Reporting on Equator Principles Implementation 2024

SUSTAINABLE
Future,

GROWING
Together

Samsung Life Insurance

Eco-friendly Responsible Investment

Equator Principles Implementation Report

About the Equator Principles

- Equator Principles
  - The Equator Principles have been voluntarily adopted by financial institutions around the world to guide their financing of large-scale development projects, in order to avoid funding environmental or human rights abuses.
  - The Equator Principles provide minimum criteria that enable financial institutions to identify, assess and manage environmental and social risks when reviewing large-scale financial transactions, including project financing and corporate loans.
  - The Equator Principles consider ecosystem protection, minimum impact on local communities, human rights protection, and response to climate change, and serve as a global standard for achieving sustainable finance.
  - As of March 2025, 128 financial institutions worldwide have adopted the Equator Principles.
- Adoption and Purpose of the Equator Principles
  - Samsung Life Insurance became a signatory to the Equator Principles in December 2022 to enhance its global environmental and social risk management, and to foster responsible financial practices as a global financial institution.

Scope of the Equator Principles

Financial Product	Application Criteria
Project Finance Advisory Services	Total project capital costs of USD 10 million or more
Project Finance	Total project capital costs of USD 10 million or more
Project-Related Corporate Loans	Corporate loans that meet all of the following criteria: ① The majority of the loan is related to a Project over which the client has Effective Operational Control (either direct or indirect). ② The total aggregate loan amount and Samsung Life's individual commitment are each at least USD 50 million. ③ The loan tenor is at least two years.
Bridge Loans	Bridge loans with a tenor of less than two years that meet all the conditions of Project Finance or a Project-Related Corporate Loan
Refinance and Acquisition Finance	Refinance and acquisition finance that meet the following criteria: ① The underlying project was financed in accordance with the Equator Principles framework. ② There has been no material change in the scale or the scope of the Project. ③ Project completion has not yet occurred at the time of the signing of the facility or loan agreement.

Equator Principles Implementation Principles

- Implementation and Application of the Equator Principles
  - Ten principles that financial institutions and clients must adhere to
  - Differentiated requirements imposed based on the level of environmental and social risk of a project
  - Financial institutions proactively identify and assess the environmental and social risks of large-scale projects and establish management guidelines for sustainable finance practices.

Review and Categorization	Review project-related environmental and social risks and categorize projects as Category A, B or C
Environmental and Social Assessment	Conduct environmental and social impact assessments based on project category and greenhouse gas emissions
Applicable Environmental and Social Standards	Comply with the project host country's regulations and the environmental and social standards of the Equator Principles
Environmental and Social Management System and Equator Principles Action Plan	Develop an environmental and social management system
Stakeholder Engagement	Manage stakeholders and consult on the disclosure of environmental and social information related to projects
Grievance Mechanism	Establish effective grievance mechanisms in consideration of environmental and social impacts
Independent Review	Review compliance with the Equator Principles through an independent consultant
Covenants	Incorporate the requirements of the Equator Principles into financial covenants
Independent Monitoring and Reporting	Conduct regular monitoring to assess compliance with the Equator Principles
Reporting and Transparency	Report the implementation of the Equator Principles and disclose environmental and social impact assessment results

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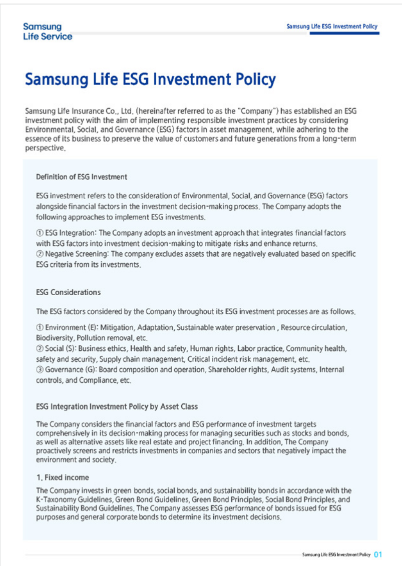
Equator Principles Application Process

