



**SUSTAINABILITY REPORT**



*Always Caring Always Covering*

**SAMSUNG FIRE & MARINE INSURANCE**



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## About This Report

SFMI (Samsung Fire & Marine Insurance) annually publishes a Sustainability Report to share activities, performances and future objectives of sustainability management with customers, shareholders / investors, employees, business partners and communities. This report, which is now in its sixth year, has been published as a PDF file in an effort to reduce the use of paper.

<b>Reporting Period</b>	From Jan. 1 to Dec. 31, 2015 – Partly including the activities in the first half of 2016
<b>Scope of Reporting</b>	Head office, local branches, overseas subsidiaries/branches/offices
<b>Indexes of Reporting</b>	GRI (Global Reporting Initiative) G4 Guideline 'In accordance'- Core – GRI G4 Index                      – Assessment of materiality of the report
<b>Verification of Reporting</b>	In-house review – by the management (approval by the Sustainability Management Committee) Independent verification – by Sam-il PricewaterhouseCoopers PwC
<b>Further Information</b>	CSR Office, Corporate Planning Division of SFMI Tel : +82-2-758-4954    E-mail : jjoya.kang@samsung.com

Samsung Fire & Marine Insurance  
**2016 Sustainability Report**

## CEO Message



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“In 2016, we at SFMI will carry on with sustainability activities under the banner of Clear distinction through sound management and lay foundation for us to jump one step forward as a leading global insurance company.”

Dear customers, shareholders, employees, partners and community citizens,  
First of all, I would like to extend my hearty thanks for your continuous attention and supports to us to date. Since 2010, SFMI has been sincerely preparing and submitting Sustainability Report in accordance with global sustainability reporting guidelines. And, I am very delighted to share its general sustainability activities with you by this 6th Sustainability Report.

Looking back on 2015, it was a year when global macroeconomic uncertainties loomed large from US's interest rate change, China's economic downturn and drop of global raw material prices, posing a challenge to domestic businesses on their way to recovery. Our profit-centered sound management, as a silver-lining in such a cloudy environment, brought us significant growth such as achieving net profit of KRW 813.8 billion and maintaining RBC ratio - financial soundness of an insurer - at the industry's highest level of 350%.

As a result of these efforts, we marked the highest share price level and also sustained the highest level of customer satisfaction like winning three big customer service prizes. Besides, we maintain the highest rating from A.M. Best - worldwide credit rating agency for insurance companies - for five consecutive years, while we received 'AA-' one notch up from 'A+' from S&P, which is the highest grade among the country's private businesses. Along the way, we sustain S&P Dow Jones Sustainability World Index the world's leading social responsibility investment index for two consecutive years, and we were honored to be selected as the best company in the country's non-life insurance sector.

In 2016, we at SFMI are committed to ongoing sustainability activities under the banner of "Clear distinction through sound management" and will lay foundation for us to jump one step forward as a leading global insurance company.

For this, we are committed to followings.

**First, we will continue our march of customer- and market-oriented management.**

To brace for an aging society, we will launch products meeting customer's needs and expand customer bases. In an effort to improve customer convenience ever more, we will further strengthen currently industry's best internet auto insurance service and expand long-term insurance and general insurance products.

**Second, we will practice ethical management and spearhead sustainability activity in the insurance industry at home and abroad.**

Currently, we are emphasizing strict ethics and respect for principles not only among whole employees also to sister and partner companies, and we are reinforcing preventive measures such as compliance education and check to achieve sound management and protect customer information. Moreover, we are the first Korean insurer to become a signatory of the PSI(Principles for Sustainable Insurance) - an international treaty to encourage sustainability management among insurance companies - and have already declared to abide by international principles internally and externally.

**Third, we will disclose our sustainability activity transparently and continue to communicate with stakeholders sincerely.**

Since 2015, we have been announcing publicly 'Annual report of model criteria for corporate governance' containing its principle, policy and current state. In the future, we will also manage sustainability issues systematically and disclose related management information transparently so as to consolidate trust and cooperation from customers and investors. We believe this is the way we can honorably return your continued support and trust on us to you.

In our challenge to jump forward as a leading global insurance company, we look forward to your warm attention and support as ever.

Thank you very much.

June 2016

President and CEO,  
Minsoo Ahn



## Company Profile

SFMI, a financial affiliate of Samsung Group, is the leading non-life insurance company in Korea. Through the wide range of products and services including health, auto, fire, and liability insurances, annuity, and savings products, we provide total risk solutions to domestic and overseas as well as private and corporate customers.

