

Green Life for Sustainable Tomorrow

Hanwha Life Sustainability Report 2022



About This Report

Report Overview

Hanwha Life has published an annual Sustainability Report since 2019. This report is fourth sustainability report and it aimed at transparently disclosing our ESG(Environmental, Social, Governance) performance and activities to our stakeholders.

Reporting Period and Boundaries

This report covers the period from January 1, 2021 to December 31, 2021, as well as material performance through the first half of 2022. We also provide data for the three years from 2019 to 2021 to illustrate overall trends. This report includes the activities and performances of our head office, while for environmental data, it is based on performance at our head office and offices at the Janggyo Building.

Reporting Standards

This report complies with the Core Option of the Global Reporting Initiative (GRI) Standards, the global standard for sustainability reporting; as well as ISO26000 and the principles of the UN Global Compact. All financial data is presented on a consolidated basis according to standards and definitions conforming to the Korean International Financial Reporting Standards (K-IFRS). Both the financial and non-financial data in this report are based our company's fiscal year, and we have indicated where other reporting standards are used.

Report Verification

This report has received third-party verification from the Korea Management Registrar, ensuring the reliability and fairness of the reporting process, the disclosed data and other content. The assurance statement can be found in the Appendix.

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Dear Hanwha Life Stakeholders,

I would like to thank all our stakeholders again for their continued support and encouragement in these times of social and economic difficulty amid the COVID-19 pandemic.

At **Hanwha Life**, we are constantly innovating and taking on new challenges in order to strengthen our business competitiveness and navigate the uncertainties faced by the insurance industry, such as low growth and the aging population. At the same time, we are focusing on ESG management with the aim of fulfilling our corporate social responsibility to protect the health and happiness of the people.

To achieve systematic ESG management under the slogan of **“Green Life 2030 for Sustainable Tomorrow”**, **Hanwha Life** has established specific goals and strategic directions: (E) Internalizing environmental protection and eco-friendly management, (S) practicing social responsibility and sharing, and (G) establishing sound and transparent governance. On this basis, we have identified specific implementation tasks which we are carrying out as part of a mid-to-long-term ESG management plan.

First, to internalize environmental protection and eco-friendly management, we are reinforcing our environmental management system, taking measures to reduce greenhouse gas emissions, and expanding our use of new and renewable energy, while raising environmental awareness through a range of educational programs, training and campaigns.

In terms of practicing social responsibility and sharing, we are providing a variety of products and services based on inclusive finance, innovative finance and co-prosperity finance that leverage the unique strengths of the insurance industry. In doing so, we are creating social value and taking active part in efforts to address social issues.

As we work to establish a sound and transparent governance structure, we have adopted a Corporate Governance Charter, and we are enhancing the expertise and diversity of the Board of Directors while further strengthening our systems for ethics, compliance and risk management.

With our diverse stakeholders, we pledge to continue sharing value and communicating our vision and ESG performance, and thereby further enhance the trust we have been given as a company.

Thank you.

June 2022

Yeo Seung Joo
CEO, Hanwha Life



We create greater value for our customers as their lifetime companion

As Korea's first life insurance company, we have led the way in developing the nation's insurance industry and safeguarding the health and happiness of the public.

We are pushing the boundaries of insurance to enrich the lives of our customers and offer solutions to life's challenges based on our customer-centered philosophy and differentiated strengths.

We are fulfilling our corporate social responsibility and achieving continued growth together with our stakeholders.



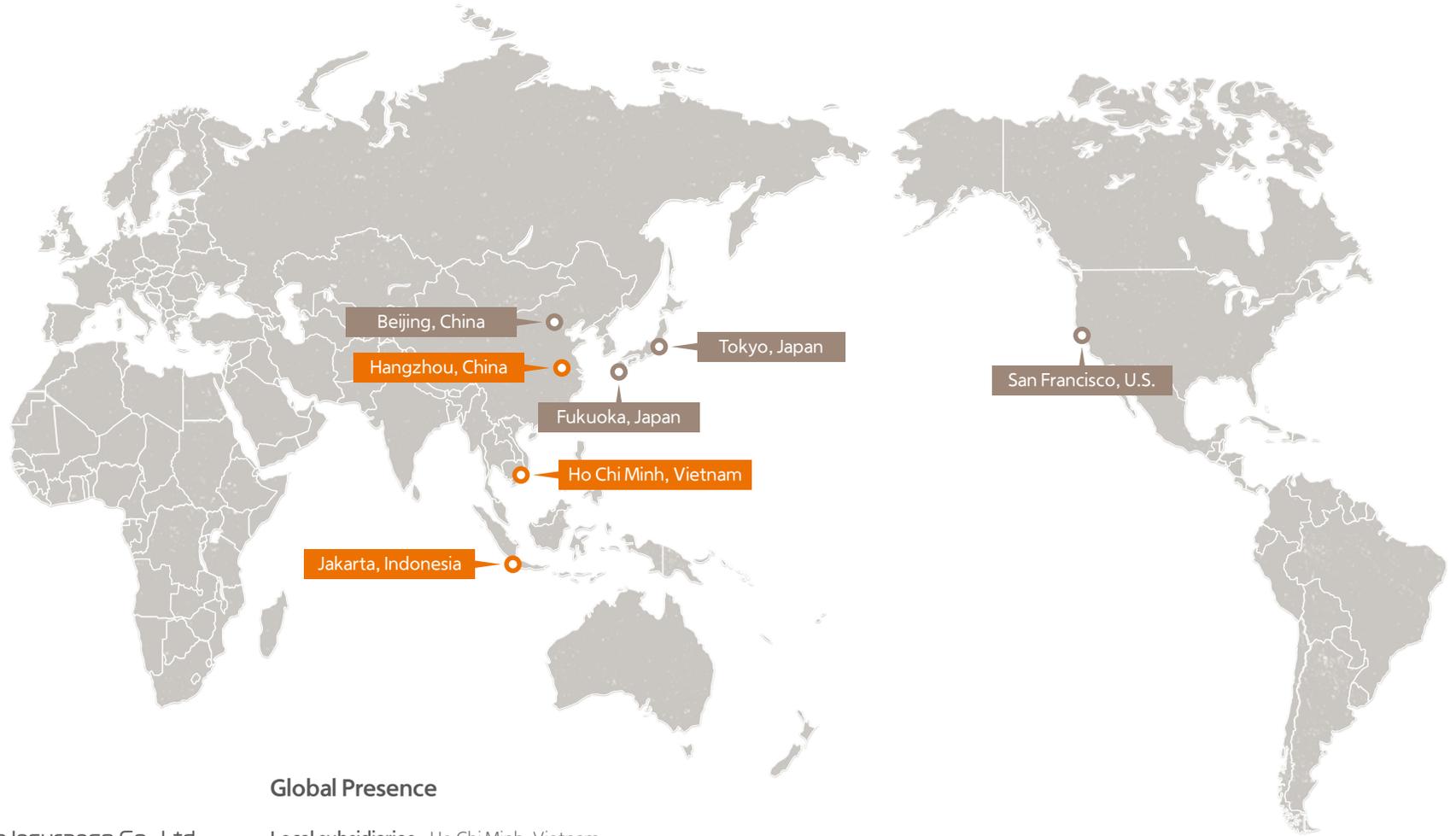
Operating Performance in 2021

<p>2021 Korea's No.1 customer center</p> <p>as ranked on the KSQI for 12 consecutive years</p> <p>Korea Management Agency Consulting</p>	<p>2021 Korea's No.1 call center, an industry first</p> <p>as ranked on the KSQI for 13 consecutive years</p> <p>Korea Management Agency Consulting</p>	<p>2021 Consumer Centered Management (CCM) Certification</p> <p>achieved 8 consecutive times</p> <p>Fair Trade Commission</p>
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Global Business

We are preparing to take another leap forward as a global financial company based on our status as the first Korean insurance company to have reached the break-even point in the overseas market.



Company Overview

Name	Hanwha Life Insurance Co., Ltd.
Address	50 63-ro, Yeongdeungpo-gu, Seoul
CEO	Yeo Seung Joo
Founded	September 9, 1946
Major businesses	Insurance, retirement pensions, and asset management
Global network	Korea, Vietnam, China, Indonesia, U.S. and Japan

Global Presence

Local subsidiaries	Ho Chi Minh, Vietnam
	Hangzhou, China
	Jakarta, Indonesia
Local Offices	Beijing, China
	Tokyo, Japan
	Fukuoka, Japan
	San Francisco, U.S.



Core Values

At the foundation of our continued evolution is our unique corporate culture of “Trust” and “Righteousness”. As the drivers of the cultural innovation that will achieve our vision, we have adopted “Challenge”, “Dedication” and “Integrity” as our core values.

These core values are standards on which all our employees base their thoughts and actions, and they strengthen our sense of unity as members of **Hanwha**. Our core values are promoting innovation in our corporate culture and the accomplishment of our vision.



Vision and Strategy

Our vision is to serve as “A financial service provider that offers solutions for diverse problems in life while advancing economic prosperity”. Under this vision, we are “establishing a foundation for corporate sustainability by strengthening competitiveness in insurance business”, “aiming at becoming the No.1 domestic insurer in terms of overseas business capabilities”, and “securing a leading position in the field of new business”. We are working hard to achieve this vision and strategy as a company trusted and respected by our customers.

Milestones

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



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

1946 – 1979

Inception and Leaps Forward

1946
Sep. Launched as Korea's first life insurance company

1979
Nov. Value of policies in force surpassed KRW 1 trillion



We continue to grow while solidifying our foundation

1980 – 2001

Challenges and Growth

1985
May Completed the construction 63 Building

1986
Dec. Total assets surpassed KRW 1 trillion

1996
May Total assets surpassed KRW 10 trillion

1997
Dec. Received the Presidential Award in the 1997 Labor-Management Cooperation Awards



We gain new momentum by joining Hanwha Group

2002 – 2011

Change and Innovation

2002
Dec. Incorporated Daehan Life Insurance into Hanwha Group

2003
Aug. Opened the Local Office in Beijing

2005
Feb. Established the 63 FA Center
Mar. Opened the Local Office in Tokyo
Dec. Opened the Local Office in Vietnam

2007
Jan. Declared Hanwha Group's new CI

2008
Apr. Total assets surpassed KRW 50 trillion, resolved all cumulative deficits
Jun. Established subsidiary in Vietnam
Nov. Received the Comprehensive Grand Prize in the Corporate Community Involvement Awards

2009
Apr. Initiated operations at Vietnam subsidiary

2010
Mar. Listed on the Korea Stock Exchange

2011
Nov. Received a Presidential Commendation at the Korea Mecenat Convention

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

2012 – Now

Journey to Global Leadership

2012
Oct. Changed the company name from Daehan Life Insurance to Hanwha Life
Dec. Acquired a local insurance company in Indonesia
Nov. Established Sino-Korea Life Insurance (joint venture in China)

2013
Aug. Launched Onsure, an online insurance service
Nov. Introduced Mom's Package, a work-life balance support program

2014
May Performed the industry's first complaint impact assessment
Aug. Acquired international certification for Business Continuity Management (BCM)

2015
Mar. Launched Smart Planner, an advanced digital policy purchasing system
Nov. Acquired Personal Information Protection Level (PIPL) certification for Hanwha Life Call Center and launched Hanwha Life Mobile Center app

2016
Jan. Total assets surpassed KRW 100 trillion
Oct. Opened DREAMPLUS, the industry's first fintech center

2017
Jan. Established Sino-Korea Life Insurance (joint venture in China) in Jiangsu Province, following on from Zhejiang Province
Jul. Inducted into the Korea Service Grand Prix Hall of Fame by the Korea Standards Association

2018
Jan. Rated A1 and A+, respectively, by Moody's Investors Service and Fitch Ratings, two of the world's leading credit rating companies
Apr. Opened DREAMPLUS Gangnam and launched Hanwha Life Esports(HLE) club
Jul. Enacted the Consumer Protection Charter and held a charter dedication ceremony

2019
Feb. Opened the Local Office in San Francisco, U.S.
Jun. Opened the Local Office in Fukuoka, Japan
Jul. Obtained Consumer-Centered Management (CCM) certification for the seventh consecutive time and ranked first in the customer center sector of KSQI for the 10th consecutive year

2020
Mar. Provided Life Park as a treatment center for COVID-19 patients
Jun. Opened the Consumer Protection Center
Sep. Established Hanwha Financial Technology (HFT), wholly owned by the local subsidiary in Vietnam
Sep. Obtained two patents for AI-based claims payment review system from Korean Intellectual Property Office
Oct. Rated A in the ESG assessment by the Korea Corporate Governance Service

2021
Jan. Issued the Beyond Coal Declaration with six Hanwha Group member companies
Feb. Received AAA rating from Korea's three credit rating agencies (Korea Ratings, Nice Investors Service, Korea Investors Service) for 14th consecutive year
Mar. Reinforced ESG management with the establishment of the Sustainability Management Committee
Apr. Launched Hanwha Life Financial Service
Jun. Obtained Consumer-Centered Management (CCM) certification for the eighth consecutive time
Oct. Rated A in the ESG assessment by the Korea Corporate Governance Service (second consecutive year)

ESG Management Framework

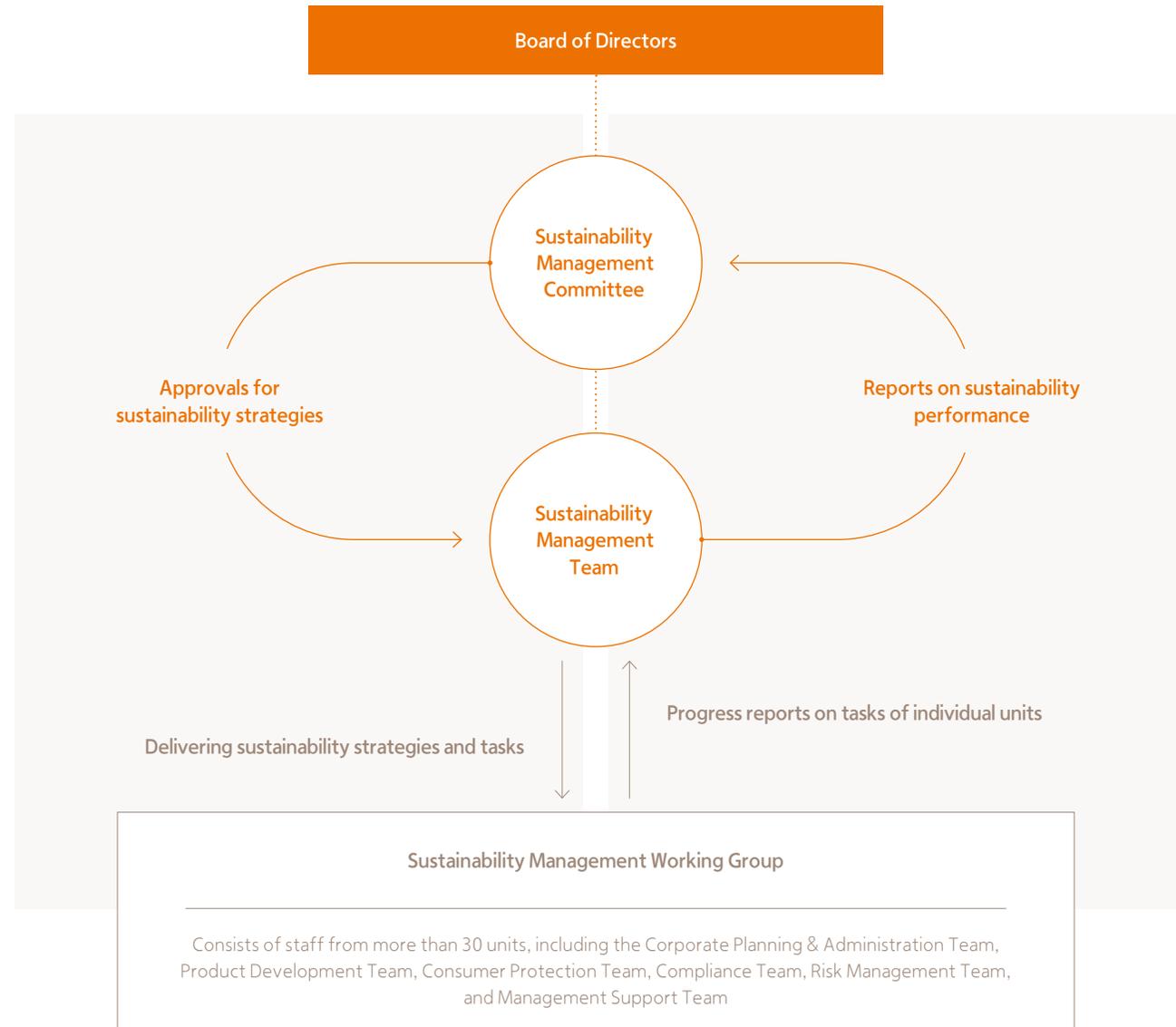
In 2021, we established the Sustainability Management Committee under the Board of Directors as part of our continued efforts to practice ESG management across the company.

ESG Governance

The Sustainability Management Committee comprises four members in total, including three independent directors and one executive director. We make it a rule for independent directors to account for at least two thirds of the Committee and the post of chairperson, currently held by Hwang Young Key, to ensure the Committee's independence and expertise.

As the top decision-making body for ESG management, the Sustainability Management Committee is convened whenever necessary to enable us to achieve world-class ESG management. It establishes policies and strategies for all ESG-related areas, including the environment, safety, social responsibility, customer and shareholder value, and governance; reviews mid-to-long-term targets; and thereby seeks to internalize ESG management practices.

We have further enhanced our practical capacities for ESG management with the formation of the Sustainability Management Team, which serves as an ESG control tower. The Sustainability Management Team supports the dissemination of our enterprise-wide ESG policies to all working-level units. We have also formed a Sustainability Management Working Group, responsible for the implementation of ESG tasks, and consisting of personnel from more than 30 units, including the Corporate Planning & Administration Team, the Product Development Team, Consumer Protection Team, Compliance Team, Risk Management Team, and Management Support Team.



In 2022, we established the ESG strategic goal of “Green Life 2030 for Sustainable Tomorrow” with the aim of more systematically practicing ESG management.

ESG Strategy

We have established and are working to implement an ESG management strategy for 2022. Our ESG strategic goal of “Green Life 2030 for Sustainable Tomorrow”, includes three strategic directions: “Internalizing environmental protection and eco-friendly management”, “Practicing social responsibility and sharing” and “Establishing sound and transparent governance”. Under these three strategic directions, we have identified strategic tasks for our efforts to promote ESG management and create ESG value.

Vision

A financial service provider that offers solutions for diverse problems in life while advancing economic prosperity

Strategic Goal

Green Life 2030

Green Life 2030 for Sustainable Tomorrow

- Double proportion of green/community-friendly investments (from 2% to 5%)
 - Reduce carbon emissions by over 40%
 - Improve indicators for Diversity·Equity·Inclusion (D·E·I)
- * Diversity·Equity·Inclusion indicator: (No. of women in leadership+persons with disabilities+foreign nationals) /No. of employees, 2020 D·E·I indicator=100

Strategic directions

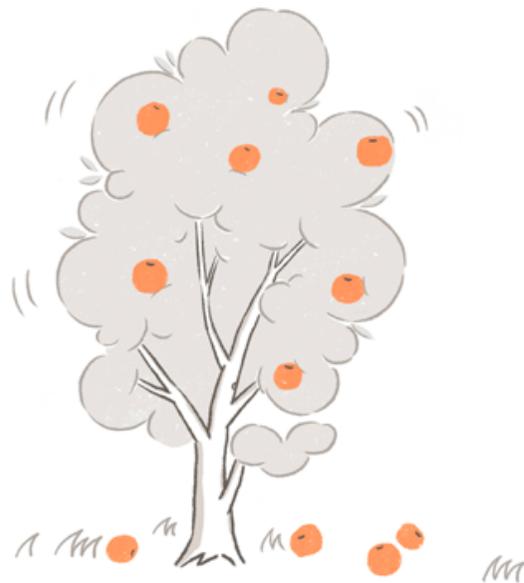


Strategic tasks

<p>Strengthen eco-friendly management</p> <ul style="list-style-type: none"> • Establish environmental management system • Establish GHG management system • Efforts to internalize eco-friendly management <p>Adopt ESG investment system</p> <ul style="list-style-type: none"> • Develop ESG investment and climate risk response systems • Boost shareholder engagement 	<p>Reinforce human rights management/improve labor relations</p> <ul style="list-style-type: none"> • Reinforce human rights management • Enhance employee diversity • Improve labor-management culture <p>Expand ESG-linked financial products and social contributions</p> <ul style="list-style-type: none"> • Expand insurance, loan, healthcare products • Step-up eco-friendly, community-friendly social contributions 	<p>Enhance governance systems</p> <ul style="list-style-type: none"> • Enhance competencies of Board of Directors (and committees) (diversity/expertise/independence) • Strengthen compliance management and shareholder rights • Adopt ESG-based performance evaluations and compensation systems <p>Reinforce ESG communications</p> <ul style="list-style-type: none"> • Develop ESG data management systems • Improve disclosure system and response to external assessments
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ESG Highlights

We continue to solidify our foundation for enterprise-wide ESG management while engaging actively in ESG activities.



Environment ISO14001 Certification

We acquired ISO14001 certification in June 2022 and in recognition of our world-class environmental management system. ISO14001 is an international standard for environmental management systems developed by the International Organization for Standardization (ISO). Obtaining it signifies that our implementation of environmental management through systematic environmental management policies, plans and monitoring systems. Currently, we are establishing environmental management policies and organizations, reducing greenhouse gas emissions, using new and renewable energy, and conducting a range of environmental campaigns. We will uphold our world-class environmental management system while taking further active steps, such as enhancing our ESG investment, as we continue to practice environmental management.

Social Safeguarding the mental wellness of future generations with MOM'S CARE

The MOM'S CARE project is one of the ways we practice social responsibility and sharing. MOM'S CARE began in 2014 and has become our foremost social contribution, with the aim of providing care in crucial stages of life for children growing up in care facilities. We are working hard to provide a healthy support structure for children in care homes from the time of their emotional development as toddlers, to their socialization as schoolchildren and their independence when they leave their facilities. Part of the MOM'S CARE project, the RE:SOUND A.I. Campaign, uses A.I. technology to turn letters written by childcare workers into lullabies, which can be played on music sites. Proceeds from this campaign are used to safeguard the mental wellness of children in care homes and to improve the environment in which they grow up. Last December, at the RE:SOUND CONFERENCE 2021, we expressed support for amendments to the Child Welfare Act that would improve the childcare environment for toddlers under 36 months of age. As part of the respect for life expressed in our business, we will continue our social contributions as part of fulfilling our corporate social responsibility.

Governance Establishment of Corporate Governance Charter

Together with **Hanwha financial** affiliates, we announced a Corporate Governance Charter in February 2022. The Corporate Governance Charter includes provisions that protect the rights and interests of shareholders and other stakeholders, and specifies the regulations and responsibilities of the Board of Directors and Audit Committee. In the Charter, we declared our determination to achieve sound corporate governance, protect the rights and interests of shareholders, and adhere to fair business practices. With sound governance in place, we will engage in a wide range of efforts that enable the company and our society to develop together.

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Business Performance

The insurance industry has faced headwinds due to the COVID-19 pandemic, and a slowdown in growth caused by demographic changes such as Korea's aging population and low birthrate. Changing financial regulations and policies also result in greater financial market volatility. In this environment, we are striving to take a new leap forward through innovation and by taking on new challenges.

Materiality of Topic

There is growing uncertainty in the business environment in Korea and abroad due to market saturation, advancing mobile and online transaction technologies, and intensifying competition caused by the convergence of different financial sectors. It is therefore critical to enhance the strength of our business in all aspects, from product development to sales channels and asset management, and to lead the way through bold innovation.

Hanwha Life's Management Approach

We seek to innovate and take on new challenges to take our company into the future. One such industry-leading innovation was our introduction of a vertical integration business model in 2021. Our mid-to-long-term strategy focuses on further reinforcing our domestic businesses from within and taking the lead in our overseas and new growth engine businesses. We offer a wide range of products and services tailored to meet the needs of our customers who form the core of the insurance business. We reach out to more customers through diversified digital channels and services and thereby enhance our competitiveness. We will continue with innovations like these to transcend boundaries and take on new markets, always looking for ways to grow the mid-to-long-term value of the company and bring value to our shareholders.



Product Development

Product Development Strategy

We aim to offer products and services that reflect the increasingly diverse needs of our customers to ensure we are competitive and to enhance customer satisfaction. We communicate closely with our customers and stay up to date on their changing lifestyles, which enables us to develop the products that suit their needs.

Consumer Protection-Focused Product Development

To ensure that product planning and launch focuses on customer protection, we have adopted a systematic process spanning product development, sales preparation, product launch and after-sales monitoring. In the development stage, we review product risks by conducting a consumer impact assessment in cooperation with the Claims Management Team, Underwriting Team, SIU Team, and Consumer Protection Team. This assessment thoroughly reviews whether the development and sale of the product is likely to infringe on consumer rights. The head of the Consumer Protection Team also takes part in the Product Development Council, which makes decisions on product proposals, to ensure that product reviews center on consumer protection. In all stages of product development, we put the customer first and strive to enhance value.



1. Draw Up Proposal	<ul style="list-style-type: none"> Analyze marketability and extract ideas 	<ul style="list-style-type: none"> Determine product details and specifications
2. Consult Relevant Units	<ul style="list-style-type: none"> Hold product concept meeting (if necessary) Gather opinions on marketability from other units 	<ul style="list-style-type: none"> Determine each unit's roles and tasks
3. Review Possibility of Product Development	<ul style="list-style-type: none"> Consumer impact assessment: review the possibility of infringements on customer rights, review from consumer protection perspective 	<ul style="list-style-type: none"> Review product's potential risks
4. Finalize Proposal	<ul style="list-style-type: none"> Convene the Product Development Council (heads of teams and headquarters) 	<ul style="list-style-type: none"> Finalize decision on product release
5. Prepare Required Documents and Obtain Authorization	<ul style="list-style-type: none"> Prepare required documents 	<ul style="list-style-type: none"> Conduct verification and obtain authorization
6. Prepare for Product Sale	<ul style="list-style-type: none"> Draw up terms and conditions, product summary, and disclosure data Create and verify product description 	<ul style="list-style-type: none"> Establish marketing plan and create training materials
7. Launch Product	<ul style="list-style-type: none"> Complete preparations by relevant units and send notification of approval for sale 	<ul style="list-style-type: none"> Distribute terms and conditions and promotional materials
8. Conduct After-Sales Monitoring	<ul style="list-style-type: none"> Monitor profitability and sales volume based on sales portfolio 	<ul style="list-style-type: none"> Gather opinions from sales personnel and market responses Identify areas for improvement

Product Development

Product Development Performance

We design products that cater to the needs of our customers, and through an advanced development process, we ensure they are released in a timely manner to enhance customer satisfaction. We continue to improve our existing products as well. To provide wider access to our products, we have eased the eligibility requirements for customers with pre-existing medical conditions, and we have developed products with a greater variety of customer contact points. In 2021, we developed 13 whole life insurance and GI insurance products, 10 general insurance products (nursing care, cancer, health, injury), and three online-only products.

