect customers' opinions through diverse forms of customer engagement and reflect them in our business operation. We annually conduct focus group interviews (FGIs) to identify improvement points for consumer protection in the product development process. In 2019, a total of 26 customers of six groups participated in a series of FGIs on satisfaction about our signup procedures and related services. In 2020, we conducted FGIs on customer management via digital platforms in the contact-free era targeting 49 customers of seven groups categorized by their age and the insurance purchase channel used.

### Projecting Complaints Based on Big Data

We discern policyholders more likely to develop dissatisfaction about their policies, identify the possible causes of their projected dissatisfaction based on Big Data, and take preemptive measures to resolve them in advance. We strive to prevent the aggravation of dissatisfaction into complaints by taking appropriate measures and practicing effective customer care.

### Customer Satisfaction Strategy

We strive to ensure greater customer satisfaction and value by practicing consumer-centered management focused on prioritizing the wellness of customers. To this end, we continue to enhance our systems and processes.

#### Mid-to-Long-Term Roadmap for Customer Satisfaction Management

Reinforcing customer satisfaction management (2021)	▶	Earning the highest recognition for customer satisfaction (2022-2023)
<ul style="list-style-type: none"> <li>▪ Reaching the outstanding level in the industry in Financial Supervisory Service’s financial consumer protection status evaluation</li> <li>▪ Striving to reach the No. 1 position on the National Customer Satisfaction Index (NCSI) organized by the Korea Productivity Center</li> <li>▪ Obtaining Consumer-Centered Management (CCM) certification organized by the Korea Fair Trade Commission for the 8<sup>th</sup> consecutive time</li> </ul>		<ul style="list-style-type: none"> <li>▪ To reach the highest level in the industry in the financial consumer protection status evaluation</li> <li>▪ To reach and maintain the No.1 position on NCSI</li> <li>▪ To obtain CCM certification for the 9<sup>th</sup> consecutive time and maintain certification (biennial screening in 2023)</li> <li>▪ To be listed on the Korea Service Grand Prix “Hall of Fame” (2022)</li> </ul>

### Customer Satisfaction Service

We strive to create greater customer value by providing the highest quality services at major points of contact with customers, including the Call Center and Customer Center.

#### Call Center

Our Call Center provides differentiated customer care based on industry-leading services, including “Visible ARS Service” to allow customers to readily move onto the desired service even while the voice guidance is being provided; “Mobile Identity Authentication” to reduce the wait for connection; “Callback Reservation” when it is difficult to connect to a consultant; “Connection to the Expert Consultant of the Field” to recommend the consultant most suited for the caller’s needs; and the provision of consultants specializing in variable life insurance for variable life insurance policyholders.

In the second half of 2020, we introduced the AI voicebot (outbound) and AI-ARS (inbound). The AI voicebot provides reminders for insurance premium payments and offers guidance on contract cancellation. We applied speech-to-text (STT), natural language understanding (NLU), and text-to-speech (TTS) technologies to the Call Center’s existing infrastructure to establish AI-ARS, which allows customers to opt for AI, instead of consultants, for consulting regarding preset tasks. This served as the foundation for realizing a forward-looking cutting-edge call center and enhancing the quality of consulting. We plan to apply AI technology to a wider range of simple consulting services.

#### Call Center

On the KSQI in 2021

Ranked **No.1**  
for **10** consecutive years

Platinum-level Call Center  
in 2021

for **13** consecutive years

#### Case Study **Operating the Voice Phishing Reporting Center around the Clock**

We are the industry’s first to operate a voice phishing reporting center around the clock. Reports on suspected cases could be submitted during the open hours of the Call Center (9:00-18:00) in the past. However, such scams can now be reported any time through the ARS service (1588-6363). Once the report is submitted, all services related payments (including insurance policy loans and credit loans) and customer information modification are immediately suspended. We plan to further expand the voice phishing reporting channels to include our mobile and online sites.

---

**Customer Center**

On the KSQI in 2021

 Ranked **No.1**  
 for **12** consecutive years

## Customer Center

Our customer care and emotionally appealing coaching programs ensure the finest customer services and enhanced customer satisfaction. We also offer services aimed at maximizing customer convenience, such as the prior appointment service to allow financially vulnerable groups to select and book the date and time for visiting the Customer Center. In recognition of its pursuit of excellence, the Customer Center ranked first on the Korea Service Quality Index (KSQI) in 2021 for the 12<sup>th</sup> consecutive year.

## Accolades

In accordance with the results of the NCSI survey, customer satisfaction on our products and services has steadily increased over the past six years. We have ranked second among the seven companies subject to the survey since 2013.

We obtained CCM certification organized by the Korea Fair Trade Commission and evaluated by the Korea Consumer Agency for the 8<sup>th</sup> consecutive time in recognition of our continued improvement for customer-centered management. CCM certification is a system that assesses consumer-centered management practices and related improvement activities of companies and certifies outstanding corporations every two years. We were first certified as an outstanding CCM corporation in 2007 and obtained CCM certification in 2021 for the 8<sup>th</sup> consecutive time, thus listed on the Hall of Fame.

In 2021, we achieved the Platinum level for the 13<sup>th</sup> consecutive year and ranked first for the 10<sup>th</sup> consecutive year in the call center sector of KSQI organized by the Korea Management Association Consultants, which assesses how consumers actually perceive different services, while ranking first for the 12<sup>th</sup> consecutive years in the customer center sector. These achievements all testify to our unmatched status in customer satisfaction.

## “FPs on the Move”

We initiated the industry’s first “FPs on the Move” service in 2008. FPs visit customers door-to-door to collect documents required for claims payments, policy changes, etc. This service eliminates customers’ need to physically visit the Customer Center and offers easier access to diverse services, thereby appealing to an increasing number of customers based on enhanced convenience and efficiency. We will continue to prioritize customer convenience in every service throughout the future.

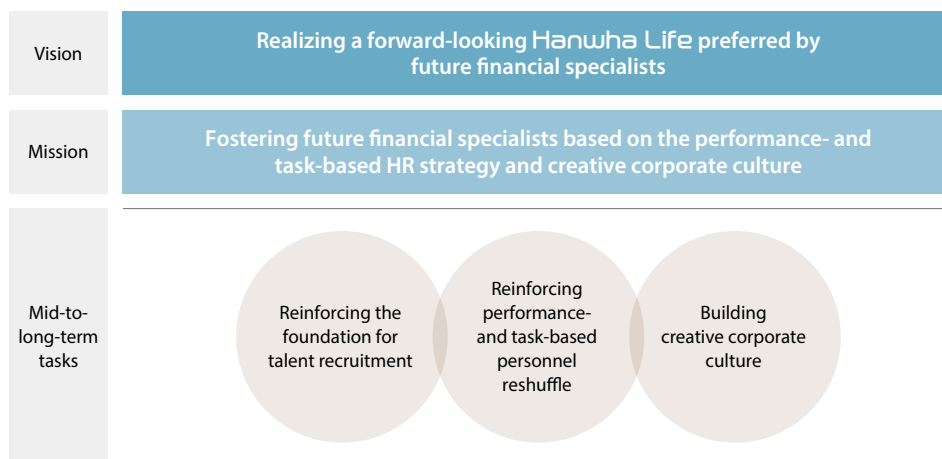
### Case Study COVID-19 Response by the Call Center and Customer Center

We took aggressive infection control measures to protect the Call Center and Customer Center staff members, classified as a high-risk group, and curb the spread of the pandemic. The height of the booth partition at the Call Center was raised from 60cm to 90cm. Remote working was introduced for the consultants to keep the number of those commuting at the pre-designated level, and desks were rearranged in line with the social distancing policy. Body temperature measurement devices were installed on the first floor and in the basement parking lot, while elevators (three times per day), offices, corridors, and restrooms (twice per day) were thoroughly disinfected. Those with body temperature of 37°C or above were allowed to take leave, and it was required for all staff members to wear masks at all times. Each consultant booth at the Customer Center was installed with an acrylic screen to ensure the safety of both customers and consultants. We will remain dedicated to safeguarding our consultants and taking infection control and prevention measures.

## Employees

### HR Strategy

We strive to reinforce the foundation for talent recruitment, reinforce the performance- and task-based HR strategy, and build creative corporate culture to realize a forward-looking working environment preferred by future financial specialists.



### Building creative corporate culture

We operate a fair and transparent recruitment process and prohibit any form of social, environmental, and economic discrimination based on academic background, gender, etc. Positions requiring new employees and skills and knowledge needed are disclosed through notices in a transparent manner. Our open recruitment system is focused on assessing capabilities and skills to discern competent, outstanding applicants. We eliminated the personality and aptitude tests so as to give applicants greater latitude in developing skills in the areas of interest.

### Fostering Insurance Specialists

#### Employee Training System

We nurture expertise of our employees based on specialist cultivation programs tailored for different jobs and ranks.

Training hours per employee in 2020

51.8 hours

Training costs per employee in 2020

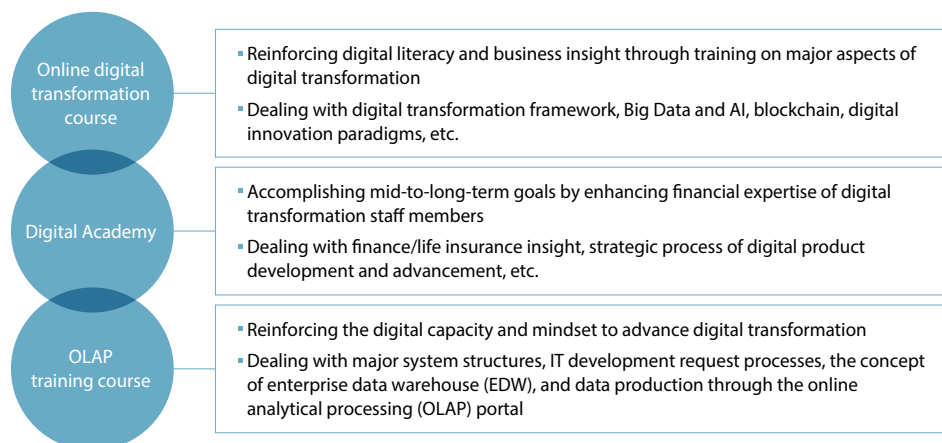
KRW 1.623 million

Value and capability	Core value training for executives, team heads, and team members		
Leadership	Top management	Next-generation leaders	Leadership diagnosis for team and part heads
Common to all	Support for self-development		
	Outside training	Overseas seminars	LIFEPLUS LIBRARY
	Actuary credentialing course	LIFEPLUS ACADEMY	Language learning
Strategic course	Major graduate schools in Korea	Specialized courses at overseas universities	Overseas experts
	Online digital transformation course	Advanced coding course	Digital Academy



## Fostering Professional Development of our employees in Financial Expertise

We are offering a variety of financial training & education programs for our employees to help them grow their financial knowledge and skills.



## Enhancing Expertise through Job Rotation

We operate Job Market, a job rotation program designed to foster our employees' capacity to respond to uncertainty in the workplace by allowing them to experience different jobs. Employees are encouraged to apply for their desired positions to reinforce their job capabilities and skills in a self-directed manner and thereby achieve professional development. We believe the growth of individual employees leads to the growth of the entire organization.

## Cultivating Leadership Skills of Female Employees through the Vision-Up Workshop for Female Employees

We organized the Vision-Up Workshop for Female Employees aimed at fostering next-generation female leaders. It brought together female heads of different organizational units and consisted of special lectures on leadership skills, self-diagnosis, and group activities. It provided opportunities to network and expand exchanges with other female employees at the head office. We will continue to seek ways to empower women in the workplace through various measures.

## Providing Re-employment Training for Prospective Retirees

We provide support for self-development for prospective retirees to help them plan the second half of their professional lives ahead. We have offered re-employment support services and training sessions to those aged 50 and older among non-voluntary prospective retirees. A total of 18 employees received re-employment training in 2020.

## Fair Performance Evaluation

We conduct fair performance evaluation of our employees and disclose the results transparently. Targets for individual employees are set based on targets for the organization, and the progress is reviewed regularly. To objectively evaluate the performance, review results and opinions of the employees subject to assessment are collected and reflected. After the evaluation, employees are given feedback through interviews with organizational unit heads, etc., to more clearly identify improvement points. We also have the system to raise objections to evaluation results in place to ensure transparency and fairness.

## Family-Friendly Management

### Work-Life Balance Maintenance

In the wake of the nation’s transition to the 52-hour workweek scheme, we have offered various programs for our employees to achieve greater work efficiency and productivity while completely disconnecting from work and meeting personal and family commitments. These programs help our employees maintain healthy work-life balance and thereby enhance employee engagement.

<b>PC-Off</b>	<ul style="list-style-type: none"> <li>▪ Computer control program to comply with the 52-hour workweek requirement</li> <li>▪ Shutting down all computers after work hours (18:00-08:30)</li> </ul>
<b>One-month sabbatical leave</b>	<ul style="list-style-type: none"> <li>▪ Providing one-month leave for those who are promoted to temporarily disconnect from work and contribute to building creative and inspiring organizational culture by returning refreshed and recharged</li> </ul>
<b>Flexible work arrangements</b>	<ul style="list-style-type: none"> <li>▪ Offering the compressed workweek system, which allows an organizational unit or individual employee to work a 40-hour workweek in less than five days for a preset month or quarter (only when deemed necessary for specific jobs or positions)</li> </ul>
<b>Personal growth leave</b>	<ul style="list-style-type: none"> <li>▪ Enabling employees to take leave for personal growth (degree course completion, language learning, etc.) and reinforce their capacity and commitment</li> </ul>
<b>Paternity leave</b>	<ul style="list-style-type: none"> <li>▪ Enabling fathers to take leave after child birth and share in childcare responsibility</li> </ul>
<b>RPA</b>	<ul style="list-style-type: none"> <li>▪ Robotic process automation (RPA) technology scheduled to be applied to simple tasks and expected to enhance work efficiency</li> </ul>

### Maternity Protection

We offer a variety of maternity protection programs to ensure the wellness of working parents. We provide leave for pregnancy-related conditions (infertility, miscarriage, and fetal examination) and prevent employees who gave birth within the past year from working overtime.

We also provide essential baby supplies through Mom’s Package and have Mom’s Room in place on the 45<sup>th</sup> floor of the head office to offer a safe and private place to rest and respect the right to pump breast milk at work for new mothers. We operate workplace childcare centers to provide reassuring care for young children and ease the childcare burden of working parents. In recognition of such efforts, we were selected by Great Place to Work (GPTW)\* as the Best Workplace for Women in 2020 for the 6<sup>th</sup> consecutive years.

\* GPTW: Acknowledges and certifies the best workplaces by assessing outstanding companies from over 70 countries, including the Fortune 100 Best Companies to Work For, based on its model and instruments

Selected as the Best Workplace for Women in 2020

for the 6<sup>th</sup> consecutive year

## Employee Communication

### Facilitating Employee Communication

Our organizational culture continues to evolve based on close communication among the executives, employees, and different organizational units. We regularly hold the business issue sharing media sessions and enterprise-wide sharing sessions to deal with pending issues and strategies, which work to help the executives and employees stay oriented towards the same goals and directions. The “Lunchbox Talks with the CEO” program serves as a channel for employees in small groups to engage in candid conversations with the CEO.

### Employee Relations Council

The Employee Relations Council consists of four representatives (two employee and two company representatives) and operates on a permanent basis to effectively handle and resolve material issues related to the wellness of employees.

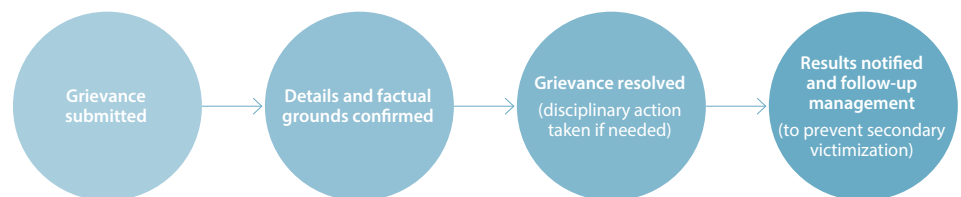
### Employee Satisfaction Surveys

We conduct internal and external evaluations each year to gauge employee satisfaction and improve our organizational culture based on their opinions. We use the Trust Index to assess our workplace performance, with credibility, respect, fairness, pride, and camaraderie included as the indicators.

### Employee Grievances

We remain sensitive to our employees’ complaints and grievances and provide full support for their resolution through the operation of the Grievance Center. The submitted details are kept strictly confidential, and effective follow-up measures are taken promptly to ensure the wellness of our employees.

### Employee Grievance Handling Procedures



#### Case Study Workplace Counseling

We have in-house sexual harassment counselors in place to effectively prevent and respond to workplace sexual harassment. The counselors perform group training for the prevention of workplace sexual harassment and protect the victim from secondary victimization through rapid case reporting, counseling, and investigations.

The counselors are selected based on the stringent assessment of job and lecturing skills, networking skills, etc. We provide support for the completion of the counselor credentialing course offered by the Korean Counselors’ Association to reinforce counseling capacity. We also operate annual workshops for workplace sexual harassment counselors.

## Safety and Health

### Basic Guidelines for the Safety and Health of Employees

The Basic Guidelines for the Safety and Health of Employees are aimed at eliminating potential risk factors in advance to build a safe working environment, protect our employees, and maximize work efficiency.