### Company Overview

As of Dec. 31, 2015

Company Name	Samsung Fire & Marine Insurance Co., Ltd.
Business Type	Non-life insurance
Established Date	January 26, 1952
CEO	Ahn, Minsoo
Headquarter	29, Euljiro, Jung-gu, Seoul, Korea (87, Euljiro 1-ga, Samsung Fire & Marine Insurance building)
Total Assets	KRW 63,233.6 billion
Total Equity	KRW 10,085.3 billion
Total Revenue	Direct Premium Written : KRW 18,053.3 billion Net Profit : KRW 813.8 billion
Number of Employees	5,750
Company Website	www.samsungfire.com

\* The financial data is based on consolidated K-IFRS.

### Subsidiaries

As of Feb. 29, 2016

Name	Location	Main business	Share ownership
P.T.Asuransi Samsung Tugu	Jakarta, Indonesia	Non-life insurance	70%
SAMSUNG VINA INSURANCE CO., LTD.	Ho Chi Min, Vietnam	Non-life insurance	75%
Samsung Property & Casualty Insurance Company (China), LTD	Shanghai, China	Non-life insurance	100%
Samsung Fire & Marine Insurance Company of Europe	London, UK	Non-life insurance	100%
Samsung Reinsurance PTE. LTD.	Singapore	Non-life insurance	100%
Samsung Fire & Marine Consultoria em Seguros Ltda	Sao Paulo, Brazil	Insurance consulting	100%
Samsung Fire & Marine Management Corporation	New Jersey, U.S.	Insurance consulting	100%
Samsung Fire & Marine Insurance ME and Africa Agency	Dubai, UAE	Agency & administration	100%
Samsung Fire & Marine Insurance Service Co., Ltd.	Seoul, Korea	Claim adjustment service	100%
Samsung Claim Adjustment Service Co., Ltd.	Seoul, Korea	Claim adjustment service	100%

\* Overseas operations : 8 Corporations, 8 Branches, 6 Representative offices in 11 countries

### Current Status of the Organization

As of Feb. 2016

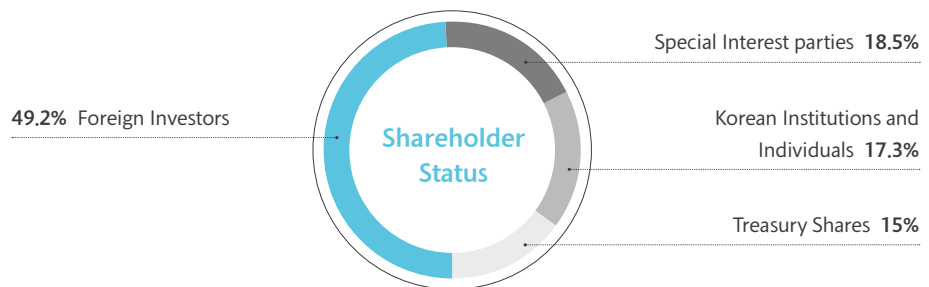
5 Headquarters, 4 Divisions, 16 Business Teams, 30 Teams, 3 others (Auditors, Compliance Officer, CISO)

Personal Lines HQ, Commercial Lines HQ, Automobile Insurance HQ, Asset Management HQ, Strategic Channel HQ, Corporate Planning Div., Corporate Management Support Div., Global Business Div., CPC Strategy Div., HR Team, Audit Committee, Compliance & Internal Control Dept., CISO, etc.

\* CPC : Customer - Product - Channel, CISO : Chief Information Security Officer

## Shareholder Status

As of Dec. 31, 2015



## Key Products & Services

SFMI products are developed based on the core essence of the insurance business.

We are devoted to providing our customers with security and comfort in daily life and help them to protect their bright futures.