Existing Products Enhanced and Modified for Greater Customer Satisfaction	Hanwha Life NEW "Special" Cancer Insurance	<ul style="list-style-type: none"> Minimizes protection gaps with stronger low-cost cancer protection, and provide payouts with no benefit reduction period Offers greater range of options (renewable term non-renewable term) to help more customers get the policies they need at affordable prices
	Hanwha Life "MOM'S CARE" Savings Insurance	<ul style="list-style-type: none"> Supports the self-reliance of young people in care homes as they leave their facilities
	Hanwha Life "Always by Your Side" Nursing Insurance	<ul style="list-style-type: none"> Comprehensive nursing insurance covering in-patient care, home care, rehabilitation, etc.
	Hanwha Life "Luxuary" Cancer & Whole Life Insurance	<ul style="list-style-type: none"> DIY product providing death benefit at affordable premiums based on low cash surrender value; cancer coverage available
	Hanwha Life "Life Companion" Whole Life Insurance	<ul style="list-style-type: none"> Provides death benefit at affordable premiums based on low cash surrender value Universal life insurance allowing policyholders to pay additional premiums and make withdrawals
	Hanwha Life "Essential" Surgery Protection Health Insurance Hanwha Life "Essential" Surgery Protection Whole Life Insurance	<ul style="list-style-type: none"> Expands scope of protection and claims amounts for different coverage types and surgeries
Products for Customers with Pre-Existing Medical Conditions	Hanwha Life Simplified Issue "Life Companion" Whole Life Insurance	<ul style="list-style-type: none"> Low cash surrender value whole life insurance for customers with pre-existing medical conditions
	Hanwha Life Simplified Issue "Substantial Plus" GI Insurance	<ul style="list-style-type: none"> GI insurance for customers with pre-existing medical conditions
	Hanwha Life "Extremely" Simplified Issue Whole Life Insurance	<ul style="list-style-type: none"> Whole life insurance with low cash surrender value; only two disclosures for policyholders with pre-existing medical conditions
	Hanwha Life Simplified Issue "Essential" Surgery Protection Health Insurance	<ul style="list-style-type: none"> Expands scope of protection and claims amounts for different coverage types and surgeries
	Hanwha Life Simplified Issue "Essential" Surgery Protection Whole Life Insurance	<ul style="list-style-type: none"> Expands scope of protection and claims amounts for different coverage types and surgeries
	Hanwha Life Simplified Issue "Plus" Cancer & Whole Life Insurance	<ul style="list-style-type: none"> DIY product for customers with pre-existing medical conditions; cancer coverage available
Products Designed to Expand Contact Points with Diverse Customers	LIFEPLUS Mental Health Group Insurance	<ul style="list-style-type: none"> One-year term group insurance covering mental health conditions
	LIFEPLUS "Sangsang eSang" Variable Annuity	<ul style="list-style-type: none"> Variable annuity providing individualized protection according to risk profile; operating expenses linked to customer's investment propensity
	LIFEPLUS "Work Out" Health Insurance	<ul style="list-style-type: none"> Healthcare-promoting product that measures the policyholder's level of physical activity and recommends healthcare programs tailored to their individual needs
	LIFEPLUS "Subscription" Insurance	<ul style="list-style-type: none"> Savings insurance with claims payable as points

Advancing Sales Channels

Insurance Product Sales Channel

Hanwha Life Financial Service

To offer our customers expert insurance services in a financial environment that is changing by the day, we established **Hanwha Life Financial Service** in April 2021 as a dedicated insurance sales company. Signaling a new start, in October 2021, we merged the **Hanwha Financial Planner (HFP)** channel with **Hanwha Life Lab** to strengthen their sales capabilities. As our sales subsidiary, **Hanwha Life Financial Service** brings together the advantages of our superior capital adequacy, infrastructure and training system with the wide range of products and decision-making latitude of our general agencies (GAs) to form what is essentially Korea's largest "super GA". In partnership with major life insurers and general insurers, and through M&As with smaller Gas, **Hanwha Life Financial Service** provides product consulting on life insurance and general insurance to meet the needs of our customers nationwide. We are providing "total life solutions" encompassing not only insurance but comprehensive financial products.

Hanwha Life Lab

Our subsidiary **Hanwha Life Lab** was launched in December 2020 through a merger of **Hanwha Life Asset** and **Hanwha Financial Asset**. It combines the contact-free sales strengths of **Hanwha Life Asset** with the expert financial consulting know-how of what was **Hanwha Financial Asset's** corporate consulting organization to provide a high level of customer satisfaction. In October 2021, it was integrated with the HFP channel and its strength in group and individual sales, thereby growing it into a GA consisting of experts in planning new financial lives.

General Agencies (GAs)

We continue to reinforce the competitiveness of our sales channels, expand our market share, grow our customer base, and enhance profitability. Our GA channel strengthening its lineup of protection products and concentrating its efforts on training and marketing support.

Bancassurance (BA)

Our BA channel is increasing its sales through a scale-based strategy centered on highly profitable long-term and lump-sum payment annuities,

Corporate

The corporate channel is pursuing net account growth by expanding assets under management, and is developing its consulting capabilities to enter the growing market for Defined Contribution (DC)/Individual Retirement Pensions (IRPs).

Onsure

The prolonged COVID-19 pandemic has required the insurance industry to shift to contact-free ways of doing business. In addition to Onsure, an online channel for purchasing insurance policies, we have also established LIFE MD, a digital platform for planner licensing, customer management and product sales.

Channel	Description	Performance in 2021	Plans for 2022
Hanwha Life Financial Service	Korea's largest dedicated insurance sales company launched in April 2021 through the physical division of the FP organization to offer customers the professional insurance services they need in a financial environment that is changing by the day	<ul style="list-style-type: none"> Following vertical integration in April 2021, strengthened organizational expansion strategy (intake and GA partnerships) and improved stability in FP organization Strengthened sales force by bringing on more outstanding planners Improved competitiveness of products/services, enhanced digital sales platform and involvement of expert sales personnel 	<ul style="list-style-type: none"> Expand customer base through integrated life/general insurance marketing Reinforce organizational expansion strategy and FP consulting capabilities to boost workforce competitiveness Expand market with full, enhanced roll-out of general insurance sales in partnership with GAs Expand digital sales base with introduction GA solutions and future sales platforms
Hanwha Life Lab	A dedicated insurance sales company launched through a merger of Hanwha Life Asset and Hanwha in December 2020, and with the HFP channel in October 2021, to provide customers with optimized financial planning through a diverse product portfolio in partnership with 14 life insurers and 10 general insurers	<ul style="list-style-type: none"> Enhanced sales force with integration of HFP channel Boosted effectiveness with improvements to sales organization 	<ul style="list-style-type: none"> Continue building foundation for growth by solidifying direct channels and growing partnership channels Practice efficient organizational management and establish stable profit and loss system
GA Business Unit	A channel that manages the sale of our insurance products through GAs that market financial products in partnership with not one, but many financial institutions	<ul style="list-style-type: none"> Increased market share through strategy of sales organization expansion and proactive market expansion 	<ul style="list-style-type: none"> Achieve largest market share by increasing number of active agents Boost productivity and continue strategy of market expansion Strengthen capabilities of sales personnel
BA Business Unit	A channel that manages the sale of our insurance products in partnership with banks and financial institutions	<ul style="list-style-type: none"> Ranked first in the industry for scale of long-term payment pensions Increased share of lump-sum market with stronger sales in second half (market share: 6.3% in 2020 → 9.5% in 2021) 	<ul style="list-style-type: none"> Enhance marketing for each banking group Boost sales of profit-base pensions and lump-sum products
Corporate Business Unit	A channel that manages corporate sales of retirement pensions and employee benefit (EB) sales of group annuities and group protection insurance	<ul style="list-style-type: none"> Achieved net increase in retirement account deposits by exceeding targeted income from premiums and benefits paid Diversified our business model to sustain quantitative increases 	<ul style="list-style-type: none"> Increase retirement account deposits to KRW 10 trillion by improving DC/IRP enrollment system
Onsure	An online channel that enables customers to search, plan, and purchase insurance policies	<ul style="list-style-type: none"> Exceeding the business plan targets for initial monthly premium amounts /initial monthly premium amounts for protection products and surpassing the 20,000 mark in retained customers 	<ul style="list-style-type: none"> Work to increase direct insurance sales by enhancing efficiency-focused performance marketing

Advancing Sales Channels

Strengthening On-Site Sales Competitiveness

Channel-Specific Training Support

We provide a range of specialized training to support the ongoing competency development among our sales personnel and enable them to provide consulting tailored to the individual needs of our customers.

Sales channels are provided with product training materials that share product sales issues, and to maximize sales of key products, we also provide timely materials on marketing strategy.

In 2019, we launched the integrated training platform LIFEPLUS ACADEMY, and in 2020, we introduced Live Edu, an interactive real-time contact-free training system. **Hanwha Life** has opened a Kakao Talk channel that provides customized education. In 2022, we launched LIFEPLUS Education TV, a mobile training channel, and we opened a **Hanwha Life** Kakao Talk channel that provides specific training for each sales channel. With the launch of these channels, we are responding actively to the digitalization of the sales environment and making our training more efficient. We also provide our sales channels with information on the latest trends and professional expertise in areas such as investment, taxation and real estate to enable them to provide “total life solutions”. This information includes monthly financial reports, online seminars and three-minute briefings. By staying in continuous communication with our sales sites, we are able to provide them with a wide range of training courses with many different ways to participate.

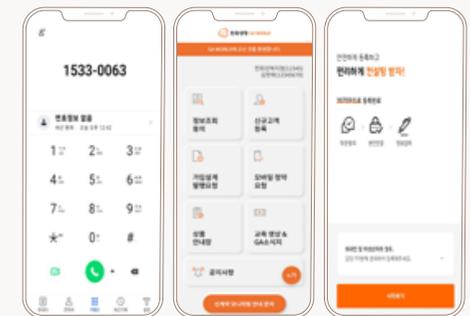
System Improvements to Strengthen On-Site Sales

We have been providing sales staff with tablets since 2012 when we launched Smart Planner, a sales support system equipped with the industry's first digital insurance purchasing program. We have also enabled purchases via smartphone, which has reinforced the on-site consulting capacities of our FPs. In 2018, we upgraded Smart Planner and integrated it into H.O.P **Hanwha Onestop Platform**. Furthermore, LIFEPLUS Consulting was launched in 2020, and in 2022, our existing insurance analysis services were integrated with it to take our financial planning services to a new level. We plan to achieve greater efficiency by improving more of our systems, while enhancing user convenience by ensuring these improvements reflect the opinions we gather from on-site customers and staff.

CASE STUDY Launch of Hanwha Life Visual GA World

We have enhanced convenience for our GA channels with the launch of **Hanwha Life** Visual GA World, a mobile sales solution. Its most significant feature is its phone number authentication system, which had been mainly used at our Call Center, but is now also available as part of our sales support system. GA planners can access the sales support system from anywhere by dialing 1533-0063 and completing the authentication process. This enables FPs to use their personal phone to perform all the primary new contract tasks, such as registering new customer, obtaining consent to policy planning, and electronic requests for policy purchases. This has improved the accessibility and usability of the system, which before was available only via desktop PC or tablet. We have further reinforced privacy protections and prevention of mis-selling through the system by having customers directly input their information, fill out planning agreements, review product information and complete their purchase on site.

We will continue making improvements that enable our FPs to work more quickly and conveniently.



Digital Innovation

Digital Channels

In 2013, we launched Onsure ^{online + insurance}, first online channel from a large insurance company to offer direct insurance policy purchases, enabling us to provide digital insurance services tailored to the increasingly diverse needs of our customers.

To reach a wider customer base, we opened a mobile website for Onsure, which we continue to upgrade to improve the sign-up process and simplify the electronic signature system. In 2020, we expanded our efforts to secure young customers with the launch of LIFEPLUS “We Will Protect You” Health Insurance, a product for Millennials and Gen Z serving in the military. In 2021, for we released **Hanwha Life** “Sangsang eSang” Variable Annuity, our very first online-only variable annuity targeting adventurous young investors.

Products Optimized for Online Channels

<p>LIFEPLUS “We Will Protect You” Health Insurance (for current and prospective military personnel)</p>	<ul style="list-style-type: none"> • The industry’s first insurance providing risk protection for men aged 19–35 performing their required military service • Can be purchased as a gift by the insured person’s parents or girlfriend • Affordable lump-sum payment for two years of protection • Extensive coverage for multiple injuries and diseases, including the industry’s first coverage of complex regional pain syndrome (CRPS), a condition more common among men in their 20s, especially military service members • Company retains exclusive usage right¹⁾ to CRPS protection for six months
<p>Hanwha Life “Sangsang eSang” Variable Annuity</p>	<ul style="list-style-type: none"> • Our first online variable annuity invested in diversified global destinations via Income Plus Asset Allocation Fund, etc., providing fund portfolios tailored to each customer’s investment propensity • Operating expenses are linked to Return on Investment (ROI), so if no ROI is generated, the monthly operating expense is not deducted.

1) To protect its first-mover advantage, only the company retaining the exclusive usage right may sell a newly developed product for a designated period of time during which similar products may not be sold by other companies.

Digital Customer Services



Digital Transformation of the Sign-up Process

We are providing insurance sign-up services via smartphone to enhance customer convenience. We have digitalized each step in the insurance sign-up process to enable customers to purchase policies regardless of time or place. After an in-person consultation with an FP, the customers can complete the process with an electronic signature on their smartphone. We have also enabled customers to submit required documents by using their smartphone to take photos of them. The natural language processing algorithm we developed and applied to the screening processes lets customers be notified more quickly that the sign-up process is complete.

Expanding Expanding Coverage Amounts Using Big Data

We have continued to develop our underwriting score model since we expanded individual coverage amounts in 2019 using Big Data. The underwriting score model segments coverage for death, disease, hospitalization, disability, and so on, scoring the risks for each customer, and allowing us to expand coverage amounts for customers at low risk. We plan to continue applying this model to coverage to coverage amounts and underwriting as well.

Digital Monitoring Service

We maintain a number of digital authentication and monitoring systems that enable customers to monitor their contracts wherever they may be. The eHappy Call system enables customers to monitor their contracts via KakaoTalk or e-mail at any time or place, all year round, which contributes to the prevention of mis-selling.

LIFE MD, a Digital Sales Channel

Our new digital sales channel, LIFE MD, is at the forefront of the new insurance sales paradigm of digital platforms. LIFE MD is a state-of-the-art platform through which “prosumers” (producer + consumer) with outstanding financial literacy can be insurance consumers and planners at the same time. This digital platform is the first sales channel in the industry that can handle all processes, from planner recruitment to sales, insurance sign-up and customer management. LIFE MD offers prosumers the chance to take advantage of the work-from-home and contact-free trends to generate income aside from their main jobs. All necessary training, from planner qualification to consumer protection and mis-selling prevention, is provided online. By making training digital, we also save about 183 sheets of paper per person. With insurance contracts processed digitally, we protect personal information by ensuring that customers type in their own information when signing up, and apply the strongest data security. We plan to continue our support for LIFE MD to grow it into a new and significant sales channel.

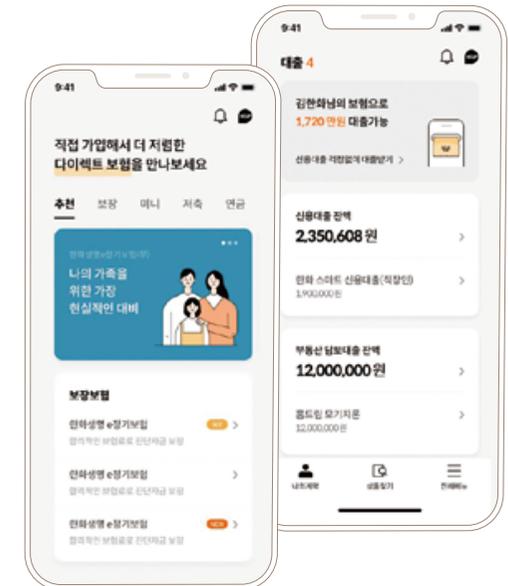
Hanwha Life APP

With the launch of the Hanwha Life APP, our leading one-stop financial platform, we have integrated the many services provided separately on our website and Onsure. All customers, whether insurance policyholders or not, can access our wide range of services, from monitoring existing policies to purchasing new ones.



Main Features of Hanwha Life APP

<p>Enhanced Convenience and Security with Simplified Password Verification</p>	<p>We have introduced simplified verification system for customer convenience and security. In addition to simplified verification, the app also supports authentication certificates, pattern and fingerprint log-in, and i-Pin.</p>
<p>At-a-Glance Information and Streamlined Procedures</p>	<p>At a glance, customers can see information about their insurance policies, frequently used app functions, and the accident insurance claim filing process. We streamlined the task handling procedures, and we have used Big Data to enable customers to compare the policies purchased by others with a similar profile.</p>
<p>Seamless Experience From Product Search to Sign-up</p>	<p>Customers can look up all of our insurance products and use the app to sign up.</p>
<p>Subscription Insurance Services</p>	<p>Subscription insurance customers can access other subscription services (supermarket discounts, meal kits, wine, etc.) suited to a variety of lifestyles.</p>
<p>Contact-free Services</p>	<p>We have added more contact-free services for the post-COVID era, including a variety of insurance management functions, such as reissuance of securities, change of beneficiaries, and easier authentication for non-registered users.</p>



A.I.-Based Claims Payment Review System

Our Digital Transformation and technological innovation are bringing greater convenience to our customers. To expedite insurance claim reviews, we have introduced an A.I.-based automatic claims review system for fee-for-service insurance and fixed-benefit insurance.

This system employs the convolutional neural network (CNN) algorithm, a key deep-learning technique used in the well-known A.I. program AlphaGo. We had the system analyze data from over 11 million insurance claims from 2017 to 2019 through its learning process 35,000 times to maximize its effectiveness and eliminate error. This reduced the waiting period from filing a claim to receiving a disbursement by one to two days. In recognition of the system's originality, we became the first in the industry to receive two patents from the Korean Intellectual Property Office.

Preliminary Launch¹⁾ of A.I. OCR (Optical Character Reader) System

The A.I. OCR system introduced in July 2021 is enabling our customers to receive their insurance benefits quickly. The system applies machine learning technology to the existing OCR and automatic document recognition technology, enabling it to learn and recognize various types of documents, and then automatically classify and store them as data. We have introduced the A.I. OCR system to the insurance claim documentation process, where it is processing the input of frequently received types of medical receipts. It has significantly boosted the rate at which OCR successfully recognizes documents in our contact-free channels from 16% to 76%. As we improve our own productivity, we are also enhancing customer convenience by shortening the process of claims screening/payment.

CASE STUDY Digital Innovation System for the Overall Value Chain²⁾

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

Flexible and Agile Core Insurance System

1 Build an Agile and Flexible IT Foundation to Lead the 4th Industrial Revolution

Customer-Centered/Product-Centered System Restructuring to Strengthen Competitiveness of Core Insurance

- Integrated and systematic management of standards data
- Make new use of standardized/componentized product modeling data
- Flexibly structure product information to enable assembly
- Contracts based on customer life cycle
- Customer/user-centered UI/UX
- Provide integrated, single view customer information

2 Support Launch of Innovative Products: Adopt Differentiated core Insurance System based on Customer-Centered Philosophy

Improvements in Work Efficiency, Systems for Company-Wide Information Enhancement, Stable Operation of Hybrid Cloud

- Merge and standardize duplicate/similar tasks
- Expand contact-free tasks
- Integrate purchase and planning interfaces for timely product launches
- Strengthen cross-channel task support
- Company-wide data integration and visualization of data analysis
- Develop/operate Cloud environment

1) A.I. OCR was already in place at launch of Core Insurance System; now in operation linked to current operating system H-FS

2) System to launch in third quarter of 2022

Expanding Overseas Business

Overseas Business Strategy

As Korea's first insurance company to have reached the break-even point in the overseas market, we are leveraging our success in these markets to reinforce the presence of our subsidiaries in Vietnam, China and Indonesia. With a focus on strengthening the sales competitiveness of our subsidiaries, we are seeking opportunities to secure an advance position in their local markets in order to secure future growth engines throughout the Asian region.

Global Network

Local Subsidiaries

- Ho Chi Minh, Vietnam
- Hangzhou, China
- Jakarta, Indonesia

Local Offices

- Beijing, China
- Tokyo, Japan
- Fukuoka, Japan
- San Francisco, U.S.



Local Subsidiaries

We operate sales subsidiaries in Vietnam, China, and Indonesia, where we design and sell insurance products optimized to the local market of each country.

Vietnam

We entered the market in June 2008 by establishing a Vietnamese subsidiary with a 100% equity investment. Anticipating changes in the global digital environment and to provide differentiated digital platform-based customer service, we established **Hanwha Financial Technology (HFT)**, an entity wholly owned by the Vietnam subsidiary.

China

Hanwha Life entered the Chinese market in 2012 through the establishment of a joint venture with a 50% equity investment.

Indonesia

We advanced into Indonesia in 2012 by with the acquisition of an 80% stake in a local insurance company. As of the end of 2021, we hold a 99.6% stake in our local subsidiary in Indonesia.

Local Offices

Our local offices currently in operation in overseas hubs include Beijing, China (opened in August 2003), Tokyo and Fukuoka, Japan (opened in February 2005 and June 2019, respectively), and San Francisco, U.S. (opened in February 2019).

Our overseas offices conduct research on local insurance products, regulations, and asset management trends, and consumer research related to new insurance businesses led by our head office, such as insurtech and healthcare.

Expanding Overseas Business

Country-Specific Strategies

Vietnam

In 2008, with our venture into Vietnam, we became the first Korean life insurance company to establish an overseas subsidiary. The Vietnam subsidiary has successfully taken root in the Vietnamese market through a meticulous localization strategy based on which we have cultivated local planners and developed products and services that suit the needs of local consumers. The Vietnam subsidiary continues to grow, having reached the break-even point in 2016. In 2021, earnings before tax grew to of KRW 9.9 billion and insurance premium income reached KRW 196.3 billion. The Vietnam subsidiary has expanded its nationwide sales network to 140 branches in major cities including Ho Chi Minh City, Hanoi and Da Nang. We are also diversifying its sales channels (bancassurance, group sales, online sales, etc.) while working to take its asset management system to the next level. We look forward to sustainable growth in this subsidiary, pursued through expansion strategies aligned with trends and conditions in the local market.

<p>Diversifying the Product Portfolio</p>	<p>Our subsidiary in Vietnam is striving to diversify its portfolio currently centered on savings insurance and boost profitability. It has been researching and developing protection products such as cancer insurance since 2018 and expanded its customer base by entering the group insurance market in 2019. In response to a sharp rise in demand for investment products in a low interest rate environment, the Vietnam subsidiary developed and launched variable insurance in 2021. We also plan to sell products exclusively via digital platforms targeting Millennials and Generation Z.</p>
<p>Supporting Local Planners to Grow into Expert Asset Managers</p>	<p>As most local planners are working part-time, the subsidiary has initiated a full-time agent (FTA) program to encourage part-time planners to take on full-time roles and thereby expand the pool of active planners. The program provides regular training five days a week along with special sessions aimed at cultivating high-performance, high-income planners, whom we hope to develop into customer-facing asset management professionals. We anticipate that the subsidiary will attract more full-time planners as word spreads about these opportunities. In Ho Chi Minh City, we are operating a pilot branch that employs only full-time planners. We plan to gradually expand the number of full-time branches with their own fees and sales guidelines.</p>

China

Sino-Korea Life Insurance is pursuing a multi-channel strategy targeting individual planners, bancassurance, and group channels simultaneously, along with an expansion of its sales regions. Based on the company's success in Zhejiang Province, where its head office was initially located, it advanced into Jiangsu Province in January 2017 and Anhui Province in December 2020.

Indonesia

Our Indonesia subsidiary is working to enhance its value as a company with the of becoming an established name in the insurance industry. Having established high-performance individual planner organizations in major cities such as Jakarta, it is maintaining a stable profit-driven sales strategy, leading to the third consecutive year of profit since 2019. The subsidiary is also seeking to secure future growth for its core insurance business, while seeking out new business in the digital sphere.

Asset Management

Asset Management Strategy

When making investments, based on the Insurance Business Act and our own investment policy paper, we seek to protect our customers and the company by managing assets for the long term in a stable manner. We pursue returns in consideration of risk management and sound liquidity management, while adhering to the Stewardship Code. In order to become globally reputed insurance company asset managers, we recruit talented people in Korea and beyond and foster them into global leaders.

Strategic Direction

To achieve highly efficient investment returns, we focus on planning and executing asset allocation according to our asset/liability management strategy. We strive to diversify our investment assets and effectively manage risk in order to proactively prepare for and respond to rapid changes in the financial market.

Asset Management Performance

Category	Unit	2019	2020	2021
Assets Under Management	Billion	96,461	98,557	100,393
Rate of Return	%	3.45	3.47	3.59

Operational Risk Management

In addition to profit-centered business strategies, we have established asset and liability (ALM) strategies to maximize company value. ALM is an asset management strategy that reflects the characteristics of insurance products in asset management plans. We ensure transparency in asset management by separating front and back office functions as separate organizational units with reviews and controls in place for risk management and compliance. The soundness of our asset portfolio is enhanced by continuous management of risk (interest rate risk, market risk, credit risk, liquidity risk, operational risk, reputational risk, etc.)

Internalizing Environmental Protection and Eco-friendly Management

Environment

Green finance is rapidly emerging as a critical agenda for the financial industry, as abnormal temperatures and global warming continue to damage the world's ecosystems, underscoring the ever-growing importance of climate action. In this context, we have established an eco-friendly management system in order to internalize green business practices across the company. We have also joined the Task Force on Climate-related Financial Disclosures (TCFD, a consultative body for climate change-related information disclosures), and we publish relevant climate-related information according to its recommendations.

Materiality of Topic

The finance sector faces a growing demand from society to exert its influence through business activities such as investment. Financial authorities have prepared a recommended standard for green finance to nurture a voluntary green ecosystem in the domestic financial sector. The TCFD calls on companies to analyze and share the financial impact of climate change on business

Hanwha Life's Management Approach

We have established an eco-friendly management system as part of our efforts to internalize environmental protection and green corporate management, for which we have acquired ISO 14001 certification. In addition to declaring our commitment to coal-free finance, we are now implementing a range of educational programs and campaigns to increase environmental awareness across the company.

In April 2021, Hanwha Life joined the TCFD, a consultative body on financial information disclosure, and in line with its guidelines, we are analyzing the financial impact of climate change, including a variety of risks and opportunities. We are also transparently disclosing key information along with related information and climate response activities to our stakeholders.



Environmental Management System

Environmental Management Guidelines

In order to internalize green corporate practices across the board, we have established environmental management guidelines which we follow as a company.

**Hanwha Life
Environmental Management Guidelines**

- **Hanwha Life** strictly adheres to environment-related regulations and puts eco-friendly policies into practice.
- **Hanwha Life** sets environmental management plans and specific targets, regularly assesses implementation progress, and consistently takes action for improvement.
- **Hanwha Life** minimizes the negative impact of business operations on the environment and reduces greenhouse gas emissions as part of our response to climate change.
- **Hanwha Life** strives to develop green finance products and expand eco-friendly investments.
- **Hanwha Life** conducts environmental management training for all employees to enhance understanding of the company's policies, and promotes a culture of environmental management.
- **Hanwha Life** transparently shares eco-friendly management activities and outcomes with our stakeholders.

Environmental Management Organization

We have designated a department to facilitate our systematic implementation of environmental management. The Sustainability Management Team is responsible for analyzing the environmental impact of our business, developing a roadmap to reduce negative externalities, and operating our environmental management system. Also, the team devises climate-related strategies and is working to make our business sites low-carbon and energy efficient.



Monitoring Performance in Environmental Management

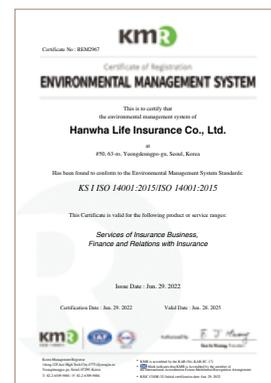
Hanwha Life has established a monitoring mechanism to assess the performance of our environmental management system. Environment-related data including energy and greenhouse gases (GHG) used and discharged by all of our sites are managed systematically under the Building Energy Management System (BEMS). Also, based on data from the previous year, which includes GHGs, energy, and industrial water usage, our targets are set and reviewed on a yearly basis, also taking into account the internal and external environmental impact and business site conditions. Furthermore, we are making consistent efforts to conserve energy and reduce GHG emissions preemptively, as a part of the wider social movement to urgently respond to climate change.

ISO14001 Certification

In June 2022, we acquired certification for ISO14001, an international framework of standards for environmental management, established by the International Organization for Standardization (ISO), in recognition of our world-class environmental management system. We are actively implementing eco-friendly practices by setting up environmental management policies and bodies, reducing GHG emissions, using new and renewable energy, and conducting a variety of environmental campaigns. We will continue to maintain our world-class environmental management system, while also actively engaging in eco-friendly business activities, such as strengthening our ESG investment.

Internal Controls for Environmental Management

We maintain a register of environment-related laws and regulations, enabling us to identify and understand key measures and verify our compliance with them through regular evaluations. Having recorded no environmental violations in 2021, we continue working to ensure our compliance.



ISO14001 Certification

Climate Change Response



Declaration of Support for TCFD

Climate change presents both risks and opportunities for business today and in the future. The rise of global temperatures has led to natural disasters and disruptions to ecosystems, which also have a negative impact on human health and business. The Task Force on Climate-related Financial Disclosures (TCFD) is an international body created in 2015 by the Financial Stability Board (FSB), a body composed of G20 finance ministers and central bank governors, with the objective of disclosing climate-related strategies and company information. By providing reliable information, the TCFD helps enhance stakeholder understanding of climate-related risks and opportunities and enables rational decision-making. In 2017, the TCFD announced a set of recommendations for climate-related financial disclosures, with 11 categories across four key areas: governance, strategy, risk management, and metrics and targets. In addition to following TCFD recommendations on overcoming the climate crisis, we also provide related information to our stakeholders in a transparent manner.