**Hanwha Life Basic Guidelines for the Safety and Health of Employees**

- We shall stringently abide by all safety and health-related regulations to ensure the safety and health of our employees and visitors.
- We shall promote safety and health awareness and build safety-oriented organizational culture through effective training.
- We shall establish necessary plans to ensure the safety and health of our employees and visitors, regularly evaluate the implementation status, and make continued improvement.

### Industrial Safety and Health Committee

We have operated the Industrial Safety and Health Committee since 2016. The Committee consists of five employee representatives and five company representatives and holds one regular meeting and one special meeting each quarter. In order to prevent industrial accidents, it offers safety and health training for employees and working condition inspections. In 2020, the committee implemented the code of conduct to respond to COVID-19 and presented remote working guidelines to ensure infection control and prevention.

Safety and Health  
Achievements in  
2020

- 1 Curbing the spread of the pandemic**
  - Sharing the code of conduct for employees (January 2020)
  - Providing guidance and allowing employees to work from home (March 2020)
  - Forming the Frontline COVID-19 Response TFT (August 2020)
  - Installing glass partitions and barriers at customer lounge areas (July and October 2020)
  - Placing confirmed cases and their contacts under quarantine (frequently)
- 2 Performing employee physical examinations**

### Employee Healthcare

We offer a variety of programs to ensure the physical and mental wellness of our employees. We provide support for the annual physical examination for all employees to identify and treat any abnormal conditions in a timely manner. In particular, we support sonography for the diagnosis of breast and thyroid cancer, the two cancer types most commonly diagnosed in women, once a year for female employees. In order to ease the healthcare expense burden of employees, we expanded healthcare expense group insurance eligibility to encompass employees, their spouses, and their immediate families. For Call Center consultants, we operate Dreaming Attic, a private space to rest and unwind, and a variety of art therapy programs to promote mental health.

In 2021, we began to offer protection concerning the three mental disorders and sleep disorders for employees through **LIFEPLUS** Mental Health Group Insurance and provide wide-ranging mental healthcare programs (Calendar of Feelings, Diary of Innermost Feelings, etc.) via **LIFEPLUS** Mental Health App. We also offer healthcare aid for those diagnosed with mental disorders.

<b>App-based healing programs</b>	▪ Mental healthcare programs (Calendar of Feelings, Diary of Innermost Feelings, etc.)
<b>Offering healthcare aid</b>	▪ Offering healthcare aid for those diagnosed with the three mental disorders (depression, panic disorder, and post-traumatic stress disorder) and non-organic sleep disorders

---

#### Disaster preparedness training in 2020\*

- ▣ Emergency preparedness training
- ▣ Fire preparedness training

**444** sessions

\* Performed on a monthly basis at each business site nationwide

### Safety Training

We conduct safety training for employees to ensure a safer environment for customers. Disaster preparedness training is conducted regularly to help employees remain prepared for disasters and incidents, develop their safety awareness, and foster their capacity to respond to unexpected events. In 2020, all training sessions were held in a contact-free manner due to the pandemic. Safety training videos with instructions for disasters and incidents, etc., were produced and distributed. We also perform on-site inspections of our fire fighting facilities in association with the local fire station on a quarterly basis and ensure our fire preparedness. We established a disaster response system based on the results of the high-rise structure status inspections organized by Seoul Metropolitan Government and the district office in charge and received high evaluations from Seoul Metropolitan Government and the National Fire Agency. We conducted special inspections on and frequent safety training for high-risk tasks, such as work at height, welding, painting, and cutting, based on the safety evaluation checklist, while stringently assessing the risks of construction sites particularly vulnerable to fire, thereby achieving the goal of zero incidents.

### Safety-Oriented Organizational Culture

We stage a variety of safety campaigns to build safety-oriented organizational culture and help employees remain vigilant about potential risks of incidents.

In 2020, we collected cases of “spur-of-the-moment incidents” that are likely to occur in performing daily tasks through a campaign to instill a greater sense of safety in employees and business partners. The collected cases were included in our training materials to help participants more easily relate to training.

We posted quizzes on risk factors of on-site tasks and daily tasks every month and held the safety improvement poster contest. We maintained our safety-centered management certification in Korea and abroad through the Safety Companion Program certification screening in April and identified risk factors at all our business sites. Through this measure, we were able to enhance the credibility of our safety system and promote SHE (safety, health, and environment) activities at individual business sites.

### Safety Awareness Surveys

We have conducted the safety awareness surveys on an annual basis targeting our employees since 2017 to assess our standing in terms of safety. Our employee safety awareness recorded 93.3 points on average in 2020, testifying to our continued progress from 2017 onwards.

Based on the findings from the survey in 2020, we took improvement measures for 14 cases of four items. We will strive to reinforce our unwavering commitment to safety management based on survey findings and thereby enhance employee safety awareness.

## Win-Win Management

### Selecting Business Partners

#### Fair and Transparent Selection Process

We select business partners pursuant to the Contracting Business Regulations to ensure fair and transparent contracting. In this context, we established HGAPS (Hanwha Life General Affair Purchase System) to enable all employees to carry out bidding processes electronically. Those in charge of evaluating the candidate companies are required to post all evaluation results on this system to ensure a fair selection process.

#### Business Partners Management and Evaluation

We highlight the significance of sustainable management across the industry by inspiring our business partners to take action for sustainability. In order to enhance business partners' awareness on labor rights and ethical management, we analyze the policies and actions of each candidate company participating in bids via HGAPS.

We require business partners to self-diagnose their commitment to human rights and ethical management prior to the initial contract conclusion and renewal of contract using our Self-Checklist for Ethical Standards for Business Partners to partially reflect the results in the screening. The self-checklist consists of the five categories of respect for labor rights and legal compliance, safety and health, environmental conservation, compliance with fair competition order and co-prosperity with business partners, and compliance with the Ethical Standards for Business Partners. All candidate companies participating in bids must perform self-diagnosis via HGAPS.

We enable all business partners to check the Ethical Standards for Business Partners via a popup alert on HGAPS and proactively practice human rights management and ethical management.

We also require all companies participating in bids digitally to fill out the Integrity Commitment Pledge and include working conditions of on-site subcontractors in the evaluation items specified in the Supplier Evaluation Guidelines of the Contracting Business Regulations.

Self-checklist for Business Partners				
Respect for labor rights and legal compliance	Safety and health	Environmental conservation	Compliance with fair competition order and co-prosperity with business partners	Compliance with the Ethical Standards for Business Partners

#### Business Partners

<b>Office supply vendors</b>	Office supplies commonly used by all branches nationwide are purchased through an integrated channel to reduce purchasing costs of consumables and ensure the stable supply of good of consistent quality.
<b>Fixture and equipment suppliers</b>	Fixture and equipment suppliers are selected through evaluations by users, etc. Requests for improvement are collected through asset due diligence on a regular basis, and solutions are sought in association with business partners.
<b>Data system management companies</b>	A variety of data systems are in place for digital transformation of our business operation. We continuously push ahead with technological development and system improvement in association with business partners. We also provide training on customer information protection and compliance with ethical standards for all employees of related business partners.
<b>Maintenance and repair service companies</b>	We mitigate risks associated with diverse tangible and intangible assets through regular maintenance and repair. We ensure prompt task handling through the maintenance and repair of IT equipment, while stringently managing personal information protection programs in cooperation with business partners of system security, etc. We strive to protect personal information by providing training on customer information protection and compliance with ethical standards for all employees of related business partners.

### Communication with Business Partners

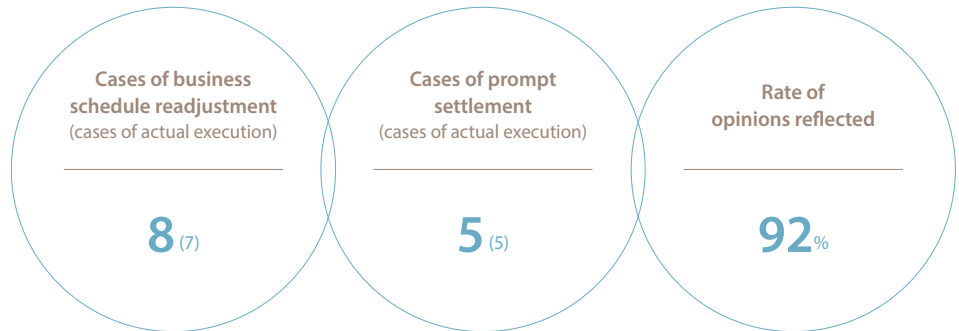
We are equipped with a system to collect and seek solutions for complaints, grievances, and suggestions of business partners and continuously improve contract-related systems and processes by reflecting their opinions.

### Cases of Grievance Handling and Resolution

We monitor the entire process from order placement to settlement using the dashboard to ensure rapid payments as requested by business partners. We are successfully reducing the time required from task inspection to settlement by identifying any delay in the work process in advance.

As for tasks concerning delivery and maintenance and repair, which inevitably require close contact among related staff members, we readjusted the deadlines and schedules through communication with business partners to keep in parallel with the government’s social distancing policy to curb the spread of the pandemic.

We will continue to closely communicate with business partners to identify their grievances and come up with innovative measures to advance co-prosperity.



**Case Study Applying RPA Technology to the Purchasing System to Ensure Accelerated Payments to Business Partners**

We ensure accelerated payments to business partners by RPA technology application and dashboard monitoring across the entire process from order placement to payment following contract signing with business partners.

Searching the delayed stage using RPA

Sending email notifying the current status on the process

## Co-growth with Business Partners

### Expanding Support for Business Partners

We offer a wide range of capacity-building programs for employees of business partners to realize the value of co-prosperity.

We have provided training sessions and performed evaluations for personal information protection, an issue of growing importance, for business partners. We also conducted training on personal information protection, ethical compliance, and legal compliance for all employees of business partners for data systems and equipment maintenance and repair, as well as regular inspections and evaluations concerning systems and staff members of personal information management business partners.

In order to promote the value of life insurance, we are focusing on driving the advancement of healthcare business partners. In this context, we concluded an MOU with Korea University Medicine for the promotion of innovative projects in the digital healthcare area and launch of various support programs.

We operate the fintech startup support program to help startups with innovative technologies enhance their competitiveness, while expanding partnerships with Hanwha Financial Group.

## Hanwha Life DREAMHAUS

Diverse programs and living spaces are offered through **DREAMHAUS** targeting the 22 young residents each year to help them achieve growth and capacity for self-reliance.

### Space Design



The Loft on the first basement floor of **DREAMHAUS** is designed for cooperative projects. It is equipped with a small-scale studio for shooting and recording and offers a meticulously curated collection of magazines, which well reflect its corporate philosophy, updated every two months. The single-person rooms for the 22 residents occupy the third to fifth floors. The shared kitchen on the third floor serves as an important platform for networking by bringing together the residents of diverse fields from journalists to blockchain developers, and designers to cook and share meals together.



### Training Programs



<p><b>D:PAGE for Digital Talks</b></p>	<p>D:PAGE is a digital talk program engineered to inspire and encourage participants. It features stories of people who are striving to go beyond “a brand of my own” and build “a brand for all” in the face of the changes brought forth by the pandemic. Planners, designers, and creators are brought together to engage in “keyword-based open talks”, and related videos are uploaded on the SNS channels of <b>DREAMHAUS</b> every month.</p>
<p><b>D:STATES for Networking and Mentoring</b></p>	<p>D:STATES is a networking program designed to help participants consult experts of diverse fields and receive stage-by-stage mentoring. The second-generation participants were categorized into the three groups of Green, Makers &amp; Sellers, and Tech and interacted with their mentors over the period of three weeks through meetings, visits to their workspaces, and final mentoring sessions to achieve personal growth.</p>



## Hanwha Life DREAMPLUS for Startup Cultivation

We uncover and foster innovative startups through the **DREAMPLUS** 63 Fintech Center, the industry's first fintech startup cultivation institution established in October 2016, and **DREAMPLUS** Gangnam Center founded in August 2018, thereby upholding the value of co-prosperity.

**DREAMPLUS** is an open innovation hub designed to elicit cooperation and growth of startups based on the core values of "Connection", "Sharing", and "Collaboration". It helps startups network with diverse partners to find new business and investment opportunities. Its major programs include **DREAMPLUS** Demonstration Day aimed at reinforcing business capacity and regular seminars held in association with industry-leading entrepreneurs and experts. It participates in diverse events as a key player, including NextRise, which is the nation's largest startup fair, and ComeUp, a global startup event organized by the Korea Institute of Startup & Entrepreneurship Development, to help expand the parameters of the startup ecosystem.

### Collaboration and Growth Driven by DREAMPLUS

**DREAMPLUS** offers solutions catering to the needs of different stages of a startup's life cycle, from foundation to expansion, and global advancement. It supports startups of all fields, including finance, regardless of scale and business operation method. It encourages the resident companies of the **DREAMPLUS** Centers, innovation-seeking organizational units of large corporations, investors, media, and educational institutions to network and cooperate in various ways. **DREAMPLUS** has uncovered and fostered over 270 startups so far. In 2020 alone, over 60 startups joined hands with Hanwha Financial Group including Hanwha Life and **DREAMPLUS** partners, and some of their technologies and content were applied to our new products and services.

#### Major Partner Startups

#### Startup Support and Nurturing

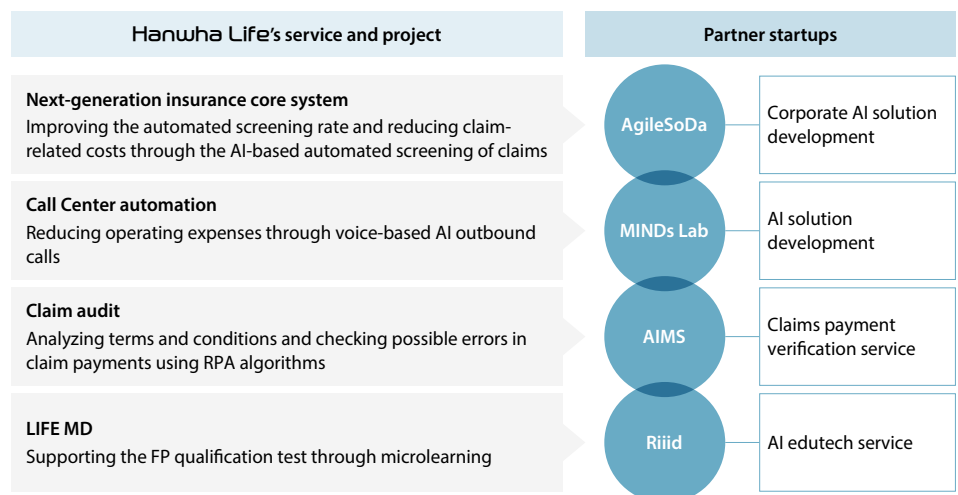
270 companies (accumulated)

#### Support and Nurturing through Global Expansion Program (GEP)

44 companies (accumulated)

#### Diverse programs held to vitalize startup ecosystem and expand networking

405 events,  
27,000 participants



### Overseas Hubs to Support the Global Advancement of Startups

We aim to expand our overseas hubs to help promising startups make inroads into the global market. Our existing overseas hubs include the local offices in San Francisco, Fukuoka, and Beijing. We will continue to expand our support for those startups wishing to build a stronger global presence with the help of our global network.

#### Resident companies of the Fintech Center in 2020

- Finance: Tickle, AIMS
- Healthcare: Mobile Doctor, NuEyne
- Others: Petner, Allyeozum, Brain & Research Innovation



## Human Rights Management

### Reinforcement of Human Rights Management

#### Reinforcement of Human Rights Management

We are dealing with diverse stakeholders, from employees to customers, FPs, business partners, and subsidiaries, and thus strive to prevent human rights infringement across all aspects of our business operation. We make sure to conform to labor and human rights regulations of different countries in which we operate, while advocating international standards including the Universal Declaration of Human Rights and the UN Framework and Guiding Principles on Business and Human Rights.

We have also implemented the human rights policy aimed at protecting the human rights of direct and indirect stakeholders in every decision and action we take.