- Application Principles and System
  - Systematically manage environmental and social risks based on the ten Equator Principles
  - Operate a dedicated department to comprehensively review materials provided by clients for transactions subject to the Equator Principles, and request supplementary measures as necessary to proactively identify project risks and minimize potential environmental and social impacts
- Enhancement of the 2024 Investment Policy Framework
  - Create a proactive risk assessment system based on a process for applying the Equator Principles
  - Introduce investment and lending restrictions for certain industries, including fossil fuel-related projects
  - Integrate ESG factors for consideration: incorporate environmental, social, and governance factors into investment decision-making process


Samsung
Life Service

Samsung Life ESG Investment Policy

Samsung Life ESG Investment Policy

Samsung Life Insurance Co., Ltd. (hereinafter referred to as the "Company") has established an ESG investment policy with the aim of implementing responsible investment practices by considering Environmental, Social, and Governance (ESG) factors in asset management, while adhering to the essence of its business to preserve the value of customers and future generations from a long-term perspective.

Definition of ESG Investment

ESG investment refers to the consideration of Environmental, Social, and Governance (ESG) factors alongside financial factors in the investment decision-making process. The Company adopts the following approaches to implement ESG investments.

① ESG Integration: The Company adopts an investment approach that integrates financial factors with ESG factors into investment decision-making to mitigate risks and enhance returns.
② Negative Screening: The company excludes assets that are negatively evaluated based on specific ESG criteria from its investments.

ESG Considerations

The ESG factors considered by the Company throughout its ESG investment processes are as follows.

① Environment (E): Mitigation, Adaptation, Sustainable water preservation , Resource circulation, Biodiversity, Pollution removal, etc.
② Social (S): Business ethics, Health and safety, Human rights, Labor practice, Community health, safety and security, Supply chain management, Critical incident risk management, etc.
③ Governance (G): Board composition and operation, Shareholder rights, Audit systems, Internal controls, and Compliance, etc.

ESG Integration Investment Policy by Asset Class

The Company considers the financial factors and ESG performance of investment targets comprehensively in its decision-making process for managing securities such as stocks and bonds, as well as alternative assets like real estate and project financing. In addition, The Company proactively screens and restricts investments in companies and sectors that negatively impact the environment and society.

1. Fixed income

The Company invests in green bonds, social bonds, and sustainability bonds in accordance with the K-Taxonomy Guidelines, Green Bond Guidelines, Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. The Company assesses ESG performance of bonds issued for ESG purposes and general corporate bonds to determine its investment decisions.

Samsung Life ESG Investment Policy 01

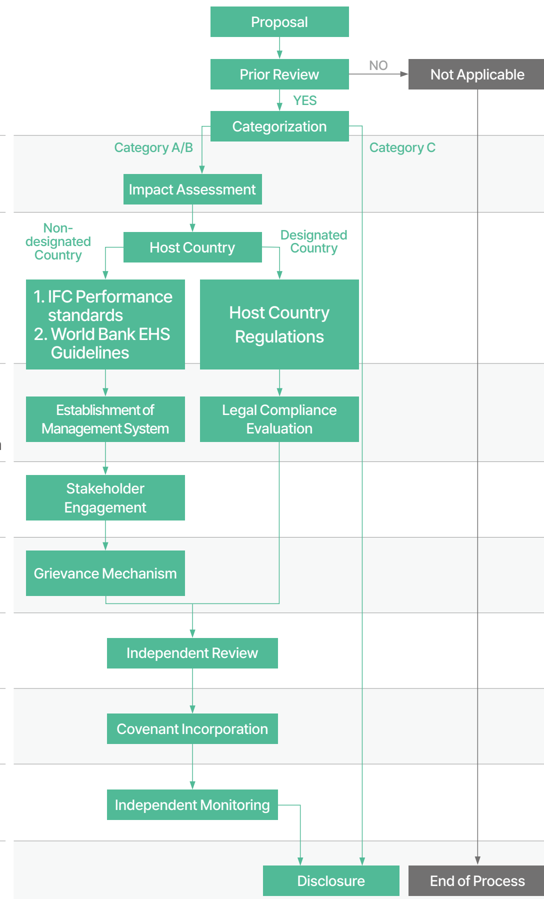
Integrated ESG Investment Policy by Investment Asset

3. Project financing
   The Company evaluates investment decisions for large-scale project financing projects with significant environmental and social risks in accordance with The Equator Principles framework and related process.