Governance

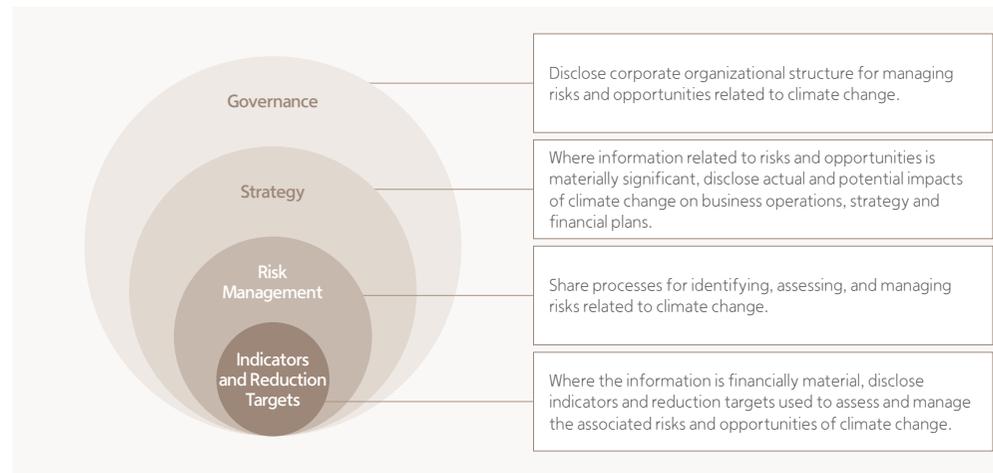
We are actively promoting ESG management through our newly established Sustainability Management Committee. With climate change being central to ESG management, the Sustainability Management Committee reviews related strategies, risks, and countermeasures, and makes final decisions on these matters. Also, the Board of Directors, comprising the CEO and executive and independent directors, approves targets for major climate issues that have a material impact on the company's business strategy and performance. The Sustainability Management Committee within the Board identifies risks and opportunities associated with climate change, and is involved in decision-making, while the Sustainability Management Team is tasked with setting up plans and implementing activities to respond to climate change.

Board of Directors:
<ul style="list-style-type: none"> • Approve climate change-related goals, key policies
Sustainability Management Committee:
<ul style="list-style-type: none"> • Review and deliberate on related strategies, risks, and actions
Sustainability Management Team:
<ul style="list-style-type: none"> • Form and implement climate change response plans, actions

Strategy

We recognize the challenges of climate change and the need for an across-the-board response. We aim to lead an enterprise-wide transition to sustainability by identifying and managing various risks and opportunities. In particular, we distinguish and separately address the risks arising from the transition to a low-carbon economy and the risks related to the physical impacts of climate change. We conduct detailed risk analyses to review whether there are measures that could mitigate individual risks, and we plan to reflect this all across our business, from product planning to asset management. In order to systematically identify risks and opportunities, we will also analyze carbon emissions in our asset portfolio as well as analyze scenarios related to climate change and estimate expected losses. Based on these calculations, we plan to establish and implement strategies designed to minimize risks and maximize opportunities.

TCFD Recommendations



Climate Change Response

TCFD
Report

Climate-Related Risks

Category	Risk	Details
Transition Risk	Policy/Legal	Risks related to emissions trading scheme, stronger disclosure requirements We are aware that the higher costs of emission permits pose a transition risk. If a firm exceeds its carbon emissions cap, it must purchase extra credits from other companies. Rising prices for emission permits could increase the operating costs of companies we invest in and cause mid- to long-term financial risks, which could lower our asset management returns.
	Technology	Risks caused by replacing existing products with products based on low-carbon technology, entailing investments in new technologies that ultimately fail The financial value of a company could decline due to the cost of increased investment in eco-friendly technology, or due to the costs and loss of competitiveness if it fails to develop eco-friendly technologies compared to its competitors. This could result in a lower return of investment assets.
	Reputation	Risks from changing perceptions of customers and/or communities, criticism of specific industries, greater stakeholder concern Failing to adequately respond to climate change risks could potentially create a negative reputation for the company. Insofar as corporate image has a significant impact on consumers' choices, a negative reputation could lead to customer attrition. Also, a weaker brand value could cause a decline in stock price, and trigger outflows of investors and investment institutions.
Physical Risks	Acute Risk	Natural disasters, including extreme weather events such as typhoons and floods Natural disasters such as typhoons and floods caused by global warming are considered physical risks. Such events may cause financial losses in investment assets and/or businesses. In the case of investment assets, valuations may drop. Also, if a business site is closed due to a natural disaster, or damaged machinery, the company could incur financial losses.
	Chronic Risk	Risks from climate change, such as rising sea levels or persistent high temperatures that cause chronic heatwaves If climate change-induced abnormalities continue, such as rising sea levels or persistently high temperatures that trigger chronic heatwaves, there is a greater chance of increased mortality, health-related costs, along with health inequality, which would likely cause profitability for insurance firms to deteriorate.

Climate-Related Opportunities

Opportunity	Details
Resource Efficiency	Reduce operating costs through improved efficiency throughout entire production and distribution processes • Increasing asset management returns: Corporate value will increase if we succeed in developing innovative technologies, reduce operating costs, and create opportunities in new markets as a result of efforts to respond to climate change
Energy Resources	Technology for low-carbon energy and the use of low-carbon energy • Creating new investment opportunities: New investment opportunities can be created by growing eco-friendly industries
Goods and Services	Low-carbon products and services • Improvement of brand value: Efforts to respond to climate change can lead to a positive reputation and enhance brand value in the long run
Market	New market opportunities
Resilience	Developing adaptive skills to respond to climate change

Climate Change Response

TCFD Report

Risk Management

To manage climate change-related risks, we consider ESG factors when making investment decisions. In 2021, we issued our Beyond Coal Declaration, based on which we will not engage in any new coal-related investments or financing. We will therefore not participate in any project financing for coal-fired power plant construction in Korea or abroad. We will also not acquire any bonds related to coal-fired power plant construction, including those issued by special-purpose companies (SPC) for coal-fired power plant construction.

We have also set out ESG investment principles and guidelines for unit-linked funds, laying the foundation for systematic ESG investment.

To ensure that our ESG investment policies are consistently adhered to throughout the asset management process, new ESG criteria have been added to the standards for selecting fund managers for unit-linked funds. In this way, we intend to review and coordinate the ESG policies and expertise of our fund managers.

Indicators and Reduction Targets

We aim to achieve carbon neutrality by 2050. To do this and systematically manage our greenhouse gas (GHG) emissions, we calculate our energy consumption, GHG emissions, and basic unit of emissions every year and publish the results in our Sustainability Report. To maximize the accuracy of the data we disclose, we established a GHG data inventory in 2021, and, from 2022, we are separately calculating and reporting Scope 1 and 2. We use the calculated data on energy consumption and GHG emissions to account for our environmental impact, internal and external environmental impact, and operating conditions in the previous year. We then set reduction targets, and identify and pursue potential reductions. We recognize the utmost importance of managing Scope 3 GHG emissions, which are indirectly caused by investment activities. In the future, we plan to expand the range of reported data to Scope 3, and work actively to calculate and reduce carbon emissions in our asset portfolio.

Energy Use¹⁾

Category		Unit	2019	2020	2021
Headquarters (63 Building)	Direct	MWh	8,860.56	11,017.22	11,774.45
	Indirect		59,543.06	53,101.95	62,273.89
Janggyo Building	Direct	MWh	2,854.17	2,424.17	2,531.67
	Indirect		18,351.94	15,656.39	15,796.94
Total Energy Consumption		MWh	89,609.73	82,199.73	92,376.95
Basic Unit (Income from Premiums) ²⁾		KRW 1 Billion	14,014	14,775	14,745
Energy Consumption Unit		MWh/KRW 1 Billion	6.39	5.56	6.26

1) Based on headquarters and Janggyo Building as the main sites of energy consumption (GHG Assurance Statement covers 42 business sites),

Due to changes in reporting calculations, 2019–2020 data has been revised (2019 and 2020 data adjusted in accordance with establishment of greenhouse gas inventory in 2021; data for 2020 includes company car usage)

2) Based on separate financial statements

GHG Emissions¹⁾

Category		Unit	2019	2020	2021
Headquarters (63 Building)	Scope1	tCO ₂ eq	1,621.01	2,104.27	2,224.80
	Scope2		10,419.72	9,284.56	10,728.47
Janggyo Building	Scope1	tCO ₂ eq	521.52	443.82	463.08
	Scope2		3,161.66	2,737.40	2,721.50
Total Energy Usage		tCO ₂ eq	15,723.91	14,570.05	16,137.85
Basic Unit (Income from Premiums) ²⁾		KRW 1 Billion	14,014	14,775	14,745
Energy Consumption Unit		tCO ₂ eq/KRW 1 Billion	1.12	0.99	1.09

1) Based on headquarters and Janggyo Building as the main sites of Greenhouse Gas Emissions (GHG Assurance Statement covers 42 business sites),

Due to changes in reporting calculations, 2019–2020 data has been revised (2019 and 2020 data adjusted in accordance with establishment of greenhouse gas inventory in 2021; data for 2020 includes company car usage)

2) Based on separate financial statements



Climate Change Response



GHG Reduction Activities

Energy and GHG Reduction

Hanwha Life is actively implementing eco-friendly management to mitigate the risk of climate change, which has been one of the world's most serious environmental issues. To reduce GHG emissions, we set a GHG reduction target each year, and develop and initiate emission-cutting projects to achieve our goals. Examples include an energy-efficient control system and the conversion of our lighting systems to LED lamps. In 2019, 93 carbon reduction ideas were carried out, resulting in reductions of 926.2tCO₂eq. In 2020, we eliminated 903tCO₂eq through 100 ideas, and in 2021, we reduced emissions by 609tCO₂eq through 79 projects. Over the past three years, a total of 272 of such projects have been implemented to reduce GHG emissions by 2,438.2tCO₂eq in total. In 2022, we plan to undertake 72 initiatives to achieve reductions of 661tCO₂eq. We are also continuously working to expand our use of new and renewable energy.

2022 Target	GHG emissions down 1.6% from previous year (661tCO ₂ eq reduction)
2021 Target	GHG emissions down 2% from previous year (607tCO ₂ eq reduction)
Implementation Plan and Status	Installation of LED lamps, efficient operation of air handling units, etc.
2021 Performance	Reduced GHG emissions by 609tCO ₂ eq

High-Efficiency Lighting

To achieve greater energy efficiency and carbon-neutrality, all lighting at our Bulgwang-dong office has been replaced with high-efficiency LEDs. The installation of about 1,900 LEDs has boosted efficiency by 45%, and the annual reduction of 200,000kW reduction saves around KRW 22 million in electricity costs. The equivalent of planting 14,130 trees per year (93,260Kg of CO₂), this has contributed greatly to our eco-friendly policy. By continuing to replace outdated lighting with LEDs throughout our offices, we plan to create a comfortable working environment while conserving energy.

1. Dunsan office building: Solar-powered rooftop billboard
2. Hanwha Life Life Park: Solar-powered signage board

Expanding Use of Renewable Energy

Participation in Solar Power Building Project

We have expanded our solar power generation facilities installing solar panels around our rooftop billboards. We have also taken part in the Korea Energy Corporation's 'Solar Power Building Project' and installed photovoltaic power generation facilities in our Dunsan office building. As of December 2021, these facilities have saved the equivalent of 5,398 trees (reduction of 36.0 tCO₂eq).



Life Park Training Center Solar Panel Installation

Through our use of solar and other renewable sources, we are saving energy and contributing to our eco-friendly corporate image. As an eco-friendly company, we are promoting the use of sustainable energy, and in compliance with the Korean government's 'Renewable Energy 2030' policy, we have installed solar panels on the buildings and signposts of our **Life Park Training Center**. Over 390 solar panels installed on the rooftop of the dormitory building generate about 5.6% of the electricity required to operate the training center. The solar signposts generate and store the full amount of electricity required to power the LED lamps at night.

Data Center Solar Panel Installation

The **Hanwha Life Data Center** has solar panels on the roof to provide power for constant use. Its computing facilities are eco-friendly and energy-efficient.

Janggyo Building Solar Panel Installation

For sustainable energy usage, solar panels were installed on the exterior walls and rooftop of the Janggyo Building when it was recently refurbished. Of the power generated by the 468 panels on the exterior walls and 396 panels on the rooftop, 134kw (about 2.5%) is used to operate the building, and 100,832kw (as of 2021) is used to operate electric motor equipment such as air conditioning units. Our use of alternative energy such as solar panels, saves about KRW 12 million annually in electricity costs, which is equivalent to planting 7,124 trees (CO₂ reduction of 47,018kg) and contributes to curbing the greenhouse effect and preserving the ecosystem. We will continue to install and maintain solar power facilities in order to fulfill our corporate social responsibility and respond to climate change.

Raising Environmental Awareness

Environmental Education for Employees

Hanwha Life provides environmental training to all employees to internalize environmental management across the company, and raise employee awareness. We design training content that based on regulations and trends, and provide courses on ‘Understanding Climate Change’ which covers the growing climate crisis. We encourage two-way engagement with employees, and let them know about ways to take climate action in the workplace. Through regular training, we will continue informing employees about the necessity of environmental management and real-life ways to practice it. We also plan to create more opportunities to identify and implement environmental protection measures together with our employees.

Environmental Campaigns

63 Building Joins the ‘Earth Hour’ Movement

Every year, Hanwha Life take part in Earth Hour, a movement organized by the World Wildlife Fund¹⁾ as part of the global campaign to reduce greenhouse gas emissions. Recognizing the dangers of climate change and the need to save our planet, we turn off our billboard lights, landscape lighting, and outdoor lights for an hour from 8:30pm on the last Saturday of March. As we take part in the event in the years to come, we will establish a company-wide consensus on the need to overcome the climate change crisis and take robust action to reduce carbon emissions.

Give Green’ Campaign

We organized a week-long ‘Give Green’ campaign in May 2021, in collaboration with the Miral Welfare Foundation’s GoodWill Store. Our employees donated second-hand goods to the store, which resold them, promoting a circular economy and protecting the environment. The proceeds were donated to help people with disabilities obtain and preserve their economic independence. Through campaigns like this, with employee participation, we will continue working to raise environmental awareness in pursuit of a sustainable future.

The Orange Koala Campaign

In May 2022, Hanwha Life launched The Orange Koala campaign to raise social awareness of endangered animals and to send a message about protecting the environment. As the mascot for the campaign, we chose a koala, an animal that is endangered because of environmental destruction. A donation of KRW 1,000 was made each time a campaign post on the official Hanwha Life Instagram account received a ‘like’ or comment. Hanwha Life plans to donate these funds to the Green Asia Network, an internationally recognized environmental NGO.

Participants	Donated Items	Sales Equivalen
153 persons	3,300 items <small>(Clothing 2,000 pieces, cultural goods 500 items, miscellaneous goods 300 items, etc.)</small>	KRW 9 million
Economic Independence for Disabled Persons	Greenhouse Gas Reduction	Water Consumption Reduction
Six jobs created	46 tCO ₂ eq	8,910,000 L

1) Established in Switzerland in 1961, the WWF is the world’s largest natural conservation organization. It is engaged in efforts to protect oceans, wildlife, plants, climate change, and forests in over 100 countries.



Raising Environmental Awareness

Hanwha Solar Forests

Hanwha Life is addressing environmental issues through the **Hanwha Solar Forest** project conducted jointly with **Hanwha Group**. **Hanwha Solar Forests** are an eco-friendly CSR campaign conducted by **Hanwha Group** since 2011 to tackle environmental issues such as the climate crisis, desertification, and air pollution. The Sun Forest project is all the more eco-friendly because everything needed to grow the saplings comes from emissions-free solar energy, including temperature and humidity control, and irrigation. Starting with the Tojinnars Nature Reserve in Mongolia, **Hanwha Life** has planted nine such forests in China and South Korea as well, for a total area of 1.42 million square meters and 520,000 trees planted. The Solar Forests have contributed to carbon reductions, cleaner air and water, and the prevention of desertification. **Hanwha Life** will continue to collaborate on projects with **Hanwha Group** to address environmental issues.

Protecting Endangered Wildlife

We engage employees in a variety of conservation efforts to save endangered wild animals. In 2021, we helped install habitats for leopard geckos and otters in Korea, which are both designated by the Ministry of Environment as Grade 2 endangered species.

Creating Habitats for Leopard Geckos

The number of leopard geckos living in the Jungnangcheon Stream has declined sharply decreased due to landscaping works. In 2020, only one leopard gecko was observed there. To preserve their population, we improved their habitat by using stones to build a basking area for them.

Creating Habitats for Otters

We carried out a project to protect the otter population in the Jungnangcheon Stream. We provided the public with information about the endangered otter, and helped clean up its habitat in the stream.



Reducing Environmental Impact

Paperless Work Environment

We are reducing paper usage through our digital transformation and our adoption of a paperless work environment. We now use the H.OP **Hanwha** Onestop Platform, a digital sales system for tablet PCs, and the LIFE MD digital platform, which can handle everything from recruitment of consultants to training and sales. We have also established a paperless meeting culture in which we refrain from printing out documents.

Encouraging Eco-Friendly Purchases

Hanwha Life is actively promoting eco-friendly purchases in our procurement of supplies for the head office and other units, making sure to buy products made of environmentally-friendly materials. For example, we supply our customer centers and other facilities with natural soap produced by a social enterprise that provides jobs for people with disabilities.

Social

Companies grow and flourish symbiotically through interactions with a diversity of stakeholders. Stakeholders are challenging companies to look beyond economic value, and take active part in addressing social issues. In the insurance industry, where we engage closely with stakeholders in different stages of their lives, we are building a foundation for sharing and co-prosperity as our corporate social responsibility.

Materiality of Topic

Businesses are being called on to take more assertive action to fulfill their corporate social responsibility. They are expected to actively engage with the communities in which they operate and strive to resolve social issues. **Hanwha Life** in particular, as a major insurer, is directly and indirectly connected to the everyday lives of all stakeholders, from customers to local communities, employees and business partners. Therefore, we should do our own business in a way that prioritizes their needs.

Hanwha Life's Management Approach

Hanwha Life pays earnest attention to the voices of all stakeholders, from local communities to customers, employees, and business partners, and makes a variety of efforts to ensure their well-being.

We are promoting ESG finance such as inclusive financial products and services to expand insurance access for socially vulnerable groups; ESG products that address health and social problems, and ESG investment, innovation and finance for co-prosperity. We have also established an advanced consumer protection to enhance customer satisfaction along with many other efforts to fulfill our corporate social responsibility by sharing with local communities.



Inclusive Finance

Inclusive Financial Products

Hanwha Life is expanding access to insurance so that financially underprivileged members of society can be prepared against the risks they could face in daily life. We are launching a variety of products for financially vulnerable customers, such as the elderly, people with pre-existing medical conditions, and people who are socially marginalized. We aim to provide coverage to even more customers to safeguard them against risks in daily life and help them lead healthy lives.

Customer	Background	Product	Impact
Senior Citizens	<ul style="list-style-type: none"> • Korea's rapidly aging society • High medical expenses caused by dementia • Increased need for nursing care insurance 	Hanwha Life "Happy Golden Years" Dementia Insurance <ul style="list-style-type: none"> • Protection covering mild to advanced dementia • Purchasable with a simplified notification if insured person has no dementia-related underlying conditions 	<ul style="list-style-type: none"> • Supplementing the weak points of dementia protection • Offering the special condition of conversion to an annuity for policyholders who do not develop dementia
		Hanwha Life's "Always by Your Side" Nursing Insurance <ul style="list-style-type: none"> • Protection covering the entire simplified cycle from initial diagnosis to inpatient and outpatient treatment, in-hospital and at-home caregiving, disability treatment, and rehabilitation 	<ul style="list-style-type: none"> • Contributes to the resolution of issues resulting from growing caregiving needs (seniors caring for seniors, job loss due to extended family caregiving, bankruptcy due to extended family caregiving, murder committed by unpaid family caregivers, etc.) • Supplements weak points and limitations of the nation's institutional support (integrated nursing and caregiving service, long-term care, etc.)
Customers with Pre-existing Medical Conditions	<ul style="list-style-type: none"> • Health insurance eligibility is limited for those who have mild diseases or medical history such as diabetes or high blood pressure 	Hanwha Life Simplified Issue "Centenarian" Health Insurance Hanwha Life "One Q" Simplified Issue Health Insurance <ul style="list-style-type: none"> • Simplified screening to offer wider access to general insurance for customers with pre-existing medical conditions 	<ul style="list-style-type: none"> • Provides protection for customers with pre-existing medical conditions as extensive as that for those without such conditions • Eases the burden of premiums by offering renewable term products and expanding the spectrum of choice for policyholders by diversifying renewal cycles
		Hanwha Life Simplified Issue "Happy Golden Years" Dementia Insurance Hanwha Life Simplified Issue "Number One" Whole Life Insurance Hanwha Life "Life Companion" Whole Life Insurance Hanwha Life Simplified Issue "Companion Plus" Whole Life Insurance Hanwha Life Simplified Issue "Plus" Cancer & Whole Life Insurance Hanwha Life Simplified Issue "Substantial Plus" GI Insurance Hanwha Life "Essential" Surgery Protection Health Insurance Hanwha Life "Essential" Surgery Protection Whole Life Insurance <ul style="list-style-type: none"> • Simplified screening to offer wider access to whole life insurance and dementia insurance for customers with pre-existing medical conditions 	<ul style="list-style-type: none"> • Provides protection for customers with pre-existing medical conditions as extensive as that for those without such conditions
		Hanwha Life "Extremely" Simplified Issue Whole Life Insurance <ul style="list-style-type: none"> • Whole life insurance with low cash surrender value; only two disclosures for policyholders with pre-existing medical conditions 	<ul style="list-style-type: none"> • Providing protection for customers with pre-existing medical conditions as extensive as that for those without such conditions
Socially Underprivileged	<ul style="list-style-type: none"> • Young adults discharged from children's homes and welfare facilities become exposed to medical and welfare blind spots • Disabled customers may experience gaps in insurance coverage 	Hanwha Life "MOM'S CARE" Savings Insurance <ul style="list-style-type: none"> • Provides support for youth recommended by Social Solidarity Bank for purchasing Dream Savings Insurance (financial aid for premium payments) 	<ul style="list-style-type: none"> • Supports youth discharged from child welfare facilities in preparing for independence (KRW 10 million over three years) • Eliminates medical blind spots by providing coverage for fracture diagnosis, cast treatment, predefined burn and corrosion diagnosis, and surgery during the insured period
		Hanwha Life "Gomduri" Protection Insurance for Customers with Disabilities (No dividend-type) <ul style="list-style-type: none"> • Protection-type insurance for those registered as "persons with disabilities" in accordance with Article 32 (Registration of Persons with Disabilities) of the Act on the Welfare of Persons with Disabilities Act or Article 6 (Registration and Determination) of the Act on the Courtesy and Support of Persons of Distinguished Service to the State. 	<ul style="list-style-type: none"> • Protection coverage for cancer, death, etc., offered with affordable premiums through discounted operating fees, etc.

ESG Finance

1) Available only for contracts where the policyholder, insured person and beneficiary are the same

Access to Finance for Financially Marginalized Groups

Hanwha Life is expanding access to insurance services for financially marginalized groups through a variety of services and systems. We enable policyholders¹⁾ to designate a proxy who can file insurance claims on their behalf in case a policyholder cannot do so themselves. A representative can be designated at any point during the insured period. The representative is entitled to file all insurance claims, except for death benefits. For the growing population of senior citizens, we provide notifications in large text to customers 65 and older. We also have a system that enables disabled customers to take a tax deduction on general protection insurance.

For policyholders affected by COVID-19, we have provided premium payment deferrals, rapid processing of insurance loans and insurance benefit payments, six-month deferrals of loan principal and interest repayment, and more.

Convenient Services for Financially Marginalized Groups

Exclusive Hotline for Customers with Disabilities	<ul style="list-style-type: none"> • +82.80.851.0063(toll-free) • Offers same services as for customers without disabilities • Customer → Toll-free line for disabled customers → Customer identification (mobile phone no. and resident registration number) → Connect to consultant
Sign-to-Speech Translation Center	<ul style="list-style-type: none"> • We support our customers with hearing and speech difficulties by relaying the services of the National Information Society Agency's Sign-to-Speech Translation Center • 1588.6363+Sign Language Translation Center (107) • Customer ↔ Sign Language Translation Center interpreter (107) ↔ Hanwha call center counselor • New contract monitoring, basic product information, guidance on documents, contract information, certificate issuance, etc.
E-mail and Fax for Exclusive Counseling Services for Customers with Disabilities	<ul style="list-style-type: none"> • helper63@hanwha.com • +82.2.2169.0630(fax)
Sharing and Inspiring Counter	<ul style="list-style-type: none"> • Counters reserved for financially vulnerable customers (people with disabilities, seniors, pregnant women, etc.) • Seats reserved and priority counseling service offered for financially vulnerable customers
Seniors-First Phone Connection Service	<ul style="list-style-type: none"> • Senior 65 and older can dial 1588.6363 to be directly connected to a consultant

CASE STUDY Comprehensive Service for the Elderly to Prevent Solitary Deaths

Since 2011, **Hanwha Life** has been providing comprehensive services to support seniors living alone and to prevent deaths of loneliness in partnership with the Comprehensive Support Center for the Elderly Living Alone under the Ministry of Health and Welfare. Our consultants donate their talent by making check-in calls once or twice a week to elderly people living alone and taking their suggestions regarding our services. We have also linked the system to emergency services so that help can be dispatched if an elderly person cannot be reached after three attempts. On a related website, we note our findings from the calls, such as inconveniences experienced by seniors and suggestions for improvements.

In October 2021, Seoul Call Center Consultant Kim Young-sun received the Sharing Angel of the Year Award at the 2021 Senior Protection Project Contest hosted by the Comprehensive Support Center for the Elderly Living Alone. Consultant Kim Seong-mi was awarded the Minister of Health and Welfare Grand Prize.

Hanwha Life plans to roll out more projects in collaboration with the support center and promote greater participation among our staff.

ESG Finance

ESG Products

We aim to go beyond the insurer’s conventional role of paying for exams and medical expenses after an accident and providing for losses of income, but instead help our customers systematically maintain their healthy lives. To this end, we continue to design and release healthcare solutions that enable customers to build healthy lifestyles.

LIFEPLUS “Work Out” Health Insurance

With the launch of LIFEPLUS “Work Out” Health Insurance, we are helping customers develop healthy habits of physical activity. This is the industry’s first product designed to measure the workout intensity of five types of physical activity, including walking, hiking, cycling, running and swimming. For the reduced insurance risk, we provide customers with rewards.

The Hello App, our smartwatch healthcare platform, helps customers accurately keep track of the amount of exercise they do. We have also developed integrated workout intensity indicators for different physical activities. The product does far more than conventional insurance by providing a full-fledged health management solution. In recognition of the product’s originality and innovation, we were granted an exclusive usage right to it for six months by the Korea Life Insurance Association.

Hello App Healthcare Platform

The Hello App healthcare platform helps motivate customers to keep improving their health. It offers exclusive services for customers based on the user’s health data. Hello App users can measure the amount of exercise they do, tracking stats for walking, hiking, cycling, running, swimming and more. It uses broader types of data to provide insurance-linked services and even a gut health service. It also offers premium discounts for those who reach their preset targets in connection with LIFEPLUS “Work Out” Health Insurance.

LIFEPLUS Mental Health Group Insurance

With the launch of LIFEPLUS Mental Health Group Insurance, a product combining mental illness prevention services and protection insurance, we are providing total, end-to-end mental health solutions. The package is currently available as group insurance for Hanwha Life employees. We plan to market the product to the public in the near future to contribute to reducing the social costs of mental illness.

End-to-end Total Solutions for Mental Health

Prevention	<ol style="list-style-type: none"> 1. Mental healthcare program exclusively developed by Hanwha Life (including “Calendar of Feelings”, “Diary of Innermost Feelings”, etc.) 2. Exercise and therapy with professional coaches 3. Diagnosis and treatment to stay motivated
Diagnosis/ treatment	<ol style="list-style-type: none"> 4. Simplified medical surveys and mental health check-ups exclusively developed by Hanwha Life 5. Service to help find psychiatrists and counselors 6. Financial support for the diagnosis of the three common mental illnesses (depression, panic disorder, and post-traumatic stress disorder) and non-organic sleep disorders

CASE STUDY Sales of ESG-Based Personal Loan Products											
<p>Amid increasing social demand for ESG, Hanwha Life plans to provide personal loan products that encourage customers to practice ESG principles in their daily lives. In the first half of 2022, we added ESG conditions to applications for interest rate reductions, and in the second half, we plan to release products offering preferential rates to customers who practice ESG.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Category</th> <th style="width: 70%;">Revised Content</th> <th style="width: 15%;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top;">New Loans</td> <td style="vertical-align: top;"> <div style="border-bottom: 1px solid #ccc; padding-bottom: 5px;"> <p>[Environment]</p> <ul style="list-style-type: none"> • Interest rate discount upon ownership of eco-friendly vehicles such as electric vehicles • Discount on interest rates for collateral loans for eco-friendly buildings • Paperless System for Loans </div> <div style="padding-bottom: 5px;"> <p>[Society]</p> <ul style="list-style-type: none"> • Discount on interest rates for income-earners with multiple children or the spouse of main income-earner </div> </td> <td style="vertical-align: top;">Planned for the second half of 2022</td> </tr> <tr> <td style="text-align: center; vertical-align: top;">Existing Loans</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Add ESG item to the requirements for interest rate cut request forms – income/property asset, credit rating increase + ESG requirement • Benefits provided when applying for virtual loan assistance via mobile/e-mail (in 2022) </td> <td style="vertical-align: top;">The first half of 2022</td> </tr> </tbody> </table>	Category	Revised Content	Remarks	New Loans	<div style="border-bottom: 1px solid #ccc; padding-bottom: 5px;"> <p>[Environment]</p> <ul style="list-style-type: none"> • Interest rate discount upon ownership of eco-friendly vehicles such as electric vehicles • Discount on interest rates for collateral loans for eco-friendly buildings • Paperless System for Loans </div> <div style="padding-bottom: 5px;"> <p>[Society]</p> <ul style="list-style-type: none"> • Discount on interest rates for income-earners with multiple children or the spouse of main income-earner </div>	Planned for the second half of 2022	Existing Loans	<ul style="list-style-type: none"> • Add ESG item to the requirements for interest rate cut request forms – income/property asset, credit rating increase + ESG requirement • Benefits provided when applying for virtual loan assistance via mobile/e-mail (in 2022) 	The first half of 2022	
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ESG Finance

ESG investment

Declaration of De-Coal Financing

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

ESG Portfolio Weighting

In 2021, **Hanwha Life** specified separate ESG investment protocol and guidelines for unit-linked funds, which will enable our ESG investment processes to proceed more systematically. Based on these guidelines, investment decisions on unit-based funds take ESG factors into account, and they have contributed to a greater weight for ESG factors within our actual portfolio.

