

Korean Re issued sustainability bonds worth KRW 230 bn. (May 2022)

Korean Re has been increasing the weighting of ESG factors in its alternative investment portfolio under its ESG management initiatives. As part of that, we issued hybrid capital securities (sustainability bonds) worth KRW 230 billion in May 2022.

The whole amount of the raised fund will be used for environmental and social projects. On the environmental front, we have been promoting environmental sustainability by investing in green projects such as renewable energy development, eco-friendly transportation and buildings, and businesses that embrace the circular economy in which economic activity is decoupled from the consumption of finite resources. Our investment in social projects aims to make positive impacts on society such as job creation and affordable housing development.

The hybrid capital security has been rated STB1, the highest rating issued by Korea Investors Service to sustainability bonds. Also, its framework has been evaluated to be in full compliance with the Korean government's guidelines and the Sustainability-Linked Bond Principles of the International Capital Market Association (ICMA). The main criteria of the evaluation are as below:

- Investing in a qualified project, with the whole amount of the raised capital being used for the project
- Having in place an appropriate process to select a project and a set of clear criteria for selection and evaluation
- Complying with the ICMA's standards for fund management
- Transparent and regular reporting and disclosure
- Setting mid-and-long-term ESG management strategies through an ESG Committee and an organizational unit dedicated to ESG implementation
- Engaging actively in social contribution initiatives aimed at supporting the socially underprivileged and community development

The raised fund will be managed with the approval of the investment deliberation committee in which a manager at the ESG Management Team participates. Until the fund is exhausted, reporting will be made in due course regarding the status of fund execution and the balance amount as well as social and environmental benefits, with relevant information being disclosed annually.