#### Hanwha Life Human Rights Policy

<b>For employees</b>	<ul style="list-style-type: none"> <li>▪ It is prohibited to discriminate against individuals based on gender, age, disability, religion, place of birth, political propensity, etc.</li> <li>▪ Employees shall be given opportunities for personal growth and training based on their capabilities and fairly evaluated and rewarded based on their performance.</li> <li>▪ We shall guarantee the right to participate in labor union activities and build a cooperative partnership with the labor union based on mutual trust.</li> <li>▪ We shall provide a safe and pleasant working environment to ensure the health of employees.</li> </ul>
<b>For FPs, subsidiaries, and business partners</b>	<ul style="list-style-type: none"> <li>▪ We shall respect FPs, subsidiaries, and business partners as our equal companions on our journey towards co-prosperity.</li> <li>▪ We shall ensure fair and transparent transactions with FPs, subsidiaries, and business partners and provide full support to promote human rights management.</li> <li>▪ We shall not tolerate any forms of forced labor and child labor and take measures to prevent such practices.</li> </ul>
<b>For customers</b>	<ul style="list-style-type: none"> <li>▪ We shall rapidly and accurately respond to customers' needs and strive to enhance customer satisfaction.</li> <li>▪ We shall continuously improve technical and physical solutions to protect customer information collected for our business operation.</li> <li>▪ We shall not offer discriminatory financial services based on gender, ethnicity, religion, political propensity, etc..</li> <li>▪ We shall develop products and services that meet customers' expectations and offer them in an ethical and legitimate method.</li> </ul>
<b>For shareholders and investors</b>	<ul style="list-style-type: none"> <li>▪ We shall guarantee shareholders' rights by maintaining the accuracy and credibility in accounting and sharing information transparently.</li> <li>▪ We shall provide information needed by shareholders and investors in a prompt and fair manner pursuant to related laws and bylaws.</li> <li>▪ We shall respect reasonable requests and suggestions of shareholders and investors and maintain mutual trust.</li> </ul>
<b>For local communities</b>	<ul style="list-style-type: none"> <li>▪ We shall practice inclusive finance for local communities in which we operate and strive to enhance vulnerable consumers' access to financial services.</li> <li>▪ We shall root out transactions using fictitious name and borrowed name accounts, illegal money laundering, etc., to build healthy communities.</li> <li>▪ We shall take environmental and social issues of local communities in consideration, comply with domestic and international environment-related laws and regulations, and disclose our environment-related data transparently.</li> <li>▪ We shall make sure to protect the human rights of local communities we serve and actively engage in community outreach activities as a responsible corporate member of the local communities.</li> </ul>

#### Human Rights Training for Employees

We provided human rights training for our employees to highlight the value of human rights management, as well as our human rights management activities and policy, and thereby raise their awareness on the need of human rights management. The training program included discussions on ways to practice human rights protection through everyday tasks, and the participants were given the opportunity to contemplate the importance of human rights protection for not only our employees but also business partners and customers. We will continue to practice human rights management by regularly conducting human rights training for our employees.

Number of employees who completed human rights training

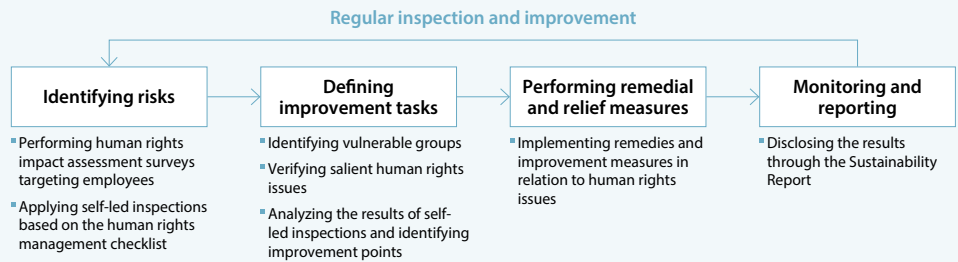
3,894

▪ Details: Definition and importance of human rights management, human rights management activities, human rights policy, etc.

## Human Rights Risk Management

We conducted human rights impact assessment surveys targeting employees to identify human rights risks that can be generated through our business operation and reflect the identified risks in the work process. We discerned particularly vulnerable groups and related human rights issues through the surveys and are in the process of preparing remedial measures. We also performed self-led inspections in accordance with the human rights management checklist to review the human rights management implementation status enterprise-wide. We established the human rights management index to monitor and manage our checklist performance on a yearly basis.

### Human Rights Risk Management Process



## Results of Surveys for Human Rights Impact Assessment

No serious human rights violations were identified from the surveys. However, we categorized assistants and assistant managers, the two lowest ranks in the organizational hierarchy relatively more vulnerable to human rights infringement, as the vulnerable group to ensure better human rights protection. We have also taken improvement measures for diverse human rights issues and monitored the implementation status through organizational units in charge.

Vulnerable group	Salient human rights issues	Remedial measures	Results
<ul style="list-style-type: none"> <li>▪ Assistants</li> <li>▪ Assistant managers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Need to ease stress originating from relationships with colleagues and customers at work</li> </ul>	<ul style="list-style-type: none"> <li>▪ Providing protection for employees through LIFEPLUS Mental Health Group Insurance and offering stress-release and other mental healthcare programs via the app</li> <li>▪ Offering healthcare aid for the top three mental disorders (depression, panic disorder, and post-traumatic stress disorder) and non-organic sleep disorders</li> <li>▪ Operating the employee grievance handling system</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stress eased</li> <li>▪ Job and organizational satisfaction enhanced</li> </ul>

### Case Study Protection of the Human Rights of Call Center Employees

We engage in a variety of human rights protection activities in the workplace. We operate 'Hear-to-Heart' to protect the human rights of Call Center consultants, through which Call Center consultants are allowed to take extended breaks after being exposed to verbal violence, sexual harassment, etc., during customer service. The Consulting Review Committee reviews the possibility of legal punishment and helps the victim take proper action. We also operate 'Dreaming Attic', a private space for consultants to rest and unwind, and 'Healing LIFEPLUS Healer', a healing program based on cultural and artistic activities. Professional arts lecturers are dispatched to different Call Center locations to offer tailored healing sessions spanning a wide spectrum of subjects from calligraphy to folk painting, photography, and gayageum. The analysis of the performance of the program in 2020 indicated that stress of consultants was notably relieved and their satisfaction concerning tasks and organization was enhanced.

## Transition to Green Finance

‘Green finance’ has become a key watchword in the financial sector in recent years. Due to the increasing abnormality of weather patterns and the damage to the global ecosystem as a result of global warming, responding to the effects of climate change is becoming ever more important. In view of this, Hanwha Life has established an environmental management system to prepare for the transition to green finance and is undertaking various activities to respond to climate change. We have also joined the TCFD (Task Force on Climate-related Financial Disclosures) to publish climate-related information and facilitate the transition to green finance.

### Materiality of Topic

Society has shown a growing interest in climate-related issues in recent years. The Korean government’s declared target of carbon neutrality by 2050 has also impelled business’s growing role and responsibility in this area. In particular, there is a growing demand for a contribution by the financial sector to exercise influence on companies through investments and other financial activities. And in Korea, this has led to the establishment of model standards for green finance to create a voluntary green eco-system. The TCFD has also called for businesses to assess the financial impact of climate change and disclose relevant information. This has required businesses to recognize the significance of climate change and take specific actions in response.

### Hanwha Life’s Management Approach

In preparation for the transition to green finance, Hanwha Life has established an environmental management system to set annual sustainability targets and monitor performance. In addition, we have installed solar panels to create green offices and help reduce greenhouse gas emissions. Furthermore, with the declaration of de-coal financing, we have conducted a wide variety of campaigns and training sessions to raise employees’ awareness of environmental issues. Hanwha Life joined the TCFD (the Task Force on Climate-related Financial Disclosure) in April 2021. We are planning to analyze the financial impacts – opportunities and challenges of climate change – and also transparently disclose information and climate related activities of our stakeholders.



Declaration of de-coal financing



Became a supporter of the TCFD

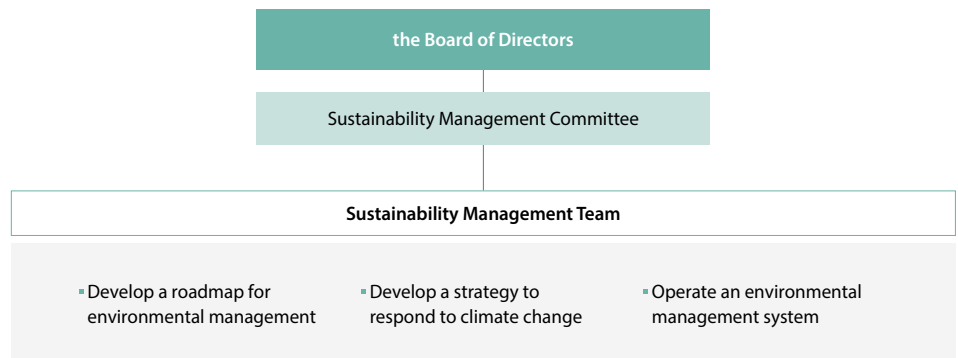
## Environmental Management

### Environmental Management Policies

Hanwha Life's Environmental Management Policies
<ul style="list-style-type: none"> <li>▪ Hanwha Life strictly adheres to environment-related regulations and applies eco-friendly practices</li> <li>▪ Hanwha Life sets environmental management plans and specific targets, regularly assesses implementation progress, and consistently conducts improvement activities.</li> <li>▪ Hanwha Life minimizes the negative impact of business operations on the environment and reduces greenhouse gas emissions as part of our response to climate change.</li> <li>▪ Hanwha Life endeavors to develop green finance products and expands eco-friendly investments.</li> <li>▪ Hanwha Life conducts environmental management training for all employees to enhance people's understanding of the company's policies, and imbues the relevant culture for environmental management</li> <li>▪ Hanwha Life transparently shares eco-friendly management activities and outcomes with our stakeholders.</li> </ul>

### Environmental Management System

Hanwha Life has established an environmental management system in line with the corporate-wide transition to green finance. The Sustainability Management Team analyzes the environmental impact of business operations and pushes ahead with projects to turn business sites into low-carbon, eco-friendly and safe facilities by curbing greenhouse gases and improving energy efficiency.



### Performance monitoring of environmental management

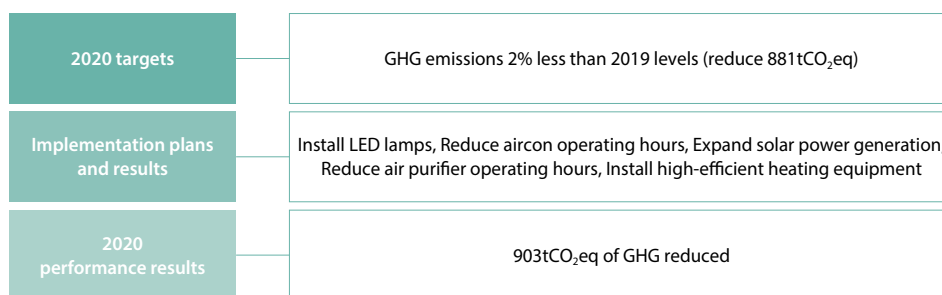
Hanwha Life has established a monitoring system to assess the performance of the environmental management system. Environment-related data including energy and greenhouse gases used and discharged by all business sites are systematically managed under the BEMS (Building Energy Management System). Also, based on the previous year's data, such as greenhouse gases, energy, and industrial water usage, environmental management targets are set and reviewed annually. In addition, Hanwha Life is making consistent efforts to save energy and reduce greenhouse gas emissions.

## GHG Emissions Reduction

### Creating Green Offices

#### Energy saving and GHG reduction in business sites

Hanwha Life is actively implementing an eco-friendly management system to reduce the risk of future climate change. To this end, we set greenhouse gas reduction targets every year and identify areas of opportunity for further reductions. Over the past three years, we identified a total of 309 items and reduced greenhouse gas emissions by 2,843tCO<sub>2</sub>eq: In 2018, 115 items were identified, leading to a reduction of 1,014tCO<sub>2</sub>eq; In 2019, 93 items were identified, reducing emissions by 926.2tCO<sub>2</sub>eq; In 2020, our target was to reduce 881tCO<sub>2</sub>eq, but the actual result was 903tCO<sub>2</sub>eq well above target. This was achieved by improving energy usage, such as installing energy-efficient LED lamps, enhancing major facilities and upgrading the management system. We also operate a BEMS (Building Energy Management System) and are actively expanding the use of renewable energy at our worksites. For 2021, our target is to identify 79 items to achieve a reduction in emissions of 607tCO<sub>2</sub>eq.



#### Solar Panel Installation at the LifePark Training Center

As an eco-friendly company, Hanwha Life has installed solar panels on the buildings and signposts of our LifePark Training Center to comply with the Korean government’s ‘Renewable Energy 3020’ policy, and to promote the use of sustainable energy. Over 390 solar panels installed on the rooftop of the dormitory building generate about 5.6% of the electricity required to operate the training center. Also, solar signposts generate and store about 500W of electricity required to light LED lamps at night. Through these activities, Hanwha Life is pushing ahead with energy savings while at the same time solidifying our image as an eco-friendly company.

#### Solar Panel Installation at the Janggyo Building

As part of sustainable energy usage, solar panels were installed on the exterior walls and rooftop of the Janggyo Building when it was recently refurbished. The 468 panels on the exterior walls and 396 panels on the rooftop generate power, of which (annually)134kw, about 2.5% is used to operate the building, and 104,096kw (as of 2020) is used to operate electric motor equipment such as air conditioning units. This saves about KRW 12 million annually in electricity usage, which is equivalent to planting 7,354 trees (48,540kg of CO<sub>2</sub> reduction) contributing to reduction of greenhouse gases and preservation of the ecosystem.

Hanwha Life will continue efforts to install and maintain solar power facilities in order to fulfill corporate responsibility and respond to climate change.

### Participation in Solar Powered Building Project

Hanwha Life has expanded solar power generation by installing solar panels around the rooftop billboards. In 2019, we participated in the Korean Energy Agency's 'Solar Power Building Project' and installed photovoltaic generation equipment in our Dunsan office building. As of April 2021, we now generate 46.1MWh of power photovoltaically, equivalent to planting 3,253 trees (a reduction of 21t CO<sub>2</sub>eq).

### Eco-friendly activities of the Data Center

The eco-friendly Hanwha Data center, built in November 2010, has solar panels on the roof to provide power for continuous use. Its computing facilities are eco-friendly and energy-efficient.



Solar panels installed in the LifePark Training Center



Monitoring electricity generated from renewable energy in the Dunsan building

## Environmental Impact Reduction

### Saving paper

#### Paperless work environment

Hanwha Life is joining the efforts to reduce paper usage by creating a paperless work environment. We now use Smart Planner, an electronic sign up system launched in 2015, through which documents containing personal information are encrypted and sent to the head office on a tablet PC. This not only reduce the use of paper but also improve work efficiency by cutting the time spent on identifying mis-selling and processing claims payment. This system has also brought about a paper-less meeting culture by limiting the printing of documents for meetings.

### Purchasing eco-friendly products

#### Expanding purchase of eco-friendly products

Hanwha Life is actively pushing ahead with eco-friendly purchases. For supplies at the head office and other business facilities, we purchase products made from eco-friendly materials. Also, the natural soap products placed in customer centers are bought from a social enterprise that provides jobs for the disabled. By providing a preferential treatment for social enterprises in purchasing contracts, Hanwha Life is contributing to increasing social value.

## Environmental Awareness Enhancement

### Environmental education for employees

Hanwha Life runs training programs targeted for all employees. To help internalize environmental management, we develop custom training content based on relevant regulations and market trends. A recent session was organized around the theme of ‘proper understanding of climate change’ to help raise people’s awareness of climate risks. At the same time, we are actively engaging employees in an interactive campaign looking for opportunities to reduce greenhouse gases in the workplace. Hanwha Life intends to continue these efforts to provide regular training and increase communication with employees on climate change and environmental protection.

### Joining the ‘Earth Hour’ movement

Hanwha Life is participating in Earth Hour every year. This event is organized by the WWF\* to raise global awareness of the danger of climate change and preserve the Earth’s environment. All internal lights, signage and landscape lighting, as well as exterior illumination are switched off for an hour from 8.30pm on the last Saturday of March. Hanwha Life empathizes with the need to respond to climate change and will continue to take part in the event.

\* WWF (World Wide Fund for Nature): Founded in Switzerland in 1961, WWF is the world’s largest nature conservation organization, and currently promotes a wide range of environmental protection activities – including marine, wildlife, climate change and forestry – in over 100 countries.

### Environmental campaigns

As part of ESG management, Hanwha Life carries out social contribution activities. For one week from 20 May 2021, a ‘Give Green’ campaign was organized in collaboration with GoodWill Store, in which second-hand goods donated by general households were recycled for re-selling. All proceeds went towards providing economic assistance for disabled employees. This campaign has helped increase sharing practices as well as highlight eco-friendly activities. In recognition of environmental protection as a core value of corporate management, Hanwha intends to push ahead with diverse activities to promote a more sustainable future.

<p>Number of participants</p> <p><b>153</b></p>	<p>Donated goods</p> <p><b>3,300</b> items</p> <p>(Clothing: 2,000, Cultural: 500, General household: 300 items)</p>	<p>Re-sale value</p> <p>KRW <b>9</b> million</p>
<p>Economic contribution for the disabled</p> <p>Jobs for <b>6</b> people</p>	<p>Greenhouse gas reduction</p> <p><b>46</b> ton</p>	<p>Water saving</p> <p><b>8,910,000</b> L</p>



## Declaration of De-coal Financing

Hanwha Life declared De-coal Financing in January 2021 together with other financial subsidiaries of the Hanwha Group - Hanwha General Insurance, Hanwha Investments & Securities, Hanwha Asset Management, Hanwha Savings Bank, and Carrot Insurance. This means that Hanwha Life will not participate in project financing for coal power plants in Korea and abroad, nor acquire bonds issued by SPCs for coal-fired power plant construction. Neither will we buy other fixed income securities for this purpose. Instead, we will continue to expand our green investments in renewable energy.

## Hanwha Solar Forests

Together with the Hanwha Group, Hanwha Life has supported the Hanwha Solar Forest project since 2011. This is an eco-friendly social contribution campaign aimed at tackling environmental issues such as climate change, desertification, and air pollution. Since it is concerned with growing seedlings using solar power, rather than fossil fuels, it is recognized as an eco-friendly social contribution. Starting with Mongolia Tojinnars Nature Reserves, a total of seven forests have been created in China and Korea, where about 500,000 trees have been planted covering an area 4.6 times the size of Yeouido in Seoul. The Solar Forests have contributed to making water and air cleaner and preventing desertification.