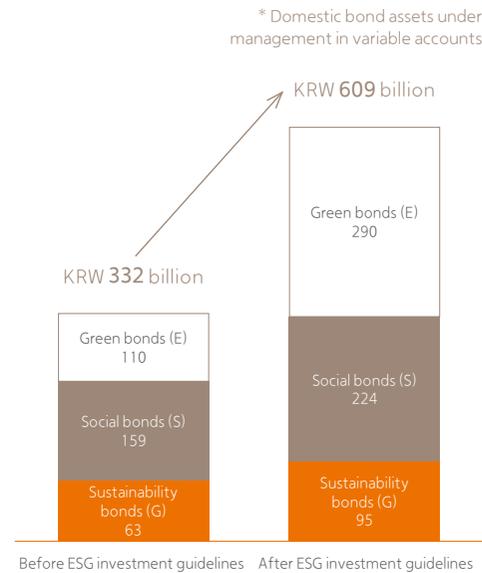
After applying ESG standards to our Korean bond assets, the amount invested in ESG bonds increased from KRW 332 billion to KRW 609 billion, marking an 83% increase. For domestic equity assets, we introduced ESG principles into a benchmark followed by major funds, which affects around KRW 1.887 trillion or 42% of our total equity assets. In this way, the ESG investment guidelines and benchmark adjustments have increased the ESG score of our stock portfolio.

CASE STUDY

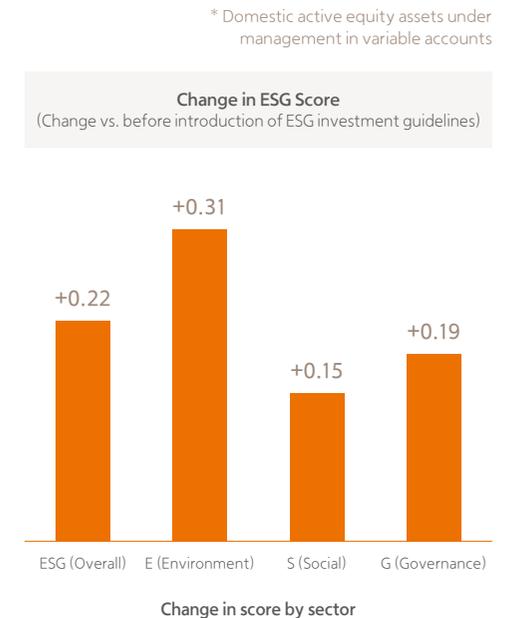
ESG BOND ISSUANCE

Hanwha Life successfully issued subordinated ESG bonds overseas worth US\$ 750 million (KRW 904.1 billion) in February 2022. The funds raised through the bonds will be used for eco-friendly and social investments. With the issuance of ESG bonds, **Hanwha Life** plans to accelerate ESG management and promote the sustainable development of society as a whole.

Amount of ESG Bond Investment



ESG Score for Domestic Equity Portfolio



ESG Finance

ESG Evaluation Criteria for Asset Management Firms

We strive to incorporate ESG factors into every investment-related decision and expand our ESG investments. As part of such efforts, we have established ESG-based evaluation categories for asset management companies operating unit-linked funds. In this way, we plan to review and manage the direction and expertise of their ESG investment policies so that they can be pursued in line with our ESG investment goals. We expect this to increase the effectiveness of ESG investment throughout our operations. As a leading large-scale investment firm, changes in our ESG policy will play an important role in promoting ESG investment across Korea's corporate landscape.

Major ESG Evaluation Criteria

Active ESG Investment	<ul style="list-style-type: none"> • Adoption of stewardship code • ESG factors included in asset management policies
ESG Investment Expertise	<ul style="list-style-type: none"> • Adoption, use of self-assessment model • Adoption of ESG-dedicated unit

ESG Investment Performance

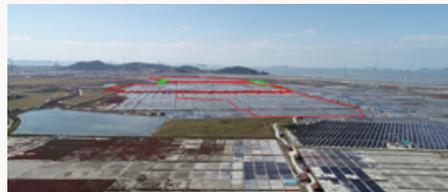
We continue to expand our investments focused on ESG (Environment, Social, Governance). As we grow our investments in new and renewable energy, such as solar power, wind power, and fuel cells, we continue to invest in water resource management and sewage treatment. We are also engaging in community-friendly investments in public-interest facilities such as schools and cultural centers. We will continue to step up our responsible investment by engaging in eco-friendly and community-friendly projects from an ESG perspective, and strengthen our asset positions.

ESG Investment Performance

(Unit: KRW million)

Category		2019	2020	2021
Eco-friendly Investment	Renewable energy	1,253,247	1,378,454	1,069,229
	Water resources and sewage treatment	493,208	462,640	430,529
Community-friendly Investment	Schools and cultural facilities	162,761	145,299	135,080

CASE STUDY Gwangbaek Salt Farm Solar Power Plant and ESS Project



The Gwangbaek Salt Farm Solar Power Plant is a large-scale stand-alone site featuring a 100MW solar power plant and 312MWh solar energy-linked Energy Storage System (ESS) facility. The renewable energy it supplies can be attributed to the high amount of sunlight in the region and the local community's deep understanding of green energy. This eco-friendly solar energy project reduces fossil fuel consumption and greenhouse gas emissions as part of Hanwha Life's efforts to address global warming and protect the environment.

ESG Finance



Innovation Finance

Startup Cultivation–Hanwha Life DREAMPLUS
Hanwha Life discovers and cultivates innovative startups through the DREAMPLUS program, supporting entrepreneurial growth and the value of co-prosperity. The DREAMPLUS 63 Fintech Center, Korea’s first fintech startup cultivation institution was established in October 2016, followed by the DREAMPLUS Gangnam Center in August 2018. DREAMPLUS is an open innovation hub designed to help startups collaborate, innovate and grow based on the core values of “Connection”, “Sharing”, and “Collaboration”. It enables startups to find a diverse range of partners for new ventures and investment. We also provide opportunities for entrepreneurs to strengthen their business competencies through the DREAMPLUS Founder Community networking events and regular seminars with industry leaders. DREAMPLUS is a key player in events that grow the startup ecosystem, such as NextRise, which is Korea’s largest startup fair, and the global startup event ComeUp.

DREAMPLUS Key Achievements (*Total to date)

Startup Support & Cultivation

290 companies

Events to Support Startup Ecosystem and Networking

455 events
30,000 participants

Overseas Expansion Programs for Startups

50 companies

Fintech Center Resident Companies in 2021

Healthcare: DDAM / Investment solutions: Build Block Inc.

Supports Collaboration and Growth

DREAMPLUS offers solutions for startups in different stages of maturity, from foundation to expansion, and global advancement, and has so far discovered and helped cultivate over 290 new businesses. It provides support regardless of a startup’s industry, field, methods or size. The program creates an atmosphere of open collaboration between the resident startup companies of the DREAMPLUS Centers, and innovative units at large corporations, investors, media, and educational institutions.

In 2021, 20 startups joined hands with **Hanwha Life**, **Hanwha Financial Group**, and DREAMPLUS business partners.

Helping Startups Expand Globally

Our network of overseas offices helps promising startups make inroads into the global market. Our existing locations include offices in San Francisco, Fukuoka, and Beijing. We will continue to expand our support for startups through our global network.

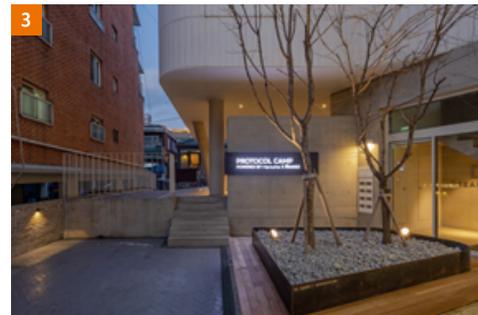
Major Partner Startups

Hanwha Life Service/Project	Startup Partner
Cognitive Function Monitoring Service PoC • Verifying effectiveness of Virtual Reality (VR) mental health care for Hanwha Life employees	Looxid Labs • VR-based cognitive health solution
Automatic Verification Solution for Insurance Payment Records (Audit) • Executes business operations, performs Quality Assurance/Quality Control	AIMS • Claims payment verification service
Hanwha Life Esports Team Mental Care Support • Support for tension relief/concentration improvement solutions tailored to each player’s individual characteristics	Korea Stress Reduction Drive • Personalized music solution for stress relief

ESG Finance

Finance for Co-prosperity

Hanwha Life is helping address the shortage of housing for young people while providing a foundation for them to achieve their dreams.



Hanwha Life DREAMHAUS – A Gateway to Dreams

Hanwha Life DREAMHAUS is our shared housing program for young people who share similar future goals. Living together, they inspire each other and move closer to their dreams. In 2021, at the DREAMHAUS Protocol Camp, we helped foster professional developers in blockchain, one of the fields of the Fourth Industrial Revolution, supporting young specialists in achieving a strong start in life and entrepreneurship. Campers selected through an in-depth interview process take up residency at DREAMHAUS and participate in a variety of programs to become professional blockchain developers.

- 1. [Hanwha Life DREAMHAUS Refresh Working Zone](#)
- 2. [Hanwha Life DREAMHAUS Working Zone](#)
- 3. [Hanwha Life DREAMHAUS Main Entrance](#)

Free and Open Workspaces

The Working Zone on the first basement floor of DREAMHAUS is designed for cooperative projects, where any and all residents can engage with one another and focus on developing their projects unconstrained by time or space.

Snacks and drinks are available in the Refresh Working Lounge on the 1st floor, creating a free and open atmosphere for project work. Residents can enjoy all kinds of media content and in the 2nd floor Living Lounge, equipped with console games, media and massage chairs. Single-person rooms for the building's 22 residents occupy the third to fifth floors. Residents can always go to the cafeteria on the third floor to recharge, chat with others, and have a meal.

Camp Programs

Team Projects	Participants set camp goals, form teams and work on development projects by freely communicating with one another. The projects chosen by each team must be related to blockchain, and at the end of the three-month camp, the final product should be good enough for commercialization.
Expert Mentors	Our weekly Mentoring Program provides gives camp participants the chance to communicate with the CTOs of leading companies such as Hashed, a leader in the blockchain sector. These mentors share industry insights related to DeFi, DAO, and NFTs, along with practical knowledge.
Networking Day	DREAMPLUS, Hashed, and other network companies take part in Networking Day, a healthy way to make new connections. Links to startup community programs such as Hackathon and Demo Day help build synergy.

Consumer-Centered Management

Consumer Protection Strategy

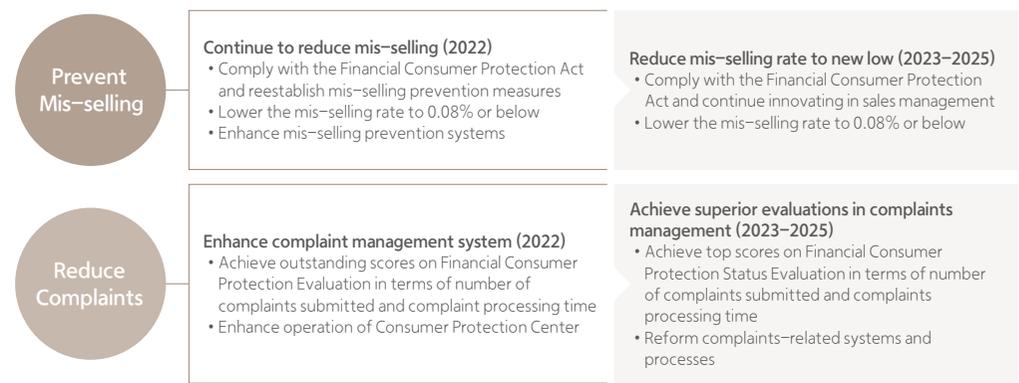
From product development to sales and after-sales support, Hanwha Life always puts consumer protection first. We adhere to industry principles and standards, and follow all appropriate procedures, to help consumers make informed decisions. We therefore have a variety of processes in place throughout our business to protect consumer rights and prevent disputes.

In building a consumer-centered management culture, we have defined operational standards for consumer protection-centered sales management and our major customer contact channels (customer center, call centers, Consumer Protection Center (VOC), online/mobile platforms). To enhance consumer protection across the board, we continuously update and improve procedures and manuals to reflect regulatory changes, VOC, internal and external evaluations, best practices, and the outcomes of our monitoring systems.

Consumer Protection Strategy

Promote Financial Consumer Right
<p>Continuously Reduce Complaints</p> <ul style="list-style-type: none"> Reduce complaints by improving all systems and processes Continue to reduce complaints related to mis-selling Prevent recurrence of complaints by working closely with relevant units such as the Claims Management Team, and the Insurance Service Team
<p>Strengthen Dispute Prevention</p> <ul style="list-style-type: none"> Strengthen complaint prevention training and enhance evaluations related to mis-selling Enhance related systems and processes through the Consumer Protection Working Council and VOC analysis Expand and enhance the complaint prediction system
<p>Improving Mis-selling Prevention Management</p> <ul style="list-style-type: none"> Conduct campaign to eliminate mis-selling Reinforce mis-selling prevention training for sales managers and FPs Increase weight given to complaints and mis-selling in performance evaluations for sales managers

Consumer Protection Roadmap



CASE STUDY Strengthen Consumer-Centered Business Environment

At Hanwha Life, the protection of financial consumers is a core value. In every action and decision, we strive to incorporate our philosophy of “together with our customers to travel farther”. We have put practical measures in place to comply with the Financial Consumer Protection Act as we work to establish a consumer-centered management culture.

Hanwha Life regularly observes a Day of Financial Consumer Protection, and every month we hold a consumer-centered management campaign for all employees. We are also putting processes in place that will ensure solid collaboration with our sales subsidiaries and prevent mis-selling by communicating with sales sites and conducting on-site inspections. While helping prevent mis-selling, these processes will promote compliance with the Six Sales Principles, and ensure that our products are represented accurately. In these ways, we are continuously working to improve our procedures, processes, and systems as we build a consumer-centered culture.

Consumer-Centered Management

Consumer Protection Organization

Our Consumer Protection Team, under the direct supervision of the CEO, is composed of a Consumer Strategy Part, Consumer Support Part, and Consumer Protection Part. The Consumer Strategy Part is responsible for establishing and executing policies, preventing mis-selling, and analyzing and reflecting VOC. The Consumer Support Part manages external evaluations in relation to consumer protection, promotes consumer-centered management practices, and coordinates ads and promotional materials. The Consumer Protection Part, meanwhile, handles internal and external complaints and takes measures to prevent their recurrence.

Internal Compliance Committee for Financial Consumer Protection

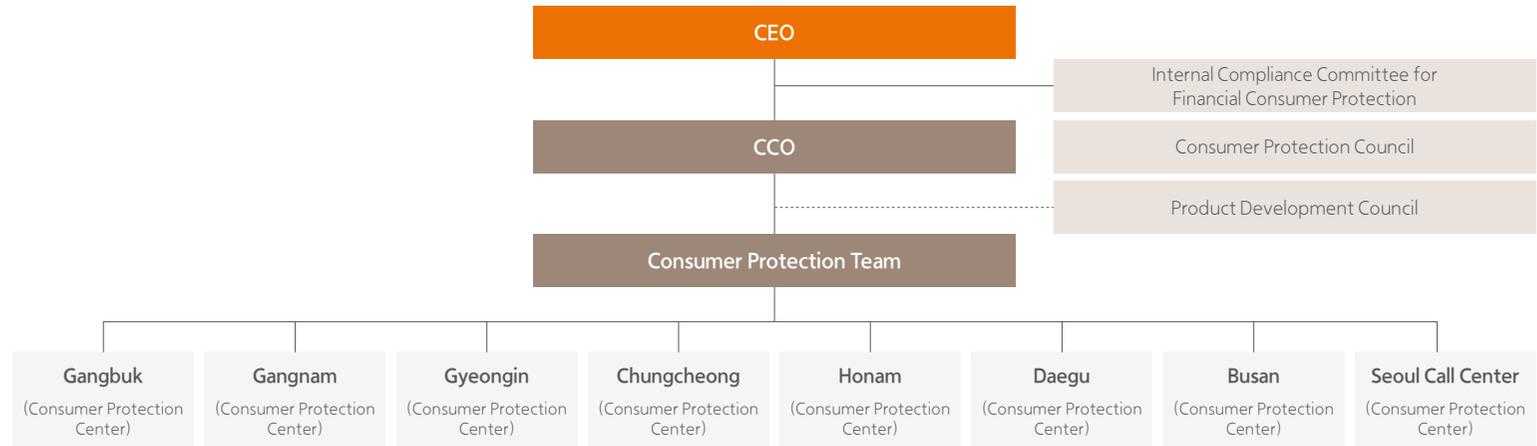
Hanwha Life maintains an Internal Compliance Committee for Financial Consumer Protection as a decision-making body tasked with internal controls related to consumer protection. It consists of the CEO, Chief Consumer Officer (CCO), Risk Management Officer, and other CEO-appointed executives responsible for consumer protection. Chaired by the CEO, the Council convenes every half-year to review and discuss management direction, changes to major protocols as well as the results of assessments of planning and operations related to product development, sales methods, disclosures, and executive and employee compensation programs, as well as improvements to be made based on the results of inspections.

Consumer Protection (Working) Council

The Consumer Protection Council is chaired by the CCO, and its nine members include the heads of the Insurance Service Team, Underwriting Team, Claims Management Team, Insurance Business Team, GA Department, Corporate Planning & Administration Team, Product Development Team, and Compliance Team. The Council works to improve our consumer protection systems, establishes related policies, and improves management methods based on VOC. The Council reviews material consumer-related issues in different stages from product development to sales, contract maintenance, and follow-up management and establishes appropriate measures. Through the Council, we seek to promptly devise effective improvement measures from the consumer's perspective for complaint handling, reviews of advertising and promotional material, reflection of VOC, and other areas. This enables us to bolster consumer protection and customer satisfaction.

Consumer Protection Center

We have expanded the responsibility and authority of consumer protection staff and are striving to scale up our capacity in order to prevent injury to consumers and be able to more swiftly act protect their rights and interests. To this end, in May 2020, we reassigned the complaint handling duties that been at our regional headquarters by opening eight new Consumer Protection Centers at the Seoul and regional call centers managed by the Consumer Protection Team.



Consumer-Centered Management

CASE STUDY Round-the-Clock Voice Phishing Hotline

Hanwha Life is at the forefront of customer protection efforts in the life insurance sector, having introduced the industry's first 24-hour voice phishing hotline. Our customers can now report phone scams via ARS (1588.6363) at any time outside of business hours (9:00 to 18:00). When a report is received, we immediately restrict the disbursement of insurance policy loans, credit loans, and changes to information on the relevant account. We plan to expand our reporting channels for voice phishing to our website and mobile platforms.

Consumer Protection Activities

Declaring the Financial Consumer Protection Charter
With the Financial Consumer Protection Act (FCPA) having taken effect on March 25, 2021, we have declared 2022 our "FCPA Compliance Year", and held a declaration ceremony both virtually and offline. This has reinforced a consumer protection mindset among all executives and employees, while encouraging everyone to revisit the Code of Conduct and recommit to adhering to it. Due to the COVID-19, in-person attendance was limited to the CEO of Hanwha Life, the CEOs of major GAs under Hanwha Life Financial Service and Hanwha Life Lab, along with staff representatives. The executives and employees of our consumer protection units participated online. We also held an in-house online pledge campaign for executives, employees and FPs that underscored our commitment to "zero mis-selling" and the importance of consumer-centered management.

Online Consumer Protection Training

Hanwha Life provides online consumer protection training for all employees and FPs to raise awareness of related issues and practices, which helps prevent complaints and boosts customer satisfaction. In 2021, as the new law took effect, we offered all employees and FPs an online course on "Mastering the Financial Consumer Protection Act". The participants learned about the Six Principles of Sales, ways the FCPA shifts the burden of proof and asserts a right to cancel illicit contracts; and good sales practices.



Declaration Ceremony of the Financial Consumer Protection Charter in 2022

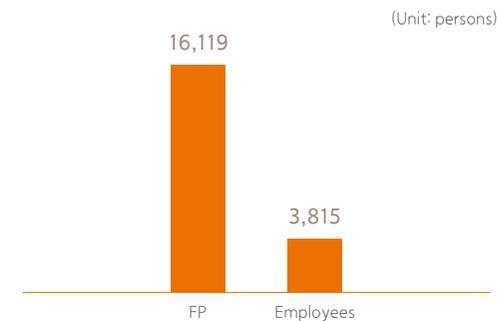
Portal for Consumers

Our online portal for consumers transparently shares VOC we receive, along with our consumer protection systems, the number of complaints filed, our complaint handling process, financial education for consumers, FAQs, and more. In this way, Hanwha Life continuously aims to strengthen communication with consumers and practice consumer-centered management.

Advertisement Approval System

The Financial Consumer Protection Act stipulates the highest levels of sanctions for improper financial product advertising. It requires stronger internal verification procedures to protect consumers from false and exaggerated promotional material, to ensure accurate product information, and to minimize damage to business sites. To comply, we have established our own Approval Management System for the entire process of verifying advertisements. This includes all stages, from approval requests made by departments to inspections, revisions, compliance officer approval, and deliberations by the advertising committee.

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



Advertising Approval Process



Consumer-Centered Management

Improving Systems and Processes to Protect Consumers

Internal Control System and Inspections

To protect consumers, Hanwha Life maintains an internal control system and conducts self-inspections every half year. In this way, we continue to enhance systems and processes to prevent mis-selling and improve sales practices in the contract signing stage. During the contract stage, customers can submit complaints via the call center, FPs and other channels, and we respond promptly to these complaints in cooperation with our sales subsidiary and the relevant GAs.

As we work to build a culture of consumer protection, we are conducting regular on-site inspections and providing training on standards related to mis-selling. We are also raising awareness and ensuring compliance through our broadcast training program "How to Prevent Mis-selling," which is for all FPs and sales staff and every month, we observe a Consumer Protection Day hosted by the company leadership.

Monitoring Sales Conduct

Our sales culture includes regular inspections of in-person sales channels, and strives to eradicate improper sales practices. We have distributed the Ethical Code of Conduct for Sales to all branches, including Hanwha Life Financial Service, and we provide regular training on its contents. We have also conducted mystery shopping each year since 2013, and based on the results, we provide feedback to support our sales managers in making improvements. We frequently visit sales sites to prevent mis-selling by inspecting sales conduct, checking that forms are completed by customers themselves, and verifying the suitability of variable life insurance products. To understand the causes of mis-selling, we also interview branch heads, FPs, and administrative staff.

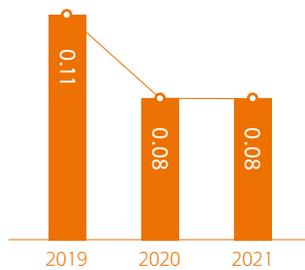
Zero Mis-selling Poster Distributed to All Business Sites

As an extension of our efforts to establish a healthy sales culture and prevent internal and external complaints, we have produced and distributed the "Zero Mis-selling" poster to all of our sales sites. The poster indicates the leading causes of mis-selling and related complaints in the previous year.

In 2022, which is the year the Financial Consumer Protection Act takes effect, our poster reads, "Have you achieved Zero Mis-selling?" The design emphasizes adherence to the Six Sales Principles, urging all employees and FPs to internalize the importance of proper sales conduct.

Rate of Mis-selling

(Unit: %)



Consumer Protection Day

- Sharing examples of rejected complaints, discussing the importance of mis-selling prevention
- Training on consumer protection laws and regulations, sharing the latest developments

"How to Prevent Mis-selling" Broadcast Training Program

- 2018: "Zero Mis-selling" - Insights from branches with zero mis-selling
- 2019: Mis-selling Prevention Plus - Customer management tips from FPs at outstanding branches
- 2020: Mis-selling Prevention No.1 - Customer management insights from FPs at branches with zero mis-selling
- 2021: Financial Consumer Protection No.1 - Major provisions of the Financial Consumer Protection Act and strategies for mis-selling prevention
- 2022: Financial Consumer Protection No.1 - Major changes to the Financial Consumer Protection Act and practical strategies for mis-selling prevention



2022 "Zero Mis-selling" Poster

Consumer-Centered Management

Collecting Consumer Opinions

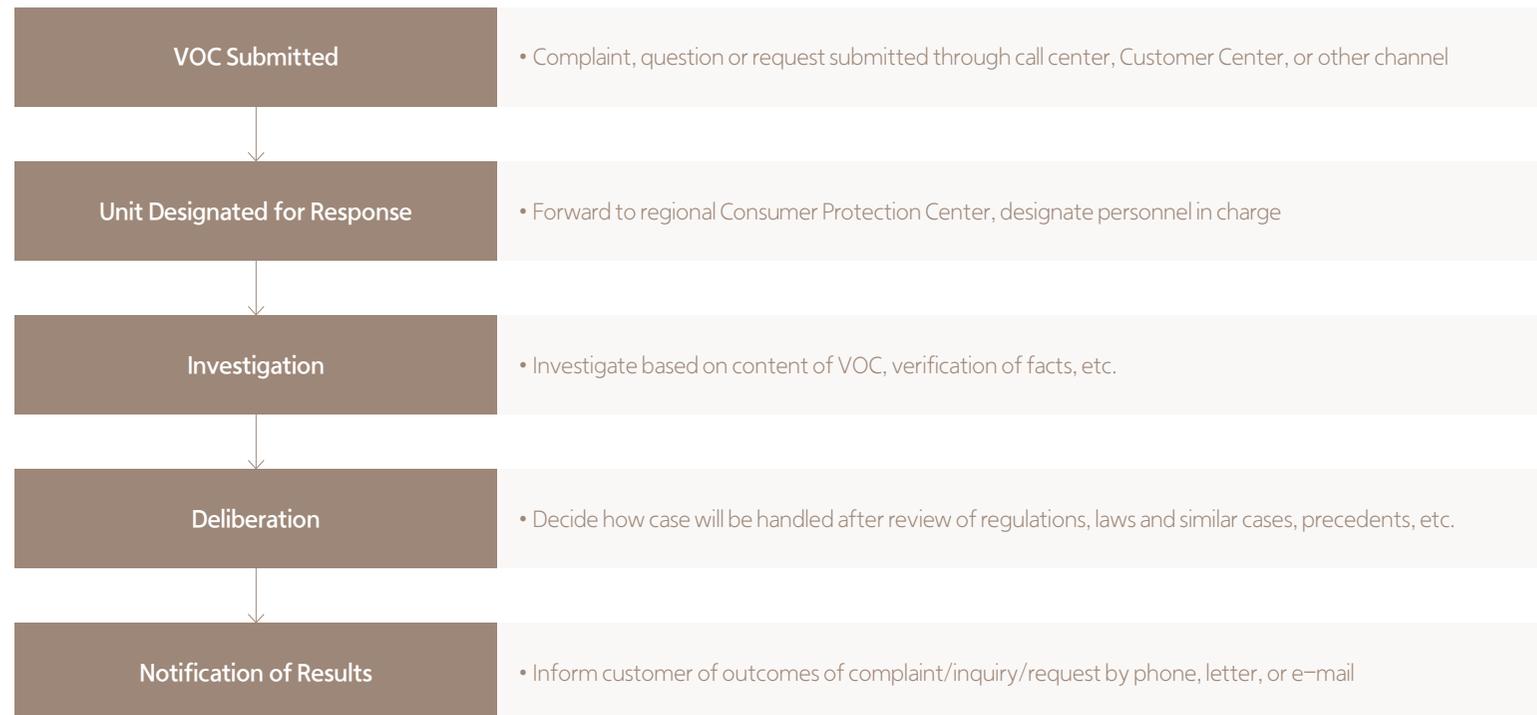
VOC Channels

We maintain a range of easily accessible channels through which consumers can submit their opinions and complaints. Opinions can be submitted through our regional Customer Centers, Call Centers, the consumer portal on our website, the complaint submission section at the bottom of our website, and the opinion submission section on the **Hanwha Life** App. Those channels made it easier for customers to raise inconvenience and suggestions while using our insurance products and services. VOC submissions are registered on our VOC management system **Hanwha Talk Talk**, and are classified into one of five categories (praise, inquiry, request, complaint, suggestion) to be rapidly handled by the responsible business units. We continue to reflect customer opinions in our business in order to better serve our customers.

