

Health Insurance  
for All,  
A Healthy Life  
Worth Living!

**h·well**  
National Health  
Insurance Service

32, Geongang-ro, Wonju-si, Gangwon-do (Bangok-dong)  
Ask us a thousand times and we'll answer! 1577-1000  
[www.nhis.or.kr](http://www.nhis.or.kr)

**h·well**  
National Health  
Insurance Service



## About this Report

This is the first Social Responsibility Report published by the National Health Insurance Service (NHIS). The goal of this report is to allow the NHIS to inform the NHIS stakeholders of the major activities and efforts made to enhance public health and citizens’ quality of life. By publishing the Social Responsibility Report, we promise to continuously communicate with our stakeholders the social values being pursued and created by the NHIS.

### Reporting Criteria

This report has been written in accordance with Global Reporting Initiative (GRI) Standards: Core Option and reflects the 10 principles of the ISO 26000, UN SDGs, and UN Global Compact.

### Reporting Boundaries

NHIS headquarters, regional headquarters (Seoul-Gangwon, Busan-Gyeongnam, Daegu-Gyeongbuk, Honam Jeju, Daejeon-Chungcheong, and Incheon-Gyeonggi), branch offices, and NHIS Ilsan Hospital

### Reporting Period

January 1, 2019 – December 31, 2020 (Including some activities and achievements in the first half of 2021)

### Reporting Cycle

Every other year

### Reporting Verification

Third-party independent verification

### Report information

This report was published in Korean and English and can be downloaded from the NHIS website (www.nhis.or.kr).

### Contact Information

**Address** 32, Geongang-ro, Wonju-si, Gangwon-do (Bangok-dong) NHIS (26464)  
**Department** Social Value Realization Promotion Team  
**Phone** 033-736-1678  
**Website** www.nhis.or.kr

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## CEO Message



### Making the World Beautiful and the People Healthy!

Dear Respected Stakeholders,

As an insurer that manages and operates health insurance and long-term care insurance for the elderly and as an integrated collection agency for the four major social insurances, the NHIS is striving to improve citizens' quality of life by enhancing public health and social security.

In particular, in the turbulence resulting from COVID-19, the NHIS has contributed to preventing the spread of COVID-19 by distributing the 'Guidelines for Preventing the Spread of COVID-19' and 'Situational Response Scenarios' to the public and related organizations. Moreover, the NHIS has enabled citizens to experience 'a country without worries about medical expenses' by subsidizing examination and treatment costs for COVID-19 without self-burden.

In the future, we will further continue to establish a social security system that can preemptively combat any risk that threatens the health of citizens. All 16,000 employees who collectively make up the nation's largest health insurance institution make the following three promises to fulfill the NHIS' social responsibilities in addition to realizing the happiness of the citizens.

**First, we vow to create a health insurance system that enables one health insurance to resolve all medical expenses.**

The NHIS is extending its insurance coverage by removing selective medical expenses and advanced hospital ward fees and expanding ultrasound and MRI coverage so that no citizens will hesitate to receive treatment due to concerns about hospital expenses. In particular, the public aspect of health insurance is being heightened by significantly reducing the burden of medical expenses for the severely ill, the elderly, and children. We will further continue to promote the strengthening of health insurance coverage to create a country free from concerns about hospital expenses.

In addition, the NHIS has provided health insurance big data during the COVID-19 crisis to allow the rapid classification of the severity of patients, enabling timely treatment and the efficient use of hospital beds. This year, we plan to support the establishment of evidence-based infectious disease policies by constructing the 'COVID-19 Health Information Big Data' in collaboration with the Korea Disease Control and Prevention Agency. Furthermore, we will strengthen the rapid response system for new infectious diseases. In this manner, we will design health insurance that is prepared for the new normal era after COVID-19.

**Second, we will further secure financial soundness to offer a sustainable public health safety net.**

To continuously ensure the implementation of health insurance, financial stability is required. We have established a financial analysis system for preemptive financial management to build a real-time monitoring system. Furthermore, we are striving to improve spending efficiency by cracking down on illegal medical institutions that increase unnecessary spending, and we are continuously managing delinquent insurance premium payers.

In addition, we are implementing a reform to the income-oriented insurance premium system to reflect fairness and equity and to increase the acceptability of the system and insurance premium collection.

With the aging of the population, the number of insurance premium payers is decreasing while the number of people benefiting from insurance, including the elderly, is increasing. In this regard, we will continue to reassess shortcomings in our policies to seamlessly secure and manage our financial resources.

**Third, we will further lead the actualization of our social values through Environmental, Social and Corporate Governance (ESG) management and social responsibility activities.**

The inherent task of the NHIS is to faithfully fulfill its inherent roles mainly toward the citizens and stakeholders to contribute to the realization of social values and public interests. We will realize social value by solidifying organic cooperation among the three pillars of health insurance: subscribers, providers, and insurers. We will also further solve social problems and enhance system sustainability by communicating and cooperating with various stakeholders.

Furthermore, by declaring our support for the 2019 UN Global Compact, the NHIS will achieve these results by observing the 10 principles in the four areas of human rights, labor, environment, and anti-corruption. We will continue to enact values that our stakeholders can experience through active social responsibility activities based on ESG management. We request your continued interest and encouragement in helping us achieve our goals.

July 2021  
President NHIS **Yong-ik Kim**

김용익

# 2019~2020 NHIS Highlights

Relief of citizens from medical expenses through strengthening coverage

KRW **2.7724** trillion



Amount of health insurance arrears collected

KRW **7.0402** trillion



Disease detection rate from health checkup

**30 %**

No. of beneficiaries from extended health checkup

**1.74** million people

No. of beneficiaries from long-term nursing care insurance

**858,000** people

**First national**  
dementia-dedicated nursing facility

**Seogwipo Public Nursing Home**



Reduction of health insurance premiums for low-income and vulnerable classes

KRW **911.5** billion



Government's award for honoring the response to COVID-19

**Received Presidential Award**



Nomination for six consecutive years as the institution with

**Highest overall integrity level (Grade 1)**

Received the 2019

**President's Citation**  
for Job Creation

Created **17,360** jobs in the private sector in 2020



Amount of waste medicine collected nationwide

**1,545**kg



Received a citation from the Ministry of Personnel Management for the organization with balanced HR work merit through

**Socially equitable recruitment**

Certified as a family-friendly institution over **12 consecutive years** by the Minister of Gender Equality and Family

KCCI Forbes CSR Award over **5 consecutive years**

Severe employee accident for **over 6 consecutive years ZERO**



# About NHIS

## Overview of the NHIS

The NHIS was established in 2000 to contribute to the improvement of citizens' quality of life by promoting public health and social security and offering health insurance and long-term nursing care insurance for the elderly as its main businesses. In addition to performing social contribution activities to alleviate economic burdens and resolve social problems, the NHIS also implements environment-friendly management that maximizes the characteristics of our business, contributing positively to local communities across different economic, environmental, and social aspects. In the future, the NHIS will share the benefits necessary for citizens to lead a healthy life and expand its coverage to ensure the NHIS becomes an even more trusted institution.

## General Status

(As of March 31, 2021)

**Establishment date**  
July 1, 2000

**Head of institution**  
Yong-Ik Kim

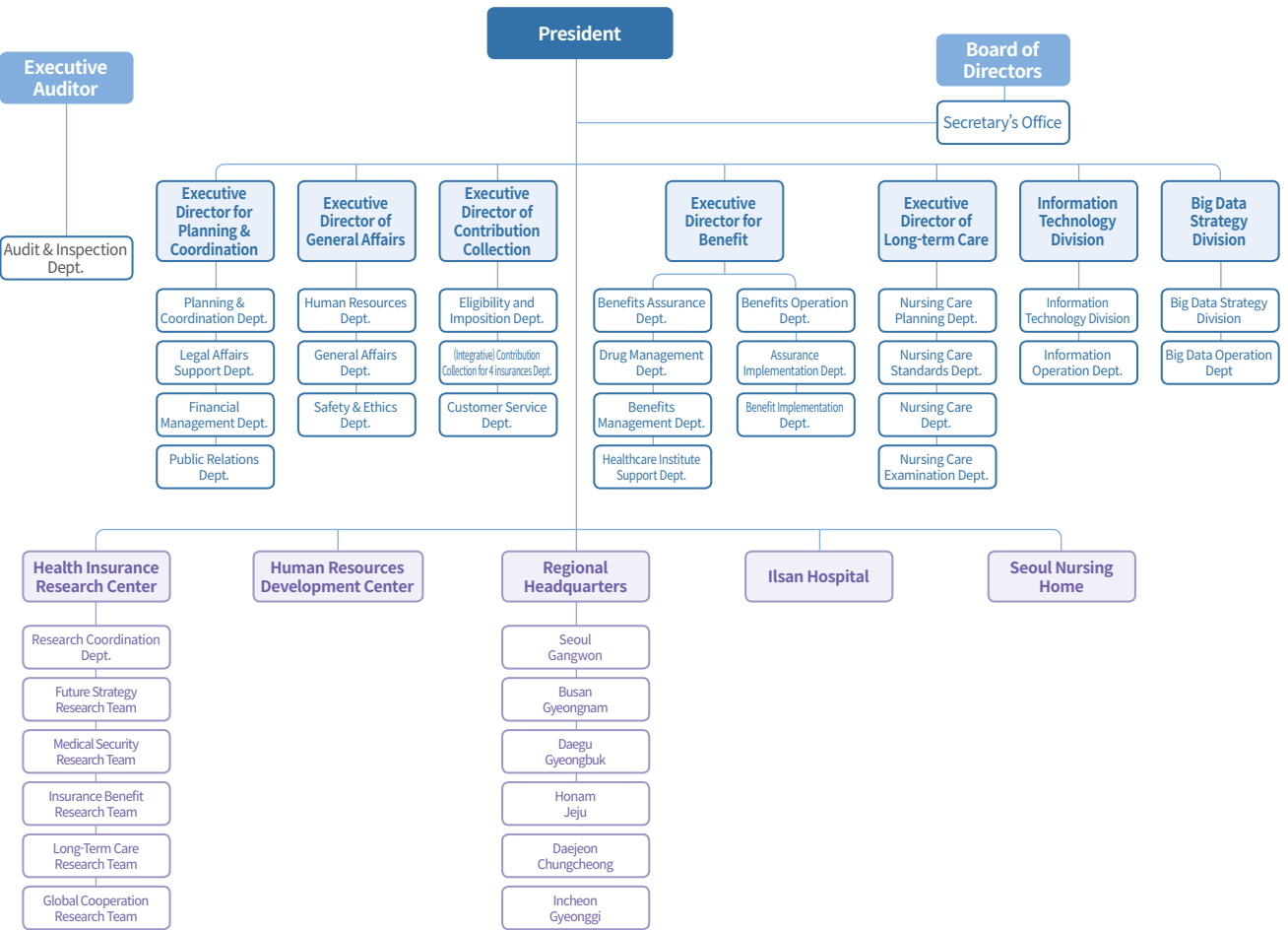
**Supervisor**  
Ministry of Health and Welfare

**Number of employees**  
16,321

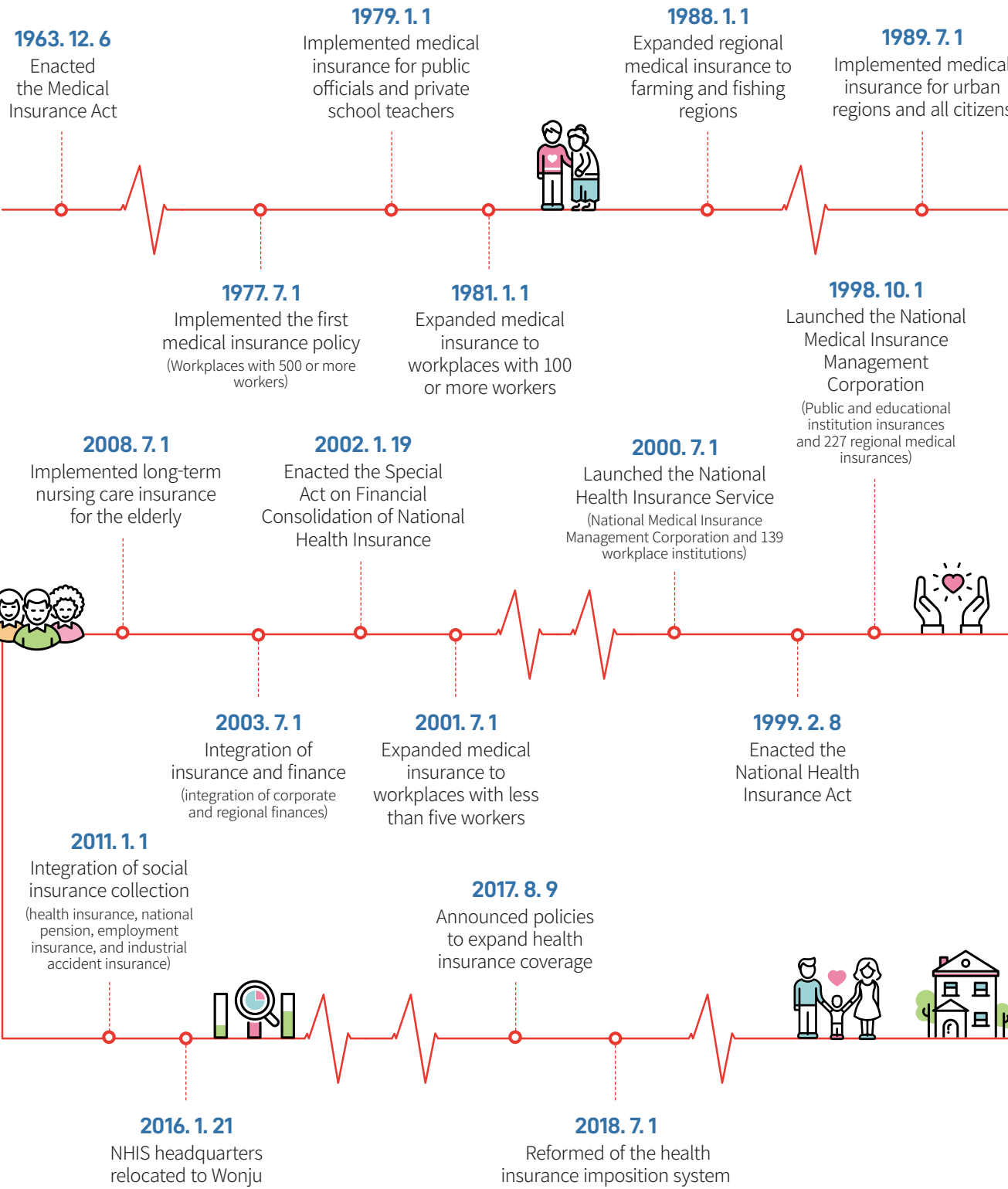
**Location**  
32, Geongang-ro, Wonju-si

**Type of institution**  
Quasi-Governmental Institutions  
(Consignment Execution Type)

## Organizational Chart



## Our History



# Business Overview

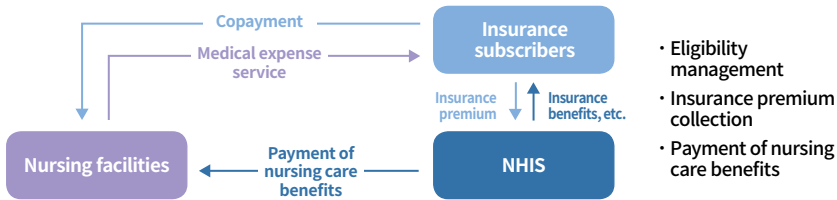
Our main businesses are health insurance and long-term nursing care insurance for the elderly. Furthermore, we deal with other businesses such as health checkups and the integrated collection of insurance premiums to efficiently perform these main businesses.

category	Major tasks
Health insurance	<ul style="list-style-type: none"><li>▶ Eligibility management for subscribers (including foreigners)</li><li>▶ Imposition of regional and workplace insurance premiums</li><li>▶ Medical and drug price contracts</li><li>▶ Provision of payroll expenses and post-payroll management</li></ul>
Long-term nursing care insurance for the elderly	<ul style="list-style-type: none"><li>▶ Screening and rating for long-term nursing care</li><li>▶ Covered expense review, payment management, and institutional evaluation</li></ul>
Health checkup and promotion/prevention	<ul style="list-style-type: none"><li>▶ Health checkup for early detection and treatment of diseases</li><li>▶ Disease prevention and health promotion projects</li></ul>
Integrated collection of four major social insurance premiums	<ul style="list-style-type: none"><li>▶ Notification and collection of health insurance, national pension, and employment/industrial accident insurance premiums</li></ul>
Institutional operation businesses	<ul style="list-style-type: none"><li>▶ Financial (asset) management and medical (nursing care) facility operation</li><li>▶ Survey and research, international cooperation, education and training, and public relations</li></ul>
Government consigned projects	<ul style="list-style-type: none"><li>▶ 22 consigned projects including management of medical benefit recipients and youth health checkups outside school</li></ul>

## Health Insurance System

The national health insurance is a social insurance that promotes public health and stability in life by distributing the burden of medical expenses to all national health insurance subscribers based on the principle of insurance. The NHIS, as an insurer of health insurance, charges and collects premiums.

### Management system for health insurance system



### Obligations to subscribe to insurance and pay premiums

By avoiding health insurance premiums, it becomes difficult to realize the goals of the health insurance system because only those who are at high risk of diseases would purchase insurance and bear the heavy burden of medical expenses. Thus, if certain legal requirements are met, health insurance is compulsory, and the obligation to pay insurance premiums is imposed.

### Premium imposition and coverage

Because the purpose of social insurance is to resolve the problem of medical expenses in solidarity with all citizens, insurance premiums are charged according to the ability to pay premiums, such as that determined by income level. However, coverage is equal regardless of the amount of premiums paid.

### Subscriber Status

(As of March 31, 2021)

**Total number of subscribers**  
**51.4 million**  
Including 1.28 million foreigners (Overseas Koreans)

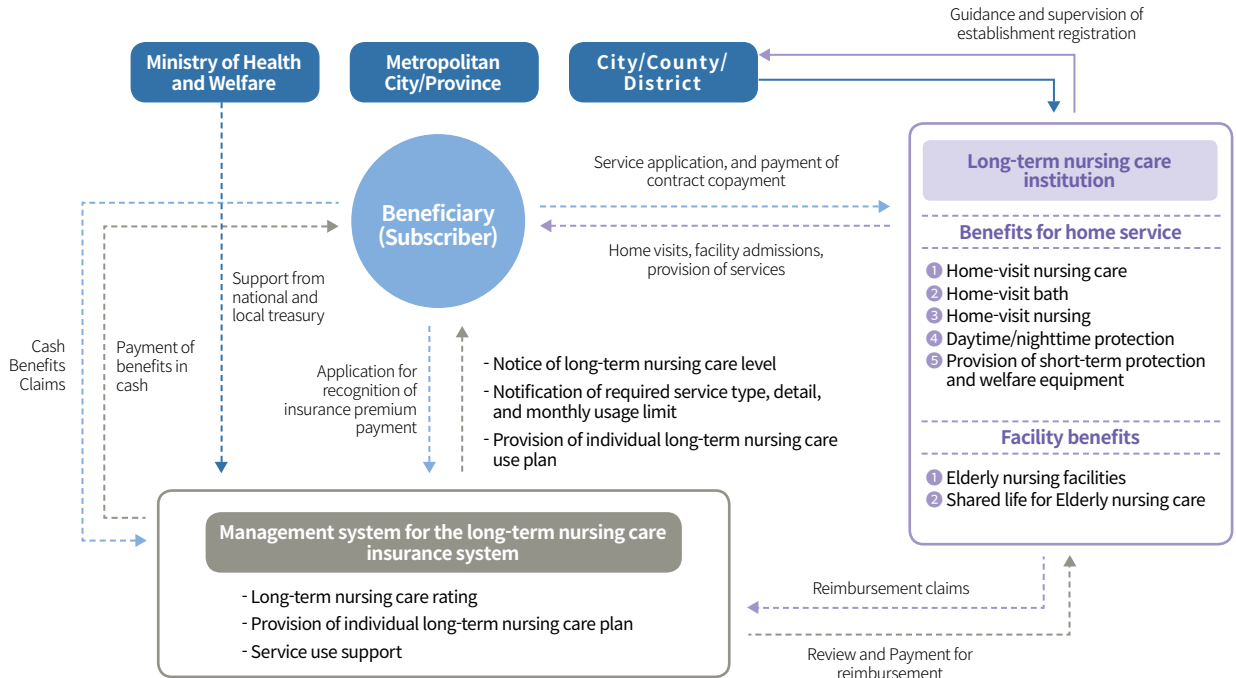
**Number of workplace subscribers**  
**37.15 million (72.3%)**  
18.54 million subscribers  
18.61 million dependents

**Number of regional subscribers**  
**14.25 million (27.7%)**  
7.24 million heads of households  
7.01 million members of household

## Long-term Nursing Care Insurance System

The long-term nursing care insurance system for the elderly is a system that is intended to improve the quality of life of citizens by providing support for physical activity and housework for those elderly citizens who are unable to perform daily tasks independently due to old age, geriatric diseases, etc. Furthermore, this insurance reduces the burden on their families.

### Management system for the long-term nursing care insurance system



### Imposition of premiums

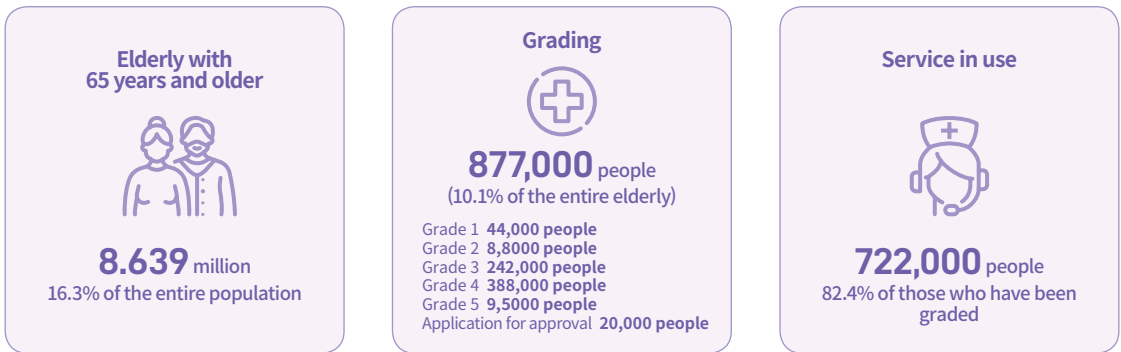
Health insurance subscribers are automatically enrolled in long-term nursing care insurance for the elderly and pay premiums. As in the health insurance system, the government subsidizes a portion of the premium, and beneficiaries of long-term nursing care also pay another portion of the premium according to the legal out-of-pocket ratio.

### Coverage mainly for the elderly

South Korea's long-term nursing care insurance system is intended for the elderly over 65 years old or those under 65 who are recognized as having geriatric diseases (including dementia) and being incapable of independently leading a regular life.

### Subscriber Status

(As of March 31, 2021)



# CSR Strategy

## Mid/Long-Term Strategic Direction

To fulfill its role as a public institution, the NHIS is performing responsible management activities by internalizing the creation of social values in its mid- to long-term management strategies.

Mission

Improving the quality of life of citizens by promoting public health and social security

Vision

Lifelong health, public happiness, and global health security leader

Core values



Hope and happiness

By strengthening lifelong health services, we give hope to citizens and share the value of health so they can lead happy lives.



Communication and harmony

We pursue the sustainable development of the health insurance system and a forward trajectory in the entire health care system by communicating and harmonizing with internal and external stakeholders based on trust.



Change and challenge

We challenge ourselves to create future value for the system through change and innovation rather than settling within existing systems and frameworks.



Creativity and Professionalism

We aim to become experts who lead innovation so that we can leap forward as the global top health insurance system by cultivating creative thinking and the highest professional capabilities.