Categories	Key Products
General Insurance	- Fire - Marine, Aviation - Casualty
Long-term Insurance	- House, building, factory, general fire insurance - Hull, airplane, cargo insurance - Engineering, Casualty, Liability Insurance
Auto Insurance	- New Generation Health Insurance, Cancer Insurance, Medical Cost Insurance - My Partner, Happy Drive - 'NEW Super Plus' (Bundled type health insurance) - Everyday Life Insurance, Household Property Insurance - 'Super Save', 'Wonderful life'
Loan	- Anycar, Anycar Direct
Other Services	- Mortgage loans, Policy holder loans, Credit loans - Anycar Service (Emergency roadside assistance, Vehicle inspection), Additional service for members

## Major Awards in 2015

Award	Awarder
2015 Best Korea Brands Top 50 (March)	Interbrand
Maekyung Special Award For Financial Product (March)	Maekyung Media Group
Excellent Financial Company Protecting Consumers for three consecutive years (May)	Financial Supervisory Service
The Best non-life insurance Company in 2015 (May)	Korea Finance Consumer Federation
Prime Minister's Award for Excellence in Gender Equality for Employment (May)	Ministry of Employment and Labor
FSS Award in the Field of Non-life Insurance for Korea's Fund & Asset Management (June)	Korea Economic Daily
Money Today The Best IR (September)	MoneyToday
Selected in Dow Jones Sustainability World Index for two consecutive years (October)	S&P Dow Jones, Korea Productivity Center
Excellence Award for Corporate Social Responsibility 30 Companies in East Asia (October)	Hankyoreh Economy & Society Research Institute
Excellence Award in Finance Sector for Carbon Management in CDP (November)	Korea CDP Committee
Grand Prize in Business Sector for Korea's Social Media (November)	Korea Internet Communication Association
Prime Minister's Award for Excellent Companies in Anti-money Laundering (November)	Korea Financial Unit

Samsung  
Value System

SFMI aspires to become a respected and responsible leading global insurance company by developing the finest products and services backed by our superior talents and expertise. To achieve our ambition, we are committed to five core values: People, Excellence, Change, Integrity and Co-Prosperity.

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**Samsung Philosophy** We will dedicate our human resources and expertise to develop superior products and services, thereby contributing to the society

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**Core Values**



People



Excellence



Change



Integrity



Co-prosperity

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**Business Principles**

**Principle 1. We will comply with the laws and ethics.**

- 1-1 We respect the dignity and diversity of individuals.
- 1-2 We compete fairly, complying with laws and business ethics.
- 1-3 We maintain accounting transparency by keeping accurate records.
- 1-4 We do not intervene in politics and we maintain a neutral stance on all political issues.

**Principle 2. We will maintain a clean organizational culture.**

- 2-1 We draw a strict line between public and private affairs in all business activities.
- 2-2 We protect and respect the intellectual property of the company and others.
- 2-3 We create a healthy organizational atmosphere.

**Principle 3. We will respect customers, shareholders and employees.**

- 3-1 We value customer satisfaction as the top priority in our business activities.
- 3-2 We focus on shareholder value.
- 3-3 We endeavor to improve employees' quality of life.

**Principle 4. We will care for the environment, health and safety.**

- 4-1 We engage in environmentally friendly management practices.
- 4-2 We value human health and safety.

**Principle 5. We are a socially responsibility as a corporate citizen.**

- 5-1 We actively perform our duty as a corporate citizen.
- 5-2 We respect the characteristics of local custom, culture and society, and strive to prosper together with local communities.
- 5-3 We build win-win relationships with business partners.

**Application range**

- This Business Principles shall be applied to "SFMI (including overseas subsidiaries)" and "its all employees".
- This content has to be understood by partner companies and sales organizations (insurance agencies, Risk Consultants) so that they may follow this Principles willingly.

**Application of this Principles**

- Should the criteria of interpreting be unclear while applying this Principles in work, employees should discuss with their directors. Important issues have to be referred to Chief Compliance Officer and Business Principles Practice Committee for authoritative interpretation.
  - All employees should comply with this Principles and be responsible and punished for any violation.
  - Any employee who has detected the violation of this Principles by others should immediately report to their managers and if they judge that those violations may either cause serious legal problems to the company or have an adverse impact on the company, they should immediately report to their directors and Compliance Officer.
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## Sustainability Management

### Major Business Results in FY 2015

In FY 2015, uncertainties in global financial market were accelerated due to China's economic downturn, the issue of US's interest rates increase, and the plunge of raw material prices. Such risks rendered the slow recovery of Korea's economy as well. Despite these adverse situations, SFMI has continued quantitative and qualitative growth under the banner of sound management. Direct premiums written rose to KRW 17,799.5 billion, improved by 2.5% from the previous year. While SFMI continually widened the gap with the second group competitors by improving portfolio mix among business sectors and overall loss ratio, net profit marked KRW 782.7 billion, which was 1.7% less than the previous year due to increase of operating expenses and one-time loss recognition.