Collecting Consumer Opinions and Reflecting Actions

We actively collect customer opinions through many different forms of customer engagement. Each year, we conduct focus group interviews (FGIs) to identify areas for improvement in terms of consumer protection in the product development process. In 2019, a total of 26 customers of six groups participated in a series of FGIs on satisfaction with our sign-up procedures and related services, and in 2020, we conducted FGIs involving 49 people in seven groups. In 2021, we conducted an online quantitative survey (of 1,150 people) and a video study (of 17 people) as part of efforts to “devise a flywheel strategy by improving the usability of the **Hanwha Life** APP”.

VOC Handling Procedures



Improving Customer Satisfaction

Customer Satisfaction Strategy

In practicing consumer-centered management, Hanwha Life places top priority on customer satisfaction and enhancing customer value. We are continuously improving our systems and processes from the customer's point of view in the belief that we must put the customer first and consider everything we can do to serve them.

Mid-to-Long-Term Customer Satisfaction Roadmap

Strengthen Customer Satisfaction Management 2022

- Achieve "Outstanding" level in the financial consumer protection evaluation by the Financial Supervisory Service
- Strive to reach first place in the National Customer Satisfaction Index (NCSI) survey by the Korea Productivity Center
- Aim to achieve Presidential Award for Companies Certified for Excellence in Consumer-Centered Management (CCM) by the Fair Trade Commission

Achieve the Highest Level of Customer Satisfaction 2023 - 2024

- Earn the industry's highest rating in the financial consumer protection evaluation
- Achieve and maintain first place in the National Customer Satisfaction Index (NCSI)
- Achieve and maintain Consumer-Centered Management (CCM) certification for 9 consecutive years (biennial audit in 2023)

Customer Satisfaction Service

We strive to enhance customer satisfaction through prompt, accurate, and friendly service at customer contact points.

Call Center

Our Call Center has adopted industry-leading services to enhance customer convenience and satisfaction. The "Visible ARS Service" enables customers to easily and quickly select the service they need even as the automated voice guidance is playing. "Mobile Identity Authentication" reduces connection wait times, while "Callback Reservation" will ensure the customer is contacted soon in case a consultant cannot be reached, and "Connect to Specialist Consultant" locates the consultant best suited to the caller's needs. We also have consultants specifically dedicated to the needs of subscribers to variable insurance.

Meanwhile, we plan to provide new customer satisfaction services using innovative digital technology. In the second half of 2020, we introduced an A.I. voicebot (for outgoing calls) to provide reminders about insurance premium payments and guidance on contract cancellation. To further improve our customer call experience, we are developing a "Digital Visible ARS Service" with the goal of launching it in August 2022. Unlike conventional ARS available only through voice, this new service will be developed for smartphone screens with a variety of methods of self-authentication. With this system, we aim to build a next generation call center system that customers can access at any time or place.

Customer Centers

Our Customer Centers are where we provide high-quality in-person consultations, which we also make conveniently accessible to those who cannot go to the Centers as easily. To better serve our customers, consultants undergo training and coaching on ways to provide empathetic support. For the financially disadvantaged, we offer programs such as the Sharing and Inspiring Counter and Visit Reservation Service.

The Sharing and Inspiring Counter is a service desk reserved for financially vulnerable customers, including those with disabilities, senior citizens, and pregnant women, that reduces the inconvenience of visits by serving them more quickly. These customers can also reserve a time and date for their consultations through the Visit Reservation Service, which minimizes wait times.



2022 KSQI Platinum-level Call Center

- 2022 Customer Impression Call Center of the Year, a newly established in 2022
- 2022 "Outstanding" Call Center for 14 consecutive years
- 2022 Platinum-level Call Center for 4 consecutive years
- 2022 Ranked No.1 on KSQI for 11 consecutive years

2022 Only No.1-ranked company out of 20 insurers



Ranked No.1 on the Korea Service Quality Index for 13 consecutive years

Improving Customer Satisfaction

Customer Satisfaction Achievements

In the National Customer Satisfaction Index (NCSI) survey, we have achieved a steady increase in customer satisfaction with our products and services over the past six years. Among the seven companies subject to the survey, we have maintained second place since 2013. We have received CCM certification for an 8th consecutive time from the Korea Consumer Agency, an assessment led by the Korea Fair Trade Commission, in recognition of continued improvements to our customer-centered management. CCM certification is issued to companies based on a biennial evaluation of their consumer-centered management practices and related improvements. We were first certified as an “Outstanding” CCM company in 2007. We obtained CCM certification in 2021 for the 8th consecutive time, an achievement that earned **Hanwha Life** a place in the CCM Hall of Fame. In 2022, we achieved a rating of “Outstanding” in the Call Center category (added in 2022) in the Korea Industrial Service Quality Index (KSQI) evaluation conducted by Korea Management Association Consulting. In fact, we have been selected as an “Outstanding” call center for 14 consecutive years and a “Platinum-level” call center for four years in a row. In the Customer Center sector, we have been ranked No.1 for 13 consecutive years. These are recognitions of the high level of customer satisfaction provided by our Call Center and Customer Centers.

Building a Happy Place to Work

Since March 2008, our “Building a Happy Place to Work” program has helped foster a consumer-centered culture among SMEs and has improved the quality of customer service across all industries. Through the program, we offer our CS training programs and lectures related to basic and advanced customer service, leadership, organizational revitalization, specialized areas, and finance to other companies and public institutions. As of February 2022, the training has been completed by some 167,190 employees at 3,790 client companies.

CASE STUDY COVID-19 Response by the Call Center and Customer Centers

In the COVID-19 pandemic, we have taken preventative measures to stop the spread of the virus and protect staff at our Call Center and Customer Centers classified as high-risk. We first required staff members to wear masks at all times and raised the height of the partitions between Call Center booths from 60cm to 90cm. Remote working was introduced for consultants to keep the number of people in our offices at pre-designated levels, and desks were rearranged in line with the social distancing policy. Thorough disinfection was carried out on elevators (three times a day), offices, corridors, and restrooms (twice a day), and body temperature measurement devices were installed on the first floor and in the basement parking lot. Those with a body temperature of 37°C or above were allowed to take leave. The front of each consultant booth at our Customer Centers was equipped with an acrylic screen to ensure the safety of both customers and consultants. We also provide COVID-19 self-test kits, which employees and consultants use before starting their work week to prevent the spread of the virus and to ensure a safe working environment.

Improving Customer Satisfaction

CASE STUDY

Hanwha Life YouTube Channel



Hanwha Life reaches out to Millennials and Gen Z through our YouTube channels, providing a variety of information on topics ranging from insurance and finance to health, blockchain, and e-sports. Standout content on the Hanwha Life YouTube channel includes “Choi Seok-jae’s Medical Department”, which deals with the truths and myths of personal healthcare from the perspective of an emergency department specialist. “Hanwha Life On & Off” shows the real daily lives of Hanwha Life employees, while “MZT” features Millennial and Gen Z guests who provide honest accounts about their insurance experiences. We plan to expand communication with Millennials and Gen Z with more content in the future.

Expanding Communication with Customers

We closely communicate and share useful information with our customers through a diverse range of online and mobile channels, including our website. We use social media platforms including YouTube, Instagram and blogs to reach out to our customers and offer valuable information related to insurance, finance, healthcare, and all aspects of life, along with content linked to our services.

LIFEPLUS

- **LIFEPLUS** is a joint brand representing Hanwha Financial Group entities (Hanwha Life, Hanwha General Insurance, Hanwha Investment&Securities, Hanwha Asset Management, and Hanwha Savings Bank). The platform provides our customers with lifestyle content designed to enrich their everyday lives.
- **Financial Content:** designed to meet the financial needs of Millennials and Gen Z
- **Lifestyle Content:** conveys the brand value of LIFEPLUS and enhances customers’ quality of life



Hanwha Life on Social Media

Find us on YouTube, Instagram, Facebook, blogs, and more.

- **Financial content:** Video, images, and text provide insurance and financial information to meet the needs of Millennials and Gen Z.
- **Lifestyle content :** Provides tailored content on health and everyday information to enhance quality of life
- **Communication content:** Provides compelling, communicative content to create a positive brand image among Millennials and Gen Z
- **Brand content:** Updates on brand activities, such as new products and services, online/offline campaigns, and events



Naver blog post



YouTube



Instagram



Tistory

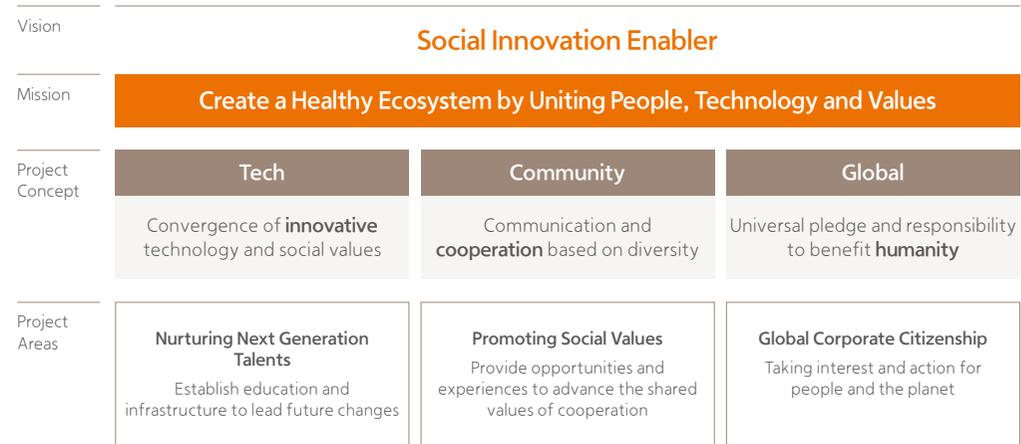


Facebook

Contributing to Local Communities

Social Contribution Strategy

Our CSR mission is to bring together people, technology, and value by creating a vibrant social ecosystem. Based on the keywords Tech, Community, and Global, we are effecting change for the future by nurturing next-generation talent, spreading social value through cooperation, and engaging in projects for the benefit of our planet and humanity.



Fostering the Next Generation of Talent

Hanwha Life DREAMHAUS

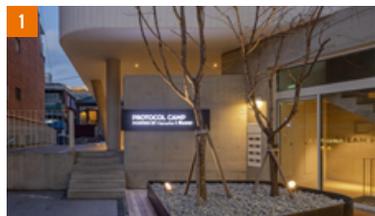
Hanwha Life DREAMHAUS engages with promising areas of the 4th Industrial Revolution that will spearhead the future of finance, namely Artificial Intelligence and blockchain, as a community-building project that fosters talent and serves as a social contribution project. DREAMHAUS envisions “a sustainable network for realizing dreams” where young people with similar future goals can share ideas, inspire one another, and take strides forward together through collaborative projects. Its first community-building project, Protocol Camp, is held at DREAMHAUS Yeonnam, and aims to nurture professional blockchain developers. This project is for young people with experience and potential in blockchain, providing them with an opportunity to create synergy and develop into professionals who can respond to change. After an in-depth interview process, we select 20 trainees who then stay at DREAMHAUS for the duration of the program, working towards a common goal and vision. The DREAMHAUS Protocol Camp aims to establish a trainee legacy through the Alumni Program while cultivating strong connections to create a healthy blockchain ecosystem.

Hanwha Life Economic Study Class

The Hanwha Life Economic Study Class is an educational program for children and adolescents. Using content jointly developed with the Financial Supervisory Service, we teach children and teenagers about basic finance, focusing on real-life examples to help them easily apply these principles in their lives. In the COVID-19 pandemic, we have also streamed online courses, making active use of contact-free educational formats. As instructors, we have chosen financial experts with abundant career and teaching experience. From 2021, we are giving preference in these positions to women who have experienced career disruption, which helps create jobs for women. In a one-year period, our 30 instructors have shared financial information and knowledge with over 10,000 students at some 300 elementary, middle and high schools across the country, helping the younger generation, as the leaders of the future, grow into financial consumers equipped with a solid understanding of economic principles.

Hanwha Life Happy Friends

Hanwha Life Happy Friends helps young people grow into creative problem-solvers. The program began in 2006 as a youth volunteer group in collaboration with World Vision, and since 2019, Hanwha Life has led the program to address social problems under the slogan “Tiny Steps to Bring Positive Change to the World”. Over the past 16 years, more than 6,000 young people have taken part in projects in fourteen regions across the country, identifying a range of social issues and working to find solutions. They have achieved positive changes through cooperation. Their efforts range from protecting endangered species and conserving biodiversity to everyday issues, such as installing sidewalk guardrails, preventing parking violations, and installing LED streetlights and solar-powered security lights for the safety of school children, staffing automatic ticket kiosks for senior citizens, and improving inefficient bus service routes.



1. Hanwha Life DREAMHAUS Main Entrance
2. Hanwha Life Happy Friends

Contributing to Local Communities

Spreading Social Values

MOM'S CARE

Hanwha Life is building foundations for healthy lives. For children growing up in public care homes¹⁾, our programs help with the emotional development of infants and toddlers, learning and social skills for school-aged children, and financial independence for young people leaving their care facilities.



1) Children who live at public child welfare facilities

CASE STUDY MOM'S CARE RE:SOUND CONFERENCE and Campaign



MOM'S CARE RE:SOUND CONFERENCE

Hosting the RE:SOUND CONFERENCE in partnership with ChildFund Korea we expressed support for amendments to the Child Welfare Act that would improve the childcare environment for toddlers under 36 months of age and provide better treatment for workers in childcare facilities. Endorsing the changes at the conference were experts from a variety of fields, including the National Assembly, academia, actors and artists, and government agencies. At the same time, Hanwha Life conducted a campaign both online and offline, and promoted the legislation to the public.

- 1. MOM'S CARE RE:SOUND Album
- 2. MOM'S CARE RE:SOUND Conference 2021

MOM'S CARE RE:SOUND A.I. CAMPAIGN via AI Technology

Hanwha Life has launched the MOM'S CARE RE:SOUND A.I. Campaign, our second campaign after the Hug Toy project to utilize AI technology. The first 36 months after birth is a crucial period for children as the time when stable bonding shapes them psychologically. It is difficult, however, for a child to receive sufficient love and care at a public care center where one caregiver looks after multiple children. Our campaign seeks to safeguard this important time for infants and toddlers by creating lullabies for them using AI analysis of letters written by childcare workers. Prominent musicians who grew up in care centers join hands with figures from a range of other fields to produce and arrange the songs. Lullabies produced through this campaign have been released on several music streaming sites, and the proceeds are used to improve the childcare environment in care centers through ChildFund Korea. The video for the MOM'S CARE RE:SOUND Campaign has received 2.25 million views, and has gained a great deal of sympathy and support from the public through the campaign website and social media. We plan to continue working with our MOM'S CARE partners, striving to achieve policy changes that improve the mental health and nurturing environment of children in care centers.

MOM'S CARE RE:SOUND Website

Contributing to Local Communities

Cultural Performances

Hanwha has been recognized for hosting and sponsoring an array of cultural arts events and programs, winning the Korea Mecenat Convention's Creativity Award in 2007, the Grand Prize (Presidential Citation) in 2011, and the Cultural Contribution Award (Minister's Award) in 2019. We have also been certified as an Outstanding Culture and Arts Sponsor* by the government since 2017.

1) This scheme was initiated by the Ministry of Culture, Sports and Tourism in 2014 to promote corporate sponsorship of the arts. It acknowledges exemplary corporations and organizations in their sponsorship of cultural activities.



1. 2021 Hanwha Life concert: Korean traditional music fusion group Inalchi
2. 2021 Hanwha Life concert: Performance by Poppin Hyun Joon
3. Hanwha Life Call Center: "Healing LIFEPLUS, Healer" folk painting class



Concert at 11 AM

In cooperation with the Seoul Arts Center, we have held Concert at 11 AM series since 2004 to bring cultural inspiration to the public and contribute to the development of classical music. Held jointly by Hanwha Life and the Seoul Arts Center, the concerts are held at 11:00 on the second Thursday of each month, featuring a diverse repertoire with commentary.

Symphony Festival

Since 2000, we have sponsored the Symphony Festival, an event aimed at building a bridge to classical music for the general public. The festival offers opportunities for musicians at all points in their careers, from established and experienced musicians to up-and-coming artists, to perform on stage at the Seoul Arts Center, while making classical music more accessible to the public.

Hanwha Life Concerts

This much-loved concert series began in 2004 as a musical journey touring cities outside of the Seoul area with performances of both artistic and popular music. In 2021, the annual series was reborn as the Hanwha Life Concerts, continuing the musical journey of high-quality popular and artistic performances, and developing into a meaningful venue for audiences of all ages to enjoy music and interact with each other. Even as the COVID-19 pandemic led to a drought of cultural and artistic events, we were able to bring audiences an abundance of spectacular performances. With many more yet to come, the Hanwha Life Concerts will continue to bring audiences together.

Seoul International Fireworks Festival

The Seoul International Fireworks Festival has been held annually since 2000, produced by Hanwha and other companies equipped with world-class fireworks techniques. Under the slogan "Sharing Hope through Fireworks", it has taken root as one of the nation's leading cultural events, where more than a million people every year create unforgettable memories. Our employees volunteer to ensure its smooth operation and clean up viewing sites afterwards to minimize any possible negative social impacts.

Hanwha Life Esports

Our professional e-Sports team competes in the popular game League of Legends, helping build our youthful corporate image and appeal to prospective customers in their 20s and 30s.

Healing LIFEPLUS Healer

Since 2016, we have offered an arts-centered healing program for our Call Center consultants. This program was initiated to support the mental well-being of our Call Center staff, and in the COVID-19 pandemic, it has helped reinvigorate the arts and culture scene while creating jobs. We dispatch experts in the arts to our Call Centers in Seoul, Daejeon and Busan to provide instruction on a wide spectrum of subjects from calligraphy to folk painting, photography, kalimba, and gayageum. An analysis of the program in 2021 indicated a notable reduction in stress levels among consultants and an increase in satisfaction with their work and the company (attitude, satisfaction, trust, etc.). The effect was greater with higher participation, which led to a virtuous cycle of stress relief and better customer service.

Contributing to Local Communities

Global Corporate Citizenship

Vietnam: Improving Healthcare Infrastructure and Protecting Children's Rights

In medically underserved regions of Vietnam, we have built four healthcare centers (Van Phong, Kim Truy, Lang Gam, and Tra Binh) that have provided high-quality healthcare services to over 1.2 million local residents. We have also built a new children's hospital in Krong Bong, Dak Lak Province that provides advanced, hygienic treatment to children and mothers. Recent child abuses cases in Vietnam have highlighted the need for child protection systems. In 2022, we are preparing to launch a public awareness campaign and publish guidelines on child abuse prevention in cooperation with the Vietnamese government, international organizations, and the 111 child abuse hotline.

Indonesia: Building Infrastructure to Protect Children and Women

In Jakarta, Indonesia, children and teenagers account for a very high proportion of the population at about 30%, but there is a severe shortage of safe spaces for them. Since 2017, we have been using idle land in downtown Jakarta to build four eco-friendly complexes for children. From the design stage, we have reflected the opinions of local residents and the government, based on which we are creating environments for safe play and health development for children through offerings such as sports, arts, and literature classes. In 2021, we completed construction of Children's Eco-Friendly Complex No. 4 and Family Data Center No.1, which manages family/child data and counseling/education in Jakarta. In 2022, we plan to build Family Data Center No. 2. We are preparing services such as online mini insurance for vulnerable families and digital literacy education for children to help them use media safely.

China: Partnerships with Special Education Schools

We have partnered with special education schools in China to enable children to take part in a diverse range of artistic activities. One example is the calendar we produced featuring artwork by students at a special education school in Hangzhou.



1. Indonesia Children's Eco-Friendly Complex No. 4
2. Indonesia Children's Eco-Friendly Complex No. 4
3. Endangered wildlife conservation activities

Endangered Wildlife Conservation Activities

Our employees are engaged in volunteer efforts to conserve endangered wild animal populations. In 2021, we built habitats for otters, and for the Mongolia racerunner, a type of lizard designated a Class II endangered species by the Ministry of Environment.

Habitats for Mongolian Racerrunners

The Mongolian racerunner population inhabiting the Jungnangcheon has declined sharply due to environmental construction in Jungnangcheon; only one Mongolian racerunner was observed via monitoring in 2020. To conserve the Mongolian racerunner population, the habitat grounds were raised and stones piled to create a favorable environment for Mongolian racerunner habitation.

Habitats for Otters

We carried out activities conserve the otter population inhabiting Jungnangcheon. Besides education on the endangered otter, we also carried out purification of the otter habitat in Jungnangcheon.

Contributing to Local Communities



Participatory Social Contributions

Hanwha Life Volunteer Service Group

We provide support for socially marginalized groups and engage in community service. To inspire active participation by our employees, we launched the **Hanwha Life** Community Service Group in 2004. To plan our community service according to local needs, we have formed one-on-one partnerships with volunteer groups in each community. We collect opinions from residents through monthly meetings and plan our activities accordingly. Furthermore, we recommend that each employee spend 1% of their annual working hours in volunteer work to encourage more active participation in our social contribution efforts.

Hanwha Life VIP Members' Donation Program

We support VIP customer and employee social contribution through the **Hanwha Life** VIP Members' Donation program. This program enables customers selected as VIPs to choose to forgo gifts and benefits and donate an amount equivalent to such gifts and benefits instead. Should a customer choose to donate, we and our employees donate the same amount in a 1:1 matching grant system. In 2021, a total of 34 VIP members chose to make donations. Our VIP customers, **Hanwha Life**, and our employees raised KRW 10 million, which was delivered to the Korean Association for Children with Leukemia and Cancer to help pediatric cancer patients. As many as 580 VIP members have donated a cumulative total of KRW 110 million since the program's inception in 2014.

Programs Jointly Operated with Local Communities

Senior Employment and Entrepreneurship

We provide employment and entrepreneurship support to prospective retirees aged 45 and older as they plan the second half of their professional lives. Our "Senior Internship Program", by providing vocational training tailored to the strengths and experience of each participant, connects the retirees to employment at social enterprises, and supports them in creating social value as productive members of society. With the "Senior Entrepreneurship Contest", we identify business ideas and models that can create jobs for seniors, enabling retirees to take on new challenges. We help seniors network by connecting the businesses selected in the competition to a variety of support programs that enable them to grow into "social entrepreneurs". In 2021, we matched 25 seniors to internships at 21 companies. To date, we have matched 120 senior interns to 101 companies, with 27 eventually becoming employed there.

Youth Internships and Employment

We help young people leaving public child welfare facilities become financially independent by giving them the opportunity to work at a social enterprise via the "MOM'S CARE DREAM Internship". We match young people to internships at companies that can help them develop skills and explore career paths in a variety of areas, including office administration, design, video editing, content development and planning, and even baking. "MOM'S CARE DREAM Internship" offers two paths: the "Career Exploration Path", which helps young people find out what kinds of work suit their aptitudes; and the "Employment Connection Path", in which the aim is to land a job. In 2021, 34 young people participated in 29 social enterprise internships. Impressively, six of them were hired and went on to higher education.

Expanding Employee Engagement in Global Social Contributions

Our employees practice sharing and create social value by contributing not only in Korea but overseas as well.

In Vietnam, we volunteer for socially vulnerable groups and provide scholarships to students of low-income families. In Indonesia, we perform volunteer work to assist the poor and the socially marginalized.

Sarangmoa Fund

The Sarangmoa Fund is a social contribution fund created through employee donations and is used for a variety of social contribution activities, including cultural experiences, the arts, and sports. The Sarangmoa Fund uses a matching grant scheme, where the company matches the amount donated by employees.

We're S+Eniors (Since 2014)

With Korea Microcredit Joyful Union,
Seoul 50 Plus Foundation

MOM'S CARE DREAM Internship (Since 2021)

With Joyful Union, Sarammajung,
29 social enterprises

Employees

HR Strategy

Our company consists of five units: Management Innovation, Insurance Business, New Business, Strategy & Planning, and Investment. Each unit has its own independent HR system tasked with managing personnel and developing the talent needed for its business. Amid rapid changes occurring inside and outside the company, such as “Living With COVID-19”, the entry of big into the insurance industry, and the rise of the Millennials and Generation Z, we are developing future strategies and execution tasks for business and HR to enhance our competitiveness in insurance.



Recruiting Talent

To secure talented and capable personnel, we conduct open recruitment centered on job skills and competency. We recruit fairly and transparently, prohibiting any discriminatory hiring practices based on attributes such as educational background or gender. In our hiring notices, we transparently disclose job descriptions and the skills we require. To enable applicants to focus on developing skills relevant to their areas of interest, we have eliminated unnecessary personality and aptitude tests.

Adopting Contact-free Interviews

We have adopted a contact-free interview format in line with the pandemic and the spread of COVID-19 to minimize the risk of infection while still actively recruiting. Interviewers and applicants engage while in their own spaces connected to an online videoconferencing system. Contact-free interviews ensure safety and save the time and cost that would have been spent on in-person interviews. We plan to expand our evaluation format to enable the testing of a range of applicant competencies online.

Employee Recommendation System

To achieve a successful digital transformation in the era of the 4th Industrial Revolution, it is essential to secure talented personnel, and the ability to recruit such talent determines an organization's sustainability. For this purpose, we are implementing an employee recommendation system. In this system, employees can recommend people they know to fill open positions in their division. If the person is ultimately employed by the company, the person who recommended them receives a reward. This system has enabled us to hire talented personnel in a timely manner while pursuing our digital transformation and sustainable management. We plan to continue adopting innovative systems to attract talent.

New Employee On-boarding Program

Our on-boarding program helps new employees quickly adapt to our organization. To help them settle into the workplace, we provide a welcome kit and work guidebook upon their joining. Furthermore, we hold monthly on-boarding sessions to help newcomers understand our company as a whole.

Employees

Fostering Talent

Employee Training System

We help employees develop their expertise through customized training programs for each job and rank.

Value and Capability	Innovation Leader Course		
Leadership	Top management	Leader candidates	Leadership assessment for team and part leaders
	Support for Self-development		
Common to All	Outside training	Overseas seminars	LIFEPLUS LIBRARY
	Actuary credentialing course	LIFEPLUS ACADEMY	Language learning
Strategic Course	Major graduate schools in Korea	Specialized courses at overseas universities	Next-generation leader program
	Assessment of Hanwha Group organizational culture	H-Class	Digital Academy

Enhancing Expertise through Job Rotation

Our job rotation program "Job Market" enables employees to experience a range of different jobs while promoting competency enhancement and growth. Through this program, employees can apply for the positions they want, and while in these positions, achieve professional development by enhancing their job capabilities and skills in a self-directed manner.

Providing Re-employment Training for Prospective Retirees

We provide prospective retirees with support for self-development to help them plan the second half of their professional lives. To those 50 and older retiring non-voluntarily, we offer re-employment support services and training sessions. In 2021, we provided training and pre-retirement self-development plans to 22 employees.

Fostering Financial Professionals

We foster talented financial professionals through a variety of training programs.

Training program	Content	Effect
Digital Academy	<ul style="list-style-type: none"> Accomplish mid- to long-term goals by improving the financial expertise of our digital workforce Study financial/life insurance insights and strategic process of digital product development and advancement 	Acquiring the latest trends rapidly and enhancing digital-based work capabilities
H-Class/Insurance Training Center Course	<ul style="list-style-type: none"> Enhance employee competencies by learning about shared job duties and culture Job courses to foster specialists in insurance, finance, and digital 	Strengthening basic knowledge related to the main business
Next-generation Leader Strategy Workshop	<ul style="list-style-type: none"> Gain insights through multi-faceted analyses of the business environment and enhance problem-solving capabilities Cultivate the thinking abilities needed for leadership and present solutions applicable in practice 	Strengthening leadership and responsiveness of leadership candidates

Fair Performance Evaluations

We conduct fair performance evaluation of our employees and disclose the results transparently.