Strategic goals

A health safety system that covers all medical expenses with one health insurance

Customized health management for improved life expectancy and medical use safety

High-quality long-term nursing care insurance to improve the quality of life in old age

A system that becomes a global standard by strengthening insurers' capabilities

An industrial complex full of vitality and pride through autonomy and innovation

2024 Futuristic view



Health insurance system satisfaction of **79.9 points**



Chronic disease management rate of **18.1%**



Long-term nursing care approval rate of **11.5%**



International community UHC\* support rate of **90.1%**

\* Universal Health Coverage



Public institution customer satisfaction of **93.6 points**

Core social values

Protection of the socially disadvantaged

Public safety

Local community revitalization

Citizen participation

Jobs

Labor rights

## Social Value System

Goal

Establishment of social value model for public institutions

Promotion strategy



Community-centered reinforcement of social values



Citizen participation in the expansion of communication channels



Citizen participation in the expansion of communication channels



Citizen participation in the expansion of communication channels

Promotional tasks

- ▶ Discover and promote tasks tailored to local communities
- ▶ Promote 'Haenggarae Gangwon' joint project
- ▶ Foster local economy through win-win cooperation

- ▶ Expand citizens' participation and communication
- ▶ Establish cooperation system with external organizations
- ▶ Reinforce social value promotion

- ▶ Elimination of Gapjil (power trip) culture
- ▶ Spread a transparent management culture
- ▶ Reinforce partner companies' capabilities, and improve working conditions

- ▶ Product guidelines
- ▶ Advanced social value impact assessment
- ▶ Employ preemptive management to improve social value contributions

Core social values (KPI)

Public safety

Local community revitalization

Protection of the socially disadvantaged

Citizen participation

Jobs

Labor rights

Number of applicants for correct drug use

Home service utilization rate

Poverty prevention rate for applicants with catastrophic medical expenses

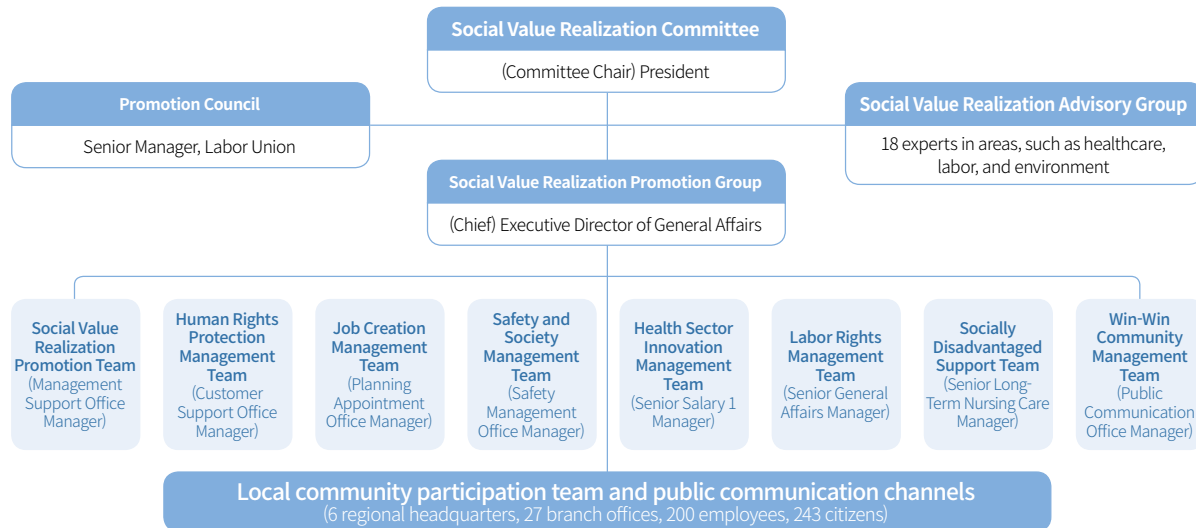
Citizens' proposal acceptance rate

Job creation performance

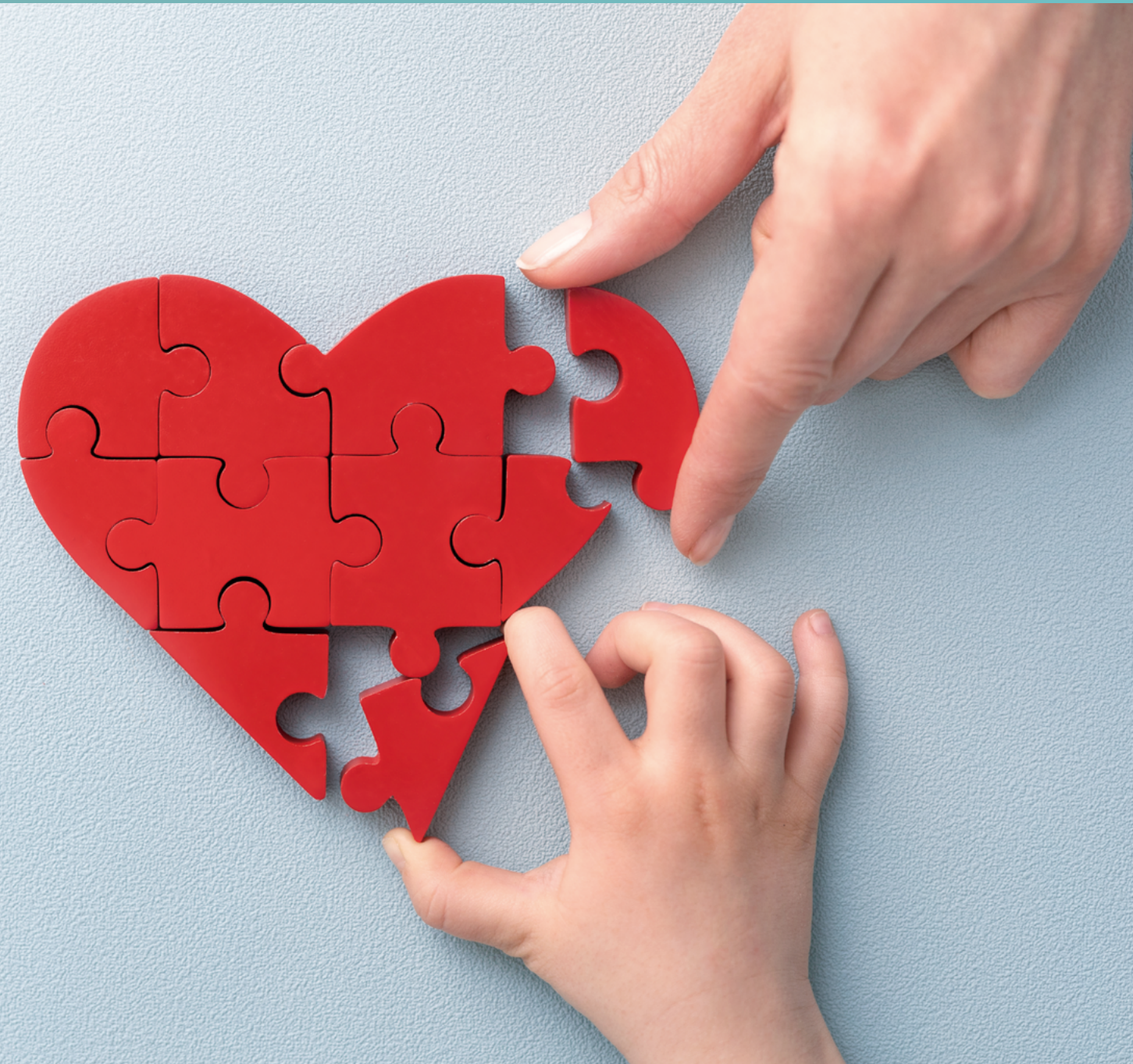
Employment rate of physically challenged individuals

## Social Value Promotion Organization

To actively realize social values, the NHIS has formed and operated a dedicated organization since November 2018. The Social Value Realization Promotion Team acts as a control tower to create social value by discovering various initiatives and managing performance. We will continue to actively discover and realize social values necessary for various stakeholders through a dedicated organization.



# Efforts to Overcome COVID-19



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Support for Strong National Economy	20



## Response Strategy 01

### Establishing Rapid National Safety and Quarantine System



**Why was it important to rapidly establish a national safety and quarantine system?**

The prime minister's on-site visit to a hospital dedicated to the COVID-19 response.

COVID-19 is a virus that was first discovered in Wuhan, China in December 2019 that has spread throughout the globe. This virus is transmitted through tiny particles or droplets that are released by breathing. It is highly contagious because it can be transmitted without direct contact with a carrier. In particular, because a high percentage of asymptomatic carriers may transmit the virus to others, a rapidly established quarantine system could prevent an uncontrollable number of infection cases.

The NHIS, which seeks to improve public health and the quality of citizens' lives, must protect citizens from any widespread viral infections by establishing a safety and quarantine system. We established a quarantine system that can prevent, isolate, and treat infectious diseases by utilizing our experience responding to various infectious diseases, such as Middle East Respiratory Syndrome (MERS), in the past.

**What was the role of the NHIS in establishing the national safety and quarantine system?**



COVID-19 response meeting, (13 public institutions including NHIS in Gangwon Wonju Innovation City)

NHIS Ilsan Hospital was selected by the International Hospital Federation (IHF) as an **excellent hospital for COVID-19 response**

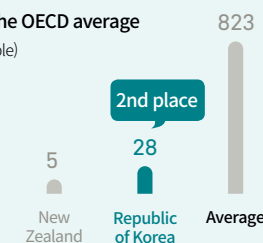


#### Mortality per million people

(As of the end of January 2021)

1/30 of the OECD average

(Unit: People)



#### Establishment of COVID-19 response process

As a healthcare specialty institution that prioritizes public health, the NHIS has experience and expertise responding to various infectious diseases, such as MERS. By actively leveraging this experience, we made efforts to protect the public from the spread of COVID-19 by developing and distributing the COVID-19 response manual.

#### Expansion of medical and quarantine facilities

To protect our citizens from COVID-19 transmission by travelers coming from abroad, we closely scrutinized overseas entrants to minimize infection cases. To provide temporary living facilities in which to quarantine for overseas entrants and help them with intensive treatment in the case of infection, the NHIS converted NHIS Ilsan Hospital into a COVID-19-dedicated hospital to expand the number of available treatment facilities and equipment.

#### Dispatch of quarantine materials and manpower

About 7,000 people were dispatched to handle all aspects of quarantine activities, including sample collection and screening clinics, and 6.4 million face masks were supplied to strengthen the quarantine safety net. In recognition of his dedicated support, Manager Bong-gi Kwon was selected as the first 'Our Hidden Heroes of COVID-19' by the Blue House.



**Bong-gi Kwon** Daegu·Gyeongbuk Regional Headquarters

As an employee of the NHIS who works to ensure public health, I think I have done what I needed to do. The social responsibility felt by each citizen and dedicated medical staff member and health insurance, which allows you to receive tests and treatment without concern about hospital costs, are all heroes.





## Response Strategy 02

## Strengthening Strong Medical Safety Net



Why do we need to strengthen the health safety net?

Seoul Headquarters Gangseo Branch's COVID-19 prevention activities.

Excessive medical expenditures are a major cause of poverty or aggravated poverty, and the medical safety net is not only a safety net for healthcare but also for the economy and society. As the impact of COVID-19 on the socially underprivileged was and continues to be severe, the NHIS has made a continuous effort to secure the growth engine for South Korea's economy and society by establishing a solid medical safety net.

We are strengthening our medical safety net by utilizing our main businesses, the health insurance system and long-term nursing care insurance system. We have preemptively responded to the gaps between care and medical services that may occur due to infectious diseases and protected the public from COVID-19 by using the NHIS' vast medical big data networks.

How is the NHIS strengthening the medical safety net?

Co-pay for COVID-19 treatment costs in South Korea



KRW 0

Co-pay for COVID-19 treatment costs in the United States\*



KRW 4,300 (average)

\* As of August 2020 (See U.S. press release)

Extension of application period for copayment decreasing policy to an additional



99,000 people

Securing health checkup rights for



1.48 million adults

260,000 infants and toddlers



Health Insurance Ilsan Hospital in the early stages of the COVID-19 spread.

## Support for the diagnosis and treatment costs of COVID-19

To prevent the spread of a pandemic, it is necessary to accurately determine whether a person is infected and temporarily isolate him or her from the community. The NHIS has provided full support for the diagnosis of and treatment costs for COVID-19 so that our citizens would not avoid diagnosis or treatment due to cost-related concerns.

## Avoiding care gaps

To protect the elderly who lack immunity from COVID-19, the government recommended closing daytime and nighttime protection facilities, which could have led to a care gap for long-term nursing care service users. Thus, the NHIS conducted a complete survey on the use of long-term nursing care services and provided support for family care expenses or others in connection with local governments' services. Furthermore, we extended the period of long-term nursing care rating so that care services can be continued without concerns about infection.

## Minimizing the gaps in medical services

Some patients with severe or chronic diseases must continuously visit medical facilities to manage their health, and visiting hospitals is difficult in the nationwide spread of COVID-19, which raised concern about medical service gaps. To minimize this gap, we temporarily allowed consultations and prescriptions to be made over phone and extended the health checkup period.

## Big data-based response system for infectious disease

Thanks to the Korean New Deal, the medical data held by the NHIS were utilized to prevent infectious diseases. We used information on people vulnerable to infection to create a monitoring system for medical institutions to suppress group infections and provided a platform to help supply essential medical equipment and supplies, facilitating effective utilization of resources.



## Response Strategy 03

### Support for Strong National Economy



Seoul headquarters' social contribution efforts to child protection facilities.

Why does the NHIS need to ease the economic burden on citizens?

The increase in the unemployment rate that occurred due to the economic downturn caused by COVID-19 and a continued decrease to household income could result in a vicious cycle from weakened consumer sentiment to a lagging national economy. As a public institution that needs to improve the quality of life of citizens, we have alleviated the economic burden on citizens and supported them so they can lead happy lives.

The NHIS has provided financial support to extensively protect the socially underprivileged who have suffered a fatal economic blow from COVID-19. By supporting the low-income class so it can maintain a decent standard of living despite the COVID-19 situation, the NHIS has contributed to a virtuous cycle in the national economy by the increasing consumption capacity of the low-income class.

What classes have the NHIS supported to alleviate the economic burden on citizens?

Early payment of  
KRW **46.1** trillion  
in medical care benefit expenses

Settlement after provisional payment of monthly average salary of  
KRW **3.4** trillion

Low-interest loan of  
KRW **3.9** trillion  
through affiliated banks

KRW **309.1** billion  
of compensation for quarantine treatment area

Purchase of local economic products, such as local agricultural products, by headquarters

KRW **2.2** billion

Purchase of local economic products, such as special products, by regional headquarters

KRW **1.6** billion



Donation for COVID-19 relief efforts.

#### Financial support for medical institutions

Medical services must be ready at all times because they must be prepared against severe COVID-19 situations or other dangerous diseases. Financial support has been provided in stages so that medical institutions can continue to provide medical services.

#### Relief of social insurance premium burden

Health insurance premiums can also be a huge economic burden for low-income families and residents of special disaster areas due to COVID-19. Furthermore, because health insurance benefits cannot be provided if there are any delinquencies in health insurance premiums, there could be medical blind spots. The NHIS has reduced health insurance premiums of KRW 911.5 billion for the underprivileged and written off 250,000 delinquent premiums, including those for the poorest members of society and small business owners, thereby continuously allowing citizens to enjoy health insurance benefits.

#### Early financial execution

To revitalize the economy, a large amount of money must flow into the market and turn over. For this purpose, the NHIS has simplified the public contract procedure, expanded prepayment options, and performed early executions of KRW 63.9 billion to help small local business owners suffering from reduced sales.

#### Revitalization of local economy

As consumer sentiment has weakened due to COVID-19, the local economy is also facing a hardship. Thus, the NHIS has facilitated the revitalization of the local economy by purchasing agricultural products, special products, and local currencies for local farmers and small business owners.

#### Social contribution to resolve social problems

We are devoted to social contribution activities to resolve various social problems, such as providing facilities for quarantine and improved residential environments for the underprivileged. Furthermore, we have been offering bean sprout cultivation kits for the elderly living alone to prevent depression occurring from the prolonged social isolation due to COVID-19.

# Social Values

## Created by NHIS

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Social Value 1

# NHIS Secures a Healthy Life

## Ensuring the health of citizens

Why is it important?

The medical safety net, which prevents poverty or aggravated poverty due to medical expenses, is closely related to society and the economy. Because protecting the health of all citizens leads to the security of the growth engine of the national economy, financial stability must be ensured to ensure the continuous operation of the system. The NHIS intends to create social value faithful to the purpose of its establishment by constructing a strong medical safety net so that all citizens can lead a healthy and happy life.

Our approach

Strategic collection is being employed to manage finances in a two-track manner in which strict collection is enforced for high-income delinquents, whereas preferential treatment is being extended for the socially underprivileged class. We intend to build an effective medical safety net by gradually expanding the medical services demanded by the citizens and sanctioning unfair medical support. The NHIS will take the lead so that all citizens can pursue a healthy life with a single health insurance policy.

UN SDGs linkage



**1.5** By 2030, the resilience of the poor and vulnerable classes will be enhanced, and exposure and vulnerability to climate-related disasters and economic, social, and environmental shocks and disasters will be diminished.



**3.8** Universal health coverage (UHC) for all will be achieved by leveraging financial risk management, access to quality essential healthcare services, and access to quality, safe, effective, and affordable essential medicines and vaccines.

Performance

KRW **7.0402** trillion  
in arrears were collected  
(Best performance ever)

Relief of  
KRW **2.7724** trillion  
in national medical expenses via  
enhanced coverage

Spread of ‘Paid Sick Leave System’  
**Received the Government  
Innovation Excellence Award**  
from the Ministry of Health and Welfare

Long-term nursing care business  
**Turned to surplus**  
in 2020

Interview

**Bong Jin Kim.** Recipient of National Health Insurance / Winner of Essay and Photo Contest regarding Long-term nursing care insurance for the elderly



**Q: What motivated you to participate in the ‘2020 Essay and Photo Contest regarding Long-Term Nursing Care Insurance Experience for the Elderly?’**

**A:** When there were difficulties caring for the elderly, I engaged in discussions with the caregivers and social workers at the center. I intended to share the trials and errors and difficulties encountered in the process of serving the elderly and also show the possibility that many family members could safely lead their own lives with the help of a good system.

**Q: What services has the long-term nursing care insurance system for the elderly provided for you?**

**A:** Currently, a caregiver comes to help the elderly wake up, have breakfast, wash themselves, and enter and leave their homes. A caregiver further provides various activities and regular routines for the elderly through daytime and nighttime protection facilities before pickup at 6:00 pm. In particular, recognition activities, such as coloring, and regular meal help services, such as lunch and dinner, are popular, and these services are provided by the daytime and nighttime

protection facilities. In addition, as daytime and nighttime protection facilities are used at the recommendation of a caregiver, problems caused by a lack of the desire to wander and the number of activities have been resolved.

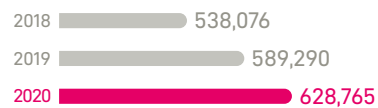
**Q: What are your expectations for the future of the long-term nursing care insurance system for the elderly led by the NHIS, or what are some matters subject to improvement?**

**A:** Starting from this year, because of many public holidays, the visiting nurse service will be available for all weekdays only for the month when daytime and nighttime protection facilities are frequently unavailable. In months with no public holidays, the elderly has to visit the daytime and nighttime protection facility on weekdays. However, on some weekdays, these services will be unavailable for about an hour because of preparation, such as that for pickup and drop off, which causes an inconvenience. As in the past, I wish I could spend at least an hour alone every day to prepare for pickup and drop off of the elderly even on weekdays.

## Fair Burden, Stable Finances

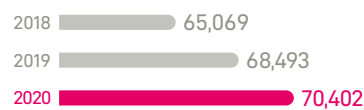
### Health insurance collection amount

(Unit: KRW 100 million)

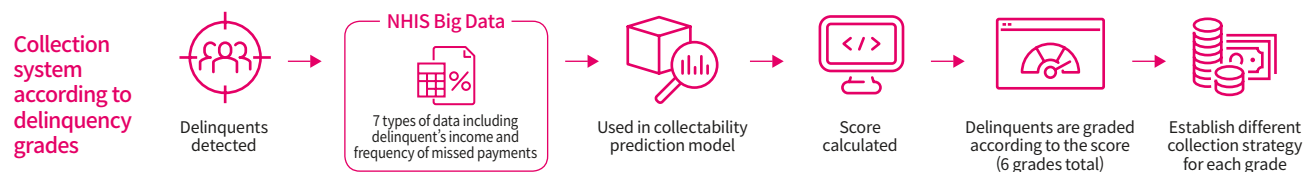


### Collection system by grade of delinquency

(Unit: KRW 100 million)



Plaque for faithful payment of health insurance premiums



## Imposition of Fair Premiums

### Imposition of income-based premiums

To ensure the sustainability of the health insurance system, it is necessary to stably manage finances by fairly charging premiums. The NHIS has strengthened the basis for the income-based imposition of premiums by identifying public opinions and revising the related laws through public surveys and the Citizens Participation Committee. For this purpose, the NHIS has raised a new financial resource of KRW 327.7 billion by imposing insurance premiums on housing rental income and financial income of KRW 20 million or less annually since November 2020.

### Reasonable subscriber management

The NHIS intends to manage health insurance subscribers more reasonably by improving insurance coverage standards. Dependents who are able to pay premiums will be converted to regional subscribers, and a total of KRW 64.8 billion will be charged. In addition, by expanding the application standards for workplace subscriptions, 3.75 million daily workers were converted from regional subscribers to workplace subscribers, thereby enhancing the fairness of imposing insurance premiums. In the case of the unemployed, the burden of payment has been eased by reorganizing insurance premiums to be charged based on income.

To prevent cases of abuse, such as receiving only medical treatment without paying insurance premiums, we have improved various systems to collect KRW 89.6 billion in premiums. To help foreigners pay insurance premiums, we provide information in their native languages and have reflected the delinquency information in the sojourn examination, thereby raising the collection rate to 90%. We have further heightened the reasonableness of the imposition of insurance premiums by consulting and inspecting false reports and income evasion in workplaces and expanding the number of types of verification.

## Ensuring the Stable Collection of Insurance Premium

### Two-track collection system for delinquents

A two-track collection system was implemented. Under this system, taxation is strictly imposed on delinquents with the ability to pay, and the underprivileged is protected. After the implementation of this system, we have collected KRW 315.1 billion by adding Internet writers and owners of multiple homes to the special management list of delinquents. Furthermore, we have also added delinquents in the rapidly growing e-commerce sector to the compulsory collection list. They were given the opportunity to voluntarily pay premiums in advance, whereas we collected KRW 740.4 billion by collaborating with relevant agencies to seize large rental deposits and rights to sale in lots whenever non-payment was identified. In the case of subsistence-type delinquency that requires preferential treatment, rather than coercive collection, we have eased installment payment requirements for insurance premiums and persuaded local governments to support insurance premiums. We wrote off 250,000 cases of delinquency, including the extremely poor and small business owners affected by shutdowns to help them ensure the right to health insurance.

### Analysis of the characteristics of delinquency and prevention thereof

Based on big data, we are developing a collectability prediction model and applying customized collection strategies according to grades. We disclose the personal information of large-amount and habitual delinquent payers on the website and provide the information to the Korea Credit Information Services to impose a disadvantage on credit. We inspire pride by awarding plaques and certificates of excellence to households and workplaces that have faithfully paid health insurance premiums for 20 or more years.

## Promotion of Public Benefit

### Public data sharing

By preemptively providing a dataset containing 240 million cases of various healthcare information for various public institutions, the NHIS has helped to ensure that disaster aid and small business subsidies are paid in a timely manner. To actively respond to requests for various healthcare data from the central and local governments, we developed a data transmission and reception program to improve the convenience of citizens and reduce related costs.

### NEWS

2020. 10. 7.(Wed)

#### “Effectively use public data provided by the NHIS to select the target in advance”



The NHIS was able to swiftly select 2.41 million people who were eligible for benefits by providing data that could confirm the number of employees. As a result, before Chuseok, about 1.86 million people, 76% of beneficiaries, received benefits, and as of yesterday, about 2 million small business owners and self-employed people received the New Hope Fund.

Last March, I was very sorry to see people waiting in long lines with complicated documents for an emergency loan for small businesses, so this is a surprising and pleasant change. This is the success of an unprecedentedly swift and efficient administration that no other country can compete with.

### Introduction of contactless service

We introduced a contactless service through which anyone can conveniently pay insurance premiums and obtain a certificate without time and space constraints even under COVID-19 restrictions. In particular, the NHIS installed unmanned issuance machines in multiple branches, making the first time for a public institution, and we are actively utilizing QR codes for billing and simple payment services.

It was previously cumbersome to obtain and submit original copies of health insurance-related certificates. Thus, the NHIS established a 'data distribution system' so that health insurance payment data could be provided directly to the bank or credit card company based on the right to request the information by the information subject (consent to provide). In the future, we plan to enhance convenience by providing more convenient and prompt services to citizens in connection with the local government's administrative system.



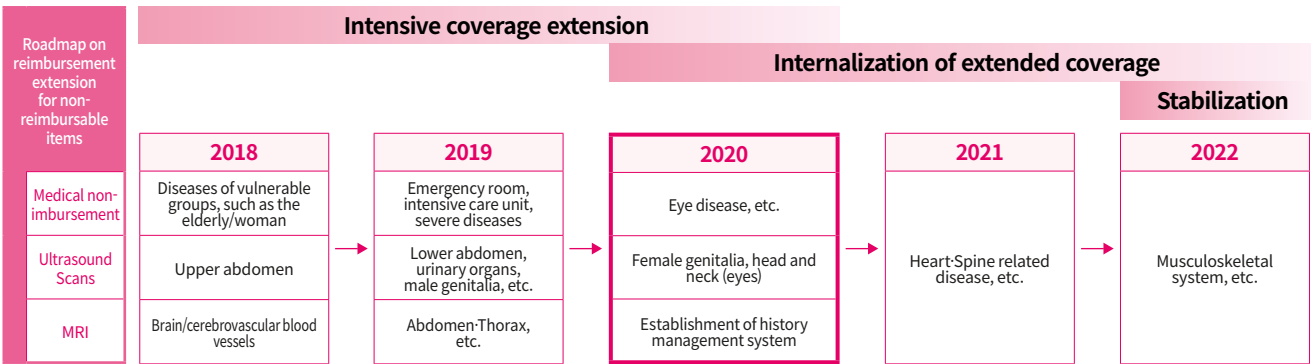
Self-pay service for social insurance premiums through the QR code on the bill and the simple payment service

# Reasonable Medical Care, Efficient Spending

## Expanding Health Insurance Coverage

### Gradual reimbursement extension for non- reimbursable items

Another major role of the NHIS is to provide necessary medical services by reasonably and efficiently disbursing the premiums collected to the public. To create a safe country without concern about hospital expenses, we are continuously reducing the number of non- reimbursable items, and we have reduced citizens’ medical expenses by KRW 547.3 billion by expanding ultrasound benefits. Furthermore, we will continue to promote the extension of coverage policies by engaging in full discussions and communicating with various stakeholders.