Declaration of de-coal financing



Protecting endangered wildlife

## Protecting endangered wildlife

Hanwha Life conducts various activities to engage employees in protecting wildlife and preserve biodiversity. Recently, leopard lizards graded level 2 of endangerment were found declining in numbers in Junglangcheon in Seoul due to landscaping works in the stream. In fact, only one leopard lizard was observed over the last year. To protect the species, their natural habit in Junglangcheon was improved by creating lizard-friendly mounds and stone walls. Hanwha Life will continue to join efforts to preserve biodiversity and protect endangered species.

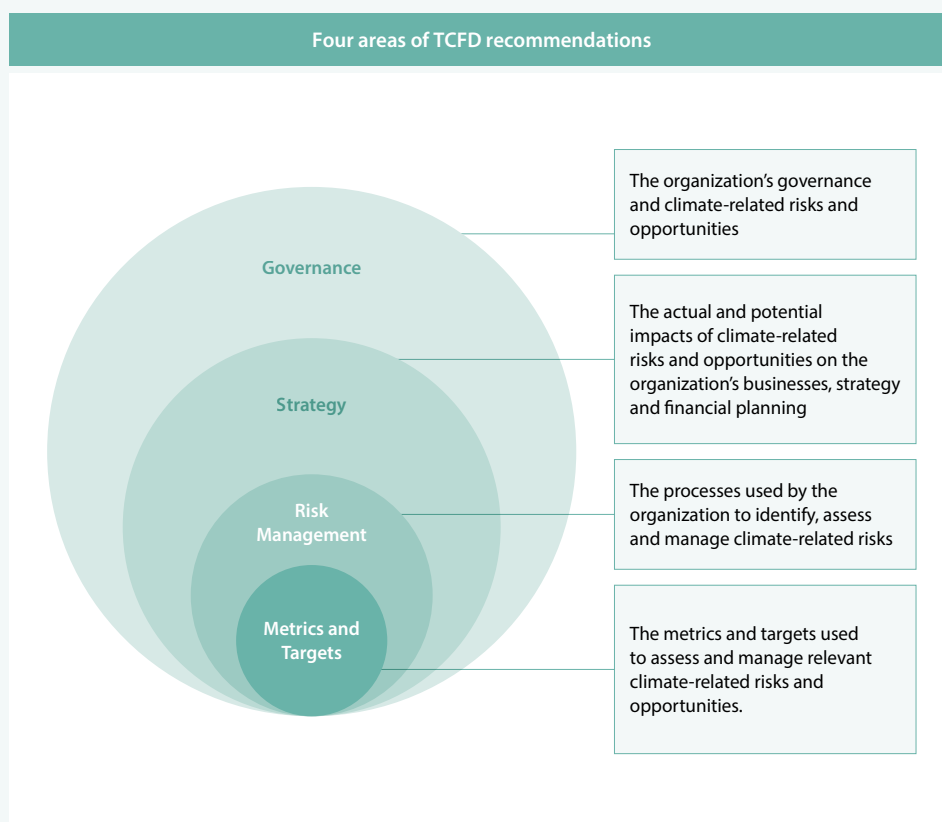


## TCFD

### Background to the TCFD

Climate change presents both risks and opportunities for business sectors. Rising temperature of the Earth lead to natural disasters and disruption to eco-systems, which also have a negative impact on people’s health and business operations.

The TCFD (Task Force on Climate-related Financial Disclosures) is an international body created in 2015 by the FSB (Financial Stability Board) consisting of G20 Finance Ministers and Central Bank Governors with a view to disclosing climate-related strategies and company information. By providing reliable information on climate, the TCFD helps raise business stakeholders’ understanding of climate-related risks and opportunities and make rational decisions. In 2018, the TCFD announced a set of recommendations on climate-related financial disclosures, consisting of 11 disclosure obligations across four areas – governance, strategy, risk management, and metrics and targets.



### Hanwha Life declaring support for the TCFD

The Financial Stability Board has created the TCFD to encourage companies to disclose climate-related financial information. Hanwha Life publicly declared support for the TCFD in 2021 and plans to provide relevant information to our stakeholders following TCFD recommendations.

## TCFD recommended disclosures

Hanwha Life has established governance, strategy, risk management, and metrics and targets concerning climate change. We intend to manage implementations and share the progress with our stakeholders.

Area	Item	Hanwha Life's Actions
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	Hanwha Life set up a sustainability management committee to push ahead with ESG management. Since climate change is at the core of ESG management, the committee makes top-level decisions on climate-related strategy, risks and responsive measures.
	b) Describe management's role in assessing and managing risks and opportunities.	The Board of Directors including the CEO and internal / independent directors approves climate-related management targets that have an important impact on business strategy and performance. The sustainability management committee within the board confirms risks and opportunities, influences relevant decisions, and manages action plans and implementation progress concerning climate change.
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Hanwha Life recognizes extreme weather conditions such as typhoons and flooding as physical risks. In the event of natural disasters inflicting material damage to investees, asset management yields of an insurance company would be declined. Also, an increase in the carbon credit price is considered a financial risk. If an invested company subject to the Emission Trading Scheme exceeds its emission allowance, it will have to buy carbon credits from other companies. A rise in carbon credit price would result in an increase in the investee's operating costs, which in turn would lower rate of investment return, causing longer-term financial risk to the investment company.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Having declared de-coal financing, Hanwha Life has suspended new investments or loans in the coal industry that have a negative impact on climate. Hanwha Life also set up ESG investment guidelines for unit-linked funds. We intend to expand ESG related investments in the future based on these guidelines.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Hanwha Life plans to analyze climate-related scenarios and assess estimated financial damage.
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	The sustainability management team plans to work with relevant teams to identify and assess climate-related risks.
	b) Describe the organization's processes for managing climate-related risks.	Hanwha Life considers ESG elements in making investment decisions. Also, we plan to establish ESG investment guidelines to set standards and integrate investment processes.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Hanwha Life plans to analyze carbon emissions of the industries and companies in our investment asset portfolio. We intend to identify industrial sectors that require cautionary investment and analyze physical and conversion risks based on various scenarios. We will also incorporate the analysis into our internal risk management system and establish a process to assess and manage risks in investment decisions.
Metrics & Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	To assess climate-related risks and opportunities, we use metrics such as amount of energy usage, volume of greenhouse gas emissions, and value.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Greenhouse gas emission data are disclosed through the annual sustainability report. We intend to disclose Scope 1 and Scope 2 separately and expand to Scope 3 in the future.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Hanwha Life aims to achieve carbon-neutral status by 2050.

## Building Sound Governance

In order to maintain and grow the company in a rapidly changing business environment, we recognize the need to establish a sound governance structure and management system. With the growing importance of ESG management, it is also critical to control non-financial risks. To this end, Hanwha Life has formed a balanced Board of Directors and a number of committees under the Board, including the Sustainability Management Committee, to move business forward and make decisions in the interests of our stakeholders, particularly shareholders and customers. In addition, by establishing a robust management system, Hanwha Life has sought to identify and manage both financial and non-financial risks in a proactive manner.

### Materiality of Topic

The Board of Directors, as the highest decision-making body of Hanwha Life, deals with matters concerning business strategy and the long-term growth of the company. A sound make-up and transparent operation of the Board is fundamental to ensuring long-term business continuity. Further, since the ethical standards of the company will determine corporate reputation, particularly in the financial sector, it is critical to maintain customer trust by putting in place a sound system to manage risks and protect customer data.

### Hanwha Life's Management Approach

Hanwha Life seeks balanced decision-making by maintaining independence and diversity of the Board. In 2021, Sustainability Management Committee was created to lay the foundations for ESG management. In addition, the company's ethics charter and policies were updated and produced as an e-book to instill an ethical mindset across the company. By establishing a risk management system to deal with both financial and non-financial risks, the company endeavors to pre-empt the uncertainties and potential losses that may incur as part of management activities in a rapidly changing financial environment. Furthermore, we have strengthened the information security system across the insurance value chain from product development to customer relations.



The Sustainability Management Committee was created



One female director was appointed

## Corporate Governance

### Board Structure & Roles

The Board of Directors, as the highest decision-making body of Hanwha Life, approves management policies and major issues affecting the long-term growth of the company, as well as supervises the directors' undertaking of their duties. As of March 2021, the Board consists of seven members. Four independent directors with proven expertise and independence make up a majority of the Board to maintain mutual checks and balances between the directors. Also, in order to facilitate rapid decision-making and responsible management in the financial industry, the CEO also serves as chairman of the Board. To ensure the independence of the Board and its function as checks and balances on management, senior independent directors are separately appointed, and the Board also retains the power to appoint and dismiss the CEO.

Under the Board, there are specialist committees concerning Sustainability Management, Audit, Candidate Recommendation, Compensation, Risk Management and Internal Transactions. Each committee deliberates and pronounces on delegated matters. The Audit committee, which reviews and supervises overall management, consists solely of non-executive directors, to ensure its independence.

### Board of Directors

(As of March 2021)

Role	Name	Gender	Current	Month first appointed	Major experiences
Internal Director	Yeo Seung-Joo	Male	Mar 2021 -2023	Mar 2019	<ul style="list-style-type: none"> <li>▪ Present CEO, Hanwha Life</li> <li>▪ Former CEO, Hanwha Investment &amp; Securities</li> </ul>
	Lee Kyung-Geun	Male	Mar 2021 -2023	Mar 2021	<ul style="list-style-type: none"> <li>▪ Present Head of Shared Service, Hanwha Life</li> <li>▪ Former Head of Corporate Strategy &amp; Planning, Hanwha Life</li> </ul>
	Kim Joong-Won	Male	Mar 2021 -2023	Mar 2021	<ul style="list-style-type: none"> <li>▪ Current Head of Compliance Cluster, Hanwha Life</li> <li>▪ Former Head of Ethical Management, Hanwha Life</li> </ul>
Independent Director	Hwang Young-Key	Male	Mar 2021 -2022	Mar 2019	<ul style="list-style-type: none"> <li>▪ Former Chairman, Korea Financial Investment Association</li> <li>▪ Former Chairman, KB Financial Group</li> </ul>
	Lee Seung-Woo	Male	Mar 2020 -2022	Mar 2020	<ul style="list-style-type: none"> <li>▪ Former Independent Director, Samsung Securities</li> <li>▪ Former President, Korea Deposit Insurance Corporation</li> </ul>
	Lee In-Sil	Female	Mar 2021 -2023	Mar 2021	<ul style="list-style-type: none"> <li>▪ Former Chairman, Korean Economics Association</li> <li>▪ Former Director-General, Statistics Korea</li> </ul>
	Cho Hyun-Chul	Male	Mar 2021 -2023	Mar 2021	<ul style="list-style-type: none"> <li>▪ Former Standing Auditor, Kolon Materials</li> <li>▪ Former Standing Advisor, Kolon Industry</li> </ul>

## Appointment of Board Members

### Fair Director Appointment Process

All directors are elected through resolutions at the general shareholders' meeting. Independent directors and Auditors are nominated by the Candidate Recommendation Committee. The CEO is elected by the Board among the directors appointed at the shareholders' meeting upon nomination by the Candidates Recommendation Committee. Internal directors are nominated and elected by the Board. The Candidate Recommendation Committee manages a pool of candidates for independent directors and the CEO. It reviews the status and appropriateness of top management succession plans at least once a year and reports them to the Board. The Candidate Recommendation Committee checks not only legal qualifications but also the candidate's expertise, fairness, ethical responsibility and integrity. The nomination process complies with the laws and regulations on corporate governance of financial companies, and the corporate governance report is published every year as required by law.

### Independence of the Board

In accordance with internal regulations on corporate governance, Hanwha Life appoints outside directors who are independent and who meet the requirements of relevant laws and regulations, such as Article 6 of the Act on Corporate Governance of Financial Companies. More than half the Board are independent directors, and the entire Audit Committee, responsible for auditing overall corporate management, consists solely of independent directors to ensure its independence. Also, other committees under the Board should have a majority of independent directors and should also be chaired by an independent director.

### Expertise and Diversity of the Board

Hanwha Life considers expertise and diversity when it comes to appointing board members. For the best interest of our stakeholders, the directors we appoint are experts with a wealth of experience and knowledge in finance, insurance and management. Particularly, independent directors appointed are those with abundant field experience and/or professional knowledge in broader areas of finance, management, economics, law, accounting, consumer protection and IT. As a result, we currently have four independent directors with expertise in finance and economics (Hwang Young-Key, Lee Seung-Woo, Lee In-Sil, Cho Hyun-Chul), two internal directors with expertise in insurance and management (Yeo Seung-Joo, Lee Kyung-Geun), and one legal expert (Kim Joong-Won). In addition, we do not discriminate against gender, race, nationality or age, and evidenced by the appointment of one female director in 2021 to ensure diversity.

## Operation of the Board

Board meetings are divided into regular and interim meetings. Regular meetings are held every quarter, and interim meetings when required. A resolution of the Board generally requires the approval of a majority of the directors present, but when directors take advantage of company opportunities or conduct internal transactions with other directors or major shareholders, the resolution requires approval of more than two-thirds of the Board. When issuing loans, shares or bonds of over KRW 1 billion to major shareholders, resolutions here require unanimous approval.

(as of the end of 2020)

Category	Unit	2018	2019	2020
No. of meetings	Times	11	8	10
Submitted items	Items	61	54	46
Internal Director Attendance	%	100	100	97
Independent Director Attendance	%	91	97	100

## Support for Independent Directors

Hanwha Life provides support for independent directors in making rational decisions and performing their duties. Prior to a board meeting, related materials are shared to enable sufficient review. As it is clearly indicated that independent directors can request all necessary information and materials concerning business management, we provide relevant information in a timely manner to support rational decision-making.

## Committees under the Board

(as of March 2021)

Committee	Composition	Key Roles	
Sustainability Management Committee	2 independent directors 1 internal director	Hwang Young-Key Lee Seung-Woo Lee Kyung-Geun	Sets ESG strategies & policies and oversees implementation of sustainable management
Audit Committee	3 independent directors	Hwang Young-Key Lee In-Sil Cho Hyun-Chul	Evaluates and improves the company's overall internal control system; establishes/implements internal audit plans, evaluates results / follow-up measures
Candidate Recommendation Committee	2 independent directors 1 internal director	Hwang Young-Key Cho Hyun-Chul Kim Joong-Won	Selects, screens, nominates and manages candidate pool for Independent Directors, Auditors and CEO
Compensation Committee	2 independent directors 1 internal director	Lee Seung-Woo Lee In-Sil Lee Kyung-Geun	Develops, assesses and operates compensation and performance evaluation criteria for full-time executives; approves annual report on remuneration plan
Risk Management Committee	2 independent directors 1 internal director	Hwang Young-Key Cho Hyun-Chul Lee Kyung-Geun	Develops basic guidelines and strategies for risk management, determines affordable risk levels, approves caps on appropriate investment and loss
Internal Transaction Committee	2 independent directors 1 internal director	Lee Seung-Woo Lee In-Sil Kim Joong-Won	Conducts preliminary review of internal transactions between affiliates

### Board Evaluation and Compensation

In February each year, the structure and operation of the Board in the previous year is reviewed and assessed. The roles and responsibilities of the Board are evaluated against relevant laws and regulations, and the results are reflected in the Board’s operation.

The evaluation includes the level of communication and complementarity of expertise between Board members, procedures of convening board meetings and prior circulation of agendas, the frequency and duration of board meetings, the timeliness of issue deliberations and resolutions, as well as the proper checks and balances on management. In addition, every February, independent directors are evaluated on their activities over the previous year. The evaluation criteria include the level of participation and contribution to the Board, such as suggestions for improvement. The evaluation results are disclosed through the annual corporate governance report.

The compensation for the Board members, consisting of a base salary and performance incentives, are provided within the limits approved by the general shareholders’ meeting. The base salary and performance bonus are paid based on the executive compensation plan and management performance approved by the Board. The total cap approved by the general shareholders’ meeting in 2020 was KRW 6 billion, and the actual amount of payment was KRW 2.74 billion.

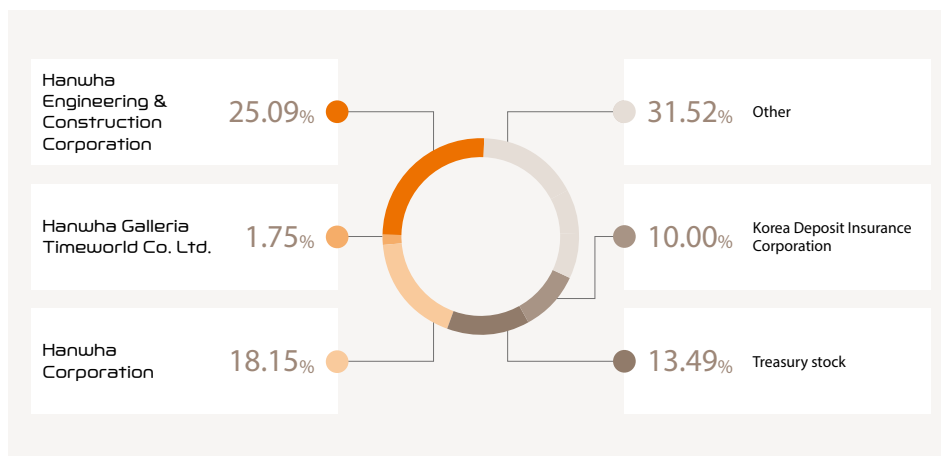
(as at the end of 2020)

Category	No. of People*	Total payment (KRW m)	Average Payment Per Person (KRW m)
Executive Directors (Excluding Independent Directors and Auditors)	3	2,477	826
Independent Directors (Excluding Auditors)	2	67	34
Members of the Audit Committee	3	197	66

\* The numbers are based on registered directors from January to December 2020 (including retired directors)

### Shareholders

(as at the end of 2020)





## Ethics and Compliance Management

### Ethics and Compliance Management

#### Ethics and Compliance Management System

Hanwha Life actively pursues and implements an ethics and compliance management. We have established a Code of Ethics and an Ethics Charter to provide guidelines on the conduct of our employees. Hanwha Life also encourages stakeholders including customers, shareholders and investors, employees and the company, as well as vendors, to fulfill their ethical responsibilities to the country and society at large.