Targets for individual employees are set based on targets for the organization, and progress is reviewed regularly. To ensure performance evaluations are objective, we collect and reflect the results of inspections the opinions of the employees subject to the evaluations. Afterwards, employees are given feedback in interviews with their unit leaders to more clearly identify areas for improvement. We also have a system through which objections can be raised to ensure transparency and fairness.

Employees

Innovating Organizational Culture

Maintaining Work–Life Balance

We offer a variety of programs to help our employees can maintain a work–family balance while concentrating on their work. These programs provide opportunities for employees to recharge while spending time with their families, and they are boosting job satisfaction.

PC–Off	<ul style="list-style-type: none"> • Computer control system to comply with Korea’s 52–hour workweek requirement • Shuts down all computers outside of work hours (18:00–08:30)
One–month Sabbatical Leave	<ul style="list-style-type: none"> • Provides one–month leave to those who have been promoted to enable them to temporarily disconnect from work and contribute to building a creative and inspiring organizational culture by returning refreshed and recharged
Flexible Work Arrangements	<ul style="list-style-type: none"> • Offers a compressed workweek, allowing an organizational unit or individual employee to complete a 40–hour workweek in less than five days for a preset month or quarter (only when deemed necessary for specific jobs or positions)
Personal Growth Leave	<ul style="list-style-type: none"> • Enables employees to take leave for personal growth (to complete a degree course completion, learn a language, etc.) and reinforce their capabilities and commitment
RPA	<ul style="list-style-type: none"> • Robotic process automation (RPA) technology to be applied to simple tasks and enhance work efficiency

Maternity Protection

Employees are eligible for a number of programs to support them in raising their children and giving birth. We provide leave for infertility, miscarriage, and medical examinations, and do not allow overtime work for employees who have given birth within the past year. Our workplace daycare center provides a safe childcare environment and quality childcare services, which relieve employees of childcare concerns and enable them to focus on their work.

Paternity Leave	<ul style="list-style-type: none"> • Enables fathers to take leave after the birth of a child and share in the responsibilities of childcare
Reduced Working Hours for Expecting Mothers	<ul style="list-style-type: none"> • Shortens workdays by two hours in first 12 weeks of pregnancy and after 36 weeks of pregnancy
Medical Examination Leave	<ul style="list-style-type: none"> • Grants leave during pregnancy for medical examinations
Fertility Treatment Leave	<ul style="list-style-type: none"> • Grants leave for infertility treatments such as artificial insemination and in vitro fertilization (three days per year, paid leave for first use)
Family Care Reduced Hours	<ul style="list-style-type: none"> • Family care leave granted due to family illness, accidents, elderly care, and childcare
Childcare Reduced Hours	<ul style="list-style-type: none"> • Reduces work hours for parents with children under age eight or in second grade of elementary school or below
Daycare Center	<ul style="list-style-type: none"> • Daycare center for employees’ children aged one to four
Kindergarten Subsidy	<ul style="list-style-type: none"> • Subsidizes kindergarten tuition for children aged five to six
Mom’s Package	<ul style="list-style-type: none"> • Provides maternity products to expecting mothers
Mom’s Room	<ul style="list-style-type: none"> • Women–only resting space and lounge on the 45th floor

Remote Workplace

We have newly adopted a remote work system called Remote Workplace that helps employees boost their creativity by working in a non–office environment. By allowing employees to work at a hotel located in Yangyang, Gangwon Province, we support close consultations among project–oriented units and networking among Millennials and Generation Z, while providing opportunities to heal and refresh. Since Remote Workplace came online in mid–July 2021, a total of 36 business units have worked there, which has increased efficiency as a result of fresh approaches and refreshed minds and bodies. In 2022, we plan to enhance the effectiveness of this program through a Weekly Theme, and by providing more added opportunities for healing and refreshment. We also plan to add more Remote Workplace locations in the future to help our employees immerse themselves in their work.

Employees

Expanding Employee Communication

Stimulating Communication Between Employees and Management

As we work to build a flexible organizational culture, we are setting up a variety of communication channels between management, employees, and departments. We share key issues and strategies in company-wide sharing sessions that build a consensus among management and employees on the direction of the company's overall strategy. A free employee breakfast event and the transparent sharing of organizational surveys also help improve our organizational culture through two-way communication.

Organizational Satisfaction Survey

Since the fourth quarter of 2021, we have been conducting organizational surveys of employee opinions on our organizational culture and making improvements on this basis. In the first quarter of 2022, we added detailed multiple-choice and open-ended questions to measure organizational culture through multiple angles. As we gather employee opinions, we also share some anonymized responses to the open-ended questions and hold votes on employee benefit programs.

Q1 2022 Organizational Survey Results

Overall Average	4.1/5.0	Leadership	4.1/5.0
Mission/Strategy	4.3/5.0	Organizational Culture	4.0/5.0

Employee Relations Council

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

Employee Relations Council Meeting Details

Meeting Date	Agenda
Q1 (March)	Improving employee rank structure and other systems
Q2 (June)	Improving organizational culture and other systems
Q3 (July)	Detailed implementation plan for labor-management agreement
Q4 (October)	Improving compensation structure

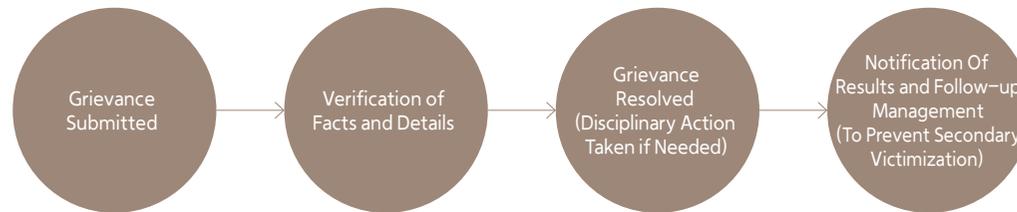
Employee Grievances

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

Workplace Counseling

We have in-house sexual harassment counselors in place to effectively prevent and respond to workplace sexual harassment. The counselors are selected based on stringent assessments of their job skills, lecturing ability, and networking skills. The counselors perform group training for the prevention of workplace sexual harassment and protect the victim from secondary victimization through rapid case reporting, counseling, and investigations. We provide support for the completion of the counselor credentialing course offered by the Korean Counselors' Association. We also hold annual counselor workshops.

Employee Grievance Handling Procedures



Employees

Health and Safety

Basic Health and Safety Guidelines

By issuing our Basic Guidelines for the Health and Safety of Employees, we aim to foster a safety-first work atmosphere and practice safe and healthy management.

Hanwha Life Basic Guidelines for the Health and Safety of Employees

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

Employee Healthcare

We offer a variety of programs to ensure the physical and mental wellness of our employees. We subsidize annual physical examinations for all employees to ensure timely identification and treatment of any health conditions. In particular, we support annual ultrasounds for the diagnosis of breast and thyroid cancer, the two cancer types most commonly diagnosed in women. To lower the cost of healthcare for employees, we expanded eligibility for group insurance to employees, their spouses, and their immediate families.

For Call Center consultants, we provide the Dreaming Attic as a private space to rest and unwind, along with a variety of art therapy programs to promote mental health. In 2021, we began to offer employees protection for the three most common mental health conditions and for sleep disorders through LIFEPLUS Mental Health Group Insurance. We also provide wide-ranging mental healthcare programs (Calendar of Feelings, Diary of Innermost Feelings, etc.) via the LIFEPLUS Mental Health App. We also fund treatment for those diagnosed with mental health conditions.

LIFEPLUS Mental Health Group Insurance Program Details

App-based Healing Programs	• Mental healthcare programs (Calendar of Feelings, Diary of Innermost Feelings, etc.)
Treatment Funding	• Funding to treat those diagnosed with the three most common mental health conditions (depression, panic disorder, and post-traumatic stress disorder) and non-organic sleep disorders

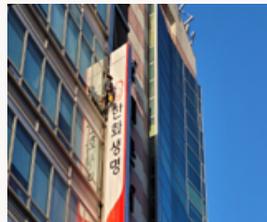
Industrial Health and Safety Committee

The Industrial Safety and Health Committee, consisting of three employees and three company representatives, has been in operation since 2016. The Committee holds one regular meeting and one special meeting each quarter to discuss employee health and safety matters. In 2021, as in 2020, we took measures to respond to COVID-19 and to safeguard the physical and mental health of our employees.

Safety and Health Implementation Performance in 2021

1. Response to COVID-19
 - Guided employee conduct and response
 - Guided and implemented telecommuting
 - Required quarantining for infected persons and their close contact (ongoing)
2. Implemented employee healing program (mental health service)
3. Implemented employee health exams

CASE STUDY Safety Inspections and Management of Outdoor Signboards



Replaced Protruding Signboards Outdoors to Prevent the Risk of Falling

We conduct safety inspections on outdoor advertisements twice a year (April and October) to prevent strong winds from blowing them down and causing accidents. Specifically, we removed protruding signboards in areas vulnerable to strong winds and replaced them with signboards flush with the wall.

Painted Rooftop Advertising Tower to Prevent Steel Structure Corrosion

To prevent steel structure corrosion to the advertising tower on our building rooftop, we conduct regular safety inspections twice a year, and we periodically conduct safety assessments and paint the steel structure.

Employees

Safety Training

We provide employees with safety training in order to raise awareness of safety and to ensure a safer environment for customers and employees alike.

Our regular disaster preparedness training enables employees to respond rapidly in the event of a disaster. In 2021, this training was conducted in a contact-free format due to COVID-19. We also produce and distribute training videos for the viewing of all employees. Our fire prevention and response system mitigates fire risks and helps ensure quick and effective fire suppression in case of an emergency. In 2021, our building underwent a high-rise building safety inspection by the Ministry of Interior and Safety. The Seoul Metropolitan Fire & Disaster Headquarters conducted a fire inspection, and the Yeongdeungpo Fire Station conducted high-rise building safety drills. We were recognized for our systematic and specialized building safety management and preemptive disaster response system, and received citations from the National Fire Agency and Yeongdeungpo District Office Chief.

We also use the safety evaluation checklist to guide special inspections for dangerous tasks such as working in high places, welding, painting, and cutting. Through these efforts, and by conducting stringent assessments of construction sites vulnerable to fire, we have had zero safety incidents.

Campaigns for Safety-Oriented Organizational Culture

As part of building a safety-oriented culture, and to raise awareness about the risk of accidents, we hold several types of safety campaigns. In 2021, we gathered a list of the kinds of “slip-ups” that can lead to accidents in everyday tasks. These examples were included in our training material to make it as real as possible and instill a greater sense of safety among our employees and business partners. We have also posted monthly quizzes about risks in the workplace and daily life, and held technical forums online. As a result, we have seen improvements in safety at our facilities. We expect our wide range of safety campaigns will stimulate our company-wide safety management program and ingrain a culture of safety.

Safety Awareness Survey

We have conducted annual safety culture assessments of our employees since 2017, and are making improvements to our safety management based on the results. In 2021, our employee safety culture index recorded an average of 93.3 points, and based on this, we carried out improvements on 6 items and 13 cases. We will continue to conduct annual safety culture assessments and other safety management activities.

2021 Safety Training

63 Building emergency drills

5 times

63 Building disaster safety training

4 times

Regular emergency response training, at each company location, nationwide

508 times at 32 locations

CASE STUDY Preventing the Spread of COVID-19

In the COVID-19 pandemic, we have taken measures to prevent the spread of the virus on company premises.

- **Specialized Contractor to Handle Covid-19 Quarantine (Disinfection)**

When a confirmed or suspected case of COVID-19 occurs on company premises, we engage a specialized contractor to carry out emergency and ongoing disinfection.

- **Facial Recognition Thermal Imaging Camera to Check Temperatures**

We use a facial recognition thermal imaging camera set up as a permanent station that checks the body temperature of everyone entering company premises.

- **Supplies to Respond to COVID-19**

We have continually purchased products such as hand sanitizer, virus-resistant plastic film for elevator buttons, and disinfectant.

Employees

Human Rights Management

Our Human Rights Policy

In doing business, we respect the human rights of stakeholders throughout the value chain, including employees, customers, FPs, partners, and subsidiaries; and are striving in numerous ways to prevent all forms of human rights violations. We comply with the labor and human rights laws of all countries where we do business and support the standards set by international organizations, including the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. Furthermore, we have enacted and declared our own **Hanwha Life** Human Rights Policy to ensure that the human rights of direct and indirect stakeholders are accorded top priority in all business activities.

Human Rights Training

To form a company-wide consensus on the necessity of human rights management, we provide all employees with human rights training. This training includes the concept and importance of human rights management, as well as the **Hanwha Life** Human Rights Policy and our company's activities in human rights management. Furthermore, we discuss human rights action plans with our employees and have put a great deal of thought into the importance of protecting the human rights of not only our employees, but also our partners and customers, and the measures we take to ensure their protection.

We will continue to provide human rights training on a regular basis and raise employee human rights awareness.

Hanwha Life Human Rights Policy

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

Number of Employees Who Completed Human Rights Training

Training topics: Concept and importance of human rights management, human rights management activities, human rights policy

3,894 people

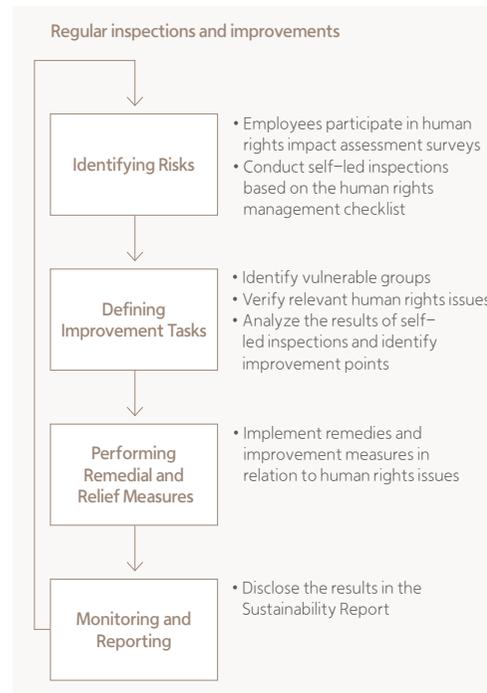
Employees

Human Rights Risk Management

Our employees take part in human rights impact assessment surveys to identify human rights risks that could occur in the conduct of our business and to take corrective measures. The surveys have enabled us to identify particularly vulnerable groups and related human rights issues, and we are in the process of preparing remedial measures.

We also perform self-led inspections in accordance with the human rights management checklist to review its implementation status enterprise-wide. We then quantify the implementation level as a score to identify areas requiring improvement, and take any necessary steps to address them.

Human Rights Risk Management Process



Results of Human Rights Impact Assessment Surveys

Our human rights impact assessment surveys have identified no serious human rights violations. However, we have identified assistants and assistant managers, the two lowest ranks in the organizational hierarchy, as relatively more at risk of human rights infringements. Furthermore, we have enrolled these employees in LIFEPLUS Mental Health Group Insurance, providing a mental health improvement program to help alleviate the relatively higher levels of stress they experience in relationships with co-workers and customers. At the same time, we maintain an employee grievance handling system.

Vulnerable Group	Relevant Human Rights Issues	Remedial Measures	Results
<ul style="list-style-type: none"> • Assistants • Assistant managers 	<ul style="list-style-type: none"> • Need to ease stress originating from relationships with colleagues and customers at work 	<ul style="list-style-type: none"> • Provide protection for employees through LIFEPLUS Mental Health Group Insurance and offer stress-release and other mental healthcare programs via the app • Offer funding to treat the three most common mental health conditions (depression, panic disorder, and post-traumatic stress disorder) and non-organic sleep disorders • Operate the employee grievance handling system 	<ul style="list-style-type: none"> • Stress reduced • Job and organizational satisfaction enhanced

CASE STUDY Protection of the Human Rights of Call Center Employees

We engage in a variety of human rights protection activities in the workplace. The “Hear-to-Heart” initiative protects the human rights of Call Center consultants by allowing them to take extended breaks after being exposed to verbal violence, sexual harassment, or other stressful experiences while serving customers. The Consulting Review Committee reviews the possibility of legal punishment and responds with the proper action. We also operate “Dreaming Attic”, a private space for consultants to rest and unwind, while “Healing LIFEPLUS Healer” provides a chance to heal through cultural and artistic activities. Professional arts instructors are dispatched to different Call Center locations to offer tailored healing sessions spanning a wide spectrum of subjects from calligraphy to folk painting, photography, and gayageum. An analysis of the results of the program in 2021 indicated that consultants had notable reductions in stress and high satisfaction with their work and the organization.

Establishing Sound and Transparent Governance

Governance

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

Materiality of Topic

The Board of Directors, as our highest decision-making body, deals with matters concerning business strategy and the company's long-term growth. The sound make-up and transparent operation of the Board is fundamental to ensuring long-term business continuity. Furthermore, because the ethical standards of the company determine its reputation, particularly in the financial sector, it is critical that we maintain customer trust by putting in place reliable systems to manage risks and protect customer data.

Hanwha Life's Management Approach

We seek balanced decision-making by maintaining independence and diversity on the Board. In 2021, we created our Sustainability Management Committee to lay the foundations for ESG management, and in 2022, we have updated and adopted our "Corporate Governance Charter". We have drafted and distributed ethical management policies and are striving to create an enterprise-wide culture of ethics and compliance. Furthermore, equipped with a risk management system for both financial and non-financial risks, we are pre-empting the uncertainties and potential losses that could occur as we do business in a rapidly changing financial environment.



Transparent Governance

Board of Directors

The Board of Directors, our highest decision-making body, consists of seven members: three internal directors and four independent directors. The Board approves management policies and major issues affecting the long-term growth of the company, and supervises the directors' performance of their duties. To facilitate rapid decision-making and responsible management in the financial industry, our company's CEO also serves as chairman of the Board. Out of our seven board members, four independent directors with proven expertise and independence make up a majority of the Board to maintain mutual checks and balances between the directors, and stimulate rational decision-making. Furthermore, to ensure the independence of the Board and its function of checks and balances on management, we appoint independent directors separately, and the Board also retains the power to appoint and dismiss the CEO.

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

Board of Directors

(As of June 2022)

Role	Name	Gender	Current	Month First Appointed	Major Experiences
Internal Director	Yeo Seung Joo (Chairman)	Male	March 2021 – 2023	March 2019	<ul style="list-style-type: none"> Current CEO, Hanwha Life Former CEO, Hanwha Investment & Securities
	Lee Kyung Keun	Male	March 2021 – 2023	March 2021	<ul style="list-style-type: none"> Current Head of Insurance, Hanwha Life Hanwha Life Former Head of Shared Service, Hanwha Life
	Kim Joong Won	Male	March 2021 – 2023	March 2021	<ul style="list-style-type: none"> Current Head of General Council, Hanwha Life Former Head of Ethical Management, Hanwha Life
Independent Director	Hwang Young Key	Male	March 2022 – 2023	March 2019	<ul style="list-style-type: none"> Former Chairman, Korea Financial Investment Association Former Chairman, KB Financial Group
	Yi In Sill	Female	March 2021 – 2023	March 2021	<ul style="list-style-type: none"> Former Chairman, Korean Economics Association Former Director-General, Statistics Korea
	Joe Hyeon Chul	Male	March 2021 – 2023	March 2021	<ul style="list-style-type: none"> Former Standing Auditor, Kolon Materials Former Standing Advisor, Kolon Industry
	Kim Se Jik	Male	March 2022 – 2024	March 2022	<ul style="list-style-type: none"> Current Seoul National University Economics Professor Former Independent Director, Industrial Bank of Korea

Committees under the Board

(As of June 2022)

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

Transparent Governance

Appointment of Board Members

Fair Director Appointment Process

To ensure the appointment of directors with expertise, we operate a fair and impartial director nomination system through which all directors are elected through resolutions at the general shareholders' meeting. All processes comply with the laws and regulations on the corporate governance of financial companies, and as required by law, we publish a corporate governance report every year. The Candidate Recommendation Committee manages a pool of candidates for independent directors and the CEO. In recommending candidates, the Candidate Recommendation Committee checks not only for any legally disqualifying factors, but also verifies the candidate's expertise, fairness, ethical responsibility, and integrity. It reviews the status and appropriateness of CEO succession plans at least once a year and reports them to the Board. From among the nominees for independent directors and auditors put forward by the Candidate Recommendation Committee, the final candidates are selected by the Board of Directors. Internal directors, meanwhile, are nominated and elected by the Board. The CEO is elected by the Board from among the directors appointed at the shareholders' meeting once nominated by the Candidates Recommendation Committee.

Operation of the Board

Board Operation Status

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

(As of the end of 2021)

Category	Unit	2019	2020	2021
No. of Meetings	Meetings	8	10	10
Submitted Items	Items	54	46	57
Internal Director Attendance	%	100	97	100
Independent Director Attendance	%	97	100	100

Independence of the Board

We aim to secure the independence of the Board of Directors in the interest of efficient and balanced decision-making in the company's operations. In accordance with internal regulations on corporate governance, we appoint outside directors who are independent and who meet the requirements of relevant laws and regulations, such as Article 6 of the Act on Corporate Governance of Financial Companies. A majority of the Board are independent directors, while the Audit Committee consists entirely of independent directors to ensure its independence when auditing the company's overall management. To reinforce their independence, other committees under the Board are chaired by and composed of majorities of independent directors.

Expertise and Diversity of the Board

In the interest of our stakeholders, we consider expertise and diversity when appointing board members. We do not discriminate on the basis of gender, race, nationality or age, and we have enhanced diversity with the appointment of one female director in 2021. The directors we appoint are experts with a wealth of experience and knowledge in finance, insurance and management. We aim to appoint independent directors with abundant hands-on experience and/or professional knowledge in finance, management, economics, law, accounting, consumer protection, and IT. As a result, we currently have four independent directors with expertise in finance and economics (Hwang Young Key, Yi In Sill, Joe Hyeon Chul, Kim Se Jik); two internal directors with expertise in insurance and management (Yeo Seung Joo, Lee Kyung Keun); and one internal director with legal expertise (Kim Joong Won).

Support for Independent Directors

To assist independent directors in making rational decisions and successfully performing their duties, we explain agendas in advance and hold discussions and training for the Audit Committee. To aid understanding of agendas prior to Board meetings, we make presentations in advance, and share relevant materials. We also guarantee independent directors the right to request any necessary information and materials to aid in their decision-making, and we provide such information in a timely manner.

Presentations and Training for Independent Directors

Category	Key Agendas
Advance Presentation for Independent Directors (February 15–16, 2021)	<ul style="list-style-type: none"> Advance Briefing for 2020 Year-end Close Business performance and financial statements (e.g. operating profit) Revision of Board regulations and enactment of work regulations
Advance Presentation for Independent Directors (June 4–8, 2021)	<ul style="list-style-type: none"> Advance Briefing for 1Q 2021 Performance Market status update and Q1 performance report Revision of Board committee regulations and internal control standards Approval of business transfer for new operation
Advance Presentation for Independent Directors (August 30–31, 2021)	<ul style="list-style-type: none"> Advance Briefing for H1 2021 Performance Market status update and H1 performance report Appointment of Sustainable Management Committee members Approval of business transfer and capital increase
Advance Presentation for Independent Directors (November 29–30, 2021)	<ul style="list-style-type: none"> Advance Briefing on 2022 Business Plan 2022 business forecast and plan Revision of internal control and risk management regulations Issuance of subordinated bonds and transactions with subsidiaries and affiliates
Advance discussion and training for Audit Committee (external organization) (February 16, June 1, November 22, 2021)	Advance Discussion for Audit Committee

Transparent Governance

Board Skills Matrix

Category	Hwang Young Key	Joe Hyeon Chul	Yi In Sill ¹⁾	Kim Se Jik	Yeo Seung Joo	Lee Kyung Keun	Kim Joong Won
Finance	○	○	○	○	○	○	○
Financial/Accounting	○	○	○	○	○	○	
Risk Management	○	○		○	○		○
Law							○
ESG/Consumer Protection	○		○	○	○	○	○
Business Administration/Economy	○	○	○	○	○	○	○

1) Female independent director

Board Evaluation and Compensation

In February each year, the structure and operation of the Board in the previous year is reviewed and assessed. The roles and responsibilities of the Board are evaluated against relevant laws and regulations, and the results are reflected in the Board's operation. The evaluation includes the level of communication and complementarity of expertise among Board members, procedures for convening Board meetings and prior circulation of agendas, the frequency and duration of Board meetings, the timeliness of issue deliberations and resolutions, as well as proper checks and balances on management.

Every year, independent directors are evaluated on their activities in the previous year. The evaluation criteria include levels of participation and contribution to the Board, such as suggestions for improvement. For independent directors' future reference, the evaluation results are disclosed through the annual corporate governance report.

Compensation for Board members consists of a base salary and performance incentives, provided within the limits approved by the general shareholders' meeting. The base salary and performance bonus are paid according to the executive compensation plan and management performance as approved by the Board. The total cap approved by the general shareholders' meeting in 2021 was KRW 6 billion, and the actual amount paid was KRW 1.98 billion.

Board Evaluation and Compensation

(As of the end of 2021)

Category	No. of People ¹⁾	Total Payment (KRW m)	Average Payment Per Person (KRW million)
Executive Directors (Excluding Independent Directors and Auditors)	4	1,650	412
Independent Directors (Excluding Auditors)	1	81	81
Members of the Audit Committee	5	246	49

1) Figures based on registered directors from January to December 2021 (including retired directors)

CASE STUDY Adoption of Corporate Governance Charter

In February 2022, **Hanwha Life** and other **Hanwha financial** affiliates adopted a Corporate Governance Charter, declaring our intent to practice ESG management, establish sound corporate governance, protect shareholder rights and interests, and commit to fair business practices. Our Corporate Governance Charter stipulates provisions for protecting the rights and interests of our shareholders and diverse stakeholders, as well as the regulations and responsibilities of the Board of Directors and Audit Committee.

Hanwha Life Corporate Governance Charter

Category	Topic	Key Details
Chapter 1	Shareholders	Stipulates shareholder rights and responsibilities
Chapter 2	Board of Directors	Stipulates the independence and integrity of directors, including Board operations and director responsibilities
Chapter 3	Audit Organization	Sets details of Audit Committee composition and external auditor management, and clarifies audit organizational independence
Chapter 4	Stakeholders	Stipulates provisions to respect and protect the rights of different stakeholders, including shareholders, customers, and employees
Chapter 5	Management Monitoring by the Market	Stipulates disclosures in accordance with laws and regulations, and fair and transparent changes in management rights

Ethics and Compliance Management

Ethics and Compliance Management System

As **Hanwha Life** works actively to implement ethics and compliance management, the company is fulfilling its ethical responsibilities to internal and external stakeholders, and the country and society at large. We have adopted an Ethics Charter and a Code of Ethics to provide guidelines for employee conduct. To enhance employee understanding of the Code of Ethics, we have published a Code of Ethics Guidebook on our website.

Ethics Management Policy

Category	Details
Ethics Charter	<p>A declaration of our determination to create a healthy company trusted by the country and society through fair and transparent management based on "Trust and Loyalty"</p> <ul style="list-style-type: none"> • Create value for customers by prioritizing their happiness • Respect the autonomy and creativity of employees • Uphold ethical values and practice them in work • Maximize shareholder value through transparent management • Comply with laws and regulations • Contribute to the development of the country and society at large
Employee Code of Ethics	<p>With "corporate ethics" held as the highest value in business, provides standards for employees in implementing transparent and fair business practices from the perspective of all stakeholders affected by company policies, including shareholders, investors, employees, customers, partners, local communities, and the environment</p> <ul style="list-style-type: none"> • Provides employees with ethical judgment standards • Explains ethics-related considerations in management strategy, execution plans, and training • Provides grounds for refusing even a superior's instructions, should they violate the Code of Ethics • Prevent corporate ethics problems
Employee Code of Ethics Guidebook	<p>A guidebook explaining ethical practices through logic and example to enhance employee understanding of the Code of Ethics</p>

Ethics and Compliance Monitoring

We maintain a systematic three-line defense by monitoring at three levels - "business departments", "internal control department", and "audit department". Mutual checks and controls are in place to ensure balanced and autonomous compliance management.

We also produce work manuals and checklists as tools for inspection purposes to minimize the risk of compliance violations to minimize a risk of violation of the law and manage compliance.

Internal Compliance Organization

The Compliance Officer is appointed by the Board in accordance with the laws regulating the governance of financial companies to oversee the operation of our internal compliance system. The Compliance Officer is guaranteed autonomy to perform their duties in a fair manner, and is responsible for conducting preliminary reviews of daily operations in terms of relevant laws and regulations, and inspecting and monitoring the operational status of the internal compliance system. After review by the Internal Compliance Committee, the Compliance Officer reports the results of these activities to the Board of Directors. To drive the momentum of our internal compliance work, we have installed a dedicated organization to assist the conduct of the Compliance Officer's duties. Each department designates its own compliance manager to assist the Compliance Officer, which has made our compliance efforts even more effective. In reference to internal standards, the compliance managers conduct inspections and address vulnerabilities, a role independent and separate from their primary jobs.