### Follow-up management of extended coverage items

Items with an unnecessary increase in medical use are monitored and improved. In the case of brain MRI, because the use of tests has rapidly increased after the expansion of reimbursement, the co-payment ratio for tests regarding simple headache or dizziness has increased. By inducing reasonable use on citizens, we are striving to provide medical benefits for citizens within the fiscal expenditure plan.

### Expansion of services integrating licensed and unlicensed nursing

We are expanding the integrated nursing care service to allow nurses to provide services by integrating existing licensed and unlicensed care. This allows patients to maintain a comfortable life in hospitals without the need to obtain an individual caregiver or enlist guardians’ help to take care of themselves. We conducted 1:1 contactless consultation with various institutions, held small meetings to guide the development and implementation of the system, and helped spread knowledge of leading hospitals. Through this process, 8,254 new hospital beds were secured, and the burden of caregiving costs was reduced by KRW 795.9 billion, thereby enhancing the citizens’ satisfaction with medical services.



Caregiving cost burden reduced by  
**KRW 795.9 billion**  
through the integrated nursing care service

### Relief of Medical expenses burden for the underprivileged

Target	Support Item	Performance
Low-income population	Co-pay upper limit	1.22 million low-income people have been supported by KRW 1.3561 trillion
	Disaster medical expense support	
Severe disease	Expansion of copayment decrease policy	2.56 million severely ill patients have been supported by KRW 16.65 trillion
	Lowered registration standards	
Disabled	Strengthened safety and quality management	User satisfaction increased by 9.3 points compared to the previous year ↑
	Expanded reimbursement for assistive devices	
Female	Expansion of support for pregnancy and childbirth	Outpatient co-payments for premature infants and low-weight children decreased by 56.3% ↓
	Expansion of support for infertility treatment	

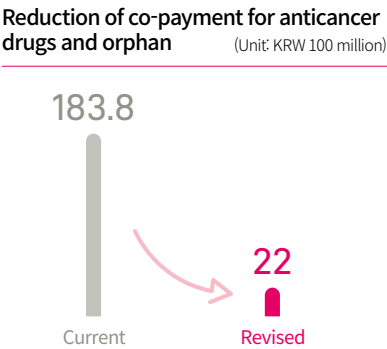
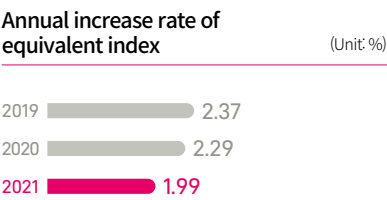
## Expanding Health Insurance Coverage

### Reasonable fee contract

Considering the financial aspects of health insurance and the expanding coverage, it is important to make a reasonable fee contract. In particular, although medical institutions demanded a 7.65% increase to minimize losses due to COVID-19 in 2020, it was significantly difficult to increase the fee considering the subscribers’ difficulties, including the shutdown of the self-employed. For this reason, the NHIS has expanded various panel institutions and conducted price negotiations a total of 36 times by communicating with stakeholders. As a result, the contract was successfully concluded by adjusting the rate of increase to 1.99%.



2021년 요양급여비용 계약 체결



### Covered drug management

As patients’ co-payments for ultra-expensive non-reimbursable anticancer drugs and orphan drugs have rapidly increased, it was necessary to rapidly expand coverage to ensure the right to treatment. The NHIS achieved an agreement rate of 98.8% by negotiating reimbursement expansion based on big data. As a result, the out-of-pocket expenses borne by 270,000 patients were reduced from KRW 183.8 billion to KRW 22 billion. In addition, negotiations were conducted on value-based drugs, which account for about half of all covered drugs. The contract has been updated with provisions, including quality control, smooth supply, and patient protection in the case of supply interruption, and we plan to preemptively respond to problems through monthly supply and quality monitoring.

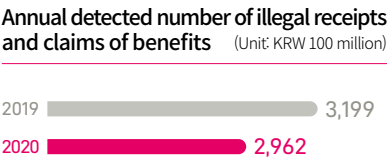
## Preventing Leakage of Insurance Benefit Costs

### Blocking the entry of unauthorized medical institutions

To prevent nursing care benefits from leaking to unauthorized medical institutions, training has been provided for local government officials, pre-meds (college students), and members of special corporations nationwide. To block the entry of unauthorized medical institutions, the Medical Act was revised to introduce the Medical Institution Authorization Committee and thereby allow the pre-deliberation of whether a medical institution may be authorized. Furthermore, by improving the system for inquiring about health insurance qualifications in real time, we have established a system that screens cases in which unfair benefits, such as falsified use of the deceased’s name, have been received.



Training for newcomers in the medical field



### Enhanced management of unfair claims by unauthorized institution

Despite the COVID-19 pandemic, by sharing data with related organizations and improving the methods of investigation, we uncovered cases of unreasonable receipt and unreasonable claims worth KRW 296.2 billion. With the introduction of artificial intelligence, a new version of the Benefits Management System (BMS) model has been developed and refined. We will continue to utilize this system to recover unfair profits from unauthorized institutions and further provide a healthier medical environment to citizens.

## Healthy Citizens, Safe Country



Expansion of health checkup opportunities by extending the health checkup schedule for

**1.74** million people



**21.9** %p  
improvement in the cancer detection rate



**30** %  
disease detection rate from health checkups

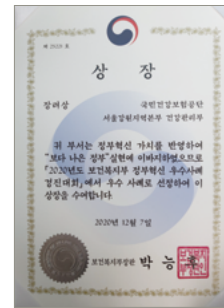
### Health Checkups Trusted by Citizens

#### Health checkups that consider public safety

Medical expenses for chronic diseases, such as cancer and cardiocerebrovascular diseases, account for 83.9% of total medical expenses. Early detection and treatment are required to reduce this cost, which is KRW 51 trillion at the moment, and for this purpose, health checkups are essential. After the spread of COVID-19, we minimized hospital waiting times by activating the app 'interrogation' and developed a diagnostic safety manual. In particular, in 2020, health checkups were temporarily extended until June 2021, thereby securing the rights to a checkup for 1.74 million people who postponed their checkups.

#### Improvement in quality of examinations and preferential treatment for the underprivileged

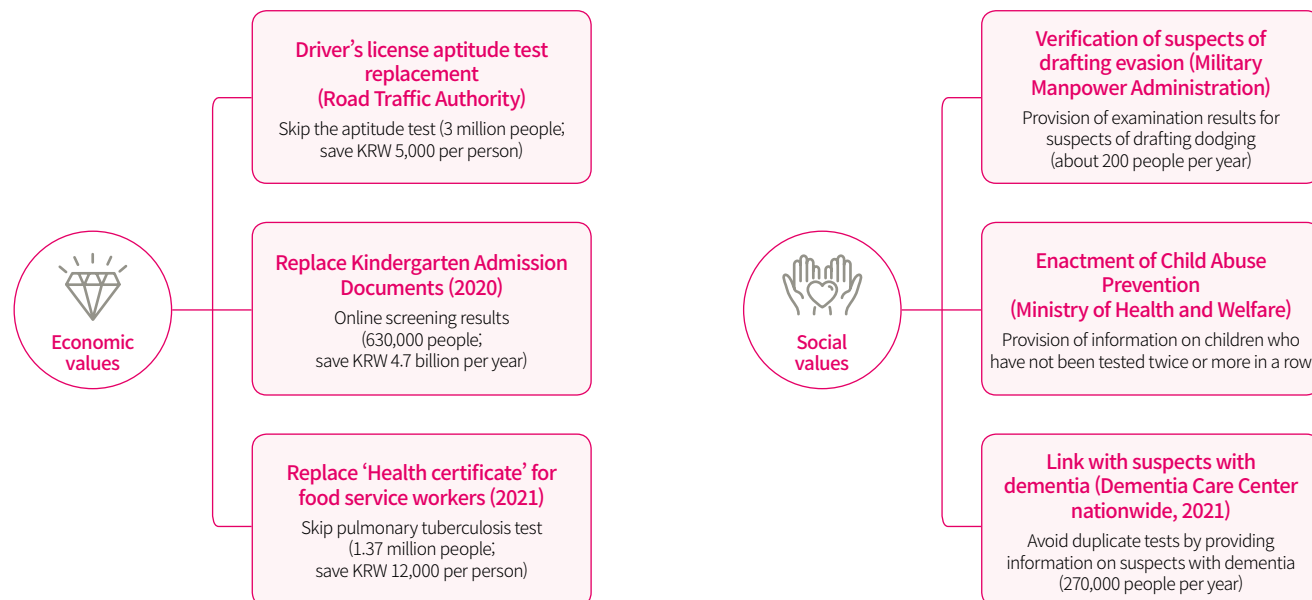
To screen for cancer, the number one cause of death, we improved the accuracy of the screening and evaluation system. With the introduction of the examination institution evaluation system, examination accuracy has continued to improve. The cancer detection rate through endoscopy improved by 21.9% compared to 2011. Sign language services, Braille notifications, and parenting education for the underprivileged have been provided to enhance the convenience of examinations. In particular, the promotion of the 'Paid Sick Leave System' for low-income individuals in cooperation with the Seoul Metropolitan Government has spread to other local governments, and we received the 'Government Innovation Excellence Award' from the Ministry of Health and Welfare for this endeavor.



Government Innovation Excellence Award

#### Disclosure and utilization of examination results

The results from the national health checkups showed that a disease was found in 30% of the population, and we induced early treatments by subsidizing treatment costs for 640,000 patients. By disclosing the checkup information, we reduced the burden on citizens by using this information to prevent duplicate tests and child abuse.



Success rate of smoking cessation by  
**10.6** %p  
compared to the previous year

### Prevention-oriented Chronic Disease Management

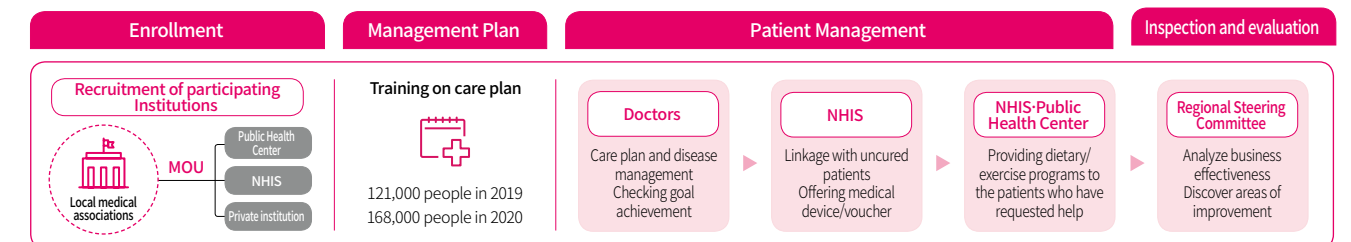
#### Health promotion programs by life cycle

Systematic exercise management is necessary to manage the metabolic diseases that one out of three adults have. In this respect, we have expanded the scope of management regarding those who have health risk factors compared to the previous year and actively disseminated customized health content for youth, young adults, and the elderly. In the case of smokers, which is a population of 1.72 million people, 18% of all smokers participated in the smoking cessation project, and the success rate of smoking cessation improved by 10.6% compared to the previous year.

#### Chronic disease management in collaboration with local clinics

We prepared a system that provides wearable devices to patients with hypertension and mild diabetes. These devices enable local doctors to manage patients' health by interviews via phone calls or text messages without needing patients to visit a large hospital. Participants of this service have shown that the control rate is three times higher than that of patients in the typical diabetes treatment group. Furthermore, we facilitated a live broadcast featuring a self-organized group who procured the participation of pharmacists, nutritionists, and exercise therapists inside the NHIS and operated an online exercise and nutrition program. The satisfaction level of participants in the contactless self-organized groups was 100%, and by 2021, we plan to expand this program nationwide to actively support the improvement of public health.

#### Service Process



Adding experts for multi-drug dosage management

**742** people

#### Proper use of medical care

Using big data from the NHIS, we provide information on the names of hospitals and the number of visits to those who have used outpatient treatments for 70 or more days annually. Furthermore, we provide phone consultations for patients with high blood pressure and diabetes who have stopped taking medications for two or more months to induce the correct use of medical care. To prevent overdose from drugs, the NHIS added 742 experts to its workforce. After implementing the drug misuse management service, average daily drug intake decreased by 1.3 units, and medication compliance by chronic disease patients improved.

### Promotion of Public Health through Healthcare Data

We have contributed to the promotion of public health by gradually expanding the customized health management program by using personal health records. We are developing a total of six types of private mobile apps and web health services by utilizing public data. We are further commercializing service development to establish a medical delivery system.

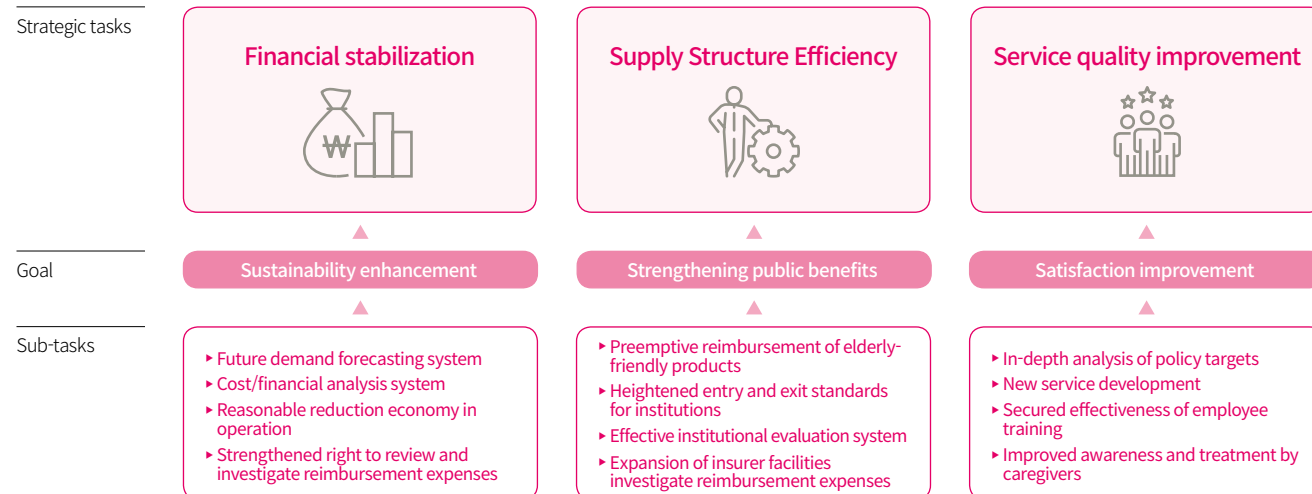
In particular, in 2020, health insurance big data were highlighted thanks to the Data New Deal policy. As the demand for data disclosure will continue to increase in the future, we applied for a patent for the health insurance big data operating system and added a workforce. As a public institution responsible for citizens' health, we will actively implement the Data New Deal to create various social values.

## High-quality Care, Happy Elderly Life

### Expansion of Long-term Nursing Care Coverage

#### K-Long-term nursing care project

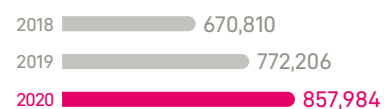
By providing long-term nursing care benefits to the elderly who have difficulty performing daily tasks alone, the NHIS is promoting stability in their old age and reducing the burden on their families. In pace with the rapidly changing times, we have laid the foundation to ensure proper care for all citizens by preemptively implementing long-term nursing care improvement projects.



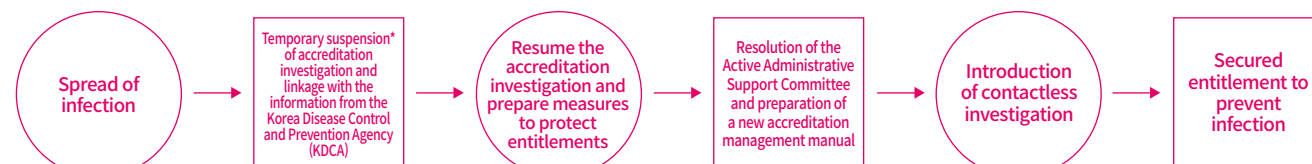
#### Home benefit usage rate (Unit: %)



#### Beneficiaries of long-term nursing care insurance for the elderly (Unit: People)



#### COVID-19 entitlement protection process



\*From Feb 24, 2020 to April 3, 2020

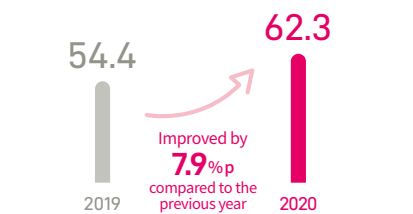
#### Expansion of home services

If long-term nursing care services are suspended due to the spread of infectious diseases, there may be a care gap for home beneficiaries. Thus, we have conducted a full investigation twice for home service users to ensure their daytime and nighttime protection and provided stable services in cooperation with local government services. We implemented 24-hour daytime and nighttime care services (including accommodation), support for mobile services, such as hospital accompaniment, an expanded ICT video-assisted examination pilot project, and reimbursable welfare equipment items. The diversification of home services has resulted in the increased usage rate of home benefits from 72% to 74% and increased guardian satisfaction from 84.1% to 91.5%.

#### Protection of entitlement

To review approvals of applicants in both contact and contactless manners and automatically extend the effective period for the initially approved persons, we revised the Enforcement Decree of the Act on Long-Term Care Insurance for Senior Citizens to heighten the convenience for 325,000 people whose renewal periods have come near. Furthermore, we have ensured the safety against infectious diseases. The NHIS will respond to the rapidly changing external environment in advance to facilitate a happy old-age life for senior citizens.

#### Careworkers' job satisfaction level (Unit: %)

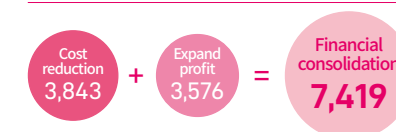


Long-term nursing care business turned a profit in 2020

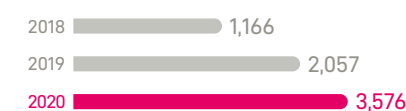


Seogwipo Public Nursing Home, the nation's first public dementia-dedicated nursing facility

#### Financial consolidation (Unit: KRW 100 million)



#### Expenditure reduced (Unit: KRW 100 million)



### Improvement in Service Quality

#### Improving working conditions for employees

We conducted a public interest campaign to facilitate the recognition of careworkers as professionals and discovered and awarded best practices in providing services to boost employee morale. As a result, employee job satisfaction improved by 7.9% p compared to the previous year.

To improve working conditions in the long-term nursing care system, long-term service incentives were provided, and an improved environment in which additional personnel could be assigned was facilitated. In addition, to protect the rights and interests of workers, professional counselors were assigned to provide 4.7 thousand consultations. The NHIS intends to continuously improve the quality of long-term nursing care services by continuously enhancing the working conditions faced by its employees.



Public interest campaign: No, mistress; Yes, careworker

#### Long-term nursing care standards

To prepare standards that can improve the quality of long-term nursing care services, we newly commissioned the operation of the Seogwipo Public Nursing Home, which was previously operated by the NHIS. In addition, to provide customized services for beneficiaries, we developed a rating tool and promoted the digitization of service provision details.

### Strategic Financial Management

#### Achieving financial consolidation

To actively respond to social changes caused by a super-aged society, we have been managing finances using the future demand forecasting system and financial analysis system. Furthermore, we have secured a legal long-term nursing care subsidy rate (20%) to reduce the burden on citizens. We were able to efficiently manage finances with an increased income (KRW 384.3 billion) and reduced expenditures (KRW 357.6 billion) by taking various measures, such as strengthening drug management and managing unfair claims along with measures to increase income, such as a customized index and guidance and inspection on business sites. The NHIS will continue to secure stable financial resources to enhance the sustainability of the system.

#### Reduction in expenditures through institutional improvement

We eradicated unfair claims and upgraded the system by operating the 'Special Promotion Task Force for Comprehensive Management Measures against Unfair Claims' and the 'Long-term Nursing Care System Improvement Task Force.' We recovered KRW 8.49 billion, the largest amount in history, by expanding training on the prevention of unfair claims and the self-diagnosis system, strengthening the system for claiming reimbursement of expenses and the review system, and facilitating the public interest reporting of unfair claims. As a result, we saved KRW 357.6 billion in expenditures based on fiscal consolidation.



Social Value 2

# NHIS Protects the Safety of Citizens

People’s Value as highest management priority

UN SDGs linkage



**1.3** Each country should Implement appropriate social security systems and measures for all, including ensuring a minimum livelihood, and achieve substantive coverage for the poor and vulnerable by 2030.



**8.8** Each country should protect the rights of all workers, including migrant workers and particularly female migrants, and workers in precarious employment. Furthermore, countries should expand the creation of a safe and stable working environment.

Why is it important?

As a public institution in the healthcare field, safety management that protects the health of citizens and employees must be practiced as a top priority. In particular, because the expertise and resources possessed by the NHIS are directly related to citizens’ medical safety, we intend to strengthen safety management, as this is our responsibility.

Our approach

To strengthen the foundation for safety management, a dedicated organization was established, and the workforce was expanded. In 2020 when public healthcare safety was particularly needed due to the spread of COVID-19, we strengthened the medical safety net in various ways. Furthermore, we are internalizing safety awareness to ensure the safety of citizens and to protect our employees.

Performance

ISO45001  
(Occupational health and safety management systems) certified  
(November 2020)

Received  
the highest grade (Grade A, excellent)  
in the national critical infrastructure disaster management evaluation for two consecutive years and  
the President’s Commendation  
(November 2020)

Received  
President’s Citation  
from the Government Award for Response to COVID-19  
(April 2021)

ZERO  
serious accident for workers  
for six consecutive years

Interview

Hyung Sik Kim, Employee / Head of the Safety Management Office, NHIS



**Q: What are the NHIS’s main considerations in relation to COVID-19?**

**A:** To protect the health of our employees, we are renovating the General Civil Service Office and upgrading the infectious disease response manual. We are also supporting public campaign activities and medical institutions to protect the health of citizens. We are directing and operating a treatment center and temporary living facilities to prevent the spread of COVID-19. Furthermore, we are responding in a timely manner in cooperation with the government, including support for the expansion of urgent treatment beds for severely ill patients, facility renovation costs for infectious disease hospitals, and support for medical institutions, to overcome COVID-19.

**Q: In addition to COVID-19, which field does the NHIS has its main focus in safety management?**

**A:** The focus of the safety management office of the NHIS is ‘the life and safety of the citizens and members of the NHIS’ as declared in the safety and health management policy. The NHIS is in the process of establishing a safety and health

management system for all regional headquarters this year, starting with headquarters last year, and acquiring the international standard on occupational health and safety management systems, specifically the ISO45001 certification. Moreover, by developing and promoting various programs for employees to participate in safety management activities, we are inducing interest and participation in safety management by all employees.

**Q: What is the NHIS promoting or upgrading for the future in safety management?**

**A:** In 2020, the NHIS created the safety management office and focused its efforts on establishing the safety and health management system. We intend to boost experience-based safety training by operating the "Safety Experience Zone." For sustainable safety and health management, the NHIS will actively seek and promote safety values in the field by spreading a culture of safety in consideration of the characteristics of the NHIS.

## Healthcare Safety

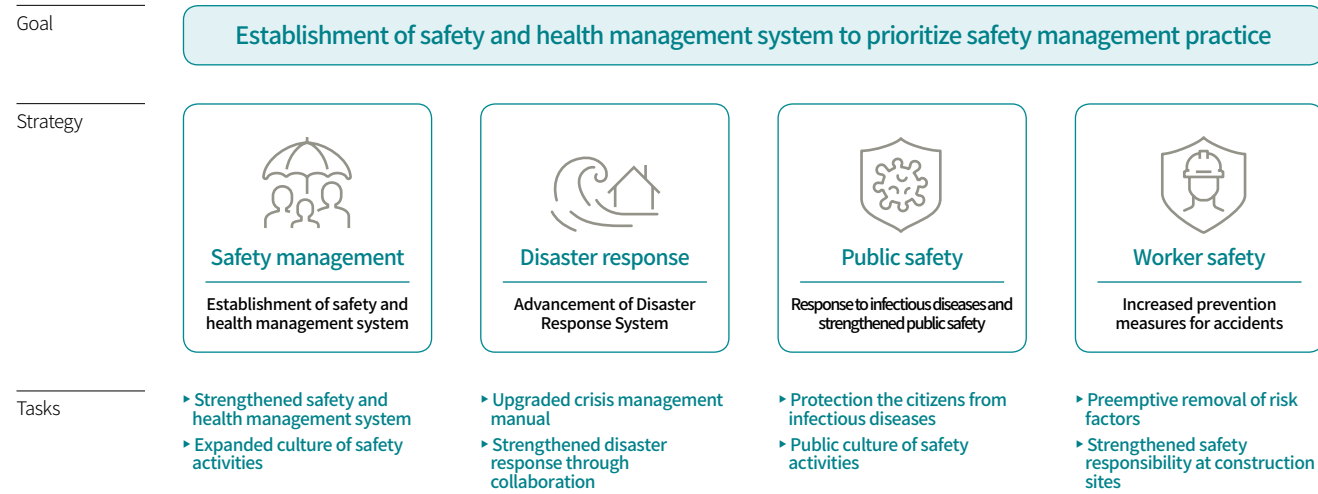
### Establishment of Management System

#### Safety and health management strategy system

To create a safe healthcare environment, we acquired the ISO45001 certification. To ensure sustainable safety and health management, the executives directly developed a manual to prevent the spread of COVID-19 and participated in a total of 74 safety inspection activities to practice safety management.