4. Corporate lending
   The Company conducts environmental and social risk assessments for corporate lending above a certain scale, based on the Equator Principles framework and related processes.

Samsung Life Insurance	Client	Principle
✓		Principle 1 Review and Categorization
	✓	Principle 2 Environmental and Social Assessment
	✓	Principle 3 Applicable Environmental and Social Standards
	✓	Principle 4 Environmental and Social Management System and Equator Principles Action Plan
	✓	Principle 5 Stakeholder Engagement
	✓	Principle 6 Grievance Mechanism
	✓*	Principle 7 Independent Review
✓	✓	Principle 8 Covenants
	✓*	Principle 9 Independent Monitoring and Reporting
✓	✓	Principle 10 Reporting and Transparency

Process



* Involving independent environmental and social consultants

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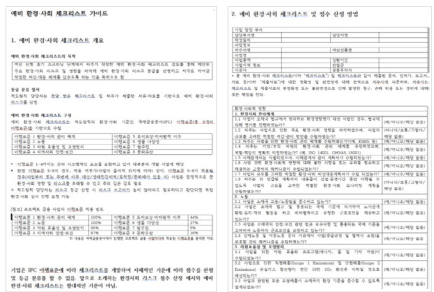
Environmental and Social Risk Review

- Operation of Internal Checklist
  - Developed a 'Preliminary Environmental and Social Checklist' to proactively identify and address environmental and social risks that may arise from the proposed project
  - Established the checklist based on the International Finance Corporation (IFC) Performance Standards, the environmental and social criteria of the Equator Principles (8 Performance Standards in total)
  - Review clients' environmental and social management systems, working conditions, measures on involuntary resettlement of local communities, biodiversity, cultural heritage, and other relevant environmental and social issues to determine the environmental and social risk rating (Category A, B or C)
  - Support clients in minimizing their negative environmental and social impacts and ensuring the appropriate implementation of necessary measures throughout the project's lifespan

International Finance Corporation (IFC) Performance Standards

- Assessment and Management of Environmental and Social Risks and Impacts
- Labor and Working Conditions
- Resource Efficiency and Pollution Prevention
- Community Health, Safety, and Security
- Land Acquisition and Involuntary Resettlement
- Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Indigenous Peoples
- Cultural Heritage

Development of Environmental and Social Checklist



Project Risk Categorization

Category A	Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented
Category B	Projects with potential limited adverse environmental and social risks and/or impacts that are site-specific, largely reversible and readily addressed
Category C	Projects with minimal or no environmental and social risks and adverse impacts

Roles and Responsibilities of Each Department

- Clarify the roles and responsibilities of the Responsible Investment Secretariat, the Investment Department (front office), and the Analysis Department in order to implement the Equator Principles
- Implement the Equator Principles step by step, and strengthen environmental and social risk management through cross-functional collaborations

Department	Main Roles and Responsibilities
Responsible Investment Secretariat (Credit Analysis Part)	· Provide training to each department for the implementation of the Equator Principles · Provide analysis opinions for each procedure and offer support · Monitor the application of and adherence to the Equator Principles · Publish implementation reports and manage operational guidelines · Attend annual meetings and report on key issues
Investment Department (Strategic Investment Department)	· Communicate with clients to apply the Equator Principles in practice and engage in follow-up management · Convey the requirements of the Analysis Department and the Responsible Investment Secretariat to clients · Engage in continuous follow-up management through client information disclosure and independent monitoring
Analysis Department (Alternative Asset Analysis Part)	· Comprehensively assess the environmental, social, and financial risks of projects subject to the Equator Principles, and examine loan eligibility · Provide analysis opinions and management plans for identified risks · Review the need to establish an Environmental and Social Management System (ESMS) and Environmental and Social Management Plan (ESMP), and reflect compliance obligations in the agreement