RBC ratio, which shows financial stability of an insurance company, recorded the industry's highest level of 350.4%. SFMI also received "AA- Stable" rating from a global credit rating agency, S&P, and "A++ (Superior)" from A.M. Best, demonstrating its high credibility and world's top-class financial soundness.

#### Major Financial Performance [Unit : KRW 100 million] (Based on Separate Financial Statements)

Direct Premiums Written	2013	2014	2015
	170,436	173,581	177,995

Operating Profit	2013	2014	2015
	9,813	10,903	10,707

Investment Profit	2013	2014	2015
	14,965	16,828	16,770

Net Profit	2013	2014	2015
	7,090	7,996	7,827

Total Assets	2013	2014	2015
	487,858	576,319	628,706

Risk Based Capital	2013	2014	2015
	373.0%	375.1%	350.4%

Results by  
Business Lines

Direct Premiums Written [Unit: KRW 100 million]

	2014		2015		Growth rate
	Amount	%	Amount	%	
<b>Long-term</b>	<b>120,182</b>	<b>69.2</b>	<b>122,013</b>	<b>68.5</b>	<b>1.5</b>
- New premiums*	1,999	1.2	1,832	1.0	-8.4
- Recurring premiums	114,842	66.2	117,295	65.9	2.1
<b>Auto</b>	<b>37,963</b>	<b>21.9</b>	<b>42,376</b>	<b>23.8</b>	<b>11.6</b>
<b>Commercial</b>	<b>15,436</b>	<b>8.9</b>	<b>13,606</b>	<b>7.6</b>	<b>-11.9</b>
<b>Total</b>	<b>173,581</b>	<b>100.0</b>	<b>177,995</b>	<b>100.0</b>	<b>2.5</b>

\* New premiums : First month premium of new contracts excluding lump-sum premium

Long-term insurance premium recorded KRW 12,201.3 billion, 1.5% up from the previous year. Overall growth rate of long-term insurance showed a slight slowdown because of strategic de-marketing of new savings-type including lump-sum premium in accordance with protection-type-centered growth strategy. New and recurring premiums in long-term insurance portfolio showed protection-type centered improvement, propelling stable growth of risk premium. Along with profitable underwriting policy and increased proportion of relatively low-priced internet channels, auto insurance premium recorded KRW 4,237.6 billion, 11.6% higher than the previous year. This was the result of the premiums hike for specific models as well as the increase of average automobile prices due to expanded proportion of sales of new model and imported cars. General insurance premium recorded KRW 1,360.6 billion, a decrease by 11.9% from the previous year. This was the result of continuous underwriting reinforcement on high-risk contracts to fulfill profit-centered growth strategy and alteration of insurance terms for renewed contracts among affiliated companies. On the other hand, net premium earned, which is the actual base of income, showed slight growth as a result of the company's new policy to increase its retention rate of profitable accounts.

Underwriting Efficiency (IFRS) [Unit: %, %p]

	2014	2015	Change
<b>Loss ratio</b>	<b>85.5</b>	<b>84.8</b>	<b>-0.7</b>
- General	62.9	63.7	0.8
- Long-term	88.4	87.6	-0.8
- Auto	83.0	82.4	-0.6
<b>Expense ratio</b>	<b>17.9</b>	<b>18.5</b>	<b>0.6</b>
- General	20.0	24.7	4.7
- Long-term	17.0	17.8	0.8
- Auto	20.3	19.2	-1.1
<b>Combined ratio</b>	<b>103.4</b>	<b>103.3</b>	<b>-0.1</b>

Total combined ratio decreased to 103.3%, which showed an improvement of 0.1%p compared to the previous year, mainly due to the improved loss ratio. The loss ratio of commercial insurance recorded 63.7%, up by 0.8%p YoY as a result of insurance premium adjustment among the affiliated companies. Overall loss ratio of long-term insurance recorded 87.6%, down by 0.8%p from the previous year owing to continued decrease of savings-type. Risk loss ratio, which is an effective underwriting indicator, improved to 77.4%, 0.5%p lower than the previous year. Auto insurance loss ratio decreased by 0.6%p compared to the previous year record of 82.4%. This was the result of the increment of insurance premium per vehicle from specific models as well as the decrease of accident rate due to increased profitable accounts via internet channels and the underwriting reinforcement effort.

## Economic Value Creation by Stakeholder

As of 2015

In 2015, SFMI distributed economic value of KRW 18,633.3 billion in total to various stakeholders.