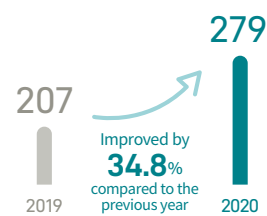


2019 Safety Management Declaration Ceremony



#### Expanding safety budget

(Unit: KRW 100 million)



Expansion of workforce in Newly Established safety-dedicated organization by **Five** times

#### Strengthening safety and health management system

To strengthen the foundation for healthy and safe working environments, a regular organization dedicated to safety was established in January 2020, and the number of dedicated workers was drastically increased from five to 25 to enhance the expertise of the workforce. By increasing safety education, training, and public relations expenses by 34.8% compared to the previous year, we are spreading internal awareness of safety culture. Furthermore, the safety and health management system is being internalized through the collaborative selection of safety action tasks by all departments. These tasks are then being promoted in cooperation between management and workers and through inspections every quarter.

#### Protection of National Critical Infrastructure

##### Disaster response in cooperation with local communities

The NHIS revised its internal management manual according to crisis situations, such as disasters and terrorism, three times, and distributed the response procedures depending on crisis situations to strengthen the capability to cope with emergency situations. To jointly respond to disasters in the area where the NHIS is located in collaboration with citizens, agencies, military force, and police, we formalized a regular monthly meeting and added joint inspections by forming a consultative body.



Presidential Citation for National Critical Infrastructure Disaster Management

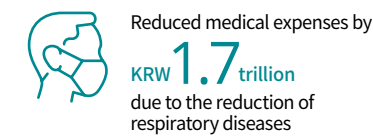
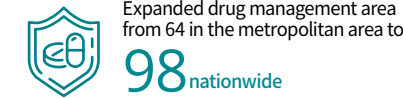
### Strengthening the Medical Safety Net

#### Securing public safety

By analyzing medical usage patterns, we have managed excessive physical treatment and overdoses on medications. Furthermore, we have encouraged the correct use of drugs to manage cases of the administration of different types of drugs in collaboration with doctors and pharmacists. We are monitoring 460,000 children at risk of suspected abuse by using healthcare data, and we are strengthening user safety management by continuously conducting on-site investigations regarding hygiene at medical examination institutions. We will continue to do our best to protect the health of citizens by utilizing the infrastructure of the NHIS.

#### Public safety campaign

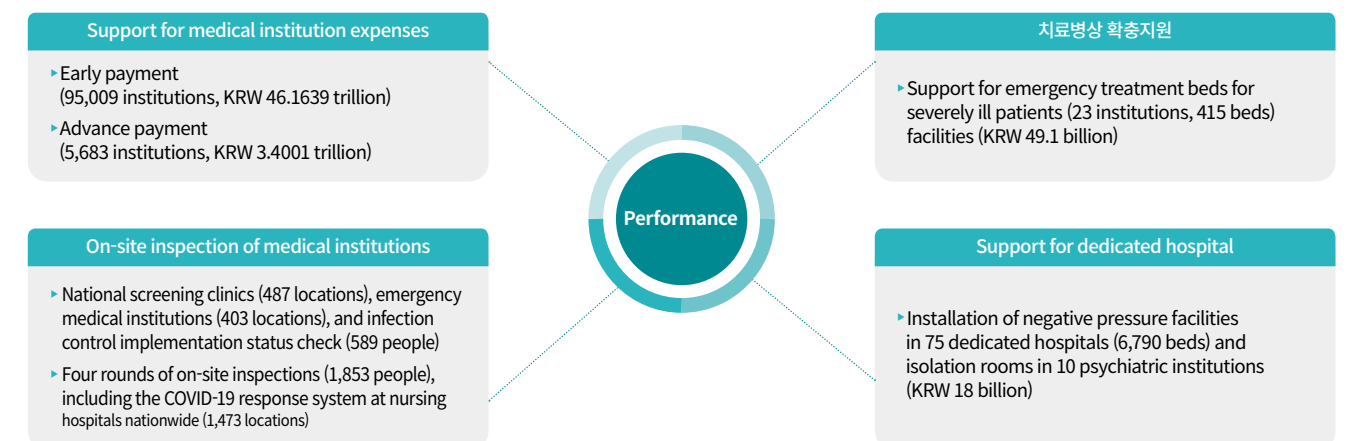
We have led a culture of safety by implementing a campaign to properly wear face masks and properly use drugs. Moreover, by utilizing the national network of the NHIS, we have provided disease prevention information for citizens visiting us and distributed health rules to help all citizens practice a culture of safety. In 2020, thanks to public campaigns, such as proper mask use and hand washing, the cases of respiratory diseases significantly decreased, thereby reducing KRW 1.7 trillion in medical expenses.



Public safety campaign regarding the proper wearing of face masks

#### Support for COVID-19 medical institutions

To prevent the healthcare system from collapsing due to COVID-19, we provided financial and manpower support for medical institutions on the front line. This support promoted consumption activities and enhanced the vitality of the domestic economy. In addition, by using big data owned by the NHIS, patients with mild and severe symptoms of COVID-19 were placed in a live-in treatment center and medical institutions, respectively, to reduce the risk of death in severely ill patients.



## Workplace Safety

### Safe Workplace

#### A safe workplace where everyone desires to work

To prevent infection due to COVID-19, we prepared a screening civil service office and installed transparent screens at the civil service desks of all branches to protect our employees. External contact was minimized by expanding contactless meetings and implementing telecommuting and flexible work systems. To manage stress caused by handling civil complaints, we have provided expert counseling and operated a healing program 12 times to help heal the mind and body. In particular, we support special health checkups and physical fitness programs for nighttime shift workers and vaccinating employees on business trips to create a safe workplace.



Seoul Gangwon Headquarters quarantine

#### Protection of underprivileged and customer-facing workers

We are actively protecting our employees so that anyone can lead a healthy work life in the NHIS. We have replaced chairs and expanded parking spaces for underprivileged workers, such as pregnant women, and employees with disabilities. To ensure the safety of customer-facing workers, we installed CCTVs in 110 locations, and jointly developed a program to respond to special complaints with the Anti-Corruption and Civil Rights Commission to provide training.

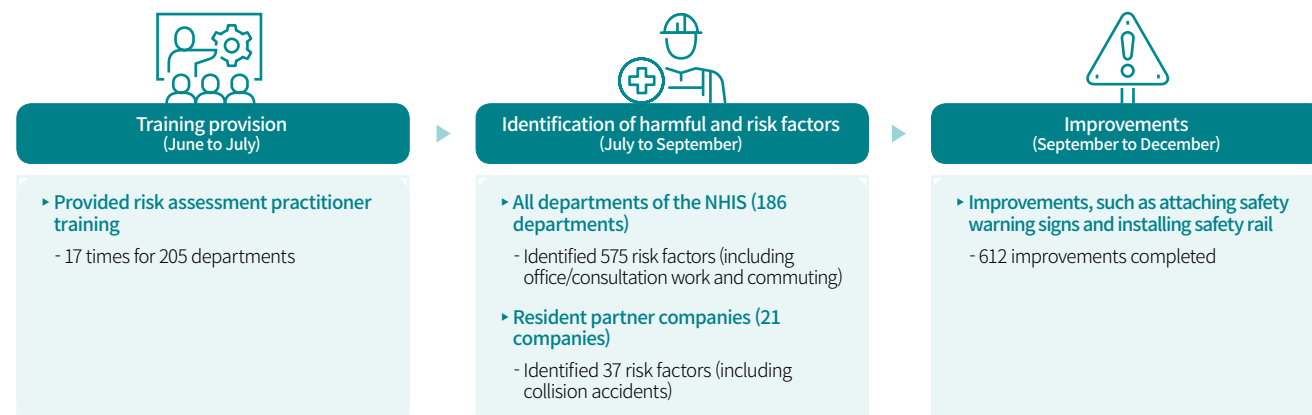
In the case of customer center representatives who are a privately consigned worker, an external expert was commissioned to conduct an in-company inspection. We are operating a "Customer Center Operation Room" that allows two-way communication with employees inside the NHIS, and we further installed a transparent screen to prevent the spread of COVID-19 and provided 173,739 facial masks.

#### Safety culture activities with employee participation

Safety awareness training was conducted for all employees and all 186 departments of the NHIS. Resident partner companies participated to discover safety risk factors. As a result, 612 improvements were completed, including repairs of old facilities and the installation of anti-slip mats. There have been zero accidents from the use of facilities because we acquired a safety-related report and operating proposal window. Furthermore, we hosted a safety improvement idea contest.



#### Safety culture activities process



### Facility management

To minimize facility accidents in the office building and branch offices nationwide, a safety management inspection task force was formed, and on-site safety was checked. Safety inspections for all departments have been expanded to twice a month, and safety risk factors within the facility can be assessed and handled in real time using SNS and QR codes. In particular, the daily job safety analysis (JSA) condition is required in a subcontract, and a supervisor is assigned to work in a confined space to faithfully fulfill the safety responsibilities as an owner. Related matters are actively disclosed at the Ministry of Employment and Labor's 'Status on Public Institutions (including Ordered Construction) Industrial Accidents'.

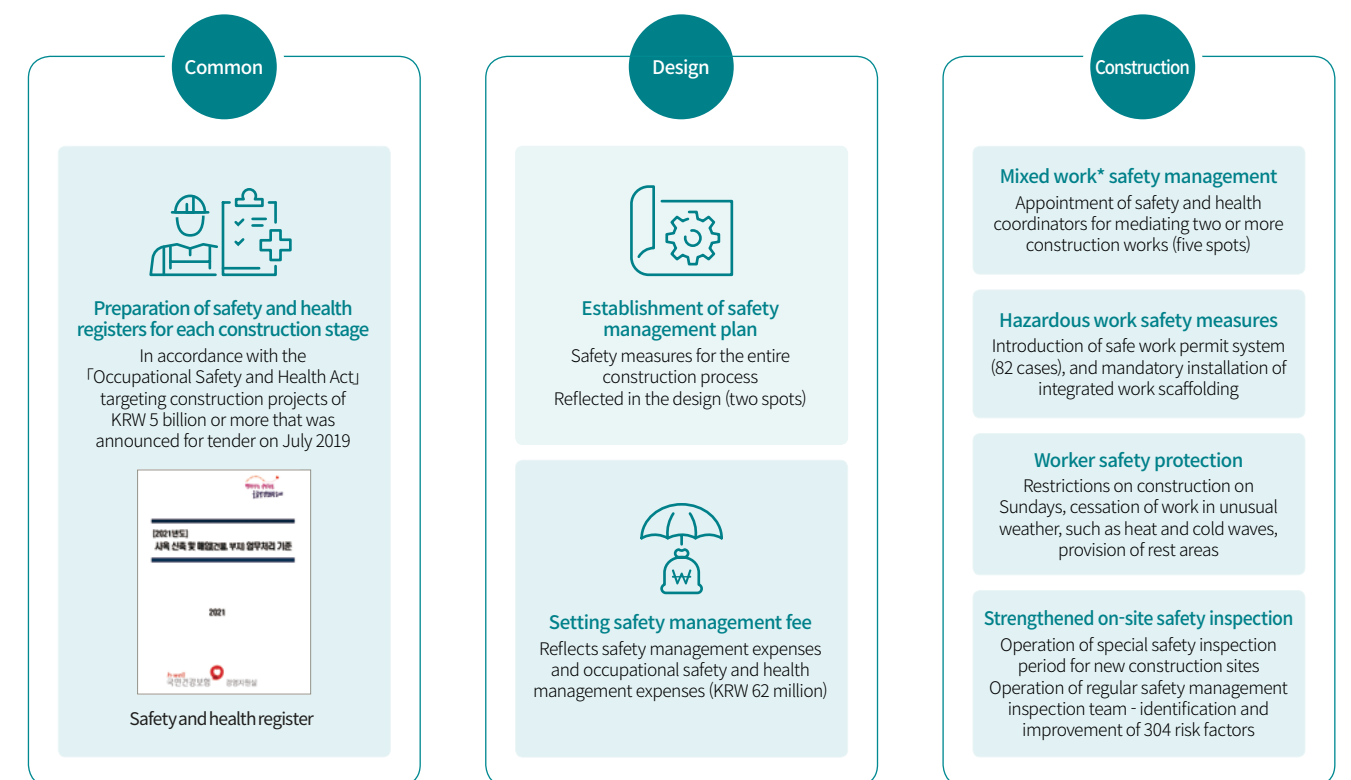


Safety inspection of all departments

### Construction site safety

Some NHIS office buildings are old, and some of them are newly constructed. Because construction sites are particularly prone to serious disasters, we prepared safety measures for each stage in advance to eliminate possible safety issues. Active on-site safety inspections have resulted in the identification and improvement of 304 risk factors, such as the non-wearing of safety equipment.

#### Establishment of safety measures for each work process



(\*Two or more construction jobs)



Social Value 3

# NHIS Provides People-Centered Happy Workplaces

Improving health and welfare services to ensure a desirable workplace

UN SDGs linkage



**4.4** By 2030, the number of youths and adults with related skills, including professional and vocational skills for employment, high-quality jobs, and corporate activities, will increase.



**5.4** Give value to and recognize the importance of unpaid care work and housework through facilitating public services, infrastructure, social protection policies, and sharing responsibilities within the family according to the circumstances of each country



**9.5** By 2030, strengthen scientific and technological research in all countries, particularly developing countries, and enhance scientific and technological research in all countries, particularly developing countries. Enhance the technical capabilities in the industrial fields, including raising the ratio of the R&D workforce per million people, promote innovation in public and private sectors, and foster innovation

Why is it important?

Executives and employees, one of the stakeholders of the NHIS, are a key element that will ensure the future of the NHIS. Because a desirable workplace is directly related to the quality of services provided to the public, we will grow with our executives and employees to protect the lifelong health and happiness of citizens.

Our approach

To respond to rapidly changing human resource environments, the NHIS intends to offer high-quality health insurance services that can satisfy the citizens by efficiently managing human resources and nurturing health insurance specialists. To create a desirable workplace, the system is being reorganized so that workers can balance their careers and family lives. Furthermore, labor and management are cooperating to create an organizational culture in which everyone is respected without discrimination.

Performance

Certified an excellent public sector HRD institution by the Ministry of Education and the Ministry of Personnel Management for **Three** consecutive times  
(2014, 2017, and 2020)



Certified as an excellent family-friendly institution by the Ministry of Gender Equality and Family for **12** consecutive years



**ZERO**  
Recruitment Corruption in 2020 Government Joint Investigation



Satisfaction with labor-management cooperation  
**98.1**%



Interview

Young Shin Lee. Internal Employee / Head of Reimbursement Management Office



**Q:** Please briefly introduce the process of growing up as a female executive in your organization and the NHIS.

**A:** In 1987, when I first joined the NHIS, new female employees, unlike male employees, were only allowed to join as a level 6 employee regardless of their educational background. However, in addition to complaining about this practice, I took the initiative to perform various tasks, demonstrating my strengths and affinity. I always tried to do more than other employees, and I would take care of my colleagues if there was any opportunity for a reward. As I worked like that, I think the people around me started to gradually recognize my abilities.

**Q:** How do you evaluate the NHIS's gender equality and reasonable opportunity provision?

**A:** The NHIS allocates 30% of candidate promotion tests to female employees so that female employees can be promoted more easily and are not discriminated against in terms of service or promotion due to maternity leave and other types of leave. As a result, the current ratio of female

employees at the NHIS is 55.4%, and the ratio of female managers above the team leader level exceeds 37.5%. Furthermore, it would be even better if the NHIS expanded childcare facilities, introduced a flexible working system, or expanded various educational opportunities so that excellent female employees could also grow into middle and senior managers.

**Q:** What are your expectations for the NHIS as a people-centered workplace?

**A:** First of all, I think it is necessary to expand self-help leave and self-help support expenses so that employees can grow on their own. Furthermore, more educational opportunities should be provided for employees. Moreover, it would be good to provide an emotional healing program for employees who are working hard due to the nature of our work, which is involved in many civil complaint services, or an education program that can inspire pride in their work. In addition, it would be important to improve a system so that various work procedures can be simplified and automated to fundamentally reduce civil complaints.

## Fostering Human Resources



Certified excellent public sector HRD institution by the Ministry of Education and the Ministry of Personnel Management for

**Three** consecutive times  
(2014, 2017, and 2020)

HRD vision

**Nurturing healthcare professionals who protect the lifelong health of the citizens**

Qualifications



Talents who serve and fulfill their responsibilities for the hope and happiness of the citizens



Talents with a passion to create value



Talents who give mutual respect and trust for open communication



Talents who learn and grow throughout life to become professionals

HRD Strategy

**Continuous training of health insurance job experts**

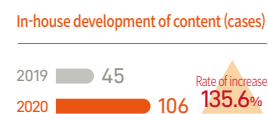
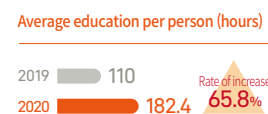
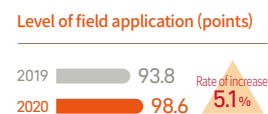
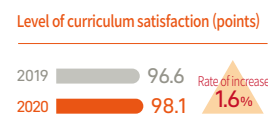
**Reinforcement of EdTech-based online and offline education**

Strategic tasks

- ▶ Strengthened national tasks and policy capabilities
- ▶ Expanded professional job training courses
- ▶ Core competency training by position
- ▶ Reinforced organizational and leadership

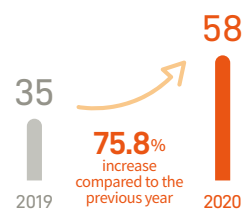
- ▶ Accelerated digital education transformation
- ▶ Transition to EdTech-based education
- ▶ Activated workplace learning
- ▶ Established lifelong learning system

Performance Indicator Achievement



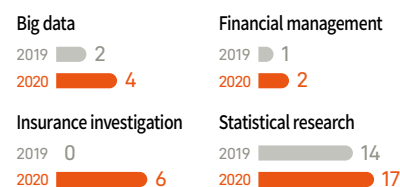
Hiring of professional talents from

(Unit: People)



Experts in major fields

(Unit: People)



## Nurturing Healthcare Professionals

### Talent development strategy, education, and training

To continuously develop the capabilities of the NHIS' workers, we established and operated a human resource development system. To enable both the organization and individuals to develop their capabilities, we analyzed in-house demand and increased in-house instructors and facilitators to provide customized training for each target.

Certified excellent public sector HRD institution by the Ministry of Education and the Ministry of Personnel Management for three consecutive times (2014, 2017, and 2020)

### Lifelong learning system

We operate learning clubs within the NHIS and utilize them to resolve current NHIS issues and business problems. The annual performance report contest is held to award the Chairman's Award, and the information is posted and spread as data inside the NHIS.

Furthermore, we have greatly expanded professional academic opportunities to strengthen the healthcare competency of our employees. In relation to healthcare policies, we have strengthened our internal capabilities and revitalized our network with local communities by operating educational programs in connection with regional headquarters and local universities.

### Recruitment of excellent talents

We have strengthened our organizational capabilities by recruiting talents for key positions that require expertise from the outside. In particular, we are a leader in innovative HR management among public institutions, as we appointed the head of a big data center through headhunting for the first time.

Moreover, we signed a business agreement with the Korea Workers' Compensation and Welfare Service (KCOMWEL), which is closely related to our work, and conducted HR exchanges to enhance work expertise and exchange work know-how, resulting in a synergistic effect.

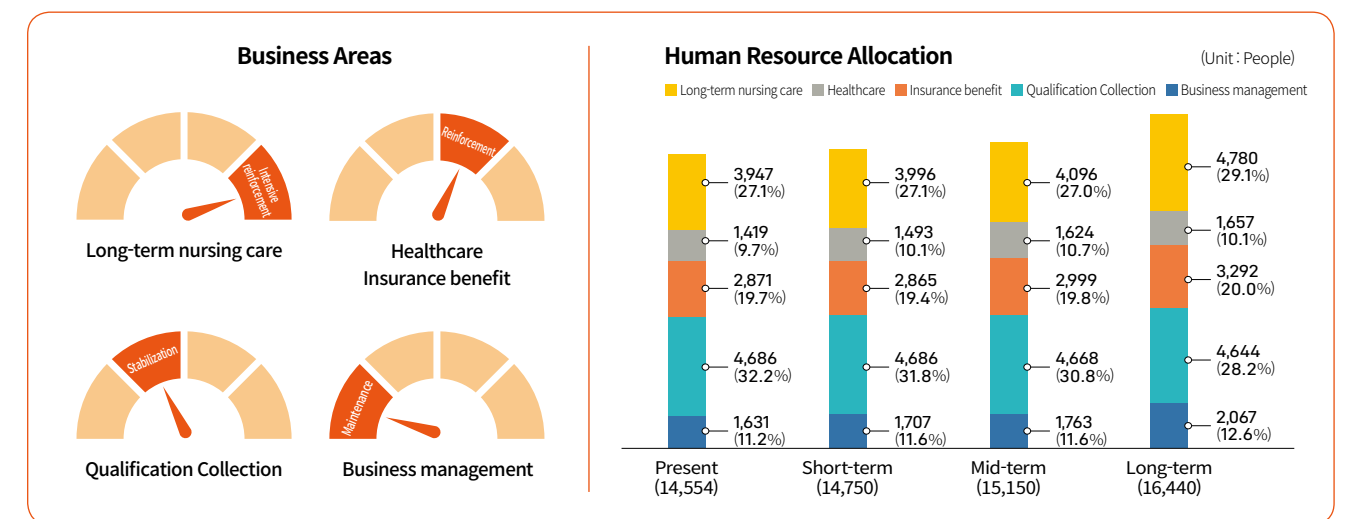


HR exchange through MOU with KCOMWEL

## HR management for the future

### Organizational operation focused on future core issues

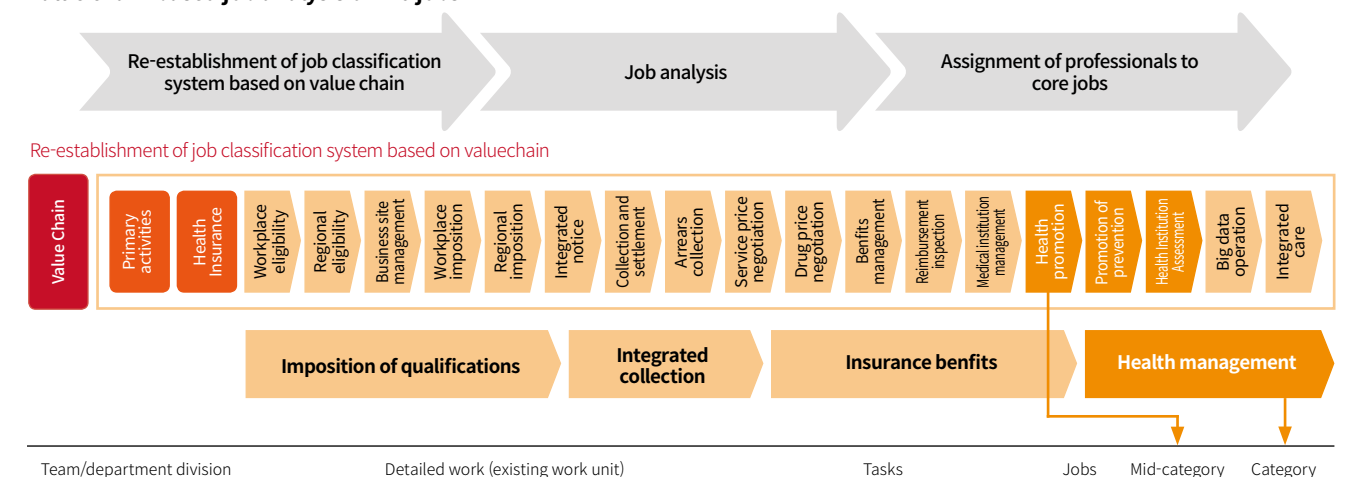
To set the direction of the organization's operation in preparation for the changing environment, a dedicated task force and consultative body were formed to prepare a mid- to long-term strategy by collecting company-wide opinions. To implement this, a new organization was established in the digital field, and organizational restructuring was performed to specialize and upgrade the existing organization. Furthermore, we intend to systematically respond to changes in the environment by establishing and implementing a HR allocation plan for each business area in accordance with the aging population and the expanding insurance coverage.



### Strengthened job-based expertise

By reestablishing the job classification system, we conducted evaluations to discover new jobs and assign professional manpower to core jobs, such as cost analysis, big data, and drug price negotiations. We intend to respond to major issues faced the NHIS and strengthen organizational expertise by arranging specialized manpower in the right place.