Ethics Charter

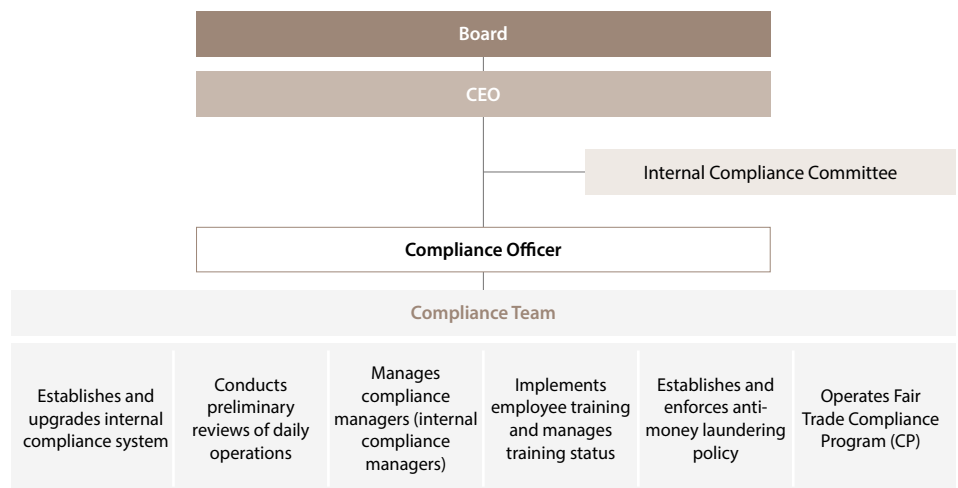
Hanwha Life endeavors to become an outstanding company respected by customers and the community, pursuing the 'happiness of all humankind' as a corporate philosophy based on trust and integrity. Hanwha Life will continue to provide the highest-quality financial services, and maximize enterprise value through fair and transparent management, contributing to the common interest of customers, shareholders & investors, as well as the country and wider society. To this end, we have introduced an Ethics Charter which lays down the principles for proper conduct, and we hereby pledge to put this into active practice.

- We will create value for customers by prioritizing their happiness and always thinking from their perspective.
- We will do our utmost to maximize shareholder value through rational and transparent management.
- We will respect the autonomy and creativity of our employees and strive to improve their quality of life.
- We will abide by relevant laws and regulations in conducting our business activities.
- We will uphold ethical values that enhance our reliability and dignity as a financial company.
- We will contribute as responsible corporate citizens to the development of the country and society at large.

#### Internal Compliance Organization

The Compliance Officer is appointed by the Board in accordance with the laws regulating the governance of financial companies. The Compliance Officer is guaranteed autonomy to perform their duties in a fair and transparent manner. The Compliance Officer oversees the operation of the internal compliance system, is responsible for conducting preliminary reviews of daily operations against relevant laws and regulations, and monitors (investigates) the operational status of the internal compliance system.

There is a dedicated compliance management team under the Compliance Officer. Compliance managers are assigned to each department to monitor compliance with internal guidelines and identify areas for improvement. Monitoring results are reviewed by the Internal Compliance Committee and reported to the Board of Directors.



### Ethics Infrastructure

Hanwha Life operates a systematic three-line defense by monitoring at three levels – ‘business departments’, ‘internal control department’, and ‘audit department’. Mutual checks and controls are conducted to ensure balanced and autonomous compliance management. In addition, work manuals and checklists are created as supportive tools to minimize compliance breaches while constantly improving the internal compliance system.

### Internal Reporting System

Hanwha Life works to prevent incidents and protect our employees through an internal reporting system. There are various reporting channels in place to facilitate and support prompt reporting on any legal violations or signs of incidents. We gave programs on our website such as ‘Reporting Compliance Violations’ and ‘Reporting Financial Incidents or Irregularities’, through which anyone can report or file a complaint on unfair trading or other irregularities via post, email or the internet. To protect the personal identity of the sources, reporting can be made anonymously, and the contents are kept strictly confidential. Once a compliance violation is investigated and confirmed, disciplinary actions will be taken against the employees concerned.

Moreover, a failure to report after having learned of a violation would also be subject to a disciplinary action, under Article 59 of the Internal Compliance Standards (Operating the Internal Reporting System).

### Internal Reporting Status

Category	2020	Remarks	
No. of reports	5	▪ Sexual harassment: 3 cases	▪ Bullying: 2 cases
Valid cases	5	▪ Disciplinary actions: 3 cases	▪ Referred: 2 cases
Disciplinary cases	3	▪ HR warning: 2 cases	▪ Pay cut: 1 case

#### Reporting Compliance Violations

##### Reporting via company website (PC / mobile)

▪ Home > About Us > Ethics Management > Report Violation  
 (https://www.hanwhalife.com/company/main/intro/ethics/CI\_EMVN000\_T20000.do)

##### Reporting via Outlook or external email

▪ Outlook: Send email to ‘Ethical Management Practice Secretariat’  
 ▪ External email: sent email to hli6262@hanwha.com

---

#### Ethics & Compliance training in 2020

**3,894** people completed

---

#### Ethics and Compliance training

- Target: 3,903 employees
- Content: Prohibiting embezzlement, bribery or client entertainment, Preventing money laundering or internal transactions; Preventing harassment in the workplace; Improving attitudes towards the disabled.

---

#### Fair Trade e-learning course in 2020

**3,894** people completed

---

#### Fair Trade e-learning course

- Target: 3,903 employees
- Content: The purpose and scope of the Fair Trade Act. Restrictions on business mergers & acquisitions and curbing the concentration of economic power.

### Ethics Compliance Training

To encourage an ethical management culture to take root, we provide regular training on ethics and compliance. In line with changing trends, we have expanded contactless training based on various formats and customized contents. To make ethical management more accessible to employees, training materials are produced every month and distributed in card format, and the compliance manager in each department encourage employees to participate in the training. At the beginning of year, an oath is taken by senior executives and team leaders expressing their commitment to compliance training and implementation. Hanwha Life endeavors to create a corporate culture facilitating compliance training, improving the quality of that training, as well as promoting an ethical mindset.

### Ethics and Compliance Campaigns

We organize a variety of ethics and compliance campaigns to encourage employee participation in ethical management and to strengthen their sense of responsibility. At the beginning of the year, an 'Ethics and Compliance Pledge' event is held at which all employees including the CEO express their commitment to ethics and compliance management. It is intended to raise the importance of ethics & compliance and create a corporate culture focusing on ethical management. We inspire all employees to participate by producing and distributing videos of new employees and the CEO making their pledges.

### Voluntary Compliance with Fair Trade Regulations

Hanwha Life introduced a voluntary Fair Trade Compliance Program (CP) in August 2006. This is an internal compliance system which provides clear guidelines for compliance with competition laws and fair trade regulations. It is intended to preempt legal violations, thereby reducing the costs of dealing with regulatory breaches and enhancing business competitiveness. Hanwha Life pursues fair trade and mutual growth with our vendors and endeavors to protect their physical and intellectual property rights. To encourage voluntary compliance and strengthen internal control, a voluntary compliance manager is appointed whose responsibility is to establish CP operating principles and rules, produce / distribute a CP handbook, monitor the progress of implementing annual plans in relevant departments, and provide training for all employees on fair trade regulations.

### Anti-Money Laundering System

The anti-money laundering system is a legal and institutional device to detect and prevent illegal money laundering in Korea and abroad. It covers not only illegal assets but also tax-evasion in Korea. Hanwha Life has introduced the preemptive system and strong internal control activities to close off illegal money-laundering and to enhance our name as a reputable financial institution. Hanwha Life has operated the Anti-Money Laundering System since 2001 and introduced a 'Company-wide Money Laundering Risk Management System' in 2017 to reflect the recommendations of the FATF (Financial Action Task Force), an international body whose mandate is to combat money laundering.

## Risk Management

### Risk Management Strategy

We proactively prevent, evaluate and manage any uncertainties or possible losses that may arise in our business activities and the changing financial environment to enhance corporate value and secure continuous and stable growth.

We assess the level of possible risks and set allowable limits (a buffer capital to absorb the loss if a risk is realized) depending on the company’s risk appetite. We also carry out pre- and post-risk management procedures for insurance product development and investment activities. For the longer term, we incorporate an asset & liability management strategy (based on the nature of the insurance product) into long-term business and asset management plans to reduce variability resulting from a mis-match between assets and liabilities.

Moreover, we evaluate capital adequacy ratio by conducting a stress test every quarter and prioritize risk factors with a relatively higher impact on capital, based on response measures by stage in the event of a crisis.

### Risk Management System

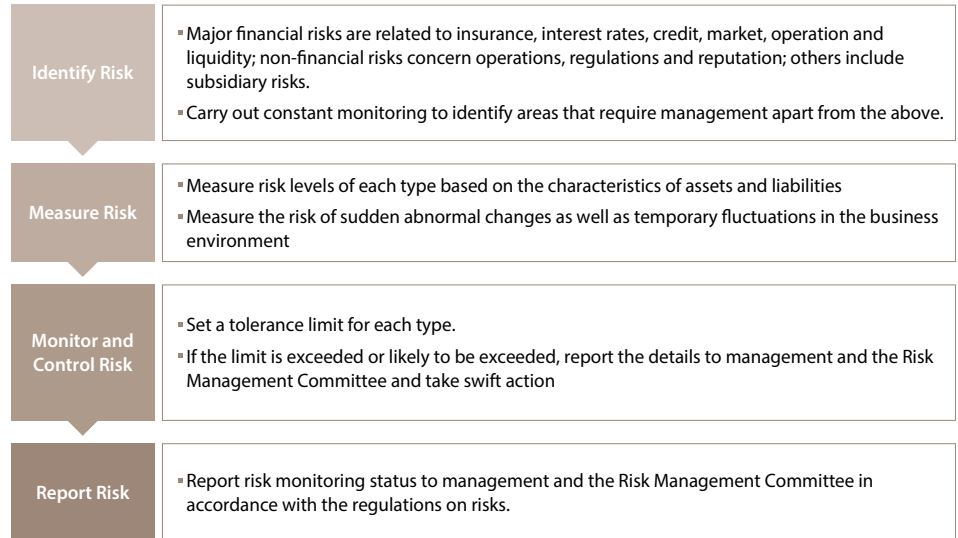
A Risk Management Committee is set up under the Board to guarantee independence and perform checks and balances with corporate operations. The Risk Management Committee is responsible for making decisions related to risk management. The Committee is required to include at least one member with work experience at a financial company or in the field of finance and accounting. In addition, training is provided for committee members on the risk management system. The Head of Risk Management is required to report to the Board every year the status of risk management, major decisions made based on ORSA (Own Risk & Solvency Assessment), as well as the key content of committee meetings.

### Risk Management Organization



Major Tasks by Relevant Council	
<b>Asset Management Council</b>	Reviews target portfolio of assets and investment & loan transactions
<b>Interest Rate Council</b>	Reviews decisions on published interest rates
<b>Product Development Council</b>	Reviews product developments, revisions and sales
<b>Mortality Profit Management Council</b>	Reviews mortality profits & losses and ways to improve product structure
<b>Reinsurance Management Council</b>	Reviews validity of outward or inward reinvestments and choice of reinsurers
<b>Statistics Quality Management Council</b>	Discusses guidelines for statistics quality management and conducts self-diagnosis of statistics quality
<b>Variable Protection Risk Management Council</b>	Assesses variable insurance risks and reviews hedging-related issues

**Risk Management Process**



**Business Continuity Management**

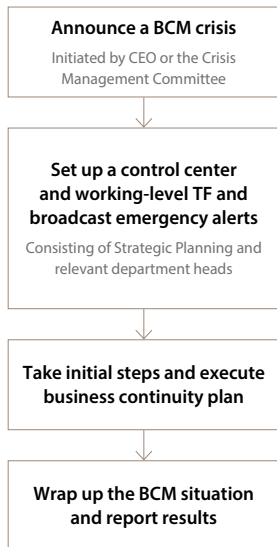
We maintain continuity of sales and customer support activities even in a disaster situation by protecting key activities and ensuring a smooth operation of systems and processes.

To this end, a company-wide emergency manual has been developed to manage a situation by stage: prevention, control and recovery. In June 2013, **Hanwha Life** became the first life insurance company to obtain ISO22301, the international standard for BCM (Business Continuity Management), and in 2014, we acquired international BCM certification from BSI. In 2020, a further bolstered business continuity plan was introduced to minimize financial losses and protect customer assets during the COVID-19 pandemic. By maintaining stable services for customers even in a pandemic or disaster situation, we have strengthened customer satisfaction.

**Disaster drills**

In order to quickly recover operations and secure continuity of business in the event of a disaster, we have developed our own disaster recovery center and a disaster recovery system. In December 2020, we conducted a disaster drill involving IT personnel, field teams and desk staff. In addition, we ran a tabletop exercise simulating a network disaster to ensure a speedy recovery of our IT networks.

**Disaster Response Scheme by Stage**



Category	Contents	Frequency
Malware Response Training	To improve the ability of employees to respond to electronic violations such as the spread of malicious code and to check related processes	3 times a year
Security Accident Emergency Drills	To improve countermeasures against hacking and information leaks targeting the major systems of the company.	Once a year
System Disaster Drills	To improve system recovery capabilities and to check data integrity in the event of a disaster	Once a year



Risks		Impact of Risks
Financial risks	Insurance Risk	Risk arising from insurance contracts and claim payments
	Interest Rate Risk	Risk of loss arising from fluctuations in market interest rates and the difference in the maturity structure of assets and liabilities
	Credit Risk	Risk of loss arising from default by the counterparty or a credit downgrade
	Market risk	Risk of loss arising from unfavorable fluctuations in interest rates, share prices and foreign exchange rates
	Liquidity risk	Risk of an unexpected loss arising from the difference in the maturity structure of assets and liabilities or a sudden fluctuation in the cash flow
Non-financial risks	Operational risk	Risk of loss arising from inappropriate internal processes, HR, systems or external incidents, reputation / legal / regulatory issues
	Legal risk	Legal dispute or litigation concerned with non-financial risks
	Reputational risk	Negative impact on the company's reputation due to complaints or unfavorable reports by press or broadcasting media



New System	Countermeasures
K-ICS and IFRS17	<ul style="list-style-type: none"> <li>To minimize the financial impact of K-ICS and IFRS17, a task force has been in operation since 2016 to make the necessary preparations for their introduction.</li> <li>Collaborating with the Risk Management team to ensure a soft landing of the new systems.</li> </ul>
Integrated Supervision of Financial Groups	<ul style="list-style-type: none"> <li>The Financial Services Commission introduced 'the best practice guidelines on the supervision of financial conglomerates in 2018'</li> <li>It plans to enforce a 'law on the supervision of financial conglomerates' from 30 June, 2021 to facilitate sound management of financial groups</li> <li>Hanwha Life has established an internal control and risk management system together with major financial affiliates including Hanwha Insurance and Hanwha Investments &amp; Securities</li> </ul>
Introduction of ORSA	<ul style="list-style-type: none"> <li>The supervisory authorities have introduced the ORSA (Own Risk and Solvency Assessment) system to improve the risk management framework following the introduction of K-ICS and IFRS17</li> <li>Hanwha Life has reviewed and implemented 'processes and procedures that self-assess and manage the adequacy of risk management systems and the adequacy of current and future solvency', including the requirements of the supervisory agencies.</li> </ul>

## Countermeasures

- Measuring insurance risk using the FSS standard model or internal modeling; regularly reporting to management on tolerance limits and control measures.
- Managing reinsurance in consideration of risk levels and efficient risk diversification to enhance the ability to pay claims to policyholders.

- Measuring interest rate risk by using the FSS standard model or internal modelling; regularly reporting to management on tolerance limits and control measures.
- Setting long-term portfolio targets based on an investment strategy matching assets and liabilities and reflecting the characteristics of liability cash flow.

- Measuring credit risk by using the FSS standard model or internal modeling; regularly reporting to management on tolerance limits and control measures.
- Conducting pre- and post-analysis of individual borrowers and investment products and setting an investment limit for each product type.

- Measuring market risk by using the Financial Supervisory Service's standard methods or internal modelling; regularly reporting to management on tolerance limits and control measures.
- Setting limits on losses for high-risk assets.

- Setting limits on liquidity and developing contingency plans to resolve a crisis.

- Measuring operational risk by using the FSS standard model or internal modelling; regularly reporting to management on tolerance limits and control measures.
- Building data for each quarter on internal / external financial fraud, employment, safety, customers, products and business handling to make a statistical estimation of losses to be included in capital reserve.

- Monitoring the quarterly number of new litigations and emergency situations and developing countermeasures by stage.

- Monitoring the number of unfavorable press reports and emergency situations and developing countermeasures by stage.

