
2023 NH Nonghyup Life Insurance's Principles for Sustainable Insurance

NLI(NH Nonghyup Life Insurance) signed the UNEP FI PSI in September 2021, and declared that it would internalize ESG factors throughout management to practice sustainable insurance management.

In order to practice the vision of 'Together with customers' through the practice of social responsibility based on the spirit of cooperatives, We will practice sustainability management activities according to the four principles of PSI and report them every year.

Principle 1. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business

Establishment of company-wide ESG decision-making system

NLI established the ESG Promotion Council chaired by the vice president in charge of ESG in 2021 to review company-wide ESG initiatives and plans semi-annually.

The major issues discussed through the above council are reported as agendas of the board of directors and officially recognized as an ESG strategy.

Operation of the Group council

Nonghyup Financial Group operates the 「Social Values and Green Finance Council」, which consists of the group CEO and executives in charge of ESG at the holding company and subsidiaries, to discuss the group's ESG strategic direction and cooperation items once a half year and to monitor sustainability management performance.

In 2023, the committee held two meetings and discussed on climate change response and carbon neutrality strategies, including ESG balanced development plans and ESG implementation plan for 2024.

Strengthening ESG performance evaluation within the organization

NLI sets the ESG implementation details for each core business of the insurance company and assigns them to the relevant departments. It improves execution power by reflecting it in performance evaluation.

ESG implementation details include achieving performance targets for ESG investments and products, managing carbon emissions, and conducting ESG campaigns, etc.

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

Vitalization of ESG product development

In 2022, NLI develops an insurance product to promote eco-friendly activities of customers. The product guarantees public transportation disasters, and we planted 2,000 trees in a campaign to donate one tree when customers sign up for the ESG pledge when subscribing to the product.

NLI is the only policy insurance institution in Korea that sells farmer safety insurance to cover accidents that occur during agricultural work, thereby solving the problem of the lack of guarantee for farmers. The actual benefits of farmers were strengthened by extending the guarantee period for receiving insurance money and introducing a pension payment method. In 2023, the benefits of farmers were strengthened through expansion of insurance eligibility(from age of 84 to 87) and reduction of master insurance premiums(0.3-3.4%).

Investment in consideration of phase-out of coal finance and climate risk

After NH Nonghyup Financial's declaration of phase-out of coal finance in 2021, NLI stopped investing in fossil fuel development. While expanding ESG investment by discovering new and renewable energy and Green New deal projects, we are reducing the investment limit for high-carbon industries to reduce financial emissions in consideration of climate risk.

Establishment of eco-friendly infrastructure

To promote ESG activities with business partners, we are in the process of switching of business vehicle contracts to environmentally friendly vehicles by 2025.

In preparation for this transition to electric vehicles, electric vehicle charging stations were installed at the head office and training center. In addition, energy saving was practiced by replacing the head office lighting with LED. In order to practice paperless, customer service and work process improvement was promoted. By building a mobile subscription system, customers can self-subscribe using their smartphones without paper. In addition, the product development system was digitized to enable document sharing and storage without paper.

Based on these efforts to practice eco-friendly management, we have acquired ISO14001 certification, an international standard for environment.

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

Social contribution through business agreements with external institutions

NLI entered into business agreements with external institutions for systematic and continuous social contribution activities.

Category	Agency	Activities
Neighbor Love PC Sharing	Korea IT Employment Association for the Disabled	Donate more than 500 computer devices every year in 2022-24
Green space creation project	Seodaemun-gu Office	A total of KRW 150 million donation in 2022-24, creation of green space
Rural Medical Support Project	Yonsei Medical Center	A total of 2.5 billion KRW in 2023-26, target of 10,000 beneficiaries

In 2022, we donated 950 obsolete computing devices through the Korea IT Employment Association for the Disabled. Through a donation of KRW 50 million, we created green spaces such as flower paths in Seodaemun-gu Office and nearby downtown areas.

In 2023, free health examination, which had been suspended due to COVID-19, were resumed and conducted a total of 5 times, reaching 1,129 beneficiaries, contributing to improving the health of medically vulnerable groups in rural areas.

In addition, we have acquired 'CSR in the Community' for two consecutive years, recognizing activities that contribute to the welfare of the local community through exchanges and cooperation with local non-profit organizations.

Operation of Modure Economy and Finance Class

Participating in the Financial Supervisory Service's 1 company 1 school program(financial companies establish sisterhood ties with nearby schools), we have been operating the Modure Economics and Finance Class since 2014. By producing learning materials and video contents for each level, the effectiveness of learning has been increased, and the cumulative number of trainees has reached 12,000 in 2021.

Promotion of community welfare improvement

Nonghyup Life Insurance is also striving to fulfill its social responsibilities through social contribution activities. We have formed partnerships with rural villages to provide regular assistance for farmers in rural areas and prompt support in times of emergency disasters such as storms and floods. Moreover, we are actively carrying out sharing activities for socially vulnerable groups dependent upon the season/theme, such as national holidays, the hottest summer day, winter kimchi-making , bread-making, and tree-planting activities.

In 2022, we awarded an honorary medal to a member of the Korean Red Cross in recognition of a support as a special contributor to Afghanistan.

Principle 4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

NLI publishes an annual report every year for regular reporting on

ESG-related issues. And business reports are listed on the company website and the Electronic Disclosure System of the Financial Supervisory Service. In addition, social contribution activities are introduced on the company website, and details of social contribution donations and volunteer activities are displayed.

「Nonghyup Financial TCFD Report」 published by NH Nonghyup Financial Group from 2021 discloses the measurement of NLI's carbon emissions, and starting from 2022, the 「Nonghyup Financial ESG Management Report」 will be published and disclosed, including NLI's ESG progress.