### Value chain-based job analysis of 176 jobs

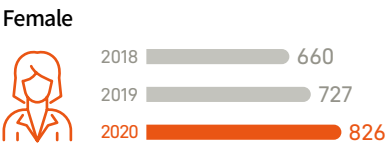
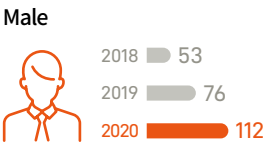


# Happy Workplace

 **President's Citation**  
for 2019 World Population Day  
(Improvement in the pregnancy and childbirth support system and a workplace culture where work and family are balanced)

 Certified as an excellent family-friendly institution by the Ministry of Gender Equality and Family for **12** consecutive years

Employees on parental leaves (Unit: People)



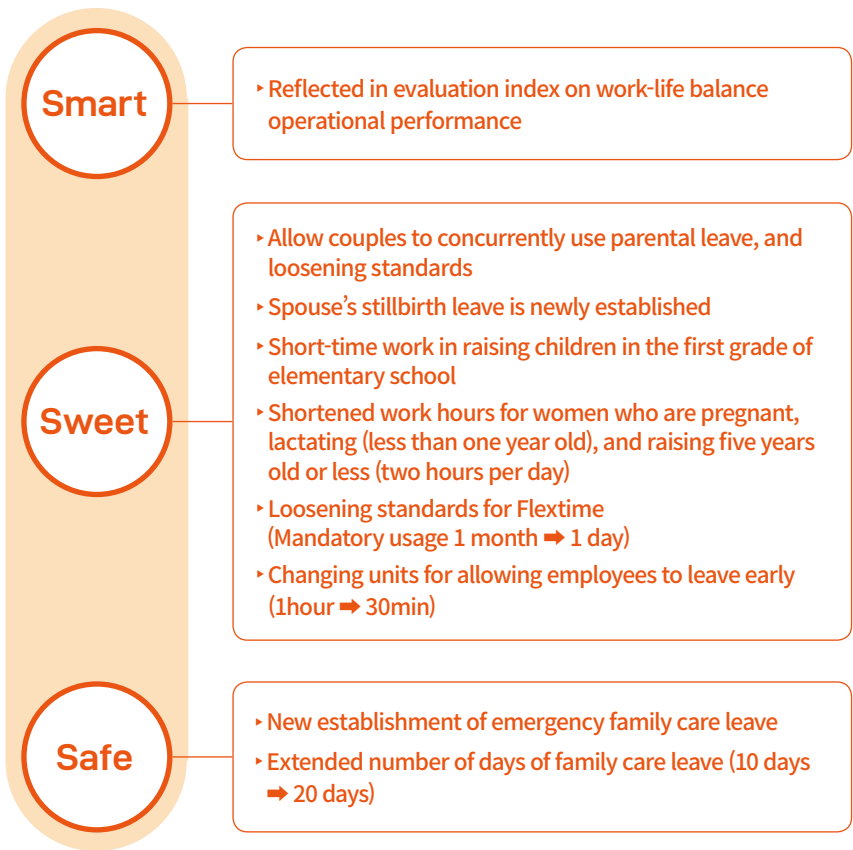
## HR allocation centered on field organization

For the first time in 20 years since the foundation of the NHIS, we have made efforts to create a fair work environment within the organization, such as adjusting the quota in proportion to the amount of work by region. We have improved work efficiency through company-wide innovation, such as automating simple repetitive tasks, and simplifying tasks through inter-agency collaboration. Furthermore, we have actively responded to current management issues by redeploying the workforce, such as dispatching manpower to the KDCA and the Living Treatment Center in response to COVID-19, and setting up a temporary organization to create the Korean New Deal.

## Family-friendly management

### Work-life balance culture

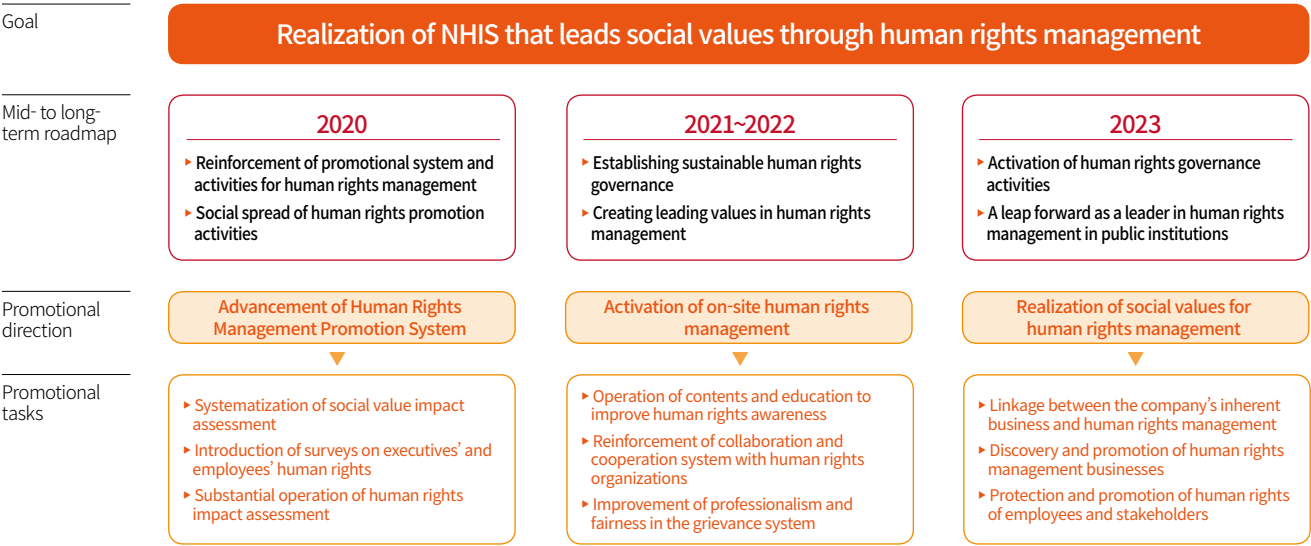
To create a sustainable work environment for our employees, we are implementing a Smart, Sweet, and Safe (3S) strategy to achieve work -life balance. To support the stability of various families, we implemented reduced working hours according to the age of children and expanded family care leave. In the future, we plan to continue collecting and reflecting the opinions of employees through meetings



## Respect for Human Rights

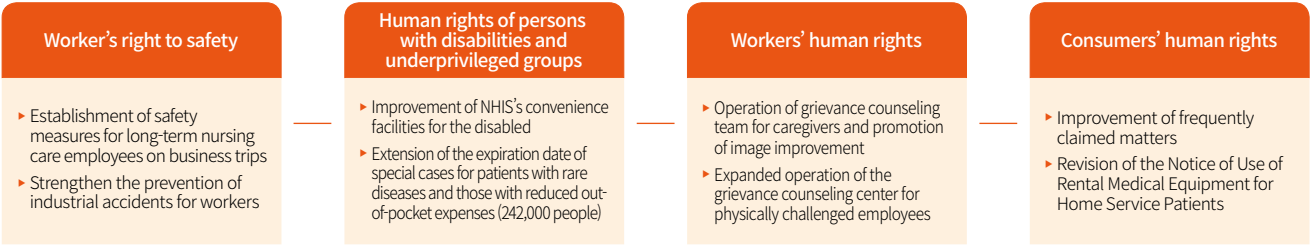
### Mid- to long-term roadmap for human rights management

To create an organizational culture that respects human rights, the NHIS established and declared the Charter for the Protection of Employee Human Rights for the first time among public institutions in 2019. Since then, we have conducted a survey on the human rights of our employees and established a mid- to long-term roadmap for human rights management to strengthen our implementation system. In the future, we plan to continuously expand human rights promotion activities for internal and external stakeholders.



### Human Rights Promotion Action Tasks by Target

Utilizing the characteristics of the NHIS, which must secure the health and happiness of various stakeholders, we identified and implemented human rights promotion tasks for each target. The NHIS will continue to fulfill its responsibilities and improve the quality of life of citizens by continuously improving upon various practical tasks.

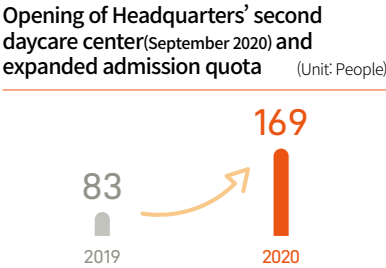
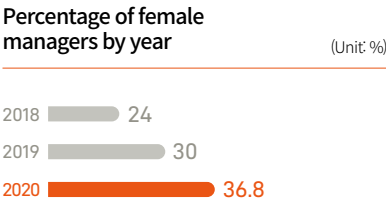



### Initiation of human rights management

The NHIS is operating a dedicated organization. We have built and operated the 'Sexual Harassment Prevention Self-Assessment System' and conducted human rights education and gender-equality relay interviews so that human rights management could be internalized within the company.

A system to protect victims of sexual harassment has also been preemptively prepared. The sexual harassment complaint investigation period was shortened by 10 days, and the work space of the victim and the perpetrators will be separated going forward. Furthermore, monitoring was strengthened to prevent secondary damage.

 **ZERO**  
recruitment corruption according  
to the 2020 government joint  
investigation



 Newly established a Parental Leave Reinstatement **Education Program**  
(December 2020)

## No Discrimination

### Fair recruitment system

As a public institution, we heightened transparency by operating a strict recruitment system and further provided equal opportunities to workers by holding recruitment presentations through various channels. In accordance with government policies, blind recruitment was performed in principle, and for a fairer recruitment process, the existing recruitment process was institutionalized. HR rules have also been revised to block risk factors.

### Gender equality jobs

In 2019, the ratio of female employees of the NHIS was 51.6%, maintaining a balanced gender ratio. The ratio of female managers was also at 36.8%(1,202 female managers in grade 3 and over positions), which is higher than the government target and the OECD average, which is in line with the NHIS's policy of actively engaging a female workforce. Regarding promotion, 30% of promotion tests were assigned to women, and talents were actively selected and assigned to key departments. The female workforce is nurtured through education and dispatch.


(Unit: People)

Women-friendly working environment promotion system	Performance in 2018	Performance in 2019	Performance in 2020
Shortened work days for pregnant women by 2 hours	226	320	403
Stillbirth leave for women and her spouse	-	37	50
Shortened work day for mothers raising children in first grade of elementary school	Not counted as continuous service	Not counted as continuous service	Approved

### Provision of easonable opportunities


By reflecting the results of job analysis, high school graduates are assigned to appropriate jobs, and fair opportunities for promotion are provided. Invisible discrimination was also improved by applying the same service system to college graduates, such as vacation, leave, education, and training, and changing the job titles of high school graduates and college graduates through the labor-management council. We are complying with government guidelines for employees converted to full-time positions. We are collecting opinions through individual interviews and meetings with the concerned parties. Furthermore, we are improving their treatment in various manners, such as raising subsidies for meals. We will do our best to create a workplace free from discrimination through continuous communication.

### Roadmap to eliminating discrimination




**2019**

- Redesign of the compensation system
- Application for children's scholarship funds




**2020**

- Partial application of overtime pay
- Applying for family allowance



**2021**

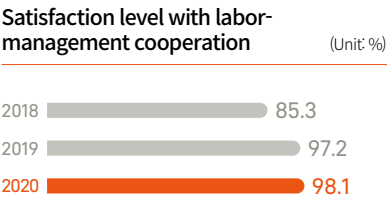
- Expanded application of overtime pay and welfare points



**2022~2023**

- Application of overtime pay to all hierarchical levels
- Applying maternity allowance

## Labor-Management Relations



## Labor-management in Cooperation

### Establishing partnerships using various channels

As a rapid generational shift is taking place due to the mass retirement of the early generations, we have expanded labor-management communication channels to form a consensus and facilitate communication among employees. In this regard, labor and management have collaborated to resolve management issues and promoted social contribution in various manners to overcome the COVID-19 crisis. Furthermore, we have contributed to the local community. The satisfaction level with the labor-management cooperation relations of the NHIS is continuously rising, and in 2020, the level of satisfaction with labor-management cooperation reached its highest.

Category	Detail	Annual performance
Labor-management representative meeting	Frequent meetings between the chairman and the union chairman	22 times
Executives-union meeting	Frequent meetings between executives and union executives	3 times
Labor-Management Working-level Consultation	Utilization of labor-management worker cooperation in business promotion	146 times
Communication monitoring group	Gathering opinions from local sites through communication monitoring groups for each of the six regions nationwide	11 times, 1,291 cases
In-house newspaper 'Yackety-Yak'	Interviews with seniors and juniors and sharing of on-site news	26 times, 82,652 times
Gunbo Jik Sul Talk Show	Online communication between CEO and employees on major issues	3 times

### Various consultation systems

Various labor-management consultation systems, such as the Central Labor-Management Council and Occupational Safety and Health Committee, are being operated. We are spreading a cooperative labor-management culture through the reasonable operation of the consultation system, and worker representatives are attending the board of directors (BOD) to promote a more advanced and transparent labor-management culture. Thanks to this cooperation, we proceeded with the 're-evaluation of manpower by region,' which was a long-awaited project by the NHIS, and successfully completed the 2020 wage negotiations by concluding a legal wage agreement that complied with all government guidelines and recorded the highest approval rate of 96.95%.



Conclusion of wage negotiations in 2020

### Strengthening labor-management relations by improving management capabilities

The NHIS, without settling for a cooperative labor-management relationship, is continuously strengthening our labor-related competency. We are expanding the pool of manpower who are knowledgeable in labor welfare policy and have specialized training at the Graduate School of Labor. Furthermore, we are fostering the growth of internal manpower who can smoothly respond to issues related to labor -management relations. Additionally, the company-wide labor-related competency has been strengthened by utilizing the advice of external expert labor counselors and conducting contactless training for union members.



Social Value 4

# NHIS Revitalizes the Local Economy with Win-Win Value

Revitalizing the local economy through win-win cooperation

UN SDGs linkage



**9.b** Support for expansion of domestic technology development, research, and innovation in developing countries to ensure optimal policy environment, particularly industrial diversification, and product value addition



**10.3** Ensuring equal opportunity, and reducing inequality in outcomes, including efforts to eliminate discriminatory laws, policies, and practices, and promote appropriate laws, policies, and practices related thereto



**16.3** Promoting the rule of law at national and international levels and ensuring equal access to justice for all

Why is it important?

Win-win growth with partner companies by establishing fair competition allows the NHIS and partner companies to grow, and furthermore, for the national economy to develop. We intend to create a win-win cooperation ecosystem where various stakeholders can coexist through shared growth. Moreover, we will continue to create high-quality jobs and continue to be a public institution that lays the foundation for the happiness of all citizens.

Our approach

To revitalize the local economy, we went beyond unconditional and one-time support and focused on developing the capabilities of various stakeholders, such as partner companies, social economy enterprises, and local communities. To create a foundation for self-reliance and achieve win-win results for both the NHIS and its stakeholders, we prepared a system for continuous coexistence with partner companies and local communities, and we have strengthened the self-reliance of our members by devising measures to create jobs and revitalize the local community.

Performance

Advance payment for partner companies  
KRW **26.8** billion



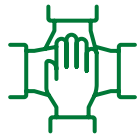
Job creation in private sector  
**17,360** people



2019  
**Government Award**  
for Job Creation Contribution,  
Presidential Citation



The local village management office  
**Selected as the excellent case of win-win cooperation**  
by the Ministry of Land, Infrastructure and Transport in 2019



Interview

Hayoung Park. Partner / CEO of Insabareun



**Q: What type of support did your company receive from the NHIS?**

**A:** Expenses for work performance were paid in advance to facilitate the execution of advance expenses. By disbursing advance expenditures, when necessary, the efficiency of internal work was improved, and unnecessary administrative procedures were reduced. Moreover, we have improved the accuracy and efficiency of our work through mutual monitoring for fair recruitment. The NHIS accurately conveyed the requirements and performed well in a monitoring role to ensure fairness by checking the work progress in a timely manner.

consideration to partner companies by clearly agreeing on the availability and cost in advance, and there were no unreasonable tasks demanded. Furthermore, because our work requires great expenses in advance, liquidity management was one of the key internal management tasks. Because the NHIS swiftly made the advance payments, there was no liquidity problem, showing an effect in creating internal jobs.

**Q: Among the efforts or systems that the NHIS is implementing for win-win cooperation with partner companies, what was the most sympathetic and influential for you as an executive/employee?**

**A:** These are the parts of a prior agreement: the eradication of bullying and advance payment. Regarding any change in tasks that may inevitably occur during the project, the NHIS gave

**Q: What do you think is the role of the NHIS in the shared growth of partner companies? What are the expectations about the NHIS for win-win cooperation?**

**A:** I believe that it is the role of the NHIS is to actively deliver and lead policies for shared growth to partner companies. If the NHIS leads in the creation of social values in various ways and proactively proposes future directions, it will be an opportunity for partner companies to move and grow together.

Shared Growth

Advance payment amount of partner companies  
KRW **26.8** billion

Trial purchase product for technology development  
KRW **1.75** billion

Ilisan Hospital of NHIS was selected as a leading model development institution for  
**Smart Hospitals**

Win-win Cooperation

Establishing a fair economic order

We have laid the foundation for a fair economy by newly discovering and improving areas vulnerable to unfairness. In particular, considering the sustainability of partner companies, we raised the prepayment limit and shortened the payment deadline to facilitate improvement in financial consolidation. We made it mandatory to comply with related laws and regulations, such as the FAIR TRANSACTIONS IN SUBCONTRACTING ACT, to prevent unfair power trips by our partner companies. We also implemented a point deduction system for prior contact companies to induce fair competition and strengthened transparency by increasing the number of external members from five to seven members. To ensure fair selection of partner companies, we are further operating the ‘Subcontract Guard System’ and ‘Integrated Contract Management System’ to prevent unfair trade.

Improvement on areas vulnerable to unfairness

Category	Existing	Improved
Delivery responsibility	The contracting party is liable for all damages	Damage is borne by any party who is responsible for non-compliance with delivery
Contract modification	Contract may be modified if quantity increase or decrease or specification change is necessary due to circumstances of the owner	The contracting party may object to the modification request of the owner if there is a reasonable ground
Intellectual property rights	The intellectual property rights shall be transferred to the owner after the business is closed	Intellectual property rights are jointly owned, and unless otherwise specified, shares are equally divided
Compensation for damages	All monetary and non-monetary responsibilities are borne	Only compensation and civil and criminal liability attributable to the contracting party are recognized
Task change	The task change request may be accepted during project implementation	Mandatory prior agreement on change tasks and costs

System improvement and support for small- and medium-sized businesses

We have facilitated technological innovation by simplifying public contract procedures and purchasing technologically advanced products on a trial basis. In addition, we signed business agreements with four metropolitan governments, supported social insurance premiums for small businesses entities or owners, and provided loans to small medical institutions with low interest rates to improve fund liquidity. In addition to financial support, we provide education and mentoring to small health checkup institutions and long-term nursing care institutions. Furthermore, we share operational knowledge to help small institutions become self-reliant.

Joint development of healthcare services with SMEs

We jointly developed an AI-based infectious disease response system and treatment support platform with a SME by involving medical expert capability. Based on these products, we were selected as a leading model of a smart hospital that can monitor inpatients in real time and enact remote cooperation for examination. In addition, we are supporting the development of mobile apps and web services in the healthcare field by disclosing public data, such as disease prediction and examination institution information, held by the NHIS. We will continue to cooperate with SMEs to come up with a plan that allows all citizens to conveniently manage their health.



eMedipia, pharmacy app service

Social Economy

**Three**  
newly established  
medical social cooperatives

**Five**  
newly established  
welfare-promoting social cooperatives

Purchase of social economy enterprises' products of  
**11.3** billion won  
(Up 21% compared to the previous year ▲)

Activation of the Social Economy

Start-up support

To promote public health and social security, we supported the establishment of social cooperatives for the purpose of providing medical and welfare services. To promote medical welfare in the local community, we expanded accreditation and provided education for local social cooperatives, helping them to strengthen their capabilities by supporting their establishment, accreditation, consulting, and network formation.



Establishment of support for social economy enterprises

Purchase of social economy enterprise products

To help strengthen the competitiveness of social economy enterprises, we purchased products through various channels. Once a year, the NHIS holds an online purchasing conference featuring social economy enterprises to provide an arena for product promotion. The NHIS further established an optional contract system targeting social economy enterprises so that the purchase of social economy enterprises' goods is prioritized. In addition, the limit for optional contracts with socially disadvantaged companies, including women and people with disabilities, has been adjusted from KRW 50 million or less to KRW 100 million or less annually, facilitating the purchasing social economy enterprises' goods.

Creation of the foundation for self-reliance of social economy enterprises

We facilitated growth engines of social economy enterprises by jointly promoting social contribution projects with the enterprises. We actively supported a strong foundation for self-reliance by creating jobs in collaboration with various social economy enterprises, such as self-supporting enterprises, social enterprises, and cooperatives, and further introduced social economy enterprises using the public relations media of the NHIS.

Category	Promotional performance	Outcome
Self-supporting enterprises	Collaborating with a workshop for the physically challenged at Hongcheon to produce face masks for employees	62,000 sheets, KRW 130 million
	Support for the establishment and operation of a cafe for the severely disabled in the office building	Seven jobs created for the physically challenged
Social enterprises	Collaboration with the Gangwon-do Social Economy Support Center to jointly promote social contribution projects in the local community	
	Construction of fall prevention devices for the elderly and disabled households, lunch box support, etc.	Construction of 150 households, direct and indirect sales of KRW 370 million
	Purchase of preliminary social enterprises' goods at Wonju	KRW 23 million
	Introduction of social enterprises using public relations media inside and outside the NHIS (company newsletters and in-house newspaper)	Monthly publication of 95,000 copies of newsletter
Cooperatives	Signed an MOU with the Disabled Family Social Cooperative and provide jobs through on-site car wash service	Create jobs for people with developmental disabilities (three people per session) Total 35 times, 210 car washes

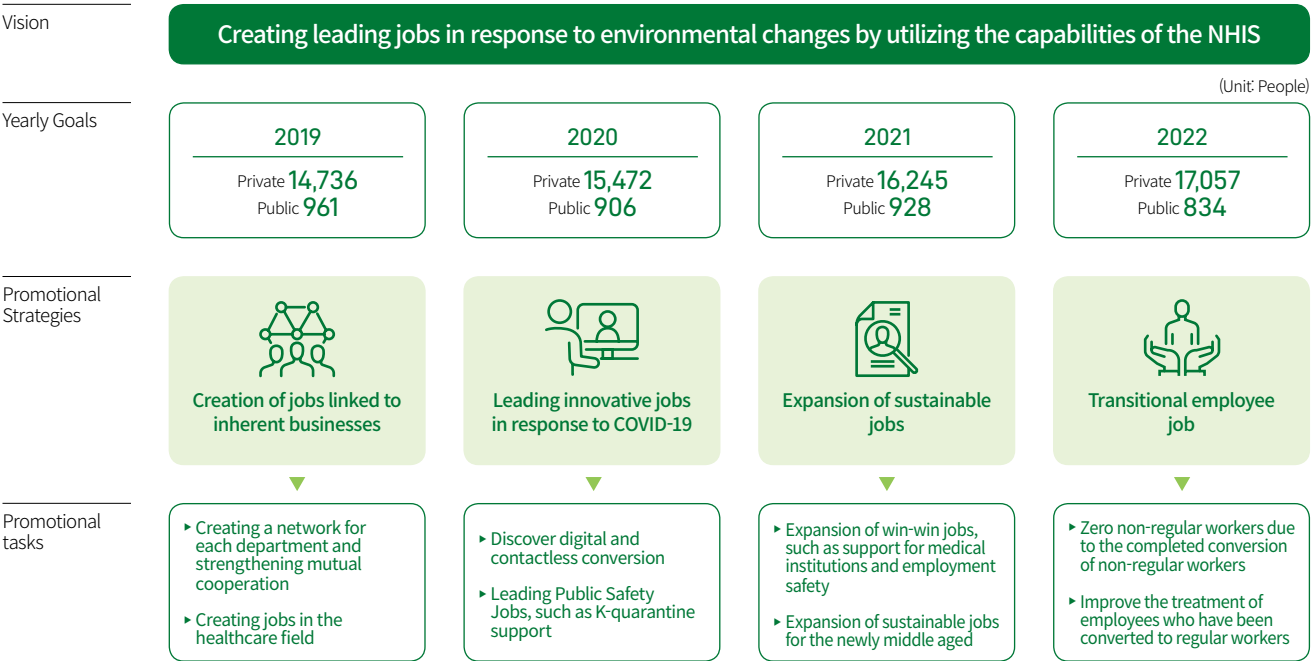
# Job Creation

## Employment Revitalization

### Promotional strategies

The NHIS is actively participating in the government’s job policy stance through socially equitable recruitment, conversion of non-regular workers to regular workers, and job creation in the private sector. In particular, by utilizing healthcare capabilities, we intend to actively create jobs in connection with the NHIS’ inherent businesses by implementing K- quarantine support in response to COVID-19, creating contactless jobs, and further expanding nursing care jobs in the local community.

### Job Creation Strategy System



### Job creation in private sector (Unit: People)



### Private jobs to mitigate social problems

By creating jobs by targeting various issues, we intend to actively respond to current management issues and further provide a higher level of national insurance service in connection with the core business of the NHIS. In particular, we are actively taking the lead in resolving social problems, such as creating a job safety net for the newly middle-aged population to help them prepare for retirement.

Issue	Description	Job creation
COVID-19 response	Quarantine support, operation of living facilities, etc.	6,201
Newly middle aged	Counseling on the reform of the health insurance imposition system, etc.	1,073
Contactless service	Development of contactless healthcare services, etc.	1,514
Expansion of business in the healthcare field	Cultivation of managers of the national dementia responsibility system, etc.	4,172
Public communication and civil service	Public opinion collection, customer satisfaction survey, etc.	2,971
Indirect support for procurement and consignment	Nurturing medical cooperatives, residential environment improvement projects, etc.	1,429



2019 Government Award for Job Creation Contribution, Presidential Citation

### Conversion of non-regular employees to regular employees

The NHIS conducts a thorough pre-employment screening and makes decisions to convert a non-regular worker to a regular employee in compliance with government guidelines. In 2019, 175 non-regular workers were converted to regular workers, which corresponds to a 165% surpassing of the regular worker conversion target, and we have been resolving discrimination from existing regular workers by establishing a treatment improvement process. This efforts of the NHIS resulted in it being awarded the Presidential Citation for job creation contribution by the Ministry of Employment and Labor in 2019.

### Local community job model

Under the leadership of the NHIS, private organizations have intended to create jobs that could foster independence in the local community. To create private jobs in the local community, the NHIS has established a cooperative system with other organizations, such as job-specialized organizations, local governments, and social cooperatives.