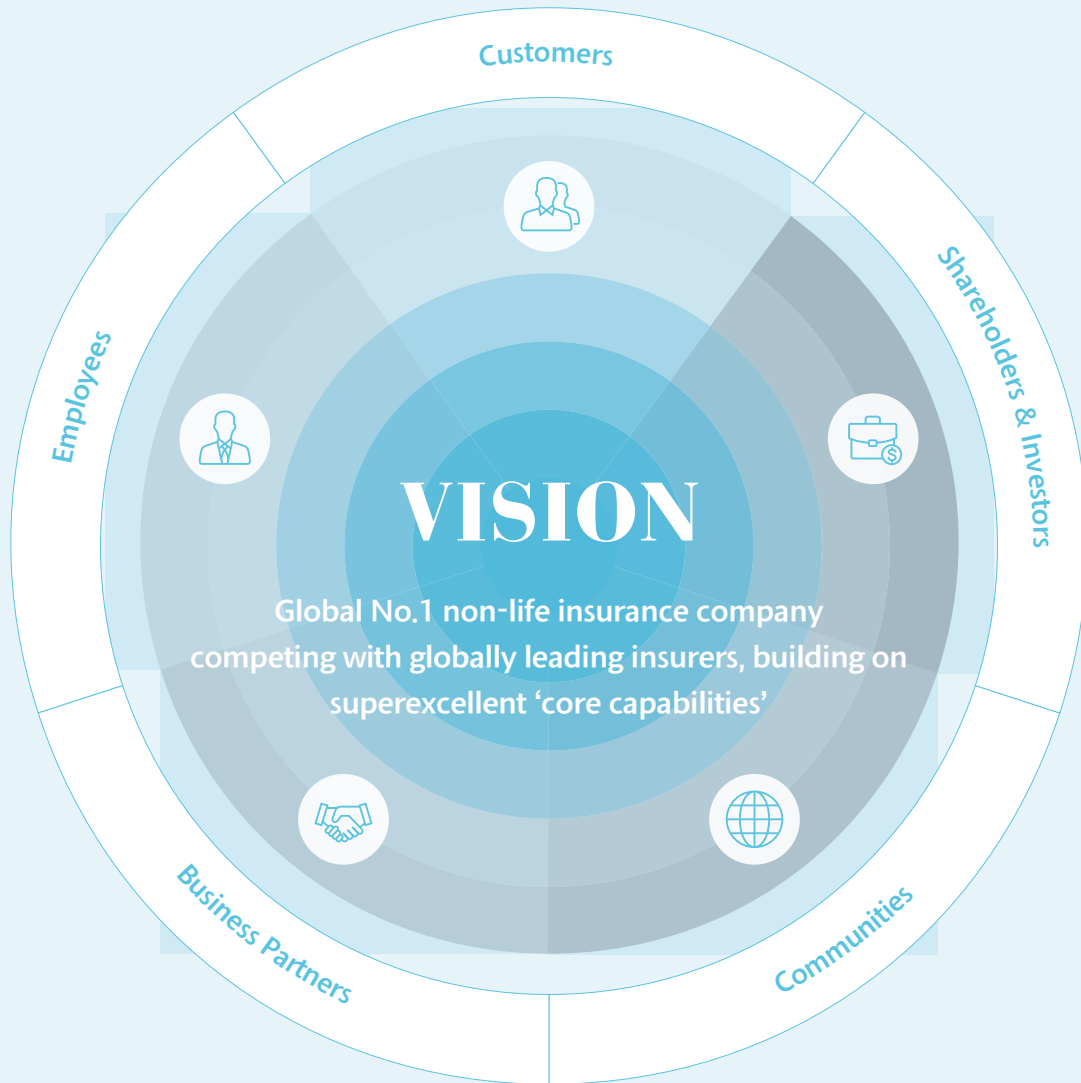
[Unit: KRW billion]	
<b>Customers</b>	<b>Employees</b>
<b>14,375.7</b> Insurance benefit payment	<b>583</b> Wages, Severance, Benefits
<b>Shareholders &amp; Investors</b>	<b>Business Partners</b>
<b>221.4</b> Dividends	<b>2,603.9</b> Insurance sales commission
<b>Government / Communities</b>	<b>Others</b>
<b>278</b> Corporate tax, Donations for communities	<b>571.3</b> Internal reserves for investment on future growth

## International Initiatives

The world is now facing greater environmental, social and governance challenges than ever. SFMI will continue to cooperate with the global initiatives to establish a more socially engaged and sustainable insurance industry.