## Implementation status

- Established and currently testing IFRS actuarial system
- Conducted impact assessment of K-ICS and implementing countermeasures

- As a representative company of the Hanwha Financial Group, Hanwha Life conducts internal control, risk management policies and soundness management activities, and regularly reports to FSC and disclose the information externally
- Introduced 'Internal control guidelines for financial groups' and 'risk management principles of financial groups'

- Report to the Board every year on the assessment of own risks and solvency

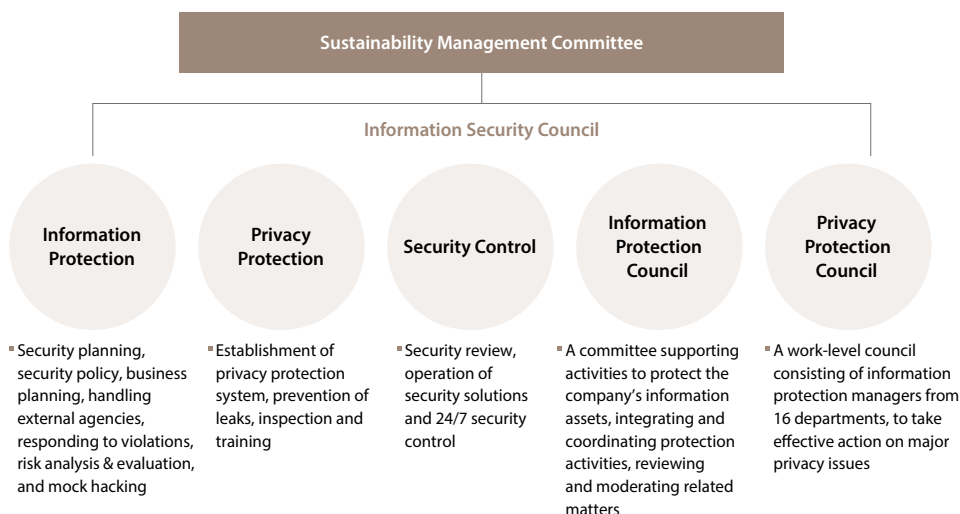
## Information Security

### Information Security System

#### Information Security Management Organization

Hanwha Life has appointed a Chief Information Security Officer to strengthen the responsibility and role of protecting personal and credit information. In addition, we have set up an Information Security Council to review and implement information security activities.

#### Operation of Information Security Council



### Information Security Activities

Digital channels have seen a steady growth in customers, and they are becoming increasingly concerned about personal data leaks and financial crimes. It is particularly important for financial companies to establish a robust information security management system. Hanwha Life is taking concrete steps to protect personal information in order to provide safe and convenient financial services.

<b>Preemptive Actions Against Security Risks</b>	<ul style="list-style-type: none"> <li>▪ Analysis and diagnosis of IT risks</li> <li>→ Analysis and diagnosis of 284 control items in the information protection management system</li> </ul>
<b>Information Security System Development</b>	<ul style="list-style-type: none"> <li>▪ ISO27001:2013 certification of International Information Security Standard(Seek re-certification twice a year through post-assessment)</li> </ul>
<b>Financial information Protection</b>	<ul style="list-style-type: none"> <li>▪ Development of a system to defend against AI and Multi-Layer cyber attacks</li> <li>→ Incident drills (once a year), Web and application mock hacking (twice a year), risk analysis and assessment (once a year), analysis and assessment of asset vulnerabilities (twice a year), security review project</li> </ul>
<b>Information Security Awareness</b>	<ul style="list-style-type: none"> <li>▪ Establishment of information Security and Privacy Protection Regulations</li> <li>→ 18 IT security policies in addition to Information Protection Regulations</li> <li>→ 3 Privacy Protection Policies in addition to the Privacy Protection Regulations</li> <li>▪ Information protection training and campaigns to raise awareness</li> </ul>
<b>Information Security Liability System</b>	<ul style="list-style-type: none"> <li>▪ Enrollment in privacy protection liability insurance and electronic financial transaction liability insurance</li> </ul>



### Information Security Inspection

We conduct security inspections twice a year and evaluate IT risks once a year to assess the current level of security and identify risk factors in advance

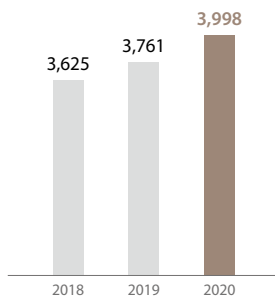
The security checks review the target achievements in security training, emergency drills, security control services and improvements on information protection policies. The IT risk analysis and assessment evaluates a total of 224 items categorized by physical and administrative areas, based on the latest information security regulations. We also look at the performance of 20 information security objectives in technical areas, such as information processing systems, data communication networks, and corporate website. Through these regular security inspections, we have continuously improved our information security and achieved zero information leaks as a result in 2020.

### Promotion of Information Security Culture

We are engaged in a wide range of activities to promote corporate culture toward information security. We distribute monthly letters on information protection, conduct regular online training, and hold annual campaigns on adhering to the three basic rules of personal information protection. In addition, to protect internal information systems and prevent data leaks, we organize drills to deal with various contingencies, including malware attacks, DDos offensives, as well as server hacking.

#### Employee Information Protection Training

Training Participants  
(No of People)



#### Employee Training Hours on Information Protection in 2020

Category	Unit	Executives	Field Teams	IT	Information Protection
Training Hour Per Person	Hours	8	8	13	41

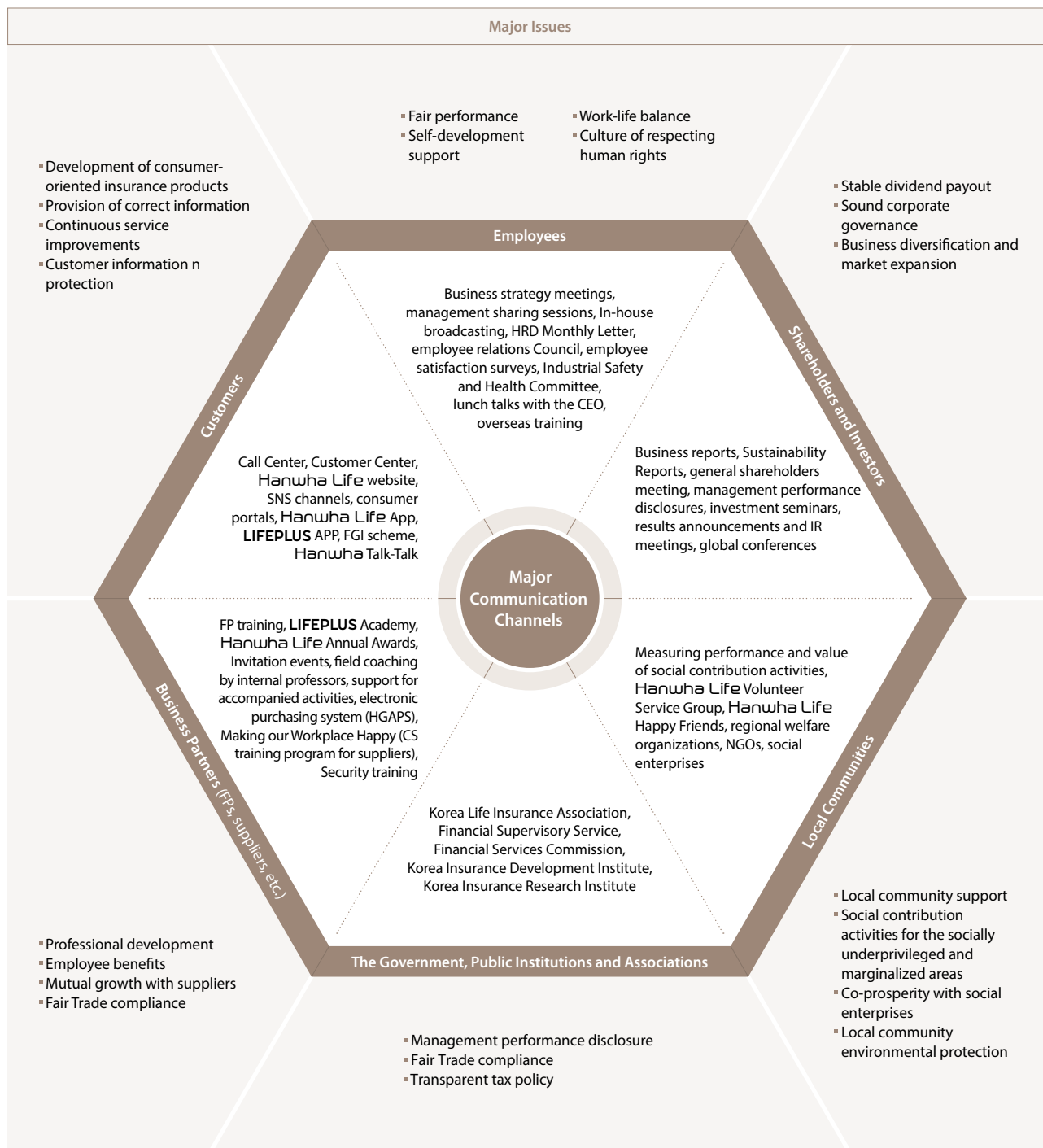
### Information Security Initiative

In order to strengthen the security of our computing systems across the insurance value chain from product development to customer relations, we cooperate with a number of information protection agencies. Hanwha Life has served as a contributor to the Financial Security Institute (FSI) since its foundation, and has jointly conducted real-time monitoring, information sharing and assessment, incident investigations, in order to bolster our information protection systems. Also, we shared the best practices of Hanwha Life at the FSI's 'Financial Information Protection and Financial Big Data Exhibition' and won the Directors' Award in 2017 and 2018.

<p>Won the Directors' Award for Best Practice for two consecutive years at the Financial Information Protection and Financial Big Data Exhibition</p>	<p>Best practice presented at the 2018 Financial Information Security Conference (FISCON2018)</p>	<p>Strengthening self-regulatory capability to protect personal credit information and actively practicing compliance</p>
<ul style="list-style-type: none"> <li>▪ Developing Encryption of Unstructured Data (2017)</li> <li>▪ Establishing a Response System for AI and Multi-Layer Cyber Threats (2018)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishing a Response System for AI and Multi-Layer Cyber Threats</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete erasure of personal credit information of closed accounts</li> <li>▪ Destruction of electronic fingerprint information</li> </ul>

## Stakeholder Engagement

Hanwha Life defines its key stakeholders as customers, employees, business partners, local communities, shareholders and investors, the government, public institutions and associations. We maintain a wide range of communication channels appropriate for different types of stakeholders, so that we can listen actively to their views and reflect them in our management activities.



# Appendix

Material Issue Management	82
Business-Economic Performance	84
Social Performance	88
Environmental Performance	91
Third-party Assurance Statement	92
GRI Index	94
SASB Index	96
Global Initiatives	97
Key Awards and Recognitions	100

## Material Issue Management

Hanwha Life has analyzed the relevance to business and the importance of sustainable management issues that can affect the overall management environment, and has conducted a materiality assessment to ensure focused reporting on issues of high priority. The internal and external environment have been examined, including global sustainability management trends, and we have conducted benchmarking on similar industries and looked at business management issues. Also, a survey of key stakeholders, has gained an understanding of stakeholder opinions and needs. In this report, we provide transparent information on core issues and related sustainable management activities and performance. By canvassing a wide range of stakeholder opinions, Hanwha Life aims to lay the foundations for sustainable management.



### Material Topic Selection Process

#### Issue Pool

Based on the analyses of international standards, global benchmarking, internal data, media research, past reported issues, and major evaluation items, we have identified a pool of 32 potential topics.

<b>International Standards</b>	▪ Analysis of internationally standardized requirements such as GRI Standards, DJSI, ISO26000, UN SDGs, etc. and identify issues
<b>Global Benchmarking</b>	▪ Study of sustainability issues and trends in similar industries, companies with outstanding sustainability practices (13 companies)
<b>Media Research</b>	▪ Survey of articles published from 1 <sup>st</sup> Jan, 2020 to 31 <sup>st</sup> Dec, 2020 ▪ 15 daily newspapers and business magazines
<b>External Stakeholder Survey</b>	▪ Period: 22 <sup>nd</sup> March ~ 31 <sup>st</sup> March, 2021 ▪ Target: customers, suppliers (call centers, contractors), shareholders and investors, the government, local communities, experts in sustainable management, research institutes (1,101 respondents)
<b>Employee Survey</b>	▪ Period: 22 <sup>nd</sup> March ~ 31 <sup>st</sup> March, 2021 ▪ Target: employees of Hanwha Life employees (1,132 respondents)



### Materiality Mapping and Identifying Core Issues

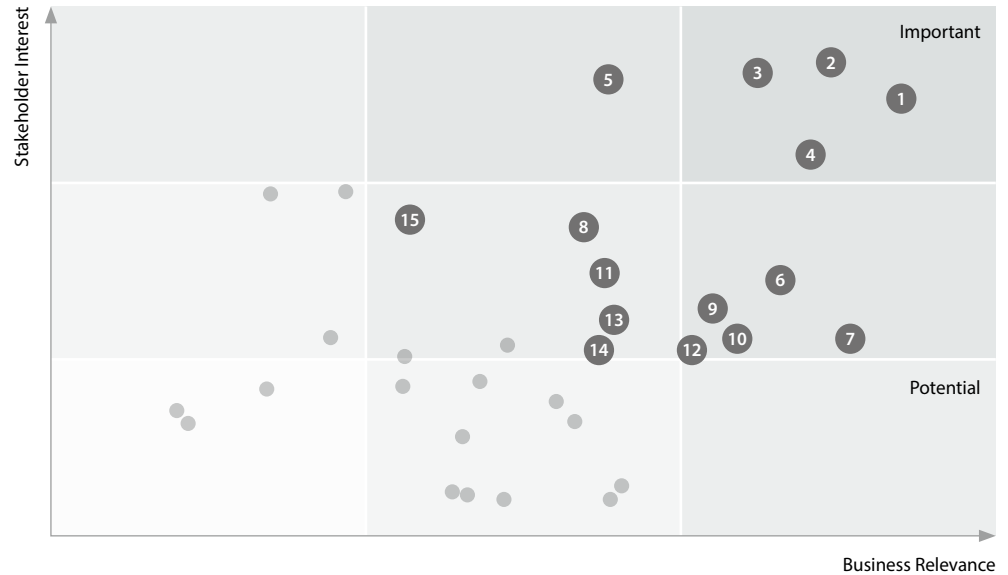
‘Materiality assessment considering ‘stakeholder interest’ and ‘business relevance’





### Selection of Main Topics

Based on the analyses of stakeholder interest and business relevance through materiality assessment, we have identified 15 major issues. Hanwha Life intends to create a table of contents on these issues and faithfully report our activities and results. We will also incorporate the contents into the company's sustainable management planning.