### Development of job models through public-private cooperation



### Socially equitable recruitment outcome

#### Recruitment of physically challenged as regular employees (Unit: People)



#### Youth recruitment (Unit: People)



#### Recruitment of local talents from non-metropolitan areas (Unit: People)



### Socially equitable recruitment

The NHIS is realizing open employment for the socially disadvantaged through job analysis and redesign. We operate a grievance counseling center for all members of the NHIS and provide awareness-enhancing education to actively form an organizational culture in which various members collaborate. In line with the efforts made by the NHIS, in 2019, it was awarded the True Company Grand Prize as a reliable company for hiring the disabled by the Ministry of Employment and Labor, and in 2020, it was awarded a citation as an excellent organization for balanced recruitment by the Ministry of Personnel Management.



Awarded as an excellent organization for balanced recruitment by the Ministry of Personnel Management in 2020

### Conversion of non-regular workers to regular workers

In compliance with the government’s guidelines, the NHIS converted a total of 693 non-regular workers into regular workers over a period of 17 to 20 years. Since then, the pre-screening recruitment system for non-regular workers has been operated to eradicate the unreasonable hiring of non-regular workers, and for converted regular workers, rules have been established to eliminate discrimination from existing regular workers. Furthermore, efforts have been further made to improve remuneration and treatment. In 2021, we added family allowance and raised the food subsidy.

# Local Community

 Selected as one of **10 collaborative tasks** led by public institutions by The Ministry of Economy and Finance  
Wonju, Gangwon-do construction project to create a mecca for silver medical devices



### Nurturing industries

- ▶ Approved the establishment of the elderly-friendly product research center and experience exhibition center
- ▶ Development of Korean-customized medical device standards
- ▶ Promotion of joint purchase of excellent products
- ▶ Support for new product development for local SMEs and universities

 Amount of purchased local goods and the use of local commercial areas is a total of **KRW 7.4 billion annually**




Donation of goods to eligible families in need (Daegu-Gyeongbuk Regional Headquarters)

## Local Community Engagement and Development


### Gangwon Innovation City, Mecca of the Healthcare Industry

By utilizing our expertise in the medical and welfare fields, we strive to turn the Gangwon Innovation City where the NHIS is located into a mecca for the health and medical industry. Beyond one-time support, the NHIS plans to play a pivotal role in collaborations with the central government and Wonju City to foster a genuinely innovative city and secure the driving force for the local economy to grow independently.



### Talent Nurturing

- ▶ At five universities, healthcare education courses were launched
- ▶ Special lectures in social welfare and healthcare fields
- ▶ Specialized education on healthcare big data at universities in Gangwon-do
- ▶ Operation of education and practice courses using big data from the NHIS



### Win-win expansion

- ▶ Launched a contest for tasks to solve welfare and regional problems in Gangwon-do
- ▶ Launched and operated four welfare facilities in Wonju and Chuncheon
- ▶ Opened a toy library in Wonju Childcare Support Center
- ▶ Created a space to care for the elderly living alone led by local residents

### Local product purchase target policy

To expand the local commercial area, we gave local businesses the opportunity to submit a quote first and established preferential standards for businesses in Gangwon-do. Furthermore, we expanded the purchase of Onnuri gift certificates, local currencies, and tourism gift certificates to promote both traditional markets and local commercial areas. By giving a regular day off per month for the canteen, we encouraged the NHIS's executives and employees to directly use the local commercial area and reduced rent by a total of KRW 51 million to sustainably coexist with the tenants in the NHIS's office building.

### Local community problem solving program

For the development of Gangwon-do, we discovered and jointly developed programs to solve community problems and improve welfare through aiding non-profit organizations in Gangwon-do. We selected a total of 22 programs created by local residents who best understand local needs, and we are operating in various parts of Gangwon, including Wonju, Chuncheon, and Jeongseon, based on support of KRW 300 million from the NHIS.

Region	Type	Program
Wonju	Regional win-win	A care program using AI social robots for high-risk elderly groups with depression and dementia
Chuncheon	Regional win-win	Visit monitoring program to improve the health of families with severe disabilities in need of care
Donghae	Health welfare	'Health UP, Happiness UP' for health promotion of overweight, obese, and severely disabled people
Sokcho	Regional win-win	'Cheongcho Village Support Center,' a project to revitalize the village community and support a local cooperation care project
Jeongseon	Regional win-win	A village development project for the Jongsei intellectually disabled living in facilities and local residents

 **20% or more** of Gangwon local food used in the canteen

### Revitalization of local economies nationwide

Utilizing six regional headquarters and 178 branch offices nationwide, we conducted a campaign to promote local agricultural specialties by purchasing a total of KRW 420 million worth of agricultural specialties. We further supported stagnant flower farms by creating flower-lined promenades. By signing a canteen contract, we supported local farmers by specifying that 20% or more of Gangwon local food would be used as a recommended condition. Furthermore, we plan to sign a business agreement with Gangwon-do to revitalize the local economy and cooperate to expand the market for local agricultural and livestock products in the future.



**Do you know about the ‘Gam-dong (Potato alliance)’?**  
NHIS employees nationwide purchased 100 tons of eco-friendly, pesticide-free potatoes from Gangwon-do that were not consumed due to school closures and online classes. Some portions of the potatoes collaboratively purchased by employees were delivered to social welfare facilities and the underprivileged across the country.

 My Neighborhood Village Management Office was selected as **the excellent case of win-win cooperation** by the Ministry of Land, Infrastructure and Transport in 2019 by the local village management office



원주민래발전포럼

### Village community recovery support

Since 2019, the NHIS has launched and supported the “My Neighborhood Village Management Office,” which improve convenience for residents, such as village patrols, and confirms the safety of the elderly living alone. This office is led by village activists composed of local residents. To revitalize the region, we opened four new locations in 2020 by adding areas with a high proportion of old-age housing and low-income senior households. We have contributed to local community recovery by offering dementia prevention education, simple house repairs, and village environment maintenance.

### Discussion on the future of regional development

As the largest public institution in Wonju, Gangwon-do, the NHIS participated in the Wonju Future Development Forum to discuss future development directions to fulfill its responsibilities to the local community. The Wonju Future Development Forum is an arena for public discourse and the discussion of the future development of the region. Furthermore, the forum seeks policy solutions for people from all walks of life, civic groups, and experts from the region. The NHIS will continuously participate in the forum to ponder the future development of the region and actively support the discussions.



Social Value 5

# NHIS Creates Values for Coexistence

## Coexistence with various stakeholders

### UN SDGs linkage



**4.5** By 2030, narrow gender disparities in education and ensure equal access to education and vocational training at all levels for vulnerable people, including persons with disabilities, indigenous peoples, and children in vulnerable situations



**7.b** By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support



**13.3** Education, awareness raising, human and institutional capacity building on mitigation, adaptation, impact reduction, and early warning regarding climate change

### Why is it important?

In order to achieve sustainable growth, we must fulfill the social responsibilities expected by our stakeholders in addition to pursuing economic profits. As such, we will actively create social values demanded by our stakeholders by managing our business in consideration of the environment organically connected to health, and further implementing social contribution programs that can solve various social problems.

### Our approach

Making most of the characteristics of the NHIS, we strive to safely dispose of healthcare waste, and we minimize environmental impact of various types of bills by digitizing them. We plan to actively respond to climate change issues through various environmental campaigns and energy savings. Furthermore, we are promoting social contribution programs that can solve various issues, such as those related to health and the local community, in cooperation with our executives and employees.

## Performance

LED lights adoption rate for all office buildings  
**100 %**



Nationwide collection of waste medicine  
**1,545 kg**  
(66.8% year-on-year increase)



Korea Chamber of Commerce and Industry (KCCI) & Forbes CSR Grand Prize for  
**Five** consecutive years



Selected as  
**an excellent institution**  
for the protection of the elderly living alone by the Ministry of Health and Welfare



## Interview

**Jaehoon Lee.** Non-profit corporation / Secretary General of the Wonju Council on Social Welfare



**Q: How are you communicating with stakeholders in the NHIS's social contribution activities?**

**A:** The NHIS is highly evaluated for planning the most ideal social contribution activities by communicating ahead of time with on-site managers. In order to promote the social contribution project of the Kun-yi Kang-yi Story Sharing Box, the NHIS diagnoses problems by communicating directly with the on-site managers, and also meets several times with the Wonju Traditional Market Association to allow synergy effects of social contribution projects that the NHIS is promoting to occur in various areas.

of the NHIS have decisively promoted social contribution activities together.

**Q: What are your expectations regarding the NHIS's social contribution activities?**

**A:** I hope that the NHIS will provide an opportunity to develop and model sustainable social contribution activities, such as the village management office promoted by the NHIS, and thereby, lay the foundation for the realization of social values nationwide

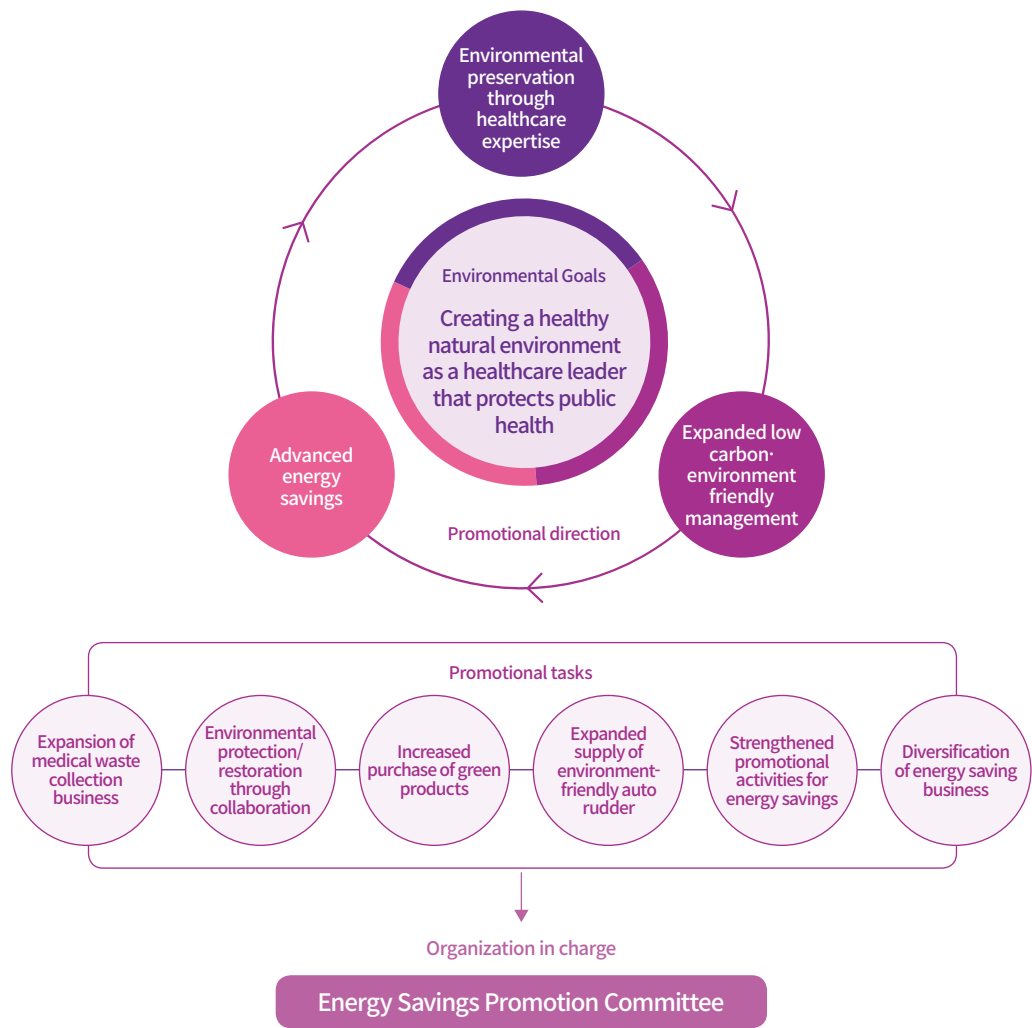
**Q: How do you rate the social value created by the NHIS's social contribution activities?**

**A:** The NHIS's social contribution projects have always been performed in harmony with the local community. In particular, the reason why the NHIS's employees and volunteers conduct activities together is that they realize social values with local residents beyond mere social contribution activities. At a time when everyone is experiencing difficulties due to COVID-19, the NHIS has complied with the quarantine rules, and volunteers and employees

# Environmental Management

## Environmental Management Strategy System

In order to fulfill our social responsibility as a health security leader that protects the health of the citizens, the NHIS is promoting environmental conservation projects, expansion of environment-friendly management, and advancement of energy savings. In order to respond more actively to climate change, etc., the Energy Savings Promotion Committee was formed with 11 members, including the executive director, in which energy savings-related plans and pending matters are discussed on a semi-annual basis.



### Energy Savings Promotion Committee

The Energy Conservation Promotion Committee is responsible for discovering and promoting energy savings measures and is composed of a total of 11 members, including the executive director as the chairperson. Although we introduced the use of digital timer outlets as a short-term task in 2020, we plan to promote new and renewable energy facilities, and replacement of heating and cooling costs by 2025. Based on the Energy Savings Promotion Committee, we plan to operate high-efficiency, environment-friendly office buildings and to strengthen energy savings.

## Environmental Conservation Project utilizing the Characteristics of the NHIS

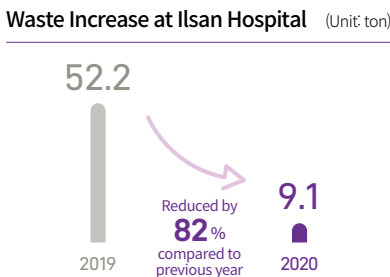
### Waste medicine collection business

Making the most of our healthcare expertise, we disposed of mercury-containing medical devices in 2019 and conducted a waste medicine collection project in 2020, thereby contributing to the creation of a sustainable national environment. We have provided collection boxes (238 locations) and collection bags (137,000 pieces) at our branch offices nationwide, collecting 1,545 kg of waste medicines from all over the country in cooperation with regional pharmaceutical associations, and the Korean Senior Citizens Association. The collected waste medicines were safely disposed of through specialized companies to minimize environmental impact.



### Waste disposal reduction and collection

Company-wide education on medical waste generated at the hospital directly operated by the NHIS was frequently conducted, and on-site inspection was conducted annually. In parallel with semi-annual monitoring, this drastically reduced the increase rate of medical waste. In addition, in cooperation with local governments and self-reliance centers, we installed agricultural waste collection boxes in 11 locations nationwide and delivered the collected products to the Korea Environment Corporation to create profits. All of the proceeds were utilized to create jobs for low-income people at the self-reliance centers, thereby simultaneously minimizing environmental impact and creating jobs for the low-income class in the local community.



## Social value creation process through environmental management

### Agricultural waste

11 Happy Collection Boxes installed

14 LIFE BELOW WATER  
15 LIFE ON LAND

### Delivered to Korea Environment Corporation

Generated KRW 1.75 million in profits

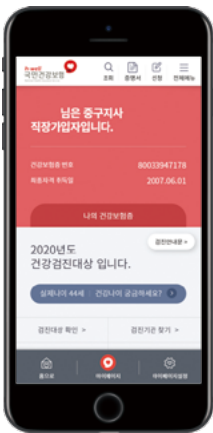
Collected 8 tons of waste plastic, 156 kg of pesticides, and 20 kg of pesticide bags

14 LIFE BELOW WATER  
15 LIFE ON LAND

### Job creation in self-reliance centers

All proceeds are used to fund the low-income jobs (collectors) at the Self-Reliance Center

1 NO POVERTY  
8 DECENT WORK AND ECONOMIC GROWTH



Mobile health insurance card







Paperless administrative services

In consideration of the nature of the NHIS, where various bills and guides are sent, we are striving to minimize our carbon footprint by actively converting paper documents into digital data. Moreover, we are simultaneously reducing costs as well as environmental impact. We will continue to actively respond to climate change by converting more and more of our administrative services to digital.

Category	Performance	Detail
Health insurance card	Issued only upon application	About 91.2% reduction in issuance (KRW 5.7 billion ↓ per year as of 2019)
Various certificates	11 types of certificates can be viewed by other institutions	Reduced issuance of about 5.43 million cases (KRW 10.6 billion ↓ per year as of 2019)
Insurance bill	Efficient sending of integrated notices for the four major social insurances	Consolidation, combination, and sending of electronic notices reduces costs compared to sending by each individual NHIS (KRW 51 billion per year as of 2020 ↓)
Examination institution documents	Examination institution's online evaluation system	Reduce employee workload and reduce paper documents to zero
Smart fax	Introduction of 100% recognition rate fax	Implement a paperless office
Paper mail	Initiation of digital notice and information service	By December 2022, digital conversion of 715 types of mail forms is scheduled to be sent in three stages
Contactless questionnaire	Fill out the contactless health checkup questionnaire	KRW 37,000 cost savings

Conservation of nature with local communities

By collaborating with various organizations to create synergy in nature conservation activities, we have contributed to the local community. Together with the Mirae Campus of Yonsei University in Wonju, we conducted a campaign to properly dispose of disposable masks, and we donated reprocessed products using the collected waste masks to disabled people's organizations. In collaboration with the Eastern Province Forest Service, we jointly created health insurance forest paths in the fire-damaged area to plant 20,000 sea pine trees on 20,000 pyeong. Moreover, we planted 15,210 seasonal flowers on a 2.3-km promenade in neglected park sites in collaboration with Wonju Cityhall to help improve the local environment.

Category	Collaborative organization	Promotional performance
 Mask recycling	Yonsei University Mirae Campus	<ul style="list-style-type: none"><li>▶ Campaign to properly dispose of masks</li><li>▶ Safe collection and reprocessing of disposable masks</li><li>- Donation of reprocessed goods to disabled people's organizations</li></ul> 
 Forest restoration	Eastern Province Forest Service	<ul style="list-style-type: none"><li>▶ Creation of forest paths in fire-affected areas (Approximately 16 acres , 20,000 sea pine trees)</li><li>- Reduce KRW 1.5 billion for fine dust, and KRW five million for carbon dioxide annually</li></ul> 
 Environmental protection	Wonju Cityhall	<ul style="list-style-type: none"><li>▶ Planting seasonal flowers on the park sites</li><li>- 15,210 plantings, staff raised amount of KRW 76.77 million</li></ul> 
	Korea Coast Guard	<ul style="list-style-type: none"><li>▶ Public campaign to reduce marine litter by using bills</li></ul>

Low-carbon, Environment-friendly Management

Expansion of green consumption

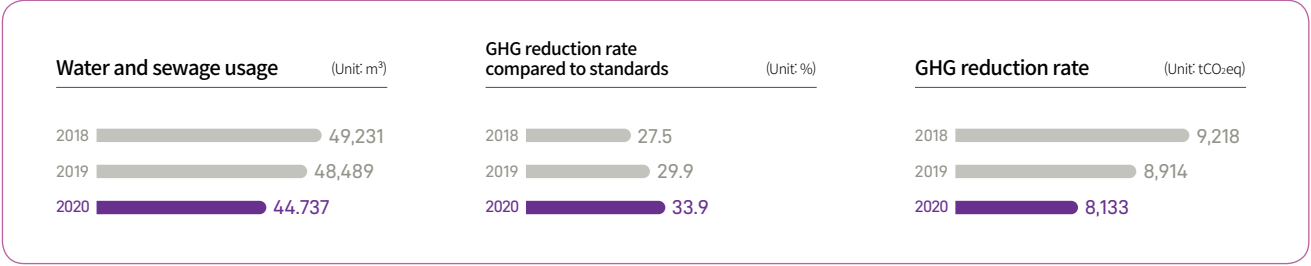
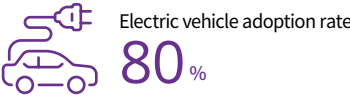
In order to respond to various environmental crises, such as resource depletion, water shortage, and increase in greenhouse gas (GHG) emissions, we are utilizing green certification to certify and support promising green technologies or businesses. In purchasing office supplies, such as PCs and photocopy paper, we have made efforts to reduce environmental impact by making it mandatory to purchase products and companies with green certification. In 2020, new PCs were purchased as 100% green products, exceeding the government's green purchasing target of 3.8%. In addition, 27 environment-friendly vehicles and 16 electric vehicles were newly introduced as official vehicles, and electric vehicle charging infrastructure has been expanded in cooperation with the Korea Environment Corporation and the Korea Electric Power Corporation.

Energy saving activity

Efforts have been made to minimize the environmental impact by activating the purchase of green products, and expanding energy-saving facilities. In the short term, we will introduce digital timer outlets, and in the mid to long term, we plan to actively introduce high-efficiency equipment, such as photovoltaic power generation, to perform the renovation of the office building by 2025.

Regular energy use management

For sustainable resource use, we regularly manage resource and energy use, and we diversify energy savings. To respond to climate change, we comply with the recommended temperatures in summer and winter, and we turn off the lights in the office at lunchtime and at night. Training and monitoring are also being conducted to improve internal members' awareness. Seasonal energy saving training materials were distributed nationwide, and 44 sub-office buildings with low-grade GHG reduction were inspected without prior notice to adjust the standard emissions for three branch offices.



Environmental protection campaign

We conducted environmental protection campaigns with related organizations using insurance premium bills. Our objective was to raise public awareness of various environmental issues, such as response to fine dust, reduced disposable products, and prevention of forest fires. We will continue to actively respond to environmental issues in collaboration with various organizations as a health insurance leader that protects public health.



Environmental protection campaign (insurance premium bills)

## Contribution to Society

### Social Contribution Strategy System

Since forming a social contribution volunteer team for the first time in the public sector, the NHIS has been steadily promoting social contribution in collaboration with the Kun-yi Kang-yi Volunteer Group. The Kun-yi Kang-yi Volunteer Group, where 88.1% of our executives and employees are participating, is the largest in the public sector, and in recognition of its contribution to active sharing activities through voluntary participation and donation of the executives and employees, it was awarded the KCCI & Forbes CSR Grand Prize for 5 consecutive years, and justly inducted into the Hall of Fame on that basis.



Received KCCI & Forbes CSR Grand Prize for 5 consecutive years

Goal

Social contribution sharing with the citizens, and the local community

Slogan

Sharing together, healthy together

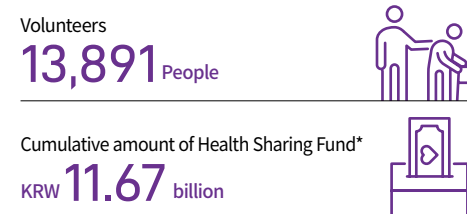
Business strategy



Promotional organization

The Kun-yi Kang-yi Volunteer Group

Organizational Status



\*Based on June 2005 to December 31, 2020



\*\*Based on June 2005 to December 31, 2020

### Health Care

#### Fostering the public medical field

Utilizing the characteristics of the industry, we support the development of the public health sector, which is the core of the health care system. Labor and management jointly provided quarantine supplies for negative pressure ward to the Seoul Metropolitan Government, Gyeonggi Provincial Government, and Gyeongnam Provincial Government, and awarded the "Young Public Medical Person Award\*" to 15 public medical personnel. The NHIS intends to contribute to improving the health of the local community by continuously awarding the Young Public Medical Person Award.

\* An award to encourage health and medical personnel with seven or less years of experience working in 35 regional medical centers nationwide, and to strengthen public healthcare



Young Public Medical Person Awards Awarding Ceremony



Medical Expense Support  
**KRW 136** million



'Health Angel with Love' activity

#### Medical expenses support for low-income class

To alleviate the burden of expenses for the medically disadvantaged class, we have covered medical expenses for many people. All of the support costs were voluntarily raised by the employees of the NHIS, amounting to KRW 136 million, which was 147% higher than that in the previous year. A total of 68 people were supported, including expenses for ophthalmology, spinal surgery, and depression. In the future, we plan to extend this support to diseases, such as liver and kidney transplants, to protect more people in the low-income class.

#### Medical service with love

The NHIS, since 2009, has been continuously promoting the "Health Angel with Love" activity, which visits rural areas whose access to medical services is low, and provides medical services. Despite the pause due to the pandemic in 2020, we will continue this project on a reduced scale through a public application for the desired area. Moreover, we have supported denture making, and provided free medical treatment for medically underprivileged groups, such as low-income class, and foreign workers. Although this project was also suspended in 2020, we will continue to expand the beneficiaries in cooperation with related local community organizations.