Initiative	Major Activities
UNEP FI (United Nations Environment Programme Financial Initiative)	UNEP FI is a public-private partnership between UNEP and the financial sector. SFMI became a member of UNEP FI in 2010 and we aim to advance the global initiative in incorporating sustainability in the financial industry. <a href="http://www.unepfi.org">www.unepfi.org</a>
PSI (Principles for Sustainable Insurance)	SFMI is the first Korean insurer to become a signatory of the PSI in January 2015. We will challenge ourselves to advance the global initiative to fully incorporate PSI into the insurance sector. <a href="http://www.unepfi.org/psi/">www.unepfi.org/psi/</a>
CDP (Carbon Disclosure Project)	The Carbon Disclosure Project is a not-for-profit organization that evaluates response of major listed companies around the world to greenhouse gas reduction and publishes reports to provide information for corporate investment. SFMI has actively participated as an institutional investor and information provider since 2010. <a href="http://www.cdp.net">www.cdp.net</a>

## Sustainability Management



### Operation of Sustainability Management Committee

Sustainability Management Committee, headed by our CEO, was established in 2012 to reinforce the foundation of sustainability management. In 2015, the committee discussed major issues including recent issues related to sustainability management, major performances of sustainability management activities, approval of Sustainability Report and advancement of environmental management.

<b>Customers</b>	Provide security with leading insurance services and excellent network			
<b>Major Communication Channels</b>	<b>Major Issue</b>	<b>Result</b>	<b>KPI</b>	<b>Page</b>
Customer panel system, Satisfaction survey, SNS, Voice of Customer (Customer feedback channel)	Provide customer-oriented products/services, Strengthen customer protection activity, Protect customer information	Launched new products and 'Check your insurance yourself' service, Operated Consumer Protection Center in more areas (6 nationally), Reinforced security management system like separation of computer network	Customer satisfaction, 13th session of guarantee retention rate, Rate of VOC being dealt within 24 hours (%)	p.29 p.49
<b>Shareholders &amp; Investors</b>	Protect shareholder interest through sustained growth incorporate value			
<b>Major Communication Channels</b>	<b>Major Issue</b>	<b>Result</b>	<b>KPI</b>	<b>Page</b>
General Meeting of Shareholders, Conference, Non-Deal Roadshow, Regular Investor meetings, Public announcement	Increase shareholder value, Strengthen communication, Distribute values fairly	Shares repurchase (KRW 532 billion), Fiscal Year End Earnings Results Announcement, regular IR meetings Expanded payout ratio (25.0% →28.3%)	Credit rating, Solvency margin ratio, Total assets	p.9
<b>Employees</b>	Offer opportunities to develop into global financial experts			
<b>Major Communication Channels</b>	<b>Major Issue</b>	<b>Result</b>	<b>KPI</b>	<b>Page</b>
Employee Council, Satisfaction survey, Employee distress assistance program, 'Communicate' (company intranet)	Maintain work-life balance, Foster talents, Strengthen communication between directors and employees	PC off on Wednesday/Friday, Operation of SFMI University, Expanded communication activity such as CEO field visit, discussion meetings	Employee satisfaction level, Employee training hours, Possession rate of financial expert certificate	p.33~34
<b>Business Partners</b>	Promote mutual prosperity based on mutual trust			
<b>Major Communication Channels</b>	<b>Major Issue</b>	<b>Result</b>	<b>KPI</b>	<b>Page</b>
Discussion meetings, In-house bulletin board, Partner's Day events	Support to enhance competitiveness, Strengthen communication, Minimize incomplete sales	Pride Club, Mobile assistance system, CEO-RC meetings, Awards for customer satisfaction, Signing ceremony for the improvement of order of recruitment	RC settling rate, Excellent RC, Rate of incomplete sales	p.40~41 p.49
<b>Communities</b>	Fulfill social and environmental responsibilities as a global corporate citizen			
<b>Major Communication Channels</b>	<b>Major Issue</b>	<b>Result</b>	<b>KPI</b>	<b>Page</b>
NGO meetings, Social Responsibility Committee, Satisfaction survey,	Increase activity to support the underprivileged, Establish advanced traffic safety culture, Minimize environmental impacts	Promoted social contribution activities continually, Held more traffic safety seminars, Participated in Eco-office, Earth Hour event	Serving hour per person, Amount of social contribution, Volume of greenhouse gas emissions	p.39 p.48