Ethics and Compliance Management

Ethics and Compliance Training in 2021

Target: 2,602 employees

Content: Vigilance against bribery, illicit entertainment and favors; importance of documentation; information security and prohibition on leaks; internal reporting system; prohibition of conflicts of interest

Completed by

2,496 people

Fair Trade e-Learning Course in 2021

Target: 2,602 employees

Content: Purpose and scope of the Fair Trade Act; adoption of the Fair Trade Compliance Program (CP); major fair trade issues

Completed by

2,496 people

Creating a Culture of Ethics and Compliance

Ethics and Compliance Training

Hanwha Life provides regular training on ethics and compliance to raise employee awareness of ethics and to encourage the thriving of a company-wide ethical management culture. To make the topic of ethical management more accessible, we provide customized employee training centered on the production and distribution of contact-free materials such as card news and videos. The compliance manager in each department also actively encourages employees to participate in the training. Under the Compliance Officer's supervision, senior executives and team leaders pledge their commitment to compliance training and implementation at the start of the year.

Ethics and Compliance Campaigns

We hold a variety of ethics and compliance campaigns to encourage employee participation in ethical management. At the beginning of the year, we hold an Ethics and Compliance Pledge event at which all employees and executives, including the CEO, express their commitment to ethics and compliance management. We inspire all employees to participate by producing and distributing videos of new employees and the CEO making their pledges.

Anti-Money Laundering System

In line with our anti-money laundering system¹⁾, we have introduced preemptive systems and strong internal controls to close off illegal money-laundering and to continuously enhance our reputation as a financial institution. Our anti-money laundering systems, in place since 2001, block illegal and criminal activities at a fundamental level. In addition, we have established a risk-based, enterprise-wide money laundering risk assessment system that reflects the recommendations of the Financial Action Task Force (FATF), an international anti-money laundering organization.

Voluntary Compliance with Fair Trade Regulations

Since August 2006, we have implemented a Fair Trade Compliance Program²⁾ (CP Compliance Program). Through this, we strive to promote fair trade and mutual growth with our partners by protecting their material and intellectual property rights. In addition, we appoint a Compliance Manager, establish CP operational regulations and detailed guidelines, and distribute a CP handbook. Fair trade guidance and training are provided to all executives and employees, and we verify the CP implementation status of related departments according to an annual plan. These efforts help establish a culture of fair trade compliance and strengthen internal controls.

1) Anti-money laundering system: a legal and institutional mechanism to detect and prevent illegal money laundering. It covers not only illegal assets but also tax evasion.

2) An internal compliance system that companies implement voluntarily to comply with fair trade regulations

Internal Reporting System

Our internal reporting channels protect employees and help make **Hanwha Life** a company trusted and respected by our customers and society at large. On our website, we maintain the "Report Compliance Violations" section to enable anyone to report or file a complaint on unfair trading or other irregularities via post, email or the internet. To protect the personal identity of whistleblowers, reports can be submitted anonymously, and the contents are kept strictly confidential. Once a compliance violation is investigated and confirmed, disciplinary actions are taken against the relevant parties.

We also take disciplinary action against employees who fail to file a report once having learned of a violation. This practice, under Article 59 of the Internal Compliance Standards (Internal Reporting System Operations), encourages the prompt reporting of violations.

Internal Reporting Status

Category	2020	2021	Remarks
No. of Reports	5	1	Sexual harassment: 1 case
Valid Cases	5	1	
Disciplinary Cases	3	1	

Reporting Compliance Violations

Reporting via Company Website (PC/mobile)

- Home > About Us > Ethics Management > Report Violation (https://www.hanwhalife.com/company/main/intro/ethics/CI_EMVN000_T20000.do)

Reporting via Outlook or External E-mail

- Outlook: Send e-mail to "Ethical Management Practice Secretariat"
- External e-mail: Send email to hli6262@hanwha.com

Ethics and Compliance Management

Fair Trade and Co-Prosperity with Business Partners

Fair Trade with Business Partners
 In all business transactions, we adhere to the principles of the Contracting Business Regulations, according to which we select contractors through a fair process. In doing so, we have established HGAPS (Hanwha Life General Affairs Purchasing System) to enable all employees to carry out bidding processes electronically. Fairness is enhanced by enabling those in charge of evaluating prospective contractors are required to post all evaluation results on this system. We also require all companies participating in electronic bidding to fill out the Integrity Commitment Pledge so they can also carry out the transaction process in a fair and honest manner. Meanwhile, we maintain a permanent channel through which to hear from and discuss with our partners any inconveniences, complaints, and suggestions. The opinions gathered in this way are reflecting ongoing improvements to our contracting systems and processes.

Promoting ESG Management among Business Partners
 We highlight the significance of sustainable management across the industry by inspiring our business partners to implement ESG management. We use our HGAPS electronic procurement system to continuously evaluate the standards of each bidding company in terms of ethics as a way to encourage them to implement human rights and ethical management. In screening new and renewing contractors, human rights and ethical evaluations are reflected partially. This is achieved by requiring all bidding companies to conduct an ethics self-diagnosis via HGAPS. The self-checklist consists of five categories: respect for labor rights and legal compliance, health and safety, environmental protection, compliance with fair competition regulations and co-prosperity with business partners, and compliance with the Ethical Standards for Business Partners. All business partners can review the Ethical Standards for Business Partners via a popup alert on HGAPS.

Co-prosperity with Business Partners
 We offer a wide range of capacity-building programs that better enable our business partners to practice the value of co-prosperity. We provide training for partners to further enhance customer privacy, an issue of growing importance due to the digitization of the entire insurance transaction handling process. For partners handling data systems and equipment maintenance this training for all their employees covers privacy, ethical compliance, and legal compliance. We have also conducted inspections and evaluations of partners managing personal data, assessing their personal data management systems and the level of personnel training. To stimulate the business of our healthcare partners, we are working with a number of domestic and foreign startup companies on digital healthcare innovation projects. Notably, we operate diverse startup support programs out of the DREAMPLUS 63 Fintech Center. We help startup companies with innovative technologies grow, while expanding partnerships with Hanwha financial affiliates.



Pop-up alert window for Ethical Standards for Business Partners

- Self-Checklist for Ethical Standards for Business Partners
- Respect for labor rights and legal compliance
 - Health and safety
 - Environmental protection
 - Compliance with fair competition regulations and co-prosperity with business partners
 - Compliance with the Ethical Standards for Business Partners

CASE STUDY Applying RPA Technology to the Purchasing System to Ensure Rapid Support to Business Partners



Starting in 2022, we have applied Robotic Process Automation (RPA)¹⁾ functionality to the dashboard of the purchasing system, which manages the partner contracting process, thereby preventing delays and enabling timely processing. By applying RPA, we are able to preemptively address any delays for our partners by automatically sending their staff e-mail updates about the bidding/contracting process.

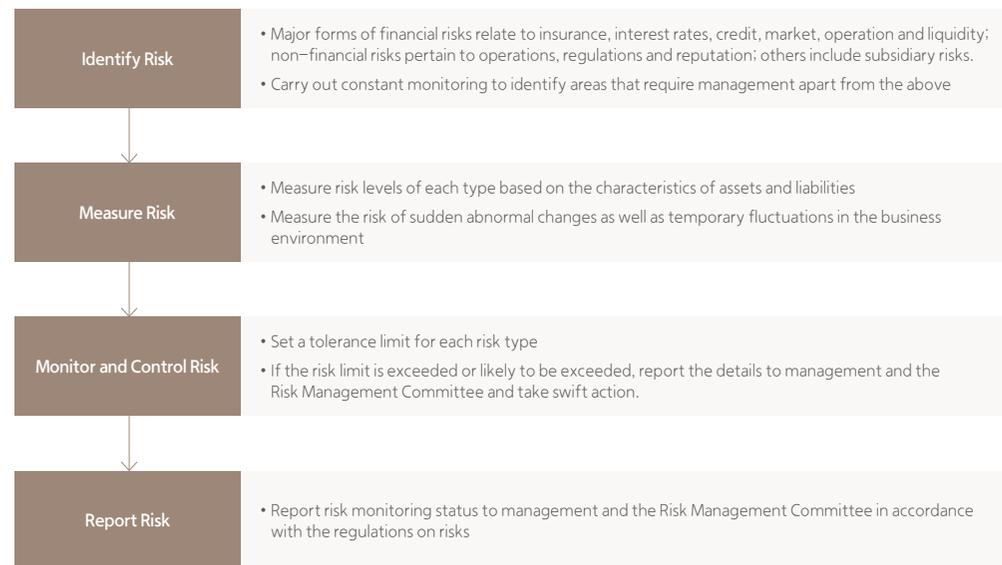
1) RPA (Robotic Process Automation) is a technology that uses robot software to automate simple repetitive tasks.

Risk Management

Risk Management System

We aim to constantly and steadily enhance company value. To this end, we proactively prevent, evaluate and manage uncertainties or potential losses that could occur in our business activities and the changing financial environment. We assess risk levels and set allowable limits depending on the company’s risk appetite, managing risk to ensure that available capital (a capital buffer to absorb the loss if a risk is realized) is maintained within a certain level. We also carry out pre- and post-risk management procedures for insurance product development and investment activities. For the longer term, we incorporate an asset and liability management (ALM) strategy (based on the nature of the insurance product) into long-term business and asset management plans to reduce volatility resulting from a mismatch between assets and liabilities. Moreover, we assess our capital adequacy ratio by conducting a stress test every quarter and prioritize risk factors with a relatively higher impact on capital, based on response measures for each stage in the event of a crisis.

Risk Management Process



Risk Management Organization

To systematically manage risk throughout the company, we have set up a Risk Management Committee under the Board. The Risk Management Committee is responsible for making decisions related to risk management. To maintain enterprise-wide checks and balances, we ensure independence in the Committee’s operations. To fortify its expertise, the Committee is required to include at least one member with work experience at a financial company or in another type of company’s affairs in banking, accounting, or operational finance. Committee members are also provided with training on the risk management system. The Head of Risk Management is required to report the details of subsequent major decisions and risk management status to the Board every year through ORAS (Own Risk & Solvency Assessment) outcomes, as well as report the key content of Risk Management Committee meetings.

Risk Reporting System



Risk Management

Business Continuity Management

Emergency Response System

We maintain continuity of sales and customer support even in case of a disaster by setting up an emergency response system to protect key activities and ensure the smooth operation of systems and processes. To this end, a company-wide emergency manual has been developed to manage situations according to the stages of prevention, control and recovery.

In June 2013, we became the first life insurance company to obtain ISO22301 certification, the international standard for BCM (Business Continuity Management), and in August 2014, we acquired international BCM certification from BSI.

In response to the spread of COVID-19, we are implementing an even stronger pandemic business continuity plan. This has helped us strengthen customer satisfaction by minimizing financial losses, protecting customer assets, and maintaining stable services through rapid business transition even in a pandemic.

Disaster Response Scheme by Stage



Disaster Drills

To quickly return to work and secure business continuity in the event of a disaster affecting our main computer center, we have designated our own disaster recovery center and core tasks, and we have developed a disaster recovery system to handle these tasks. Furthermore, we conduct annual disaster drills involving IT personnel, field teams and desk staff, to enable rapid disaster recovery. We plan to launch a new system for our core insurance business in the second half of 2022, and conduct practical disaster drills specifically for this system.

Category	Contents	Frequency
Malware Response Training	Improves the ability of employees to respond to cyberattacks such as the spread of malware, verifies related processes	Three times a year
Security Accident Emergency Drills	Reinforces countermeasures against hacking and information leaks affecting major systems	Once a year
System Disaster Drills	Improve system recovery capabilities and verifies data integrity in the event of a disaster	Once a year

Risk Management

Countermeasures to Key Risks and New Systems

Key Risk (Financial/Non-financial) Management

Risk		Impact of Risk	Countermeasures
Financial Risk	Insurance Risk	Risk arising from insurance contracts and claim payments	<ul style="list-style-type: none"> Measuring insurance risk using the FSS standard model or internal modeling; regularly reporting to management on tolerance limits and control measures Managing reinsurance in consideration of risk levels and efficient risk diversification to enhance the ability to pay claims to policyholders
	Interest Rate Risk	Risk of loss arising from fluctuations in market interest rates and the difference in the maturity structure of assets and liabilities	<ul style="list-style-type: none"> Measuring interest rate risk by using the FSS standard model or internal modeling; regularly reporting to management on tolerance limits and control measures Setting long-term portfolio targets based on an investment strategy matching assets and liabilities and reflecting the characteristics of liability cash flow
	Credit Risk	Risk of loss arising from default by the counterparty or a credit downgrade	<ul style="list-style-type: none"> Measuring credit risk by using the FSS standard model or internal modeling; regularly reporting to management on tolerance limits and control measures Conducting pre- and post-analysis of individual borrowers and investment products and setting an investment limit for each product type
	Market Risk	Risk of loss arising from unfavorable fluctuations in interest rates, share prices and foreign exchange rates	<ul style="list-style-type: none"> Measuring market risk by using the Financial Supervisory Service's standard methods or internal modeling; regularly reporting to management on tolerance limits and control measures Setting limits on losses for high-risk assets
	Liquidity Risk	Risk of an unexpected loss arising from the difference in the maturity structure of assets and liabilities or a sudden fluctuation in the cash flow	<ul style="list-style-type: none"> Setting limits on liquidity and developing contingency plans to resolve a crisis
Non-Financial Risk	Operational Risk	Risk of loss arising from inappropriate internal processes, HR, systems or external incidents, reputation/legal/ regulatory issues	<ul style="list-style-type: none"> Measuring operational risk by using the FSS standard model or internal modeling; regularly reporting to management on tolerance limits and control measures. Building data for each quarter on internal/external financial fraud, employment, safety, customers, products and business handling to make a statistical estimation of losses to be included in capital reserve
	Legal Risk	Legal dispute or litigation concerned with non-financial risks	<ul style="list-style-type: none"> Monitoring the quarterly number of new litigations and emergency situations and developing countermeasures by stage
	Reputational Risk	Negative impact on the company's reputation due to complaints or unfavorable reports by press or broadcasting media	<ul style="list-style-type: none"> Monitoring the number of unfavorable press reports and emergency situations and developing countermeasures by stage

Countermeasures for New Systems

New System	Countermeasures	Implementation Status
K-ICS and IFRS17	<ul style="list-style-type: none"> To minimize the financial impact of K-ICS and IFRS17, a task force has been in operation since 2016 to make the necessary preparations for their introduction (Collaborating with the Risk Management team to ensure a soft landing for the new systems) 	<ul style="list-style-type: none"> Established and currently stabilizing IFRS actuarial system Conducted impact assessment of K-ICS; currently implementing countermeasures
Integrated Supervision of Financial Groups	<ul style="list-style-type: none"> The Financial Services Commission (FSC) introduces "the best practice guidelines on the supervision of financial conglomerates" in 2018. "Regulations on the Supervision of Financial Conglomerates" are enforced as of June 30, 2021. FSC sends notice of the designation of six financial conglomerates, including Hanwha, on July 13, 2021. Together with major financial affiliates Hanwha General Insurance and Hanwha Investment&Securities, Hanwha Life maintains an internal control and risk management system. 	<ul style="list-style-type: none"> As the flagship company of the Hanwha Financial Group, Hanwha Life conducts internal control, risk management policies and soundness management activities, and regularly reports to FSC and discloses the information externally. To establish fundamental policies on internal controls and risk management across Hanwha Financial Group, we have implemented the "Financial Group Internal Control Standards" and the "Financial Group Risk Management Regulations".
Introduction of ORSA	<ul style="list-style-type: none"> The supervisory authorities have introduced the ORSA (Own Risk and Solvency Assessment) system to improve the risk management framework following the introduction of K-ICS and IFRS17. Including the requirements of regulators, we have reviewed and implemented "processes and procedures that self-assess and manage the adequacy of risk management systems and the adequacy of current and future solvency". 	<ul style="list-style-type: none"> Report to the Board every year on the assessment of own risks and solvency

Information Security and Privacy

Information Security Management System

We have operated the Information Security Council and appointed a Chief Information Security Officer (CSIO) to reinforce roles and responsibilities in protecting personal and credit information. The CSIO is in charge of overall planning, coordination, and inspections related to information security. In addition, we have set up an Information Security Council to review and implement information security measures.

Information Security Reporting System



Information Security and Privacy

Customer Privacy

Digital channels have seen a steady growth in customers, and the importance of protecting customer privacy is increasing. We are carrying out a variety of activities to protect customers' private information. We encrypt personal information and have raised the level of permissions to access customer data. Through our measures, we are preventing data leaks and protecting customer privacy.

Customer Privacy in 2021

Security Training	<ul style="list-style-type: none"> Privacy training for all employees and FPs 15,000 trainees at 60 minutes/trainee in 2021
Sharing Security Issues	<ul style="list-style-type: none"> Dissemination of the latest security issues and cases of security incidents that have occurred via e-mail and pop-up windows (e.g. phishing e-mails and ransomware)
Implementing Security Inspections	<ul style="list-style-type: none"> Restricting unauthorized customer data inquiries Reporting to CEO after carrying out due diligence on items to inspect

Information Security

Due to the insurance industry's need to handle customer financial data, it is imperative to establish a secure information security management system. We intend to provide safe and convenient financial services through a number of information security activities. Notably, we have obtained ISO27001 certification, the international standard for information security management systems. We have built our world-class information security system while maintaining and managing our certification.

Preemptive Actions Against Security Risks	<ul style="list-style-type: none"> Analysis and diagnosis of IT risks → Analysis and diagnosis of 250 control items in 11 categories
Information Security Certification	<ul style="list-style-type: none"> ISO27001:2013 international certification for Information Security Management Systems (certification maintained through follow-up assessments twice a year)
Financial Data Protection	<ul style="list-style-type: none"> Development of a system to defend against AI and Multi-Layer cyber attacks → Incident drills (once a year), Web and application mock hacking (twice a year), risk analysis and assessment (once a year), analysis and assessment of asset vulnerabilities (once a year), project security review
Information Security Awareness	<ul style="list-style-type: none"> Establishment of Information Security and Privacy Regulations → 18 IT security guidelines in addition to Information Protection Regulations → 3 Privacy Guidelines in addition to the Privacy Regulations Data protection training and campaigns to raise awareness
Information Security Liability System	<ul style="list-style-type: none"> Enrollment in privacy liability insurance and electronic financial transaction liability insurance

Information Security and Privacy

Information Security Reviews

We have been bolstering security by assessing our current security level through regular security inspections and identifying risk factors in advance and taking measures to address them. Through twice-yearly security checks, we review the target achievements in security training, emergency drills, security control services, and improvements to data protection policies. We also analyze and assess IT risks once a year. This IT risk analysis and assessment evaluates a total of 250 items categorized as either physical or administrative areas, based on the latest information security regulations. We also look at the performance of 20 information security objectives in technical areas, such as information processing systems, data communication networks, and the company website. Through these efforts, we achieved zero information leaks in 2021.

Promotion of Information Security Culture

We conduct information security training and campaigns for employees to raise their awareness and strengthen their capabilities in information security. As we work to build an enterprise-wide culture of data protection, we provide all employees with training through a monthly Data Protection Inspection Day, along with regular online training and annual privacy protection campaigns. Furthermore, we have reinforced related training according to the information protection needs of each role. IT operations and development personnel receive annual training on "Protection of Pseudonymized Information" and "Information Protection for Web Managers", while IT security personnel take part in regular internal training and programs offered by outside organizations such as "Financial Security Institute On-site Training". We also seek to prevent information leaks through drills on responding to a variety of electronic attacks, including malware attacks, DDos attacks, as well as server hacking.

Employee Data Protection Training in 2021

Training Participants

Category	Unit	2019	2020	2021
Training Participants	Persons	3,761	3,998	2,496

Employee Training Hours on Data Protection in 2021

Category	Unit	Executives	Business departments	IT	Data protection
Training Time per Person	Hours	9	12	14	18

Appendix

Stakeholder Participation	74	TCFD Index	89
Material Issue Management	75	PSI Index	90
Business–Economic Performance	76	Global Initiatives	91
Social Performance	80	Third–Party Assurance Statement	93
Environmental Performance	84	Greenhouse Gas Assurance Statement	94
GRI Index	85	Key Awards and Recognitions	95
SASB Index	88		



Stakeholder Participation

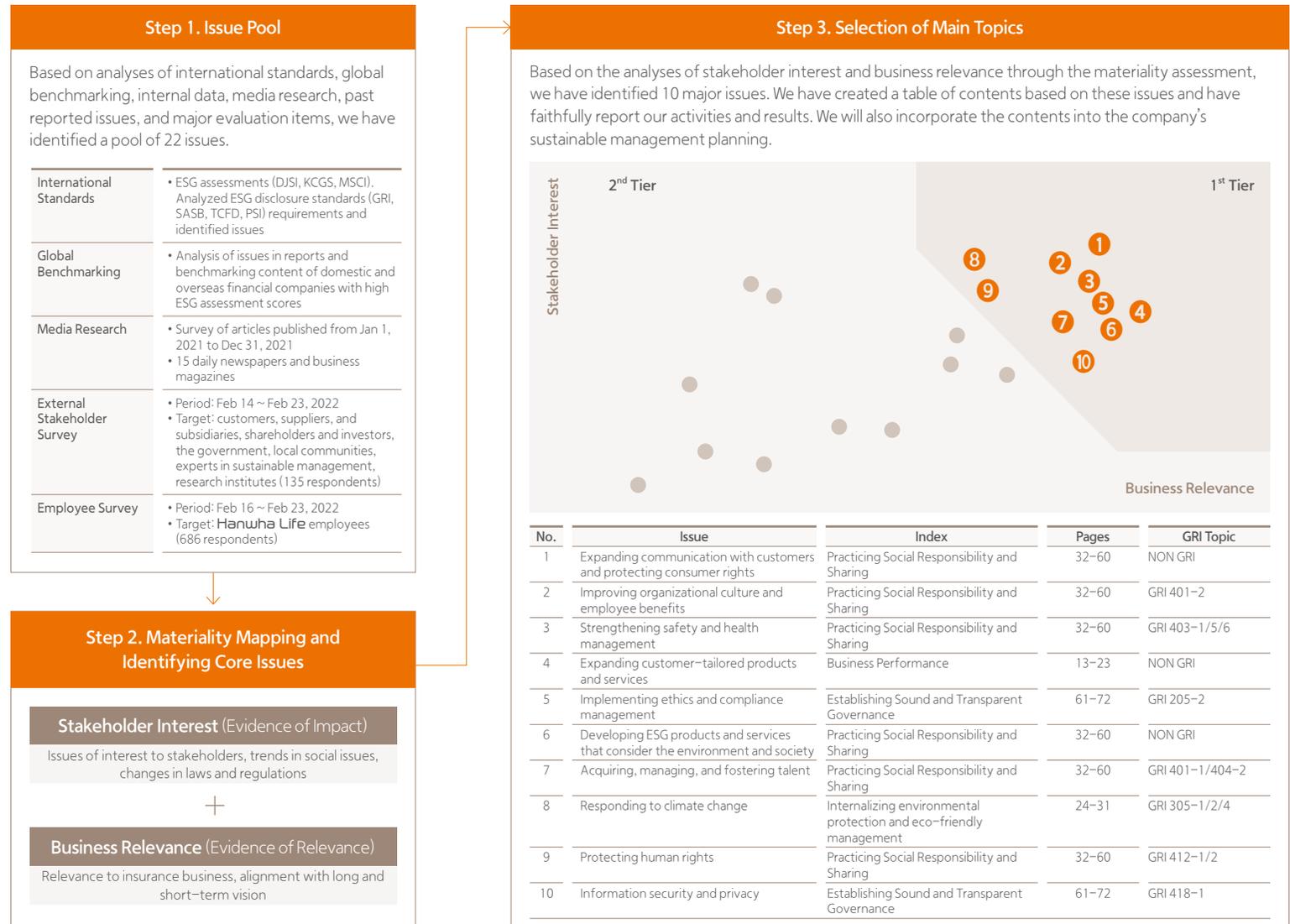
We maintain a variety of communication channels for each group of stakeholders to reflect their valuable opinions in our business. The main stakeholder groups are customers, employees, business partners, local communities, shareholders and investors, government and public institutions and associations.

Category	Customers	Employees	Business Partners (FPs, Suppliers)	Shareholders and Investors	Government, public agencies, and associations	Local communities
Major Communication Channels	<ul style="list-style-type: none"> • Call center • Customer service center • Hanwha Life website • SNS channels • Consumer portal • Hanwha Life APP • FGI system • Hanwha Talk Talk 	<ul style="list-style-type: none"> • Business strategy conferences • Company-wide sharing sessions • In-house broadcasts • HRD Monthly Letter • Employee Relations Council • Employee satisfaction survey • Industrial Safety & Health Committee 	<ul style="list-style-type: none"> • FP training • LIFEPLUS ACADEMY • Annual awards ceremony • Invitational events • Support for partnership activities • HGAPS epurchasing system • Building a Happy Place to Work (CS training for partners) • Security training 	<ul style="list-style-type: none"> • Annual Reports • Sustainability Reports • General Shareholders' Meetings • Management disclosures • Investment briefing • Earnings announcements & IR meetings • Global conferences 	<ul style="list-style-type: none"> • Korea Life Insurance Association • Financial Supervisory Service • Financial Services Commission • Korea Insurance Development Institute • Korea Insurance Research Institute 	<ul style="list-style-type: none"> • Measuring social contribution performance and value • Hanwha Life Volunteer Service Group • Hanwha Life Happy Friends • Local welfare organizations, NGOs • Social enterprises
Key Issues	<ul style="list-style-type: none"> • Developing consumer-oriented insurance products • Providing accurate information • Sustained service improvements • Customer privacy 	<ul style="list-style-type: none"> • Fair performance evaluations • Support for self-development • Work-life balance • Culture of respect for human rights 	<ul style="list-style-type: none"> • Expertise development • Benefits • Mutual growth • Fair trade compliance 	<ul style="list-style-type: none"> • Stable dividends • Building sound governance • Diversifying business and expanding market 	<ul style="list-style-type: none"> • Management disclosure • Fair trade compliance • Transparent tax policy 	<ul style="list-style-type: none"> • Reviving local communities • Social contribution activities for socially marginalized groups and areas • Co-prosperity with social enterprises • Environmental conservation of local communities

Material Issue Management

Among the company's sustainability management issues we have identified material issues by conducting a materiality assessment analyzing relevance to business and the interest levels of stakeholders, which are factors that affect overall management. We composed a pool of sustainable management issues through analyses of the internal and external environment, including analyses of existing reports and international standards, benchmarking similar industries, and reviewing ESG assessments and initiatives. We have also conducted surveys of key internal and external stakeholders. The ESG issues identified through the materiality test are reported to committees within the Board and are reflected in the review of all ESG risks, including plans for sustainable management.

Material Topic Selection Process



Business–Economic Performance

Organization Size

Category	Unit	2019	2020	2021
Domestic Entities*	Entities	598	566	1
Overseas Entities	Entities	174	190	194

* With the spin-off of Hanwha Life Financial Service in 2021, headquarters is the sole domestic organization.