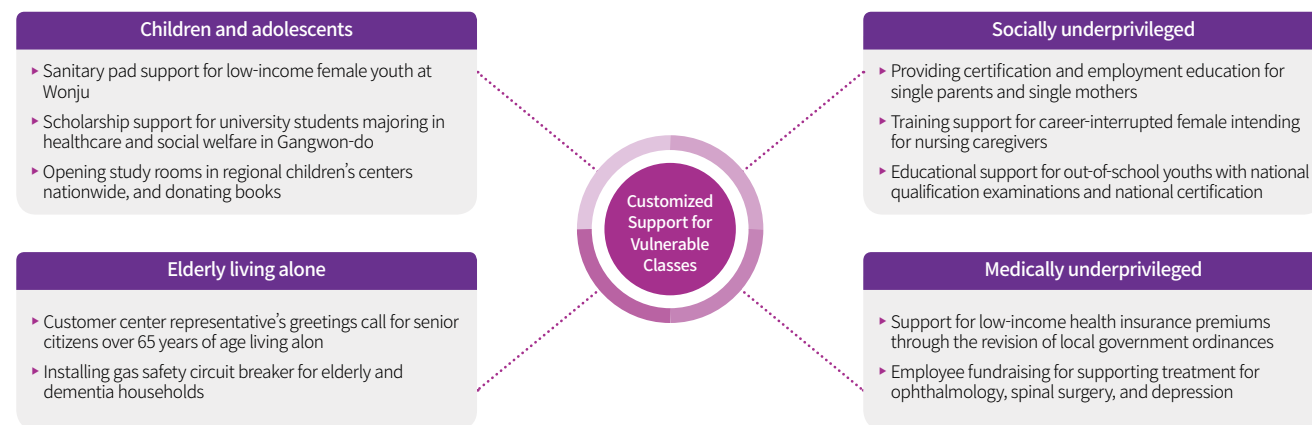
## Local Community Care

### Elimination of welfare blind spots in local community

We have helped all members of the local community lead a happy life by resolving the welfare blind spots for the underprivileged class. In particular, in order to respond to social problems arising from the aging population, the Health Dream Call has continued facilitating in 1:1 relationship with greeting calls twice a week between customer center representatives and the elderly living alone nationwide. This is done in connection with the Senior Citizens Living Alone Comprehensive Support Center (central organization), which was also selected as an excellent institution for the protection project of the elderly living alone by the Ministry of Health and Welfare. In addition, by providing customized support for various vulnerable groups, we are actively supporting our members to enter and participate in society.



Selected as an excellent institution for the protection project for the elderly living alone



### Support for citizens in disaster-affected areas

A country must protect the citizens who are unable to lead a normal life due to force majeure, such as natural disasters. In order to fulfill its social responsibility as a public institution, the NHIS annually provides environmental maintenance, daily necessities, drinking water, and relief supplies for areas damaged by typhoons or other events. In 2020, labor and management jointly performed disaster recovery activities, involving 749 people from 78 branches. We reduced the insurance premiums for residents affected by heavy rains and typhoons to promote stability in their lives. In particular, in 2020, insurance premiums were reduced for underprivileged classes due to COVID-19.



Typhoon damage restoration activities in 2019

## Joint Care

### NHIS Small study room operation

We have opened and operated a small study room that alleviates the burden of child-raising in low-income and underprivileged families, and provides learning and play for children and adolescents in areas having poor educational environments. In 2020, 6 new study rooms were newly opened, amounting to a total of 94 study rooms. In order to actively support youth, the future growth engine, the NHIS is laying the groundwork for youth independence by linking with after-school experience classes and donating books.



NHIS Small study room



NHIS Hope Balloon



House repair volunteer works at Gangnam-gu in 2019

### Support for single-parent families

For the independence of single-parent families, we have been promoting the 'Health Insurance Hope Balloon' project, which supports vocational education expenses, daily necessities for children's rearing and learning, and the production of growth albums. In 2020, all seven applicants to Joseph's House, the nation's first store, obtained nail art and barista licenses. Rather than providing one-time, grant-based support, we plan to support their active participation in society by establishing a foundation for self-reliance that enables income to be generated continuously.

### Caring with executives and employees

With the voluntary participation and effort of the members of the NHIS, we are establishing a culture of sharing in the local community by conducting house repair services, and mobile laundry volunteer activities. In particular, the 'House Repair Volunteer Group' within the NHIS is composed of executives and employees, who have obtained professional certificates in various fields, such as wallpapering, flooring, electricity, and woodworking. Since 2005, we have been repairing the homes of alienated neighbors to facilitate their healthy life.

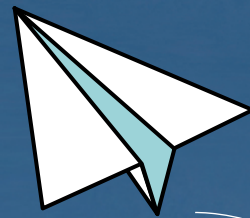
### Fire safety project

In order to prevent fire accidents that may occur due to the lack of care in low-income families, and to resolve safety blind spots, we have promoted the 'Kun-yi Kang-yi Fire Safety Project.' We signed an MOU for a fire safety project with the National Fire Agency and the Korea National Council on Social Welfare we produced and delivered fire safety boxes for the safety-vulnerable class amounting to 4,500 households in Gangwon-do and Sejong Special Self-Governing City. The fire box contains a fire extinguisher, smoke.



Production of fire safety boxes by executives and employees

# Compliance with the Principles



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Governance

Composition of the BOD

The BOD is the supreme decision-making body that deliberates and decides on major management issues of the NHIS. As of April 19, 2021, the BOD consists of six executive directors and nine non-executive directors. The term of office of the chairman is three years, and the term of each director and auditor is two years, and for responsible decision-making, a reappointment may be available for a one-year term.

Status on BOD

Category	Name	Gender	Organization name	Current position
Executive directors	Kim Yong-ik	Male	NHIS	Chairman
	Kim Deok-soo	Male	NHIS	Planning, Executive Director
	Lee Tae-geun	Male	NHIS	General Secretary, Executive Director
	Jeong Seung-yeol	Male	NHIS	Collection, Executive Director
	Lee Sang-il	Male	NHIS	Reimbursement, Executive Director
	Lee Won-gil	Male	NHIS	Long-term nursing care, Executive Director
Non-executive directors	Lee Dong-ho	Male	Federation of Korean Trade Unions (FKTU)	Secretary General
	Ryu Ki-jung	Male	Korea Enterprises Federation	Managing Director
	Lee Inyoung	Female	Citizens' Coalition for Economic Justice	Health and Medical Committee Member
	Kang Jeong-hwa	Female	Voice for Consumers	Chairman
	Lee Seongbok	Male	Korea Advanced Farmers Association	Chairman
	Park Yong-yeol	Male	Korean Senior Citizens Association	Vice-Chairman
	Lee Yong-jae	Male	Ministry of Economy and Finance	Director General, Welfare and Safety Budget Review Office
	Kim Heon-ju	Male	Ministry of Health and Welfare	Director of Health Insurance Policy
	Yeon Won-jeong	Male	Ministry of Personnel Management	Director of Personnel Management



The 1st regular BOD meeting in 2021

BOD Efficiency

Item	Unit	2018	2019	2020
Number of BOD meetings	Times	14	13	14
BOD (15) participation rate	%	90.5	89.3	92.9
- Participation rate of non-executive directors (nine people)	%	84.1	82.1	88.1
- Participation rate of ex-officio directors (three people)	%	54.8	52.8	73.8
Resolution agenda	(Number of) cases	55	59	46
Report agenda	(Number of) cases	10	8	8
Pre-deliberation rate	%	100.0	100.0	100.0
Share of non-executive directors' speech	%	88.5	89.1	90.50
Management advice	(Number of) cases	31	36	19
Reflection of advice	(Number of) cases (%)	26(74.3)	37(84.1)	16(84.2)

BOD Management System

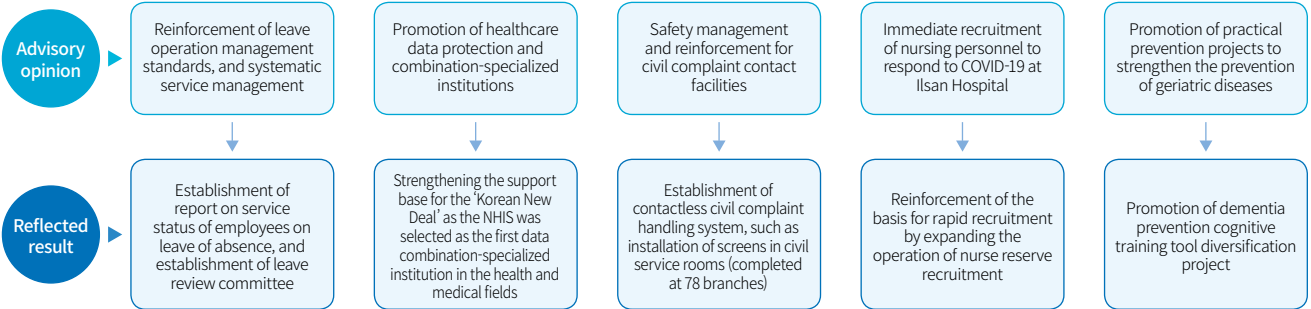
For key agenda items, the opinions of non-executive directors were collected from the beginning of establishment to strengthen preliminary deliberation, and expand the basis for non-executive directors' job performance. Special education is provided for new non-executive directors to enhance their understanding of the NHIS, and for the first time since the establishment of the NHIS, employee representatives were invited to attend the BOD to enhance transparency and rationality in decision-making.

BOD Operation Procedure



Leverage the Expertise of Non-executive directors

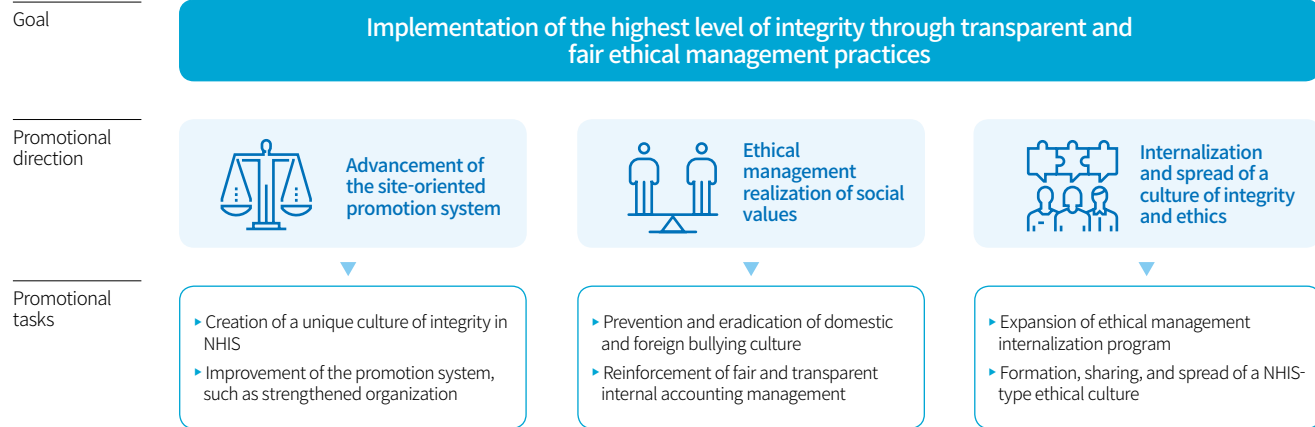
Non-executive directors performed various participatory management activities up to 30 times to reflect practical and professional advice on the field. The number of expert committees, in which non-executive directors participate, has been expanded from five to six, and an advisory system for each field has been established to strengthen the basis for rational decision-making.



## Ethical Management



Selected as the excellent integrity organization for 6 consecutive years

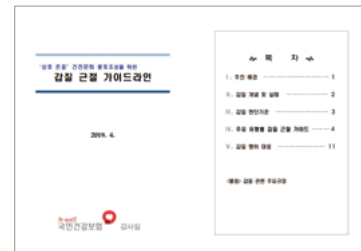


### Field-oriented ethical management system

The NHIS is creating an organic culture of integrity among the headquarters, regional headquarters, and branch offices. We are actively elevating the integrity level of the NHIS by sharing best practices after analyzing the unsatisfactory issues and by providing interactive coaching between the headquarters and regional headquarters towards branch offices. As a result, the target achievement rate on in-house integrity increased year-on-year by 18.5%p to 87%.

### Protection of citizens' rights and interests, and cooperative ethical management

To prevent internal power trips, a dedicated organization was operated to conduct education and campaigns and to create and distribute a new guidebook to prevent power trip in the workplace. Furthermore, we are raising the ethical awareness of our executives and employees by providing ethics education by position and by area of ethics, such as prevention of violence and prohibition of solicitation. In addition, we have formed a win-win consultative body with partner companies and operated a clean box to report power trips with timely monitoring. By adding a new provision on the eradication of power trips in the contract, we have established an equal contractual relationship and laid the foundation for shared growth.



Internal power trip prevention guidebook



Number of power trip cases at workplace  
Number of reports on power trip and unfair trade

**ZERO**

## Ethical Management System

Various efforts have been made to fulfill not only the economic and legal responsibilities of management activities, but also the ethical responsibilities the NHIS is expected to meet. As a result, the NHIS was the only organization to be selected as the excellent integrity organization for six consecutive years among 202 public service-related organizations. In order to continuously practice ethical management, a dedicated organization was operated, and the ethical management organization was strengthened by increasing the number of members from 18 to 25, for the Ethics Committee and from 12 to 13 for the Anti-Corruption Special Promotion Committee. Furthermore, the Ethics Charter and the Code of Conduct Implementation Statement are disclosed on the website, presenting ethical value judgments and standards of conduct that all executives and employees must abide by.



**Achieved Grade A for four consecutive years** in the Board of Audit and Inspection evaluation  
(Highest rating among 22 quasi-government agencies)



**ISO 37001**  
Certified for Anti-bribery management systems



Received **Grade 1** for both Anti-corruption policy/External integrity in 2020 public institution evaluation



Citation from the Ministry of Culture, Sports and Tourism for a person of merit regarding open policy information

## Corruption Prevention System

### Internal check system

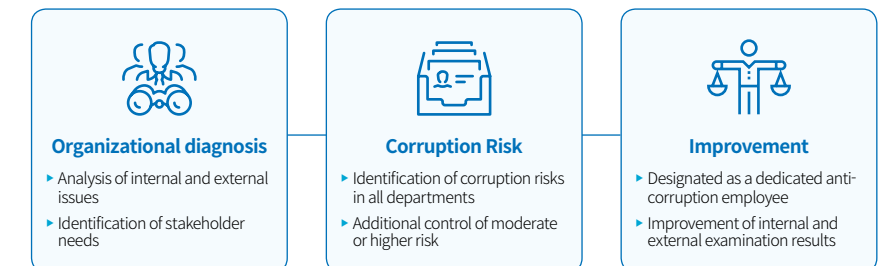
The NHIS operates a transparent management environment by using the highest-level internal check system among public institutions. Moreover, an independent auditing office has been installed to conduct audits on duties, assets, and accounting. In particular, in 2020, we acquired and introduced a smart audit system patent to establish an internal check system in preventing corruption in advance.

Category	Self-Inspection (Current Department)	Prevention (Audit Office)	Post-inspection (Audit Office)
Control measures	<ul style="list-style-type: none"> <li>Contactless general audit</li> <li>Internal self-inspection</li> <li>Compliance with management guidelines</li> <li>Corporate card monitoring</li> <li>Monitoring personal information</li> </ul>	<ul style="list-style-type: none"> <li>Contactless general audit</li> <li>Daily audit</li> <li>Monitoring of production documents</li> <li>Department business monitoring</li> <li>Assessing the effect of corruption</li> </ul>	<ul style="list-style-type: none"> <li>Contactless general audit</li> <li>Specific (planned) audit</li> <li>Special and service audits, inspection</li> <li>Financial audit</li> </ul>
Outcome	Increase in items to comply with management guidelines (124 ↑ year-on-year)	Budget reduction of KRW 1.4 billion 18 application-type daily audits	Securing finance KRW 1.8 billion 100% measure implementation rate

### Improving work at risk of corruption

We improved transparency by assessing corruption risks and implementing remedial measures, and we further identified and improved risk factors in the four major risk tasks that could cause corruption.

### Corruption Risk Assessment Process



### Development of regulations and systems

The personnel regulations have been revised to more strictly sanction hiring irregularities, and all employees are participating in budgeting to ensure reasonable budget execution. By updating the standards for corporate card use and improving the corporate card monitoring system, we have achieved 'ZERO' improper use of corporate cards.

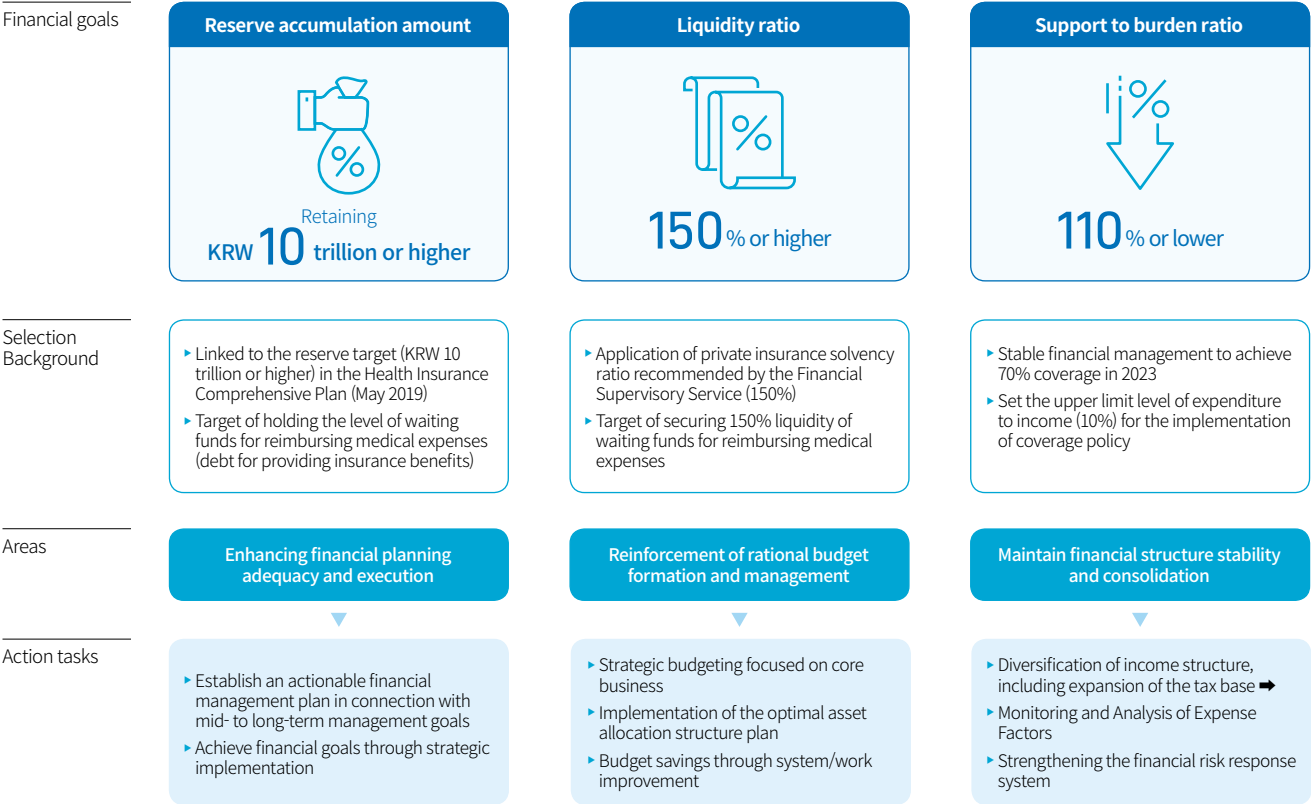
## Open Public Information and Records Management Culture

210,000 copies were discarded by evaluating records whose retention period had expired, and errors were corrected by comparing non-electronic records generated up to 2018 with the real ones. Records management capability was internalized by holding a records management contest and awarding the Chairman's reward to excellent departments. In addition, we are leading the open administration by converting the list of books owned by the NHIS, and publications of the NHIS into digital materials, providing them through the National Library of Korea, and expanding the scope of information disclosure.

# Risk Management

## Financial Risk Management

In order to respond to the low birth rate, aging population, the proportion of the elderly, and the increase in chronic disease patients, we have efficiently managed finances, and in order to enhance the sustainability of the system, we have further established and implemented a financial management plan.





Strengthened information protection system

We have aquired the information protection and personal information protection management system integrated certification (ISMS-P), and information protection talents were nurtured through internal and external training. In-house training was conducted within the NHIS, and hacking response training was completed, which was provided by the National Intelligence Service and the Ministry of Health and Welfare. As a result, the number of human security leaks has been maintained at 'ZERO,' and in the external evaluation of cyber attack response by the National Intelligence Service and the Ministry of Health and Welfare, the NHIS achieved the highest grade (A), with an appropriate response rate of 99.12%.

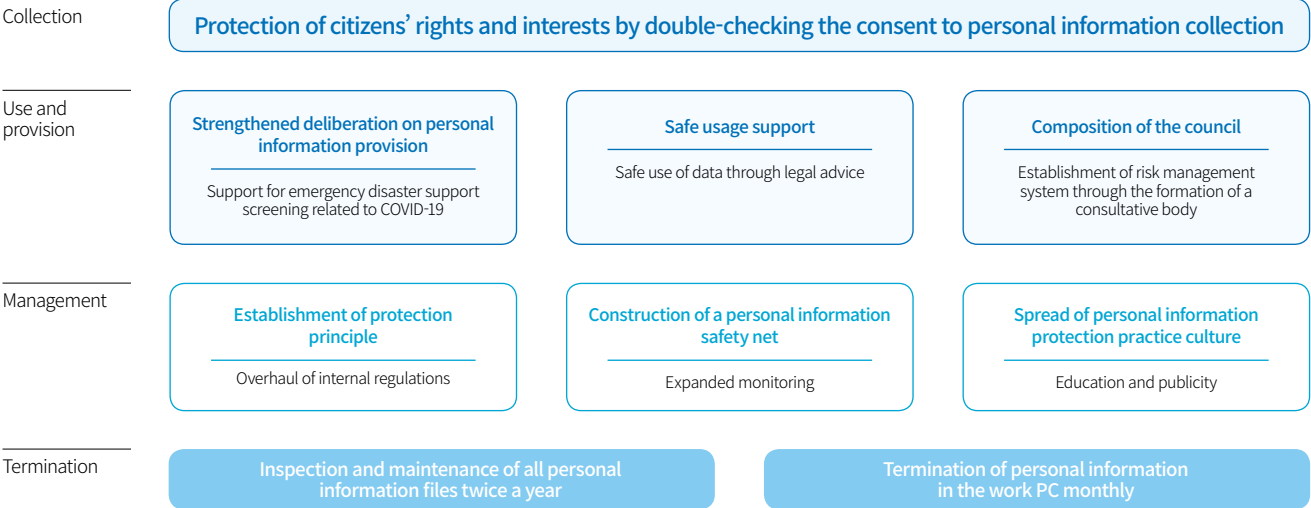


Information protection event, 'Challenge Golden Bell'

Personal information protection considering life cycle

We conducted a system impact assessment to remove factors that infringe citizens' personal information in advance, and expanded business monitoring for the first time among public institutions to encrypt 100% of personal information in PCs. The total number of personal information destruction cases increased by 29.29% year-on-year by conducting a full investigation of personal information files twice a year, and changing the personal information destruction cycle within the business from twice a year to monthly.

Personal information protection/management system



Stakeholder Engagement

The NHIS is establishing various communication channels by identifying major issues related to the management of the NHIS and defining stakeholders accordingly. The NHIS is seeking to collect various opinions and interests of stakeholders through communication channels and actively reflect them in its socially responsible management.

Communication channel operation performance by stakeholder

Category	Expansion direction	Performance
Subscribers (Citizens)	Expanded customized communication channels for each region	44 channels, including providing customized information for local online communities (such as Mom Cafe), 'Island Sea Consultative Body' for residents of island areas, such as Wando, and establishment of regional citizen participation committee
Suppliers (Including medical personnel, caregivers)	Expanded regional (preliminary) supplier-oriented communication channels	39 channels, including opening of joint curriculum by Daegu regional headquarters and Kyungpook National University School of Medicine, and establishment of Gyeonggi Health and Medical Council, and Gwangju Long-term Nursing Care Leader Council
Government	Strengthen crisis communication channel centered on local government departments and affiliated organizations	36 channels, including establishment of Daegu-si Twindemic Response Council, Sejong City Vulnerable Class Inclusion Council, Gwangju Silver Safety Council, and the Education Office's incurable disease support committee
Media-related organizations, etc.	Local media and related organizations Whole channel expansion	31 channels, including establishment of Gangwon Journalists Square, Gyeonggi Disabled Screening Council (including LH Gyeonggi Headquarters), Suseong branch office-Gwangju Food Service Center's Nursing Nutirtion Consultative Body

Communication performance by issue

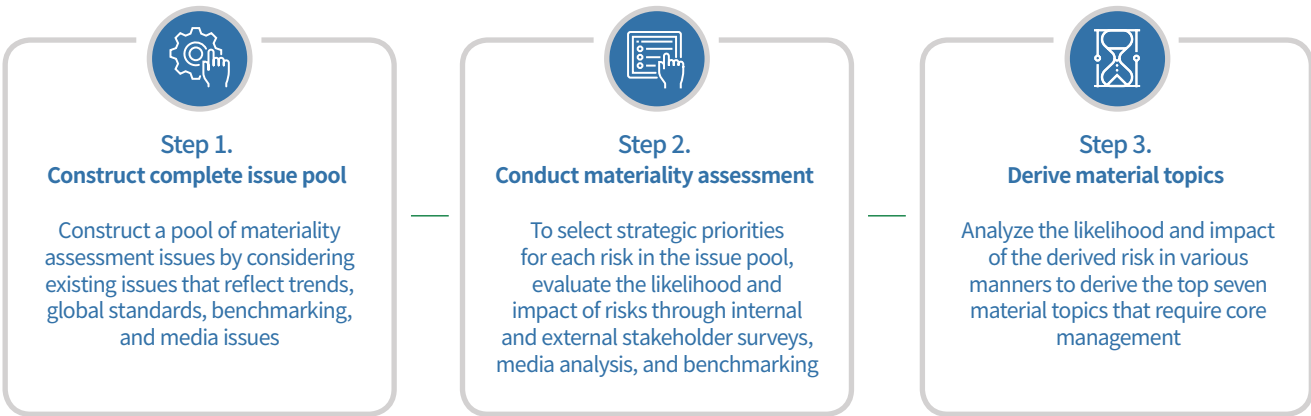
Major issues	Channel in use	Operation performance
Wearing the mask appropriately	21 channels, including regional daily quarantine associations, and local online communities	Discussion on daily quarantine campaign collaboration with the Korea Disease Control and Prevention Agency (KCDA), medical community, and companies (including C.J.), public campaign → Achieved 72% of national awareness, and 88.4% of sympathy
Supply of public masks to long-term nursing care institutions	34 channels, including regional long-term nursing care leader councils, and long-term nursing care workers meetings	Identification of mask demand for regional nursing care institutions, and discussion on procedures (111 times) → Achieved rapid supply of masks to long-term nursing care institutions (320,000 locations)
Deferment of compulsory collection of delinquent insurance premiums	14 channels, including regional councils for win-win development, Geoje city labor-management-citizens-government council	Identification of the extent of damage to business sites, and discussion on payment implementation plans (38 times) → Rapid decision to defer compulsory collection at business sites damaged by COVID-19 (140,000 locations)
Local community integrity Care	25 channels, including local community-connected cooperative council, and regional health and medical council	Discussion on aging in place cooperation relationship between citizens, local governments, and suppliers (116 times) → Residential environment, nutrition, expansion of mobility linkage, and home service use rate 4.7%p↑
Primary care-centered chronic disease management	24 channels, including care-coordination service souncil, and local steering committee	Discussion on cooperation in managing local health risk factors mainly by primary care (135 times) → Childhood asthma, atopic dermatitis, primary care model development
Expansion of diseases subject to copayment decreasing policy	10 channels, including Local blind spot resolution council, and online patient community	Discussion on prevention of cases where targets are ignored by the system and promotion of targets (51 times) → Benefit amount subjected to copayment decreasing policy by 7.6 billion ↑compared to the previous year
Appropriate imposition of insurance premiums for irregular workers	8 channels, including regional public participation committees, and social safety net joint forum	Discussion on approach to impose appropriate insurance premiums on platform workers and YouTubers (18 times) → Facilitating subscription to health insurance for workers in blind spots by clarifying guidelines (3.75 million people)
drug price negotiation	8 channels, including regional patient group communication meetings, and pharmaceutical association meetings	Collecting patient opinions on high-priced drug listing (14 times), and discussion on the drug price calculation process between the NHIS and pharmaceutical companies (60 times) → Shortening the negotiation period for orphan drugs and anti-cancer drugs by 8.3%

# Materiality Assessment

The NHIS conducted a materiality assessment\* to select the tasks that should be focused on to implement advanced management that fulfills social responsibility and secure citizens' health and happy old-age life. We derived strategic priorities for issues to be managed throughout the year by in-depth analysis of material issues identified through surveys, media analysis, and benchmarking for internal and external stakeholders. Furthermore, core issues were selected by comprehensively reviewing the Global Reporting Initiative (GRI) Standard, an international guideline for sustainability management, and 17 tasks of the UN Sustainable Development Goals (UN SDGs).