No	Issue	Index	Pages	Relevant GRI Topic
1	Establishing sound corporate governance and operational transparency	Sound Corporate Governance	66-80	102-18
2	Expanding customer-tailored products and services	Economic Value	14-27	417-3
3	Providing insurance-related social contributions	Social Value	28-57	203-1
4	Enhancing work-life balance and benefits	Social Value	28-57	401-3
5	Strengthening the foundations of future growth	Economic Value	14-27	-
6	Improving talent acquisition and employment stability	Social Value	28-57	401-1
7	Enhancing risk management systems	Sound Corporate Governance	66-80	102-11, 102-15
8	Ensuring fair performance evaluation and compensation	Social Value	28-57	404-2
9	Developing financial industry talent	Social Value	28-57	404-2
10	Establishing climate change response systems	Transition to Green Finance	58-65	305-1
11	Differentiating customer communications	Social Value	28-57	417-3
12	Promoting respect for diversity	Social Value	28-57	405-1
13	Strengthening ethical management and preventing corruption	Sound Corporate Governance	66-80	205-2
14	Establishing an environmental management system	Transition to Green Finance	58-65	305-1
15	Minimizing incomplete sales	Social Value	28-57	417-3

## Business-Economic Performance

### Organization Size

Category	Unit	2018	2019	2020
Domestic entities	Number	623	597	565
Overseas entities	Number	165	176	192

### Summary of Consolidated Financial Position

Category	Unit	2018	2019	2020
<b>Assets</b>				
I. Cash and cash equivalents	KRW million	1,838,710	950,704	1,051,931
II. Deposits	KRW million	792,175	1,019,690	506,330
III. Securities	KRW million	70,585,874	77,793,197	80,601,553
IV. Investments in affiliates and joint ventures	KRW million	156,220	230,828	257,086
V. Loans	KRW million	26,915,013	28,812,796	29,596,267
VI. Property and equipment	KRW million	1,803,098	1,855,045	1,901,702
VII. Investment property	KRW million	2,517,001	2,553,538	2,550,620
VIII. Intangible assets	KRW million	1,216,375	1,162,552	1,133,974
IX. Licensed assets	KRW million	-	78,779	80,950
X. Derivative assets	KRW million	377,183	297,987	1,050,529
XI. Net defined benefit assets	KRW million	13,679	-	4,714
XII. Current tax assets	KRW million	11,782	141,449	145,445
XIII. Deferred tax assets	KRW million	14,782	15,338	9,178
XIV. Other financial assets	KRW million	1,452,151	1,761,323	1,536,070
XIV. Other assets	KRW million	2,927,735	3,048,781	3,026,294
XVI. Special account assets	KRW million	21,462,673	22,128,080	25,322,141
<b>Total Assets</b>	<b>KRW million</b>	<b>132,084,451</b>	<b>141,850,087</b>	<b>148,774,784</b>
<b>Liabilities</b>				
I. Insurance contract liabilities	KRW million	94,572,121	99,268,148	103,899,221
II. Policyholders' equity adjustment	KRW million	538,885	1,206,759	1,208,302
III. Current tax liabilities	KRW million	290,995	5,049	4,493
IV. Deferred tax liabilities	KRW million	380,408	1,066,200	1,016,190
V. Derivative liabilities	KRW million	322,195	607,563	184,680
VI. Net defined benefit liabilities	KRW million	165,553	173,802	167,036
VII. Provisions	KRW million	15,367	16,473	76,211
VIII. Other financial liabilities	KRW million	2,002,451	2,532,401	2,463,328
IX. Other liabilities	KRW million	121,298	154,147	203,645
X. Special account liabilities	KRW million	22,245,521	22,826,270	25,607,557
<b>Total Liabilities</b>	<b>KRW million</b>	<b>120,654,794</b>	<b>127,856,812</b>	<b>134,830,661</b>
<b>Equity</b>				
Equity attributable to owners of the Holding Company	KRW million			
I. Share capital	KRW million	4,342,650	4,342,650	4,342,650
II. Additional paid-in capital	KRW million	(458,007)	(457,886)	(454,117)
III. Hybrid capital instruments	KRW million	1,558,000	2,056,297	2,056,344
IV. Other components of equity	KRW million	878,706	2,820,597	2,680,982
V. Retained earnings	KRW million	3,985,549	3,924,201	4,040,570
Non-controlled interests	KRW million	1,122,759	1,307,416	1,277,694
<b>Total Equity</b>	<b>KRW million</b>	<b>11,429,657</b>	<b>13,993,275</b>	<b>13,944,123</b>

### Summary of Consolidate Statements of Comprehensive Income

Category	Unit	2018	2019	2020
I. Operating revenues	KRW million	23,430,547	24,978,491	26,223,053
II. Operating expenses	KRW million	22,780,352	24,929,092	25,846,310
III. Operating profit	KRW million	650,195	49,399	376,744
IV. Non-operating profit	KRW million	(13,781)	(14,520)	(68,780)
V. Profit before income tax	KRW million	636,414	34,879	307,963
VI. Income tax expenses	KRW million	189,890	(23,788)	66,752
VII. Profit for the year	KRW million	446,524	58,667	241,211
VIII. Other comprehensive income for the year	KRW million	(320,240)	2,144,093	(160,481)
IX. Total comprehensive income for the year	KRW million	126,284	2,202,760	80,730
X. Attribution of profit for the year	KRW million	446,524	58,667	241,211
XI. Attribution of total comprehensive income for the year	KRW million	126,284	2,202,760	80,730

### Financial Performance

Category	Unit	2018	2019	2020
Premium income*	KRW million	14,239,849	14,013,658	14,774,754
APE*	KRW million	1,688,240	1,824,726	1,837,844
Protection APE*	KRW million	947,115	1,186,120	1,130,993
RBC ratio	KRW million	212.2	235.3	238.3

\* Based on separate financial statements

### Summary of Embedded Value (EV)

Category	Unit	2018	2019	2020
EV	KRW 100 million	86,757	96,886	97,160
New Business Value	KRW 100 million	6,156	7,113	7,267
New Business Margin	%	36.5	39.0	39.5

### Customer Retention Rate

Category	Unit	2018	2019	2020	
Retention Rate	13-month retention	%	81.6	82.0	83.6
	25-month retention	%	64.1	60.1	64.8
Protection Persistency Rate	13-month persistency	%	79.2	80.5	82.6
	25-month persistency	%	62.7	59.1	60.0

## Business-Economic Performance

### Tax Policy

#### Tax Policy

As one of the major pillars constituting the national economy, companies have a duty to meet their tax obligations to support the country and public institutions. As a corporation subject to external tax adjustment and required to file consolidated financial statements, Hanwha Life faithfully fulfills its tax obligations according to domestic and overseas law.

#### Tax Disclosure

As a stock exchange listed company, Hanwha Life ensures openness and objectivity through external audits, and discloses detailed tax information transparently (<http://dart.fss.or.kr>), including income tax expense calculations, deferred tax assets and liabilities, and income tax expense breakdown and tax rates.

#### Tax Risk Management

To preemptively identify and manage a range of tax risks, Hanwha Life constantly monitors and responds to new and revised tax laws, statutes and precedents, and government policy trends. Furthermore, we improve the reliability and accuracy of our tax adjustment and accounting processes through an internal compliance system. We also employ an external advisory service to consult on any inconclusive or contradictory interpretations of tax laws in order to minimize any risk of infringement.






Category	Unit	2018	2019	2020
Corporation taxes paid	KRW million	490,865	1,407	28,051
Deferred tax changes due to temporary differences	KRW million	(304,196)	(26,882)	40,407
Corporation tax expenses directly included in capital	KRW million	4,608	1,687	(1,705)
Corporation tax expenses	KRW million	189,890	(23,788)	66,752

### Economic Value Distribution

Category	Unit	2018	2019	2020	
Shareholders	Cash dividend	KRW million	75,139	22,542	22,542
Customers	Claims paid	KRW million	11,191,171	11,879,743	12,349,442
Operating expenses	New contacts & maintenance costs	KRW million	1,885,458	1,985,279	2,015,486
	Salaries and bonuses	KRW million	502,033	522,101	571,849
Employees	Benefits	KRW million	123,791	134,742	133,935
	Severance pay	KRW million	53,671	66,895	92,348
Government	Tax expenses	KRW million	189,890	(23,788)	66,752
Local communities	Social contribution expenses*	KRW million	8,962	15,975	3,428

\* Based on separate financial statements

### Credit Rating

 NICE Investors Service <b>AAA</b>	 Korea Ratings <b>AAA</b>	 Korea Investors Service <b>AAA</b>	 Fitch <b>A</b>	 Moody's <b>A2</b>
---	--	--	---	---



### Economic Performance by Channel

Category		Unit	2018	2019	2020
Affiliated Agents APE	Protections	KRW million	797,353	979,597	908,294
	Pensions	KRW million	142,105	77,120	69,648
	Savings	KRW million	27,577	18,243	6,874
Independent Agents Performance	Bancassurance channel APE	KRW million	441,758	444,778	542,202
	GA channel APE	KRW million	235,909	255,761	252,229

### Green Investment

Category		Unit	2018	2019	2020
Renewable energy	Solar power	KRW million	862,480	901,990	1,020,534
	Wind power	KRW million	261,041	275,047	284,308
	Other (Fuel cells, etc)	KRW million	80,121	76,210	73,611
	Total	KRW million	1,203,641	1,253,247	1,378,454
Water resources and sewage management (desalination plants, sewage processing, sewage conduits, etc)		KRW million	524,600	493,208	462,640

### Social Investment

Category		Unit	2018	2019	2020
Schools, cultural facilities	Schools	KRW million	176,657	144,814	129,962
	Cultural facilities	KRW million	56,215	17,947	15,336
	Total	KRW million	232,872	162,761	145,299

## Social Performance

### Employees

Category	Unit	2018	2019	2020
Total employees	Total	3,937	4,004	4,078
	Male	2,129	2,154	2,195
	Female	1,808	1,850	1,883
Full-time employees	Total	3,881	3,927	3,993
	Male	2,113	2,112	2,137
	Female	1,768	1,815	1,856
Indefinite contract employees	Total	3	3	2
	Male	-	-	-
	Female	3	3	2
Expert / special / general contract employees	Total	53	74	83
	Male	16	42	58
	Female	37	32	25
Under 30 years old	Male	138	159	163
	Female	238	260	264
30 to 50 years old	Male	1,511	1,354	1,264
	Female	1,518	1,527	1,529
Over 50 years old	Male	480	641	768
	Female	52	63	90
Socially vulnerable groups	Disabled	33	33	35

### Recruitment and Retirement

Category	Unit	2018	2019	2020
New employees*	Total	214	96	181
	Male	120	53	120
	Female	94	43	61
Retirement rate	%	3.6	3.2	3.9
Voluntary turnover rate	%	2.5	2.1	2.8

\* 2019 data updated due to the alteration of the criteria to base calculation on the year of joining the company (for general personnel, personnel with previous work experience, and administration and support personnel)

### Parental Leave

Category	Unit	2018	2019	2020
Return-to-work rate after parental leave	%	96.8	97.6	91.7
12-month retention rate after return-to-work	%	100.0	100.0	100.0

### Employee Safety Management

Category	Unit	2018	2019	2020
Industrial accidents rate	%	0.1	0.1	0.1

### Labor Union

Category	Unit	2018	2019	2020
Labor union membership *	%	63.2	61.9	58.7

\* 2018-2020 data updated due to the change in measurement criteria (including all employees below general manager grade, except for employers and agents)

## Employee Training Status

Category		Unit	2018	2019	2020
Total training expenses*		KRW 10,000	1,260,347	1,305,117	648,924
Total no. of employees participating		People	3,728	3,918	3,999
Total training hours		Hours	242,900	235,493	207,088
No. of people with key qualifications		People	161	169	167
Ethical Management	Training hours	Hours	12,272	12,387	15,449
	Training frequency	Sessions	34	37	35
	No. of participants	People	All employees	All employees	All employees
Sexual Harassment Prevention	Training hours	Hours	2 hours (1 hour each for online & offline)	2 hours (1 hour each for online & offline)	1 hours
	No. of participants	People	All employees	All employees	All employees
Fair Trade Compliance (CP)	CP Training hours	Hours	2 hours (1 hour each for online & offline)	1 hours (online)	1 hours (online)

\* 2018-2020 data updated due to the change in measurement criteria

## Participation by Training Program

Category		Unit	2018	2019	2020
General training (job, leadership, etc)	Training hours	Hours	134,855	189,358	156,751
	No. of employees participating	People	3,636	3,903	3,979
Security and ethical management training for contractors	Completion of OA maintenance contractors training	People	103	103	103

## Performance Evaluation

Category	Unit	2019	2020
Ratio of employees evaluated*	%	96.3	96.6
Performance management (OKR): Clearly define individual objectives linked to the objectives of upper-level team and systematically manage performance**	%	94.8	96.6
Multi-faceted performance evaluation	%	7.4	41.0
Ranking based on comparative assessment of employees in same job grade	%	100.0	100.00

\* Excluding general employee staff (1H) and new employees

\*\* Performance evaluation system changed from MBO to OKR from 2020

## Employee Retirement Pension Status

Category	Unit	2018	2019	2020
Defined Benefits (DB)	KRW million	335,564	315,845	291,385
Defined Contribution (DC)	KRW million	136,914	137,003	145,388
Participation Rate	%	92.3	93.3	93.6

## Social Performance

### Incomplete Sales Ratio

Category	Unit	2018	2019	2020
FP	%	0.12	0.08	0.06
GFP	%	0.21	0.17	0.08
New Channels (TRI, HLA, HFA)	%	0.32	0.24	0.14
Individual Dealers	%	0.73	0.36	0.19
Bancassurance	%	0.06	0.09	0.03
Direct-managed	%	0.02	-	-

### Customer Satisfaction Rate

Category	Unit	2018	2019	2020
National Customer Satisfaction Index (NCSI)	Points	76	76	77
Korea Standard Service Quality Index (KS-SQI)	Points	73	72.6	73
KSQI (Customer Center)	Ranking	Joint no.1	Joint no.1	Joint no.1
KSQI (Call Center)	Ranking	Joint no.1	no. 1	Joint no.1

### Number of Complaints

Category	Unit	2018	2019	2020
Internal Complaints	Cases	1,904	1,834	1,485
External Complaints*	Cases	2,090	2,090	1,992
Total	Cases	3,994	3,924	3,477

\* Complaints received by other institutions such as Financial Supervisory Service and referred to Hanwha Life for processing or fact-finding; excludes any complaints received and directly processed by the relevant institutions without first checking with Hanwha Life

### Value of Financial Products Contributing Social Value

Category	Unit	2018	2019	2020
'Gomduri' Comprehensive Protection*	Cumulative no of customers	1,339	1,358	1,378
	Cumulative sales amount	KRW million	128	129
'Hope & Love' Insurance**	Cumulative no. of children supported	7,516	7,516	7,516
	Cumulative sales amount	KRW million	6,780	6,780
Together-and-Far' Donation Insurance ***	Cumulative no. of children supported	27	53	53
	Cumulative sales amount	KRW million	14	24
'We'll Protect You' Insurance ****	Cumulative no. of customers	-	-	395
	Cumulative sales amount	KRW million	-	-

\* Product for the disabled

\*\* Product for low-income people

\*\*\* Product for children (Child Fund Korea), sale closed in 2020, 2018-2019 data updated due to the change in measurement criteria

\*\*\*\* Product for military personnel

### Social Contributions

Category	Unit	2018	2019	2020	
Amount	Expenditure on social contributions	KRW million	8,962	15,975	3,428
Form of contribution	Cash donations	KRW million	8,962	15,975	3,428
	In-kind donations	KRW million	-	-	-
	Business expenses (management costs)	KRW million	-	-	-
Employee participation*	Employee volunteer participation rate	%	93	91.3	46
	Volunteering hours per employee	Hours	9.71	9.20	2.58
Fundraising	Funds raised from employees	KRW million	403	439	424
	Funds raised from FPs	KRW million	114	107	98

\* Face-to-face volunteer hours decreased due to the pandemic

## Environmental Performance

### Energy Use

Category		Unit	2018	2019	2020
Energy Use	Fuel	TOE	26.93	23.38	18.99
	LNG	TOE	335.98	337.02	352.94
	Electricity	TOE	2,016.30	2,285.36	2,128.30
Standard Unit	Unit area	m <sup>2</sup>	64,574.73	76,039.00	79,848.58
Use by Energy Unit	Fuel	TOE/m <sup>2</sup>	0.000417	0.000307	0.000238
	LNG	TOE/m <sup>2</sup>	0.005203	0.004432	0.004420
	Electricity	TOE/m <sup>2</sup>	0.031224	0.030055	0.026654

\* Based on headquarters and Janggyo Building  
2018-2020 data updated due to the change in measurement criteria

### Water Usage and Discharge

Category		Unit	2018	2019	2020
Municipal Water Usage		Ton	45,995.36	55,970.67	52,422.24
Treated Water Usage		Ton	33,749.54	45,772.99	41,664.57
Wastewater Discharged		Ton	79,744.89	101,743.65	94,086.81

\* Based on headquarters and Janggyo Building  
2018-2020 data updated due to the change in measurement criteria

### Greenhouse Gas Emissions

Category		Unit	2018	2019	2020
Headquarters	Total greenhouse emissions	tCO <sub>2</sub> eq	4,595.04	5,209.77	4,879.54
	Unit area	m <sup>2</sup>	60,450.82	72,906.87	76,630.35
	Emission by GHG unit	tCO <sub>2</sub> eq/m <sup>2</sup>	0.076	0.071	0.064
Janggyo Building	Total greenhouse gas emissions	tCO <sub>2</sub> eq	237.90	155.05	191.37
	Unit area	m <sup>2</sup>	4,123.91	3,132.13	3,218.23
	Emissions by GHG unit	tCO <sub>2</sub> eq/m <sup>2</sup>	0.058	0.050	0.059

\* Based on headquarters and Janggyo Building  
2018-2020 data updated due to a change in measurement criteria

### Copy Paper Usage

Category		Unit	2018	2019	2020
Copy Paper Usage Amount		Box	72,335	68,786	76,599

\* Includes headquarters and business buildings (branches, regional groups, regional headquarters)

### Eco-friendly Product Purchasing

Category		Unit	2018	2019	2020
Purchase of eco-friendly supplies (furniture, etc)		KRW million	2,167	3,404	1,209

\* Based on the use of eco-friendly materials EO, E1 (formaldehyde-free)  
Due to COVID-19, the overall volume of furniture purchase declined, including eco-friendly products.

## Third-party Assurance Statement

### To Management and Stakeholders of Hanwha Life Insurance

Korea Sustainability Investing Forum (hereinafter "KoSIF") was commissioned by Hanwha Life Insurance (hereinafter the "Company") to provide an independent assurance statement for its "Hanwha Life Insurance Sustainability Report 2021 (hereinafter the "Report") and hereby presents the following third-party assurance statement.

### Responsibility and Independence

Other than providing the independent assurance statement, KoSIF does not hold any interest in the Company that may affect the independence and fairness of the verification. Although this assurance statement is written for the management and stakeholders of the Company, KoSIF expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this assurance statement.

### Assurance Criteria and Principles

This assurance statement is based on AA1000AS(2008), an internationally recognized standard on sustainability assurance. Detailed verification criteria are as follows.

- Type 1, Moderate Level used in AA1000AS (2008),
- The three accountability principles (Inclusivity, Materiality, Responsiveness) of AA1000AS(2008)
- Core option of the GRI Standard Guideline

### Assurance Process and Limitations

KoSIF carried out an initial review based on publicly available IR materials and supporting data obtained directly from the Company.