## Sustainability Management Experts Interviews

### Jeong Jae-kyu

Senior researcher at Corporate Governance Service

I would say SFMI is one of the best companies in the insurance industry in terms of addressing social issues and its management capability, which is one of the aspects in sustainability management. Important factors in the social aspect include employee rights, ability development, and contribution to local communities. SFMI has received a reputation for managing social issues such as consumer-related issues, client information protection, detailed product explanations, and responses to civil complaints. From the perspective of local community, if the company pays more attention to the employment of socially marginalized such as the handicapped or the elder, it will receive the higher reputation as a social leader in the community. At the same time, focusing on expanding local employment or developing local workforce in foreign sites will enable the company to improve its social and cultural adaptation. From corporate sustainability management perspective, the communication with shareholders is as important as that with customers and local community. So, I believe it is worth considering the establishment of CSR committee and governance committee within the board of directors in order to communicate actively with the shareholders regarding the company's sustainability management activities. The contents reported in Sustainability Report function as a significant factor in assessment of corporate sustainability management. Corporate Governance Service also recommends the enlisted companies to periodically publish sustainability reports. I suggest SFMI to extend its communication channels in order to boost the usability of its Sustainability Report. Today, smart devices such as smartphones and tablet PCs render easier accessibility to Sustainability Report and will ensure the delivery of periodic update of SFMI's sustainability activities to the public.

### Kang Seung-gun

Researcher at Daishin Securities

Based on the industry's top-level solvency ratio, SFMI is presenting outstanding loss ratio through remarkable underwriting methods and has led auto insurance market via online platforms. I believe that SFMI has been the leader in Korea's non-life insurance industry. Having said that, the country's low birth rate and demographic changes emerge as the serious challenges to SFMI and the insurance industry. Its transformation to a global enterprise beyond Korea is an essential process for the company's continuous growth; furthermore, I expect that the company, presenting its remarkable emergency management capability and excellent underwriting proved in the domestic market, will overcome the unprecedented challenges. Today, corporate social responsibility is strongly emphasized. I hope SFMI will contribute to social agenda by not only employing transparent governance and decision-making but also procuring social safety net, so that the company will earn the respect from shareholders, investors, and society as well.

### Antigone Theodorou

CDP / Director, Global Operations

The number of investors requesting companies to disclose environmental data through CDP(Carbon Disclosure Project) has consistently increased so that this year 827 investors representing US\$100 trillion, more than half the world's invested capital, are asking for corporate disclosures through CDP. These investors recognize that CDP helps to minimize risk and identify the cost savings and financial opportunities created by measuring, managing and reducing impacts on the environment and natural resources. Over 5,500 companies globally now use CDP as a platform for delivering transparency and greater accountability to shareholders, customers and other stakeholders. It has participated in CDP for six consecutive years since 2010, and we greatly appreciate its effort for environmental disclosure. We believe that companies cannot manage what they do not measure, and disclosure is the first step towards better environmental management and action to create sustainable economies. By taking the journey of disclosure, the quality of the response provided by Samsung Fire & Marine Insurance has improved greatly as demonstrated by its CDP score of 98 B in 2015. CDP encourages Samsung Fire & Marine Insurance to continue its environmental management efforts and to work towards attaining the level of leadership.



Corporate Governance  
Risk Management  
Ethical Management

Governance &  
Risk Management

## Corporate Governance

SFMI conducts transparent and responsible management based on advanced, board-centered corporate governance. The Board of Directors promotes creative management with the ultimate goal of maximizing corporate value. Every effort is made to enhance stakeholder value and rights through transparent, stakeholder-focused management.

### Principle & Policy

**Stable Governance** To maintain mutual checks and balances between the corporate bodies, roles of the Board of Directors and company executive are separated. The BOD is responsible for company management oversight, while the executives are responsible for managing operations. All operational results are announced and approved by the BOD. Additionally, to ensure appropriate checks and balances, the BOD retains the right to the selection, succession and dismissal of the CEO as prescribed by relevant laws. As of December 2015, SFMI's Board of Directors consists of seven directors including three inside directors and four outside directors. The greater outside director representation ensures the balance of interests of the board.

**Efficient Governance** SFMI's BOD members are from diverse professional background, allowing them to combine a broad spectrum of experience and expertise in the decision making. The diverse knowledge and opinions of the members are shared during the regular BOD meetings, reinforcing efficient decision-making capacity of the board.