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Implementation of the Equator Principles - Project-Related Corporate Loans

- Incorporated the Equator Principles into internal ESG investment policies for effective implementation
- Improved communication with clients by asking for consent to disclose implementation performance through prior consultation
- Published annual reports on the implementation of the Equator Principles to enhance transparency and build trust with stakeholders
- In 2024, one Project-Related Corporate Loan transaction was reviewed for the application of the Equator Principles and classified as Category C, which has minimal or no adverse environmental and social risks and/or impacts
- The Company plans to continue complying with the Equator Principles by implementing systematic due diligence and risk management processes for future applicable transactions

Equator Principles Category	A	B	C
Sector			
Mining	-	-	-
Infrastructure	-	-	-
Power	-	-	-
Others	-	-	1
Region			
Americas	-	-	-
Europe, Middle-East & Africa	-	-	-
Asia Pacific	-	-	1
Country Designaition			
Designated Country	-	-	1
Non-Designated Country	-	-	-
Independent Review			
Yes	-	-	-
No	-	-	1

Capacity Building for Implementation of Equator Principles

- Creation of a practice manual and expansion of training
  - Created an effective practice manual for implementing the Equator Principles
  - Enhanced the understanding and response capabilities of internal staff by providing ongoing training programs to employees and relevant departments
- Participation in international workshops and sharing of global practices
  - Attended Training and Technical Workshop (hosted by the Equator Principles Association) held in Thailand in 2024
  - Shared environmental and social risk review standards and best practices with global financial institutions
  - Strengthened internal review and risk management capabilities to reflect the latest trends
- Future Plans
  - Continue to attend global events, such as workshops and seminars, organized by the Equator Principles Association
  - Enhance practical capabilities through regular internal training
  - Continue to upgrade the level of environmental and social risk management by expanding cooperation with domestic and international financial institutions and stakeholders

No.	Date	Training	Audience
1st	June 10, 2022	Overview and Application Process of the Equator Principles (training before joining the Equator Principles)	Executives (2nd ESG Executive Council meeting in 2022)
2st	March 17, 2023	Criteria and methodology for assessing environmental and social risks under the Equator Principles	Investment/Analysis Department
3st	April 4, 2023	Specific roles and responsibilities under the Equator Principles process	Investment/Analysis Department
4st	May 19~24, 2024	Attended Equator Principles Training and Technical Workshop in Thailand	Credit Analysis Part
5st	Dec 17, 2024	Regular training on EP updates for field departments	Investment/Analysis Department

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Efforts and participation in the Equator Principles

- Joined the EP Working Group (WG) * to secure the practical capabilities needed to implement the Equator Principles and strengthen the basis for cooperation with global financial institutions
- Joined the EP Implementation WG in 2024 to participate in a variety of practical discussions, including Q&As on the application of the EP and interpretation of the guidelines
- In 2025, plan to join the Training & Capacity Building WG among Consistency WGs to implement relevant activities
- Continue to learn about global ESG trends and communicate closely with the global network to promote qualitative improvements in the implementation of the Equator Principles

2024	2025
EP Implementation WG	**Training & Capacity Building WG**
• Respond to inquiries from EPFIs and share best practices related to EP implementation • Support the clear and consistent interpretation and application of the Equator Principles and related guidelines • Compile key inquiries from EPFIs to propose future revisions to the Equator Principles and incorporate these into new guidelines	• Q&A support regarding the implementation of the Equator Principles • Examine ways to improve current guidelines and best practice documents to make them more accessible to EPFIs • Review guidelines, including suggestions from other WGs, to determine if updates are needed

* In 2025, EP Working Groups are operated in three areas. (EP Review WGs, Consistency WGs, Thematic WGs)

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