Visits to the headquarters were restricted due to the spread of the COVID-19, so the on-site verification was conducted through data confirmation and interviews with the person in charge of the report in a third place. KoSIF verified the materiality assessment process, methods, engagement activities through stakeholder communication channels, and the organizational structure for sustainable management. Through the sampling process, KoSIF checked the coherence and supporting material for economic, social, and environmental data and relevant assertions made in the Report. A thorough review was conducted for some performance indicators by reviewing supporting documents and records. The on-site audit process involved an interview with a representative from the Company responsible for writing the Report. KoSIF confirmed that the financial data were appropriately retrieved from financial statements in the annual report listed in Data Analysis, Retrieval and Transfer System (DART). Data and information stretching outside the reporting boundary of the Company (suppliers, contractors, etc) are not included in the verification scope. The result of the assurance may differ if the scope of the assessment changes.

### Assurance Result and Opinion

Nothing has come to KoSIF's attention that causes KoSIF to believe the information and data provided were misplaced or misleading. KoSIF could also not find anything that may provide a basis that the report was not prepared in accordance with the core option of GRI Standard Guidelines.

KoSIF's opinion regarding the principles of AA1000AS(2008) is as follows:

#### Inclusivity

The Company identifies customers, employees, shareholders, investors, central and local government, business partners, and local communities as its stakeholders. The Company has established communication channels for each stakeholder group and collects feedback, expectations, and opinions of the respective stakeholder groups. In addition, the Company reflects the interests and expectations of stakeholders through the survey for materiality assessment. As a result of checking the operation and performance of major communication channels for each stakeholder, and surveys, KoSIF could not find any evidence that important stakeholders were omitted from the process.

### Materiality

The Company conducted a materiality assessment by ① configuring an issue pool, ② mapping materiality and deriving materiality issues, and ③ reporting topic selection. The company created an issue pool with 34 topics by conducting internal and external stakeholder surveys, reviewing previous issues in the past, researching media, benchmarking 13 domestic and foreign companies, and analysing 7 international standards. In addition, materiality issues were mapped in consideration of stakeholder impacts and business relevance. As a result, 15 issues (3 Building sound governance, 2 economic value creation, 8 social value creation, 2 transition to green finance) were selected. KoSIF reviewed relevant documents in the materiality assessment process of the Company, and has found no evidence that material issues were omitted during the process.

### Responsiveness

The company reports response activities and performance for 15 core issues identified as having a significant impact on stakeholders. KoSIF has not found any evidence that Company's activities and performance to important issues derived for materiality assessment were inappropriately reported. Nevertheless, more diverse and active strategies to respond to climate change, particularly in regard to green management and green financing, are suggested.

### Recommendations

In anticipation that the Company will advance its sustainability management and respond in a timely manner to current sustainability issues, and contribute to enhancing the sustainability of stakeholders, KoSIF recommends the following:

- The company has established a governance system and separate department dedicated for ESG management. It is recommended to enhance its ESG vision - goals - implementation strategies as well as sustainable management practices in the future. In addition, KoSIF recommends to further elaborate on its ESG investment principles and strengthen fiduciary responsibility by introducing a stewardship code.
- KoSIF recommends to build a system to systematically manage and disclose ESG information. (example: separate calculation and disclosure of scope 1 and 2 emissions information, disclosure of paper usage, etc.)
- The report will be more reliable if it includes specific policies and implementation cases to minimize negative impacts on the company's stakeholders.
- The company, a leading insurance company in south Korea committed to ending coal finance, declared to support TCFD. On top of these efforts, KoSIF suggests to enhance its climate finance management by pursuing carbon neutrality of the portfolio and establishing a road map accordingly. For this purpose, efforts to derive its investing companies to disclose their environmental information through CDP as well as efforts to disclose its own environmental information are strongly recommended.

August 17<sup>th</sup>, 2021  
Korea Sustainability Investing Forum Chairman  
Kim, Young Ho



## GRI Index

### Universal Standards (GRI 100)

Classification	Disclosure	Indicators	Page	Note
Organizational Profile	102-1	Name of the organization	4	
	102-2	Activities, brands, products, and services	4	
	102-3	Location of headquarters	4	
	102-4	Location of operations	4, 26-27	
	102-5	Ownership and legal form	4	
	102-6	Markets served	4, 26-27	
	102-7	Scale of the organization	84	
	102-8	Information on employees and other workers	88	
	102-9	Supply chain	52-55	
	102-10	Significant changes to the organization and its supply chain	-	Annual Report 4p
	102-11	Precautionary Principle or approach	74-77	
	102-12	External initiatives	97-99	
	Strategy	102-13	Membership of associations	97
102-14		Statement from senior decision-maker	2-3	
Ethics and Integrity	102-15	Key impacts, risks, and opportunities	2-3	
	102-16	Values, principles, standards, and norms of behavior	71	
Governance	102-17	Mechanisms for advice and concerns about ethics	72	
	102-18	Governance structure	67-70	
Stakeholder Engagement	102-40	List of stakeholder groups	80	
	102-41	Collective bargaining agreements	88	
	102-42	Identifying and selecting stakeholders	80	
	102-43	Approach to stakeholder engagement	80	
	102-44	Key topics and concerns raised	80	
	102-45	Entities included in the consolidated financial statements	-	Annual Report 3-4p
Reporting Practice	102-46	Defining report content and topic Boundaries	82-83	
	102-47	List of material topics	83	
	102-48	Restatements of information	-	Included the information on relevant page
	102-49	Changes in reporting	-	About This Report
	102-50	Reporting period	-	About This Report
	102-51	Date of most recent report	-	About This Report
	102-52	Reporting cycle	-	About This Report
	102-53	Contact point for questions regarding the report	-	About This Report
	102-54	Claims of reporting in accordance with the GRI Standards	-	About This Report
	102-55	GRI content index	94-95	
	102-56	External assurance	92-93	



## Topic-specific Standards

Classification	Disclosure	Indicators	Page	Note
Economic Performance	103-1, 2, 3	Management Approach	14	
	201-1	Direct economic value generated and distributed	86	
Anti-corruption	103-1, 2, 3	Management Approach	66	
	205-2	Communication and training about anti-corruption policies and procedures	73	
Anti-corruption	103-1, 2, 3	Management Approach	58	
	305-1	Direct (Scope 1) GHG emissions	91	
	305-2	Energy indirect (Scope 2) GHG emissions	91	
	305-4	GHG emissions intensity	91	
	305-5	Reduction of GHG emissions	60, 91	
Human Rights Assessment	103-1, 2, 3	Management Approach	28	
	412-1	Operations that have been subject to human rights reviews or impact assessments	57	
	412-2	Employee training on human rights policies or procedures	56	

## Other Standards

### Economic Performance(GRI 200)

Classification	Disclosure	Indicators	Page	Note
Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	65	
	201-3	Defined benefit plan obligations and other retirement plans	89	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	29-35	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	Annual Report 478p

### Environmental Performance(GRI 300)

Classification	Disclosure	Indicators	Page	Note
Energy	302-1	Energy consumption within the organization	91	
	302-3	Energy intensity	91	
Water	303-3	Water withdrawal	91	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	-	No Significant Incidents

### Social Performance(GRI 400)

Classification	Disclosure	Indicators	Page	Note
Employment	401-1	New employee hires and employee turnover	88	
	401-3	Parental leave	88	
Occupational Health and Safety	403-1	Occupational health and safety management system	50	
	403-5	Worker training on occupational health and safety	51	
	403-6	Promotion of worker health	50	
Training and Education	404-1	Average hours of training per year per employee	89	
	404-2	Programs for upgrading employee skills and transition assistance programs	46-47	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	67, 88	
Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	-	Annual Report 478p
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	Annual Report 478p
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	Annual Report 478p





## SASB Index

Hanwha Life transparently discloses the financial impact of sustainable management, in accordance with SASB (The Sustainability Accounting Standards Boards) standards.

Topic	Disclosure Code	Description	Page
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	none
	FN-IN-270a.2	Complaints-to-claims ratio	90
	FN-IN-270a.3	Customer retention rate	85
	FN-IN-270a.4	Description of approach to informing customers about products	23, Hanwha Life Website
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	25
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	25
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	38
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	n/a for a life insurance company
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	n/a for a life insurance company
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	n/a for a life insurance company
Systemic Risk Management	FN-IN-550a.1	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	76-77

## Global Initiatives

As a responsible corporate citizen, Hanwha Life is committed to creating a sustainable society. To this end, we have supported a number of global initiatives, with a view to identifying ESG issues and implementing ESG management.

Category	Contents
 <p><b>UNEP FI</b> (United Nations Environmental Programme Finance Initiative)</p>	<p>Aims to undertake a wide range of programs in partnership with the UNEP and financial institutions, in recognition of the critical role of financial institutions in sustainable development</p>
 <p><b>UNEP FI PSI</b> (UNEP FI Principles for Sustainable Insurance)</p>	<p>The Principles for Sustainable Insurance declared by the UNEP FI, with a view to identifying, assessing, managing and monitoring the risks and opportunities related to environment, society and governance across the insurance value chain, including interactions with stakeholders</p>
 <p><b>TCFD</b> (Task Force on Climate-related Financial Disclosure)</p>	<p>A committee established in 2015 by the FSB (FSB, Financial Stability Forum) upon the request from G20, to encourage companies to disclose information related to climate change, including climate-related governance, business strategy, risk management, climate change management targets &amp; indicators, so that companies can effectively incorporate climate-related risks and opportunities into company-wide risk management and decision-making.</p>
 <p><b>UNGC</b> (UN Global Compact)</p>	<p>The UNGC is the world's largest voluntary corporate citizen initiative, espousing ten principles in the four areas of human rights, labor, the environment and anti-corruption to be incorporated into business operations and management strategies, in order to pursue sustainable management, enhance corporate citizenship as well as propose practical actions.</p>
 <p><b>UN SDGs</b> (Sustainable Development Goals)</p>	<p>The UN SDGs were adopted by the 70<sup>th</sup> UN General Assembly in 2015 under the slogan 'Leave no-one behind'. This initiative set the direction for the global community in the five areas of Humankind, the Earth, Prosperity, Peace and Partnership, consisting of 17 goals and 169 sub-goals to be achieved by 2030.</p>

## PSI Report

Hanwha Life has joined the PSI (Principles for Sustainable Insurance) of the UNEP FI, with a view to incorporating ESG elements into overall insurance business operations, collaborate with our stakeholders including customers, business partners and the government, and enhance their awareness of the imperative for ESG management.

<p>Principle 1</p>	<p>We will embed in our decision-making ESG issues relevant to our insurance business.</p>	<p>We have created a sustainability management committee as well as a dedicated sustainability management team to establish and implement ESG management across the company. The Sustainability Management Committee, under the auspices of the Board of Directors, is responsible for managing our ESG performance and reviewing and approving related policies. This enables the execution of long-term ESG-related policies and strategies at Board level, the top decision-making body of the company.</p> <p>In addition, we have included 'laying the foundations for sustainable management by strengthening ESG oversight' in the corporate performance evaluation system, OKR, thus embedding ESG in our overall management activities.</p>
<p>Principle 2</p>	<p>We will work together with our clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.</p>	<p>Hanwha Life pursues responsible investments, and we encourage our investees to adopt ESG principles. By declaring de-coal financing, providing guidelines for exercising voting rights based on ESG, and re-establishing policies for ESG management, we have stressed the necessity of ESG management to our investees and encouraged their active participation.</p> <p>Further, in order to induce engagement in ESG activities such as human rights protection and ethical business practices and to spread sustainable management practices across the industry, we have include the results of our suppliers' self-assessment for the Ethical Standards in our supplier evaluation.</p>
<p>Principle 3</p>	<p>We will work together with governments, regulators and other key stakeholders to promote cross-societal action on environmental, social and governance issues.</p>	<p>Hanwha Life actively collaborates with the government and external institutions to promote ESG management. We participate in the National Assembly ESG Forum, created to advocate the development of ESG policies and the enactment of relevant laws, and have joined the 'Declaration of Green Finance to Achieve 2050 Carbon-Neutral Strategy' organized by the Korea Sustainability Investing Forum and the National Assembly Forum on Climate Change, to underline our commitment to a carbon-neutral strategy and viable climate change response.</p> <p>In addition, we regularly hold ESG meetings with Hanwha's financial affiliates to share and discuss ESG plans and their progress.</p> <p>Hanwha Life works closely with the government, local communities and volunteering groups to conduct social contribution activities and share ESG values.</p> <p>We started the 'Hanwha Life Volunteer Group' in 2004, and 140 volunteer teams conduct a variety of activities in a 1-to-1 partnership with local communities and volunteer groups. We also work with local community NGOs to plan and implement social contribution programs for the socially underprivileged.</p>
<p>Principle 4</p>	<p>We will demonstrate accountability and transparency in regularly making public our progress in implementing the Principles for Sustainable Insurance</p>	<p>In order to maintain the credibility and transparency of our ESG management activities, Hanwha Life regularly publishes a Sustainability Report, a Corporate Governance Report and an Annual Report via a range of communication channels – including the company website.</p>





## UN Global Compact

The UNGC, an international pact proposed by the former UN Secretary-General, Kofi Annan in 2000, comprises ten principles in the four areas of human rights, labor, the environment and anti-corruption. These are intended to strengthen social responsibility practices in the business community. Hanwha Life actively supports the Ten Principles and strives to uphold them across its entire business operation.

Category		Contents	Pages
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	56-57
	Principle 2	Businesses should ensure that they are not complicit in human rights abuses.	
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	46-49, 56-57
	Principle 4	the elimination of all forms of forced and compulsory labor;	
	Principle 5	the effective abolition of child labor; and	
	Principle 6	the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	58-65
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	
	Principle 9	encourage the development and diffusion of environmentally-friendly technologies.	
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery,	71-73

## Support for Sustainable Development Goals (SDGs)

Following on from MDGs (Millennium Development Goals), the UN adopted SDGs (Sustainability Development Goals) consisting of 17 principal goals and 169 sub-goals to be delivered by 2030. Hanwha Life is engaging in a wide range of activities to help achieve these SDGs, the highest-level shared goals of the global community.

	<p><b>Promote healthy life and welfare for all age groups</b></p>	<p><b>Support for medical insurance for the underprivileged in Vietnam</b> We sponsored the individual share of the medical insurance cost for the underprivileged. This has helped improve their access to medical services and relieve their economic burden.</p> <p><b>Support on COVID-19f</b> We donated facial masks for young patients with leukemia who are more vulnerable to COVID-19, and offered our Life Park Training Center to be used as a local treatment center.</p>
	<p><b>Provide inclusive, fair and high-quality education, and promote life-long learning for all</b></p>	<p><b>Hanwha Life Economics Class</b> We operate a 'Hanwha Life Economics Class' for children and young people, the leaders of our future, to help them develop their understanding of economics and grow as conscientious consumers of financial services.</p>
	<p><b>Promote inclusive and sustainable economic growth, full and productive employment, and quality jobs for all.</b></p>	<p><b>DREAMPLUS, DREAMHAUS</b> As part of promoting innovative growth for the future, we provide opportunities to young people to start up their own businesses and expand to international markets by providing residential stability and financial support.</p>
	<p><b>Reduce inequality within Korea and between countries</b></p>	<p><b>Inclusive Financial Products</b> Hanwha Life has introduced a wide range of insurance products to provide protection for the financially underprivileged such as people with old age or medical conditions, or the financially underprivileged, who are conventionally denied access to standard insurance products.</p>

## Key Awards and Recognitions

Certified 8 times straight as an Outstanding Customer-centered Management(CCM) Company, inducted into the CCM Hall of Fame in 2021

**Fair Trade Commission / Korea Consumer Agency**



Organized by the Fair Trade Commission and recognized by the Korea Consumer Agency, the Consumer Centered Management certification is awarded every two years based on the evaluation of consumer-centered management systems and continued improvement activities. In recognition of our continuous improvement in this area, Hanwha Life was certified for the eighth consecutive time as an Outstanding CCM company since its first certification in 2007 and entered the CCM 'Hall of Fame' in 2021.

Ranked No.1 Call Center and No.1 Customer Center on the KSQI(Korean Service Quality Index) for ten consecutive years and twelve consecutive years, respectively

**KMAC**



The Korean Service Quality Index (KSQI) provides an indicator of service quality based on customer perceptions. It is evaluated by a panel on the level of service quality at customer touchpoints, and indexed in terms of service fulfillment. As a result of consistent efforts to enhance our service quality, Hanwha Life has been ranked No. 1 for 10 consecutive years in Call Centers and No. 1 for 12 consecutive years in Customer Centers.

“Hall of Fame”  
2017 Korea Service Grand Prix

**Korea Standards Association**



The Korean Standards Associations lists on the Hall of Fame those companies that have won the grand prize for five consecutive years and have maintained an outstanding level of customer-focused service. Having received the Grand Prize for Life Insurance for eight consecutive years, Hanwha Life entered the Hall of Fame in 2017 in recognition of its excellence as a customer-focused enterprise.

Best Workplace for Women in Finance Category  
Six years in a row

**GPTW(Great Place to Work Institute)**



The Great Place to Work Institute annually selects the 100 best companies to work in Korea. Hanwha Life has been awarded the grand prize for six consecutive years in 'Korea's Best Workplace for Women' in the financial sector category, in recognition of initiatives such as the Moms' Package scheme and its women's leadership development programs.

# Hanwha Life Sustainability Report 2021

Published date July, 2021

Issuer Hanwha Life

Hanwha Life Building Public Relations Team 50,  
63-ro, Yeongdeungpo-gu, Seoul, Korea

TEL +82.2.789.8072

E-mail [seyeon0527@hanwha.com](mailto:seyeon0527@hanwha.com)



This report is printed on paper certified by the FSC™ for the protection of forest resources.