Summary of Consolidated Financial Position

Category	Unit	2019	2020	2021
Assets				
I. Cash and cash equivalents	KRW million	950,704	1,051,931	1,336,124
II. Deposits	KRW million	1,019,690	506,330	1,263,132
III. Securities	KRW million	77,793,197	80,601,553	91,143,314
IV. Investments in affiliates and joint ventures	KRW million	230,828	257,086	367,916
V. Loans	KRW million	28,812,796	29,596,267	31,406,446
VI. Property and equipment	KRW million	1,855,045	1,901,702	1,884,292
VII. Investment property	KRW million	2,553,538	2,550,620	2,497,974
VIII. Intangible assets	KRW million	1,162,552	1,133,974	1,161,795
IX. Licensed assets	KRW million	78,779	80,950	124,833
X. Derivative assets	KRW million	297,987	1,050,529	181,066
XI. Net defined benefit assets	KRW million	–	4,714	25,369
XII. Current tax assets	KRW million	141,449	145,445	16,887
XIII. Deferred tax assets	KRW million	15,338	9,178	138,928
XIV. Other financial assets	KRW million	1,761,323	1,536,070	2,571,857
XV. Other assets	KRW million	3,048,781	3,026,294	3,289,958
XVI. Special account assets	KRW million	22,128,080	25,322,141	26,181,482
Total Assets	KRW million	141,850,087	148,774,784	163,591,373

Category	Unit	2019	2020	2021
Liabilities				
I. Insurance contract liabilities	KRW million	100,290,477	104,954,593	108,406,648
II. Policyholders' equity adjustment	KRW million	1,206,759	1,208,302	348,386
III. Financial liabilities at fair value through profit or loss	KRW million	–	–	1,356,666
IV. Borrowings and debentures	KRW million	555,982	552,557	6,987,337
V. Current tax liabilities	KRW million	5,049	4,493	65,401
VI. Deferred tax liabilities	KRW million	800,394	750,305	585,246
VII. Derivative liabilities	KRW million	607,563	184,680	989,411
VIII. Net defined benefit liabilities	KRW million	173,802	167,036	287,991
IX. Provisions	KRW million	16,473	76,211	89,667
X. Other financial liabilities	KRW million	1,976,419	1,910,771	4,075,087
XI. Other liabilities	KRW million	154,147	203,645	233,646
XII. Special account liabilities	KRW million	22,826,271	25,607,557	26,746,306
Total Liabilities	KRW million	128,613,336	135,620,150	150,171,792
Equity				
Equity attributable to owners of the Holding Company				
I. Share capital	KRW million	4,342,650	4,342,650	4,342,650
II. Additional paid-in capital	KRW million	(457,887)	(454,117)	(452,755)
III. Hybrid capital instruments	KRW million	2,056,297	2,056,344	2,056,344
IV. Other components of equity	KRW million	2,820,597	2,680,982	244,555
V. Retained earnings	KRW million	3,167,677	3,251,081	5,083,054
Non-controlled interests	KRW million	1,307,416	1,277,694	2,145,733
Total Equity	KRW million	13,236,751	13,154,634	13,419,581

Business–Economic Performance

Summary of Consolidated Statements of Comprehensive Income

Category	Unit	2019	2020	2021
I. Operating revenues	KRW million	24,978,491	26,223,053	27,173,625
II. Operating expenses	KRW million	25,951,421	25,879,352	25,821,650
III. Operating profit	KRW million	(972,930)	343,701	1,351,975
IV. Non–operating profit	KRW million	(14,520)	(68,780)	306,522
V. Profit before income tax	KRW million	(987,450)	274,921	1,658,497
VI. Income tax expenses	KRW million	(289,594)	66,674	409,337
VII. Profit for the year	KRW million	(697,856)	208,247	1,249,160
VIII. Other comprehensive income for the year	KRW million	2,144,093	(160,481)	(2,502,963)
IX. Total comprehensive income for the year	KRW million	1,446,237	47,766	(1,253,803)
X. Attribution of profit for the year	KRW million	(697,856)	208,247	1,249,160
Owners of the Holding Company	KRW million	(656,102)	202,114	1,191,311
Non–controlled interests	KRW million	(41,754)	6,133	57,849
XI. Attribution of total comprehensive income for the year	KRW million	1,446,237	47,766	(1,253,803)
Owners of the Holding Company	KRW million	1,285,790	62,779	(1,238,849)
Non–controlled interests	KRW million	160,447	(15,013)	(14,954)

Financial Performance

Category	Unit	2019	2020	2021
APE*	KRW million	1,824,726	1,837,844	1,573,145
Protection APE*	KRW million	1,186,120	1,130,993	964,577
RBC ratio	%	235.3	238.3	184.6

* Based on separate financial statements

Summary of Embedded Value (EV)

Category	Unit	2019	2020	2021
EV	KRW 100 million	96,886	97,160	101,723
New Business Value	KRW 100 million	7,113	7,267	8,818
New Business Margin	%	39.0	39.5	56.1

Customer Retention Rate*

Category	Unit	2019	2020	2021
Retention Rate	13–month retention	81.8	83.2	84.8
	25–month retention	60.1	60.2	64.6
Protection Persistency Rate	13–month persistency	80.7	83.0	84.1
	25–month persistency	59.6	60.2	65.3

* Data from 2019 to 2021 has been revised to reflect changes in calculation criteria.

Business–Economic Performance

Tax Policy

Tax Policy

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

Tax Disclosure

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

Tax Risk Management

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

Category	Unit	2019	2020	2021
Corporation Taxed Paid	KRW million	1,407	28,051	253,292
Deferred Tax Changes due to Temporary Differences*	KRW million	(292,688)	40,328	153,122
Corporation Tax Expenses Directly Included in Capital	KRW million	1,687	(1,705)	2,923
Corporation Tax Expenses*	KRW million	(289,594)	66,674	409,337

* Data from 2019 to 2020 has been revised to reflect changes in calculation criteria.

Economic Value Distribution

Category	Unit	2019	2020	2021
Shareholders	Cash dividend	KRW million	22,542	–
Customers	Claims paid	KRW million	11,879,743	12,784,776
Operating Expenses	New contracts & maintenance costs	KRW million	1,985,279	2,015,486
Employees	Salaries and bonuses	KRW million	522,101	571,849
	Benefits	KRW million	134,742	133,935
	Severance pay	KRW million	66,895	92,348
Government	Tax expenses*	KRW million	(289,594)	66,674
Local Communities	Social contribution expenses**	KRW million	15,975	3,428

* Data from 2019 to 2020 has been revised to reflect changes in calculation criteria.

** Based on separate financial statements

Economic Performance by Channel

Category	Unit	2019	2020	2021
Affiliated Agents APE	Protections	KRW million	979,597	908,294
	Pensions	KRW million	77,120	69,648
	Savings	KRW million	18,243	6,874
Independent Agents Performance	Bancassurance channel APE	KRW million	444,778	542,202
	GA channel APE	KRW million	255,761	252,229

Business–Economic Performance

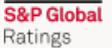
Green Investment

Category		Unit	2019	2020	2021
Renewable Energy	Solar power	KRW million	901,990	1,020,534	820,623
	Wind power	KRW million	275,047	284,308	219,234
	Other (Fuel cells, etc.)	KRW million	76,210	73,611	29,372
	Total	KRW million	1,253,247	1,378,454	1,069,229
Water Resources and Sewage Management (Desalination Plants, Sewage Processing, Sewage Conduits, etc.)		KRW million	493,208	462,640	430,529

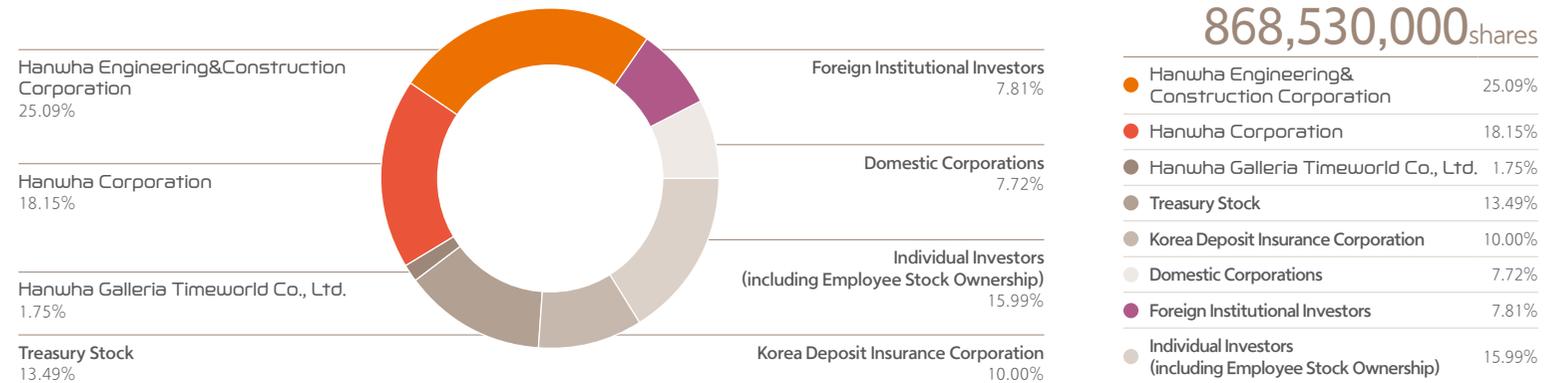
Social Investment

Category		Unit	2019	2020	2021
Schools, Cultural Facilities	Schools	KRW million	144,814	129,962	122,458
	Cultural facilities	KRW million	17,947	15,336	12,623
	Total	KRW million	162,761	145,299	135,080

Credit Rating (As of the end of 2021)

 NICE Investors Service AAA	 Korea Ratings AAA	 Korea Investors Service AAA	 Fitch A	 Moody's A2	 S&P A
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Shareholders (As of December 30, 2021)



Social Performance

Employees

Category		Unit	2019	2020	2021***	
Total Employees		People	4,004	4,078	2,663	
Gender	Male	People	2,154	2,195	1,494	
	Female	People	1,850	1,883	1,169	
Employment Type	Executive	Male	People	57	64	54
		Female	People	2	3	5
	Full-time*	Male	People	2,055	2,073	1,388
		Female	People	1,813	1,853	1,140
	Indefinite contract	Male	People	-	-	-
		Female	People	3	2	-
	Expert/special/general contract	Male	People	42	58	52
		Female	People	32	25	24
Age	Under 30 years	Male	People	159	163	76
		Female	People	260	264	173
	30 to 50 years	Male	People	1,354	1,264	798
		Female	People	1,527	1,529	922
	Over 50 years	Male	People	641	768	620
		Female	People	63	90	74
Diversity	Disabled employees	People	33	35	27	
	Ratio of female managers**	%	5.3	6.7	9.4	

* Data from 2019 to 2020 has been revised to reflect the addition of an "Executive" category.

** Female manager: Female employee ranked deputy general manager or higher

*** The sudden drop in the number of employees is due to the spin-off of Hanwha Life Financial Service in 2021.

Recruitment and Retirement

Category	Unit	2019	2020	2021	
New Employees*	Total	People	96	181	125
	Male	People	53	120	70
	Female	People	43	61	55
Turnover Rate	Total turnover rate	%	3.2	3.9	39.5**
	Voluntary turnover rate***	%	2.1	2.8	37.5

* Based on year of hire (general hires, hires with prior experience, clerical hires); data from 2019 has been revised to reflect changes in calculation criteria.

** Factors in employees who transferred out with the spin-off of Hanwha Life Financial Service on April 1, 2021

*** Excludes involuntary turnover (executive retirement, honorary retirement, mandatory retirement, contract expiration, disciplinary dismissal, termination of authority)

Parental Leave

Category	Unit	2019	2020	2021
Return-to-work rate after parental leave	%	97.6	91.7	90.0
12-month retention rate after return-to-work	%	100.0	100.0	60.0*

* Includes employees who transferred out due to the spin-off of Hanwha Life Financial Service

Social Performance

Employee Safety Management

Category	Unit	2019	2020	2021
Industrial Accidents Rate	%	0.1	0.1	0.1

* Including factors in simple commuting accidents not obligated to be reported under relevant laws as the Occupational Safety and Health Act

Labor Union

Category	Unit	2019	2020	2021
Labor Union Membership*	%	61.9	58.7	44.5

* Data from 2019 to 2020 has been revised due to changes in measurement criteria (includes all employees below general manager grade, except for employers and agents).

Employee Training Status

Category	Unit	2019	2020	2021**
Total Training Expenses*	KRW 10,000	423,647	268,277	233,805
Total No. of Employees Participating	People	3,918	3,999	2,571
Total Training Hours	Hours	235,493	207,088	23,572
No. of People with Key Qualifications	People	169	167	143
Ethical Management	Training hours	Hours	12,387	15,449
	Training frequency	Sessions	37	35
	No. of participants	People	All employees	All employees
Sexual Harassment Prevention	Training hours	Hours	2 hours	1 hour
	No. of participants	People	All employees	All employees
Fair Trade Compliance (CP)	CP Training hours	Hours	1 hour (online)	1 hour (online)

* Data from 2019 to 2020 has been revised due to changes in measurement criteria.

** Training data is abridged due to the spin-off of Hanwha Life Financial Service in 2021.

Participation by Training Program

Category	Unit	2019	2020	2021
General Training (Job, Leadership, etc.)	Training hours	Hours	189,358	156,751
	No. of employees participating	People	3,903	3,979
Security and Ethical Management Training for Contractors	Completion of OA maintenance contractors training	People	103	103

Social Performance

Performance Evaluation

Category	Unit	2019	2020	2021
Ratio of Employees Evaluated*	%	96.3	96.6	96.9
Performance Management (OKR): Clearly define individual objectives linked to the objectives of upper-level team and systematically manage performance**	%	94.8	96.6	96.9
Multi-faceted Performance Evaluation	%	7.4	41.0	56.1
Ranking Based on Comparative Assessment of Employees in Same Job Grade	%	100.0	100.0	100.0

* Excluding general new employees with prior experience (2H) and new employees without prior experience

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

Employee Retirement Pension Status

Category	Unit	2019	2020	2021
Defined Benefits (DB)	KRW million	315,845	291,385	207,629
Defined Contribution (DC)	KRW million	137,003	145,388	121,009
Participation Rate	%	93.3	93.6	99.8

Incomplete Sales Ratio

Category	Unit	2019	2020	2021
HLFS (formerly FP)	%	0.08	0.06	0.06
HLL	%	0.15	0.11	0.13
GA	%	0.36	0.19	0.12
Bancassurance	%	0.09	0.03	0.03
Direct-Managed	%	-	-	-

* Data from 2019 to 2020 has been revised due to organizational restructuring

Customer Satisfaction Rate

Category	Unit	2019	2020	2021
National Customer Satisfaction Index (NCSI)	Points	76	77	79
Korea Standard Service Quality Index (KS-SQI)	Points	72.6	73	73.9
KSQI (Customer Center)	Ranking	Joint no. 1	Joint no. 1	Joint no. 1 (96 points)
KSQI (Call Center)	Ranking	no. 1	Joint no. 1	Joint no. 1 (97 points)

Social Performance

Number of Complaints

Category	Unit	2019	2020	2021
Internal Complaints	Cases	1,834	1,485	1,355
External Complaints*	Cases	2,090	1,992	1,556
Total	Cases	3,924	3,477	2,911

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

Value of Financial Products Contributing Social Value

Category	Unit	2019	2020	2021
"Gomdur" Comprehensive Protection*	Cumulative no of customers	1,358	1,378	1,386
	Cumulative sales amount	129	131	132
"Hope & Love" Insurance**	Cumulative no. of children supported	7,516	7,516	7,516
	Cumulative sales amount	6,780	6,780	6,780
"Together-and-Far" Donation Insurance***	Cumulative no. of children supported	53	53	-
	Cumulative sales amount	24	32	-
"We Will Protect You" Insurance****	Cumulative no of customers	-	395	1,222
	Cumulative sales amount	-	33	105
"MOM'S CARE" Savings Insurance*****	Cumulative no. of children supported	-	-	16
	Cumulative sales amount	-	-	186

* Product for the disabled

** Product for low-income people

*** Supports the enrollment of children leaving protective custody into 10-year protection term insurance; sale closed in 2020.

**** Product for military personnel

***** Supports coverage, including a KRW 10 million fund payment upon completing a three-year term and surgery, for children leaving protective custody; product launched in 2021.

Social Contributions

Category	Unit	2019	2020	2021	
Amount	Expenditure on social contributions	KRW million	15,975	3,428	3,376
Forms of Contribution	Cash donations	KRW million	15,975	3,428	3,376
	In-kind donations	KRW million	-	-	-
	Business expenses (management costs)	KRW million	-	-	-
Fundraising	Funds raised from employees	KRW million	439	424	180
	Funds raised from FPs*	KRW million	107	98	-

* Due to the spin-off of Hanwha Life Financial Service in 2021, funds raised from FPs in 2021 have been excluded.

Environmental Performance

Energy Use*

Category		Unit	2019	2020	2021
HQ (63 Building)	Direct	MWh	8,860.56	11,017.22	11,774.45
	Indirect		59,543.06	53,101.95	62,273.89
Janggyo Building	Direct	MWh	2,854.17	2,424.17	2,531.67
	Indirect		18,351.94	15,656.39	15,796.94
Total Energy Use		MWh	89,609.73	82,199.73	92,376.95
KRW Unit Standard (Premium Income)**		KRW billion	14,014	14,775	14,745
Energy Use per KRW Unit		MWh/KRW billion	6.39	5.56	6.26

* Based on headquarters and Janggyo Building as the main sites of energy consumption (GHG Assurance Statement covers 42 business sites),

Due to changes in reporting calculations, 2019–2020 data has been revised (2019 and 2020 data adjusted in accordance with establishment of greenhouse gas inventory in 2021; data for 2020 includes company car usage)

** Based on separate financial statements

Water Usage and Discharge

Category		Unit	2019	2020	2021
Municipal Water Usage		Ton	55,970.67	52,422.24	49,460.83
Treated Water Usage		Ton	45,772.99	41,664.57	39,236.33
Wastewater Discharged		Ton	101,743.65	94,086.81	88,697.16

* Based on headquarters and Janggyo Building; data from 2019 to 2020 has been revised due to changes in calculation criteria.

Greenhouse Gas Emissions*

Category		Unit	2019	2020	2021
HQ (63 Building)	Scope 1	tCO ₂ eq	1,621.01	2,104.27	2,224.80
	Scope 2		10,419.72	9,284.56	10,728.47
Janggyo Building	Scope 1	tCO ₂ eq	521.52	443.82	463.08
	Scope 2		3,161.66	2,737.40	2,721.50
Total Greenhouse Gas Emissions		tCO ₂ eq	15,723.91	14,570.05	16,137.85
KRW Unit Standard (Premium Income)**		KRW billion	14,014	14,775	14,745
GHG Emissions per KRW Unit		tCO ₂ eq/KRW billion	1.12	0.99	1.09

* Based on headquarters and Janggyo Building as the main sites of Greenhouse Gas Emissions (GHG Assurance Statement covers 42 business sites),

Due to changes in reporting calculations, 2019–2020 data has been revised (2019 and 2020 data adjusted in accordance with establishment of greenhouse gas inventory in 2021; data for 2020 includes company car usage)

** Based on separate financial statements

Copy Paper Use

Category	Unit	2019	2020	2021
Copy Paper Use Amount*	Box	68,786	76,599	2,443

* Includes headquarters and other business locations (branches, regional groups, regional headquarters)
Copy paper use declined in 2021 due to the spin-off of **Hanwha Life Financial Service**.

Eco-friendly Product Purchasing

Category	Unit	2019	2020	2021
Purchase of Eco-friendly Supplies (Furniture, etc.)*	KRW million	3,404	1,209	954

* Based on the use of eco-friendly materials E0, E1 (formaldehyde-free)

Due to COVID-19, the overall volume of furniture purchases declined, including eco-friendly products, in 2020.

Eco-friendly product purchases dropped in 2021 due to the spin-off of **Hanwha Life Financial Service**.

Universal Standards(GRI 100)

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	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	No significant complaints

GRI Index

Economic Performance(GRI 200)

Classification	Disclosure	Indicators	Page	Note
Economic Performance	201-1	Direct economic value generated and distributed	78	
	201-2	Financial implications and other risks and opportunities due to climate change	26-29	
	201-3	Defined benefit plan obligations and other retirement plans	82	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No Significant Incidents

Environmental Performance(GRI 300)

Classification	Disclosure	Indicators	Page	Note
Energy	302-1	Energy consumption within the organization	84	
	302-3	Energy intensity	84	
Water	303-3	Water withdrawal	84	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	-	No Significant Incidents

Social Performance(GRI 400)

Classification	Disclosure	Indicators	Page	Note
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	62	
Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	-	No Significant Incidents

Hanwha Life transparently discloses the financial impact of its sustainable management, in accordance with SASB (The Sustainability Accounting Standards Board) standards. We will continue to improve the scope and level of our disclosures, and provide information that our stakeholders may find helpful.

Topic	Disclosure Code	Description	Page
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	None *Information on ongoing litigation may be referenced on pp578-579 of Annual Report.
	FN-IN-270a.2	Complaints-to-claims ratio	82
	FN-IN-270a.3	Customer retention rate	77
	FN-IN-270a.4	Description of approach to informing customers about products	Hanwha Life Website 
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	37
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	36-37
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	35
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	n/a for a life insurance company
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	n/a for a life insurance company
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	n/a for a life insurance company
Systemic Risk Management	FN-IN-550a.1	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	68-70

In response to climate change, we plan to manage performance by establishing climate change governance, strategy, risk management, and metrics and targets according to TCFD recommendations, and by transparently sharing the status of their implementation with stakeholders.

Area	Item	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	26
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	26
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	26–27
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	26–27
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	26–27
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	28
	b) Describe the organization's processes for managing climate-related risks.	28
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	28
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	28
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	28
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	28

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

Principle	Description
<p>Principle 1 We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.</p>	<p>To establish and implement ESG management across our company, we maintain an ESG governance program consisting of a Sustainability Management Committee, a Sustainability Management Team, and a Sustainability Management Working Council. The Sustainability Management Committee is our highest decision-making body tasked with bolstering ESG management strategy. We manage the Committee to facilitate ESG management from a long-term perspective. The Sustainability Management Team and Sustainability Management Working Council were formed to enhance task execution. Furthermore, in our performance evaluation system, OKR, we have metrics for "laying the foundations for sustainable management by strengthening ESG oversight", thereby embedding ESG in our overall management activities.</p>
<p>Principle 2 We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.</p>	<p>By establishing an ESG investment system and actively implementing it via measures such as our Declaration of De-Coal Financing, we emphasize the necessity of ESG management to investment target companies to encourage them to actively implement it. Furthermore, to create an ESG management culture across the industry, our supplier evaluations include the results of our suppliers' self-assessments in terms of ethical standards.</p>
<p>Principle 3 We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.</p>	<p>We actively collaborate with the government and major agencies to promote ESG management. In 2021, we participated in the National Assembly ESG Forum, created to advocate the development of ESG policies and the enactment of relevant laws. In line with our support of carbon neutrality and responding to climate change, we have joined the "Declaration of Green Finance to Achieve 2050 Carbon-Neutral Strategy" organized by the Korea Sustainability Investing Forum and the National Assembly Forum on Climate Change. Furthermore, to promote ESG management, we regularly hold ESG meetings with other Hanwha financial affiliates to share and discuss ESG plans and their progress. We also work closely with the government, local communities, and volunteer groups to conduct social contribution activities and share and promote ESG values. We started the Hanwha Life Volunteer Group in 2004, under which over 140 volunteer teams conduct a variety of activities in 1-to-1 partnerships with local volunteer groups. We also work with NGOs and local communities to plan and implement customized social contribution programs for the socially underprivileged.</p>
<p>Principle 4 We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.</p>	<p>We maintain a range of communication channels, including the company website. Moreover, by regularly publishing a Sustainability Report, a Corporate Governance Report, and an Annual Report, we transparently disclose our ESG management implementation activities.</p>

Global Initiatives

Our Global Initiative Memberships

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

Initiative	Description
 <p>UNEP FI (United Nations Environmental Programme Finance Initiative)</p>	Aims to undertake a wide range of programs in partnership with the UNEP and financial institutions, in recognition of the critical role of financial institutions in sustainable development
 <p>UNEP FI PSI (UNEP FI Principles for Sustainable Insurance)</p>	The Principles for Sustainable Insurance declared by the UNEP FI, with the purpose of identifying, assessing, managing and monitoring the risks and opportunities related to environment, society and governance across the insurance value chain, including interactions with stakeholders
 <p>TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>	A committee established in 2015 by the FSB (Financial Stability Board) at the request of the G20, to encourage companies to disclose information related to climate change, including climate-related governance, business strategy, risk management, climate change management metrics and targets, so that companies can effectively incorporate climate-related risks and opportunities into company-wide risk management and decision-making.
 <p>UNGC (UN Global Compact)</p>	The UNGC is the world's largest voluntary corporate citizen initiative, espousing ten principles in the four areas of human rights, labor, the environment and anti-corruption to be incorporated into business operations and management strategies, in order to pursue sustainable management, enhance corporate citizenship, as well as propose practical actions.
 <p>UN SDGs (Sustainable Development Goals)</p>	The UN SDGs were adopted by the 70th UN General Assembly in 2015 under the slogan "Leave no one behind". This initiative set the direction for the global community in the five areas of Humankind, the Earth, Prosperity, Peace, and Partnerships, consisting of 17 goals and 169 sub-goals to be achieved by 2030.
 <p>CDP (Carbon Disclosure Project)</p>	The CDP is a global climate change project that urges companies to disclose environmental information such as greenhouse gas emissions, crises and opportunities due to climate change, and carbon management strategies

UN Global Compact

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

Category		Content	Pages
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	59–60
	Principle 2	make sure that they are not complicit in human rights abuses.	
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	56, 59–60
	Principle 4	the elimination of all forms of forced and compulsory labour;	
	Principle 5	the effective abolition of child labour; and	
	Principle 6	the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	24–31
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	65–66

Support for Sustainable Development Goals (SDGs)

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

	Ensure healthy lives and promote well-being for all at all ages	Support for medical insurance for the underprivileged in Vietnam We sponsored the individual share of the medical insurance cost for the underprivileged. This has helped improve their access to medical services and relieve their economic burden.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Hanwha Life Economic Study Class We operate a “Hanwha Life Economic Study Class” for children and teenagers, the leaders of the future, to help them develop their understanding of economics and grow as conscientious consumers of financial services.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	DREAMPLUS, DREAMHAUS As part of promoting innovative growth for the future, we provide opportunities to young people to start their own businesses and expand to international markets by providing residential stability and financial support.
	Reduce inequality within and among countries	Inclusive Financial Products To help the financially vulnerable prepare against the risk inherent in daily life, we have introduced a wide range of insurance products to provide protection for the financially underprivileged such as people with old age or medical conditions, or the socially underprivileged, who are conventionally denied access to standard insurance products.

Third-Party Assurance Statement

To readers of Hanwha Life Sustainability Report 2022

Introduction

Korea Management Registrar (KMR) was commissioned by **Hanwha Life** to conduct an independent assurance of its Sustainability Report 2022 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of **Hanwha Life**. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with **Hanwha Life** and issue an assurance statement.

Scope and Standards

Hanwha Life described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

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 topic-specific disclosures of standards which were identified in the materiality assessment process

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
- Management approach of Topic Specific Standards
 - GRI 205: Anti-Corruption
 - GRI 305: Emissions
 - GRI 401: Employment
 - GRI 403: Occupational Health and Safety
 - GRI 404: Training and Education
 - GRI 412: Human Rights Assessment
 - GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of **Hanwha Life's** 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 engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by **Hanwha Life** to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with **Hanwha Life** 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, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

Hanwha Life has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

Hanwha Life has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

Hanwha Life prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of **Hanwha Life's** actions.

Impact

Hanwha Life identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 – Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with **Hanwha Life** and did not provide any services to **Hanwha Life** that could compromise the independence of our work.

June 2022, Seoul, Korea



CEO E. J. Hwang

Greenhouse Gas Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by **Hanwha Life Insurance Co., Ltd.** ("**Hanwha Life**") to verify the **Hanwha Life's** Greenhouse Gas Inventory Report("the report") for the calendar year 2021 based upon a limited level of assurance. **Hanwha Life** is responsible for the preparation of the GHG emissions data on the basis set out within the 'ISO 14064-1:2018 (Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals). Our responsibility in performing this work is to the management of **Hanwha Life** only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The reported emissions cover Direct emissions (Scope 1) and Energy Indirect emissions (Scope 2) from **Hanwha Life** boundary of the report:

- Organizational boundary for reporting: 42 domestic business sites of **Hanwha Life** (based on company owned buildings)

Verification Approach

The verification has been conducted by DNV in May 2022 and performed in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019 (Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions)'. We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the **Hanwha Life's** GHG inventory report (Excel based tool)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the above verification of core elements, it is the DNV's opinion that nothing comes to our attention to suggest that GHG emissions are not properly calculated, and a significant uncertainty and error are included in the GHG Emissions from domestic sites of **Hanwha Life** for the year 2021 below:

Greenhouse Gas Emissions of Hanwha Life for Yr 2021

Company	Unit:	Direct emissions(Scope 1)	Indirect emissions(Scope2)	Total emissions
Hanwha Life	ton CO ₂ equivalent.	5,572	33,213	38,785

※ In order to report the GHG emissions as an integer, the rounded number on the statement might be different from the number on the system with ± 1 tCO₂-eq

※ Total emissions = Direct emissions(Scope 1) + Energy indirect emissions(Scope 2)

June 7, 2022
Seoul, Korea

DNV Business Assurance Korea Ltd
Country Manager **Jang-Sub Lee**



This Assurance Statement is valid as of the date of the issuance June 7, 2022. Please note that this Assurance statement would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of **Hanwha Life** is subsequently brought to our attention.

Key Awards and Recognitions

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

Fair Trade Commission/Korea Consumer Agency

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



Ranked No.1 Call Center and No.1 Customer Center on the 2022 KSQI (Korean Service Quality Index) for the 11th consecutive year and 13th consecutive year, respectively

KMAC

The Korean Service Quality Index (KSQI) provides an indicator of service quality based on customer perceptions. A panel evaluates levels of service quality at customer touchpoints, indexed in terms of service fulfillment. As a result of our consistent efforts to enhance service quality, **Hanwha Life** has been selected as a Platinum Call Center for 14 consecutive years, and ranked No.1 for 11 consecutive years in Call Centers and No.1 for 13 consecutive years in Customer Centers.



Eighth consecutive Grand Prize and "Hall of Fame" induction at 2017 Korea Service Grand Prix

Korea Standards Association

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





Hanwha Life
Sustainability Report 2022

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