\*Materiality test conducted in the first half of 2021 (June)

## Materiality Assessment Procedure



- 1

Establishment and operation of management system to reduce environmental impact
- 2

Climate change response, and energy management
- 3

Reinforcement of environment-friendly management activities in NHIS and medical facilities
- 4

Purchasing environment-friendly green products
- 5

Fair recruitment and HR management
- 6

Implementing a flexible and innovative organizational culture
- 7

Implementing human rights management
- 8

Reinforcement of capabilities through education and training of executives and employees
- 9

Social contribution through job creation
- 10

Win-Win · cooperation and regional development
- 11

Strengthened protection and management of personal information
- 12

Creation of a safety-based facility environment
- 13

Contribution to the local community through social contribution activities
- 14

Enhancement in BOD transparency
- 15

Strengthened ethical management
- 16

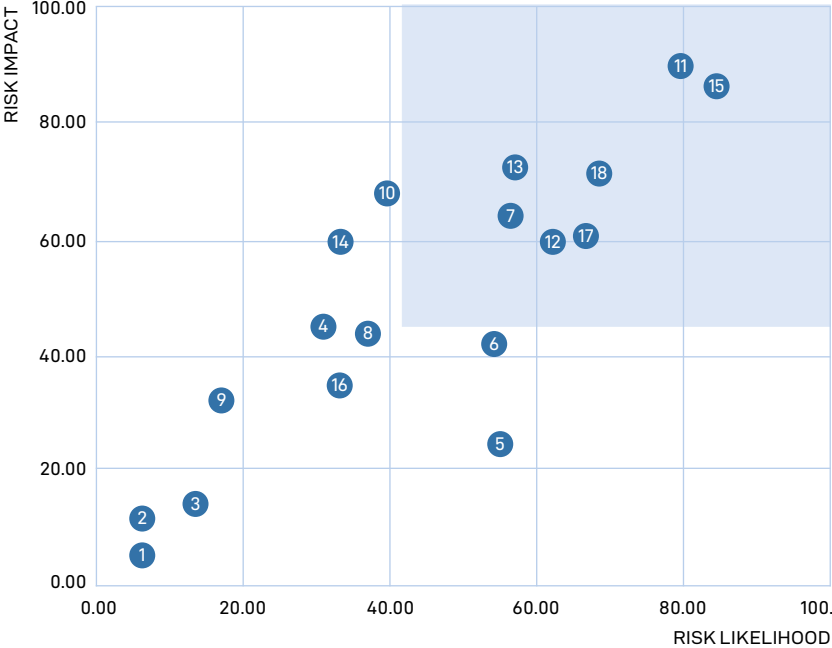
Integrated risk management
- 17

Innovation and advancement of health insurance services
- 18

Compliance with environmental, social and economic laws and regulations

## ESG Issue Pool

E [Environment]	1 Establishment and operation of management system to reduce environmental impact
	2 Climate change response, and energy management
	3 Reinforcement of environment-friendly management activities in NHIS and medical facilities
	4 Purchasing environment-friendly green products
S [Society]	5 Fair recruitment and HR management
	6 Implementing a flexible and innovative organizational culture
	7 Implementing human rights management
	8 Reinforcement of capabilities through education and training of executives and employees
	9 Social contribution through job creation
	10 Win-Win · cooperation and regional development
	11 Strengthened protection and management of personal information
	12 Creation of a safety-based facility environment
	13 Contribution to the local community through social contribution activities
	14 Enhancement in BOD transparency
S [Business administration · Economy]	15 Strengthened ethical management
	16 Integrated risk management
	17 Innovation and advancement of health insurance services
	18 Compliance with environmental, social and economic laws and regulations



Ranking	Domain	Main topic	Topic boundary					Report page
			Internal		External			
			Executives and employees	Citizens and Customers	Medical institutions	Partner companies	Government / National Assembly / Related organizations	
1	NHIS in compliance with the Principles	Strengthened ethical management	●	●			●	70~71
2	Healthy social values created by NHIS	Strengthened protection and management of personal information		●	●		●	73~74
3	NHIS in compliance with the Principles	Compliance with environmental, social and economic laws and regulations		●	●	●	●	70~71
4	Healthy social values created by NHIS	Contribution to the local community through social contribution activities	●	●				62~65
5	Healthy social values created by NHIS	Innovation and advancement of health insurance services		●	●			26~33
6	Healthy social values created by NHIS	Implementing human rights management	●	●		●		45~47
7	Healthy social values created by NHIS	Creation of a safety-based facility environment	●		●			34~39

# Appendix

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UNGC Advanced Level	87
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Awards and Certifications	90

## Data Center

### Economic Performance

#### Summary Statement of Financial Position

(Unit : KRW million)

Category		2018	2019	2020
Assets Liabilities	Current assets	28,391,908	26,285,372	27,683,659
	Non-current assets	5,732,480	5,235,296	5,531,547
	Total assets	34,124,388	31,520,668	33,215,206
Assets Liabilities	Current liabilities	10,248,137	11,149,401	11,127,755
	Non-current liabilities	1,086,952	1,193,384	1,255,063
	Total liabilities	11,335,089	12,342,785	12,382,818
Assets	Share capital	0	0	0
	Retained earnings	22,789,299	19,177,883	20,832,388
	Total equity	22,789,299	19,177,883	20,832,388

#### Summary Comprehensive Income Statement

(Unit : KRW million)

Category		2018	2019	2020
Operating revenues		75,365,372	84,809,648	92,595,008
Operating expenses		79,712,821	89,073,800	92,567,079
Operating income (loss)		-4,347,449	-4,264,152	27,929
Other revenues		916,254	1,131,992	1,627,371
Other expenses		929,950	1,030,095	426,759
Other income (loss)		13,139	4	-913
Financial income		457,820	542,894	396,009
Financial expenses		3,661	5,921	7,716
Net income before income tax expense		-3,893,847	-3,625,278	1,615,921
Income tax expense		1,519	1,323	-71
Net income(loss)		-3,895,366	-3,626,601	1,615,992
Other comprehensive income		-64,243	15,184	38,513
Total comprehensive income		-3,959,609	-3,611,417	1,654,505

Social Performance

Manpower Status and Recruitment

Category		Unit	2018	2019	2020
Total number of executives and employees		person	15,086	16,145	16,081
Regular	Male	person	7,900	7,847	7,229,875
	Female	person	6768.75	7925.25	8,531.875
Percentage of female managers		%	24.0	30.0	36.7
Non-Regular	Male	person	5	134	1,204
	Female	person	23	166	2,305
Non-affiliated employees	Total number of person	person	2,360	1,612	1,632
	Dispatch	person	-	-	-
	Contract for service (private)	person	659	18	2
	In-house subcontracting	person	1,701	1,594	1,630
Total new hires	Male	person	367	304	237
	Female	person	737	982	763
Social equity recruitment	Youth	person	1,037	1,207	906
	Non-metropolitan local talent	person	663.5	797	668
	Regular disabled	person	58	43	70
Number and percentage of retirees		person(%)	606(4)	743(4)	945(5)

Work-family balance

Category		Unit	2018	2019	2020
Parental leave users	Male	person	53	76	112
	Female	person	660	727	826

Employee trainings

Category		Unit	2018	2019	2020
Average training hours per person		hour	94	110	182
Education and training expenses per person		KRW	26,081	24,407	11,856

Labor union status

Category		Unit	2018	2019	2020
Union membership	Number of people eligible to join	person	14,386	14,902	14,946
	Number of members	person	12,887	13,153	13,462
	Membership rate	%	0.90	1	1

Occupational Safety and Health

Item	Unit	2018	2019	2020
Workplace Severe Accidents	Case	0	0	0
Number of cases for occupational diseases (number of applications for industrial accidents insurance)	%	18	27	16
Number of work-related fatalities	person	0	0	0
Number of employees who have completed safety training (percentage)	person(%)	15,086(100)	16,145(100)	16,081(100)

Shared Growth

Item	Unit	2018	2019	2020
Amount of purchase from Small and medium-sized enterprises (SMEs)	KRW 100 million	1,385	1,058	1,089
Purchase of social economy enterprise's products	KRW 100 million	107	93	113

Social Contribution

Item	Unit	2018	2019	2020
Hours of volunteering	hour	42,498	46,849	6,231
Participation frequency in volunteer activities	No. of times	7,038	7,429	4,385
Number of volunteers	person	20,264	21,468	10,575
Volunteer hours per executive/employee	hour	2.10	2.18	0.58
Expenditure for volunteer activity	KRW 100 million	18.10	23.70	18.60
Donation to the Health Sharing Fund	KRW 1,000	888,262	888,251	859,408

BOD Performance

Item	Unit	2018	2019	2020
Number of BOD Meetings	Time	14	13	14
Attendance rate at BOD (15 people)	%	90.5	89.3	92.9
- Attendance rate of on-executive director (9 people)	%	84.1	82.1	88.1
- Attendance rate of ex officio directors (3 people)	%	54.8	52.8	73.8
Total number of agendas handled by BOD	Case	65	67	54
Resolution agenda	Case	55	59	46
Report agenda	Case	10	8	8
Agenda that did not pass as drafted	Case	-	1	1
Number of objections and amendment proposal made by directors among the agenda items of the BOD	Case	-	1	1
Pre-deliberation rate	%	100.0	100.0	100.0
Share of non-executive directors' speech	%	88.5	89.1	90.5
Management advice	Case	31	36	19
Reflection of advice	Case(%)	26(74.3)	37(84.1)	16(84.2)

Executive/Employee’s violation of laws

Category	Unit	2018	2019	2020
Number of cases of corruption	Case	0	2	0
Number of disciplinary cases (such as dismissal, reduction of employees)1) 1)	Case	22	31	25

1) Internal disciplinary cases

Status of Ethics and Human Rights Training for Employees1)

Category	Unit	2018	2019	2020
Number of people who have completed ethics and human rights training (percentage)	people(%)	12,391(87.4)	11,244(78.9)	11,580(81.9)

1) Integrated course between ethical management and human rights education

Other Violations

Category	Unit	2018	2019	2020
Number of violations of personal information protection	Case	1	3	-
Number of violations of the Fair Trade Act	Case	-	-	-

Environmental Performance\*

Category		Unit	2018	2019	2020
Energy use	Electricity	kWh	18,282,092	17,830,000	18,194,965
	City gas	Nm³	181,847.00	163,142.00	1,132.00
GHG emissions	Direct emissions (Scope 1)	tCO₂eq	694.332	577.411	425.349
	Indirect emissions (Scope 2)	tCO₂eq	8,524.033	8,336.577	7,707.826
	Total GHG emissions	tCO₂eq	9,218	8,914	8,133
	GHG reduction rate	%	27.5	29.9	33.9
Waterconsumption (water and sewage)		m³	49,231.00	48,489.00	44,737.00
Waste discharge		ton	62.14	64.57	77.24
Purchase of green products	Purchase rate	%	90	86	89
	Total purchase amount	KRW 100 million	114	67	105
	Green product purchase amount	KRW 100 million	103	57	93
Violations of Environmental laws		Case	-	-	-
Fines		KRW	-	-	-

\*Based on Headquarter’s data

GRI Content Index

GRI 102: General Disclosures 2016

Subjects	Index	Disclosure	Reporting Page	Assurance
Universal Standards				
GRI 102: General Disclosure				
Organizational profile	102-1	Name of the organization	8	●
	102-2	Activities, brands, products, and services	10	●
	102-3	Location of headquarters	8	●
	102-4	Location of operations	8	●
	102-5	Ownership and legal form	8	●
	102-6	Markets served	8	●
	102-7	Scale of the organization	8	●
	102-8	Information on employees and other workers	80	●
	102-9	Supply chain	50-51	●
	102-10	Significant changes to the organization and its supply chain	No significant change	●
	102-11	Precautionary principle or approach	72-73	●
	102-12	External initiatives	UNGC Advanced Level	●
Strategy	102-14	Statement from senior decision-maker	5	●
Statement from senior decision-maker	102-16	Values, principles, standards, and norms of behavior	70	●
Governance	102-18	Governance structure	68	●
Stakeholder engagement	102-40	List of stakeholder groups	75	●
	102-41	Collective bargaining agreements	81	●
	102-42	Identifying and selecting stakeholders	75	●
	102-43	Approach to stakeholder engagement	75	●
	102-44	Key topics and concerns raised	76	●
Reporting practice	102-45	Entities included in the consolidated financial statements	77	●
	102-46	Defining report content and topic Boundarie	76	●
	102-47	List of material topics	76	●
	102-48	Restatements of information	Not applicable (First report to be published)	●
	102-49	Changes in reporting	Not applicable (First report to be published)	●
	102-50	Reporting period	About this report	●
	102-51	Date of most recent report	First report to be published	●
	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 GRI Standards	About this report	●
	102-55	GRI Content Index	84-86	●
	102-56	GRI Content Index	88-89	●

Topic Specific Disclosures

Subjects	Index	Disclosure	Reporting Page	Assurance
Strengthened ethical management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		
	103-2	The management approach and its components	70-71	●
	103-3	Evaluation of the management approach		
반부패	205-2	Communication and training about anti-corruption policies	70-71	●
	205-3	Confirmed incidents of corruption and actions taken	82	●
Strengthened protection and management of personal information				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		
	103-2	The management approach and its components	73-74	●
	103-3	Evaluation of the management approach		
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	73-74	●
Compliance with environmental, social and economic laws and regulations				
GRI 103: Management Approach 2017	103-1	Explanation of the material topic and its Boundary		
	103-2	The management approach and its components	70-71	●
	103-3	Evaluation of the management approach		
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	83	●
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	50	●
Contribution to the local community through social contribution activities				
GRI 103: Management Approach 2017	103-1	Explanation of the material topic and its Boundary		
	103-2	The management approach and its components	56-57	●
	103-3	Evaluation of the management approach		
지역사회	413-1	Operations with local community engagement, impact assessments, and development programs	63-65	●
Innovation and advancement of health insurance services				
GRI 103: Management Approach 2017	103-1	Explanation of the material topic and its Boundary		
	103-2	The management approach and its components	24-25	●
	130-3	Evaluation of the management approach		
Economic Performance	201-1	Direct economic value generated and distributed	26-33	●
-	-	Big data-based response system for infectious disease	18-19	●
-	-	Promoting public profit by sharing public medical data	27	●
-	-	Introduction of contactless service	27-28, 30	●
-	-	Received the Government Innovation Excellence Award from the Ministry of Health and Welfare for improving the quality of healthcare service	30	●

Subjects	Index	Disclosure	Reporting Page	Assurance
Implementing human rights management				
GRI 103: Management Approach 2017	103-1	Explanation of the material topic and its Boundary	40-41	●
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	45	●
	412-2	Employee training on human rights policies or procedures	45, 82	●
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	68, 80	●
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	46	●
Creation of a safety-based facility environment				
GRI 103: Management Approach 2017	103-1	Explanation of the material topic and its Boundary	34-35	●
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Human Rights	403-2	Hazard identification, risk assessment, and incident investigation	38-39	●
	403-3	Occupational health services	37	●
Environmental Management Performance				
GRI 103: Management Approach 2017	103-1	Explanation of the material topic and its Boundary	56-57	●
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Energy	302-1	Energy consumption within the organization	83	●
Water	303-1	Water withdrawal by source	83	●
Emissions	305-1	Direct (Scope 1) GHG emissions	83	●
	305-2	Energy indirect (Scope 2) GHG emissions	83	●
Employee Training				
GRI 103: Management Approach 2017	103-1	The management approach and its components	40-41	●
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Training and education	404-1	Average hours of training per year per employee	42-43, 79	●

# UNGC Advanced Level

In 2017, NHIS joined the UN Global Compact in order to actively participate in the promotion of sustainable development led by the UN. Having declared its support for the Ten Principles of 4 different categories Human Rights, Labor, the Environment and Anti corruption, NHIS is continues its performance in promoting social responsibility and UN SDGs.



Division		Principle	Reporting Page	GRI Standards
1		This integrated report (IR) describes the discussions at the level of the CEO and the BOD regarding the strategic aspects of the implementation of the UNGC.	4~5, 12~13	102-14
2	Governance	This IR explains the company's decision-making processes and corporate governance to achieve its sustainability.	68~69	102-18,21
3		This IR describes the engagement of all of the company's major stakeholders.	75~76	102-43
4	UN Goals and Issues	This IR describes activities designed to support comprehensive goals and issue of the United Nations.	12~13	102-12
5		This IR describes the company's strong commitment, strategies and policies in the area of human rights	40~41, 45~46	103-1
6	Human Rights	This IR describes an effective management system designed to integrate its human rights principles.	45,46	103-2
7		This IR describes effective monitoring and evaluation mechanisms about human rights principles.	45	412-2
8		This IR applies standardized performance indices (including GRI) about human rights.	86	405-1
9		This IR describes the company's strong commitment, strategies and policies in the area of labor.	47	103-1
10	Labor	This IR describes an effective management system designed to integrate its labor principles.	47	103-2
11		This IR describes effective monitoring and evaluation mechanisms about labor principles.	47	103-3
12		This IR applies standardized performance indices (including GRI) about labor.	81	402-1,403-2 405-1
13		This IR describes the company's strong commitment, strategies and policies in the area of environmental management.	56~57	103-1
14	Environment	This IR describes an effective management system designed to integrate its environmental principles.	58	103-2
15		This IR describes effective monitoring and evaluation mechanisms about environmental management.	58	103-3
16		This IR applies standardized performance indices about environmental management.	83	302-1, 306-2 307-1
17		This IR describes the company's strong commitment, strategies and policies in the area of anti-corruption efforts.	71	103-1
18	Anti- Corruption	This IR describes an effective management system designed to integrate its anti-corruption principles.	71	103-2
19		This IR describes effective monitoring and evaluation mechanisms in the area of anti-corruption efforts.	71	205-2
20		This IR applies standardized performance indices about anti- corruption efforts.	82	205-2
21	Strategies, Governance and Engagement	This IR explains about the implementation of Global Compact Principles within the company's value chain.	12~13, 24, 34, 40, 46, 56	-
22	Assurance and Transparency	This IR offers information on the corporate profile and operational environments.	4~5, 8~13	102-1~10
23		This IR includes a high level of transparency and disclosure.	84~86	102-50~56

# Independent Assurance Report

## To readers of NHIS Sustainability Report 2021

### Introduction

Korea Management Registrar (KMR) was commissioned by NHIS to conduct an independent assurance of its Sustainability Report 2021 (the “Report”). The preparation of the Report is the sole responsibility of the management of NHIS. KMR’s responsibility is to issue an assurance statement over the limited scope of data and information specified below.

### Scope and Standards

NHIS described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the assurance standard SRV100 of KMR’s Global Management Committee to provide a limited assurance. We evaluated the adherence to the principles of materiality and understandability and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index specified below.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the disclosures below for the confirmation.

◆ **GRI Standards Reporting Principles**

◆ **Universal Standards**

◆ **Topic Specific Standards**

- Economic Performance : 201
- Anti-Corruption : 205
- Occupational Health and Safety : 403
- Human Rights Assessment : 412
- Local Communities : 413
- Customer Privacy : 418
- Customer Privacy : 418

As for the reporting boundary, the engagement excludes the data and information of NHIS’ partners, suppliers and any third parties.

### KMR’s approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the assurance engagement:

- ◆ **Reviewing the overall Report;**
- ◆ **Reviewing the procedure and methods of materiality assessment;**
- ◆ **Reviewing the strategies and objectives of sustainable management;**
- ◆ **Reviewing the activities engaging stakeholders; and**
- ◆ **Interviewing people in charge of preparing the Report.**

### Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with NHIS on the revision of

the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, nothing has come to our attention to suggest that the Report was not prepared in accordance with the principles described below. We did not find any evidence that the data included in the scope defined above is not properly described.

◆ **Materiality**

The reporting boundaries of the NHIS’ Report include all of its operating sites. The Report provides detailed long-term sustainability strategies and targets. NHIS relies on its own materiality assessment process to decide the materiality of issues identified by stakeholder communication channels. We could not find any material issue or stakeholder group that was not covered in the process.

◆ **Understandability**

The Report was prepared in the context of sustainability to provide targets for sustainability issues identified by the materiality assessment and the background of the selection and the management approach. It is our opinion that the metrics are specific and easy to compare.

◆ **Reliability**

The Assurance Team identified errors in the data and information provided, which NHIS subsequently corrected before issuing the final version of the Report. We believe the data and information included in the Report are accurate and reliable. Nothing has come to our attention to imply that the Report does not provide a fair representation of NHIS’ responses to material stakeholder issues.

We did not find any evidence to suggest that the Report was not prepared in accordance with the Core Options of the GRI standards.

### Recommendations

We expect that the NHIS’ Report can be utilized as a means of communications with stakeholders. The following recommendations are provided for further improvements:

- ◆ NHIS disclosed key performances with ESG highlights and reported the mid- to long-term CSR strategic roadmap to help understanding of the readers. They also provided a detailed report of COVID-19 responses, which is closely related to the organization’s sustainability, to strengthen communication with stakeholders. We recommend that NHIS issue the report on an annual basis to share timely information and analyze the impact of new policies not just on the organization itself but also on the stakeholders.

### Independence

KMR has no other contract with NHIS and did not provide any services to NHIS that could compromise the independence of our work.

July 1st, 2021

# Awards and Certifications

## Major External Awards in 2019

- 2019, President’s Citation for the 2019 8th World Population Day
- 2019, IBA International Business Grand Prize, Gold, Silver, Bronze for Social Values
- 2019, Asia-Pacific Stevie Awards Silver Award, Brand Innovation Award
- 2019, Korea SNS Grand Prize Grand Prize, Advertising Grand Prize Special Prize
- 2019 4th Industrial Revolution Smart Big Data Award
- 2019 Ministry of Health and Welfare Active Administration Best Practice Contest Excellence Award
- Korea’s representative brand medical welfare service sector in 2019 for five consecutive years
- Grand Prize for Social Contribution by the KCCI for four consecutive years
- Grand Prize at the Korea Top Brand Awards for five consecutive years as a brand that impresses customers
- Korea Consumer Brand Committee Brand of the Year Award for four consecutive years
- Health IN, 2019 Korea Luxury Brand Grand Prize

## Major External Awards in 2020

- Selected as the first "Our Hidden Heroes of COVID-19" by the Blue House
- Grand prize in the Social Value category at the 2020 Korea Management Awards
- Awarded 2020 Balanced Personnel Outstanding Organization
- 2020 Korea Communication Awards
- Grand Prize for Social Contribution by the KCCI for five consecutive years
- Korea Top Brand Awards Customer Impression Brand Grand Prize for six consecutive years
- 2020 Policy Information Service Cooperation Merit Award



## 2020 NHIS Social Responsibility Report

Publisher	Social Value Realization Promotion Team
Address	32, Geongang-ro, Wonju-si, Gangwon-do (Bangok-dong) NHIS (26464)
Phone	033-736-1678
Website	www.nhis.or.kr