**Transparent Governance** Key elements of SFMI's corporate governance concerning the guidelines, process, resolutions and the activities of the BOD are disclosed in the Business Report and through the Financial Supervisory Service's electronic disclosure system.

- SFMI : <http://www.samsungfire.com>
- DART (Data Analysis, Retrieval & Transfer) system of Financial Supervisory Service : <http://dart.fss.or.kr>
- General Insurance Association of Korea : <http://www.knia.or.kr>

SFMI's corporate governance complies with all applicable rules and regulations as we continue to foster responsible management based on principles of corporate governance.

### Characteristics of Governance

SFMI's BOD, which is the company's highest standing decision-making body, is authorized to appoint and dismiss the CEO and chair-

person of the BOD according to relevant laws such as the commercial law. The latter is to be selected among the outside directors. Moreover, outside directors equipped with professionalism and independence comprise the majority of the BOD, allowing them to check the BOD properly.

**Committees within BOD** SFMI delegates authority to committees within the BOD to enhance efficiency and professionalism. There are currently six active committees running within the BOD: Management Committee, Risk Management Committee, Internal Transaction Committee, Remuneration Committee, Audit Committee, and Non-executive Director Nomination Committee.

**Management Committee** To enhance professionalism and efficiency of the Board of Directors, Management Committee deliberates and decides on general management and other important company management matters that are either delegated by the BOD, or specified in the Articles of Incorporation or other regulations.

**Non-executive Director Nomination Committee** The central task of the Non-executive Director Nomination Committee is to recommend and evaluate candidates for outside directors under the governing regulations. The Committee recommends candidates to be elected at the general meeting of the shareholders based on their qualifications and expertise and current composition of the BOD.

**Internal Transaction Committee** The Committee, entirely composed of non-executive directors, reviews, deliberates and addresses internal transaction issues to enhance corporate transparency and fair trade between the affiliated companies

**Risk Management Committee** The Committee, established to formulate and revise risk management policies, defines tolerable risk levels and establishes risk management strategies.

**Remuneration Committee** The Committee evaluates, operates and designs the remuneration system for the directors.

**Audit Committee** The Committee performs internal audit function and assists management to make rational business decisions.



## Board of Directors: Composition and Operation

**Number of Members** SFMI restricts the size of Board of Directors from 3 to 9 members. In accordance with the Commercial Law and the Insurance Business Act and also considering the company's total assets and characteristics of insurance business, majority of the Board, 3 or more members, must be composed of outside directors to secure the independence of outside director.

**Qualification** Outside directors with expertise in the field of finance, economics, business management, accounting and media are recommended by the committee and elected during the General Meeting of the Shareholders based on both objective and subjective qualifications as required by the law including professionalism, job ethics, responsibility and integrity. As stated in the commercial law, outside directors are restricted from holding more than two external positions in either stock-listed or private companies, and SFMI is abiding to those rules. Non-executive directors, Mr. Dong Yeop Shin and Mr. Byeong Jo Son are currently appointed as directors in another company, however risk from conflict of interest is deemed low.

**Independent** non-executive directors are selected by the general meeting of the shareholders via recommendation and approval of

the BOD or Non-executive Director Nomination Committee among persons who are eligible according to relevant regulations and whose career and professionalism have been recognized in light of their long experience in each field. In case of outside non-executive directors, they satisfy criteria of independence as required by the Commercial Law or the Insurance Business Act. Besides, matters necessary for their independent work are specified in the company's Articles of Association, while matters related to their selection and compensation are determined by the resolution of the general meeting of the shareholders and the BOD or Non-executive Director.

**Term** The initial term of both the executive and non-executive directors is no more than 3 years while reappointment is allowed. However, non-executive directors' re-appointment term is restricted to no more than 5 years. The term of inside directors is longer to encourage responsible management and eliminate pursuit of short term profit, while term assigned to outside directors is shorter to ensure check system.

**Job Evaluation** Evaluation of the directors is conducted annually at fiscal year-end by the BOD, directors themselves and the Secretariat of BOD. The evaluation is based on directors' activities including attendance rate at the BOD and the Committee meetings, business knowledge, fairness, professionalism as well as overall contribution to the company and shareholders.

### Members of the BOD

Name/Position	Role/Major Career	Term	Committee Activity
<b>Ahn, Minsoo</b> CEO	<b>CEO of Samsung Fire &amp; Marine Insurance</b> Former) Vice President of Samsung Life Insurance	Jan 28, 2014- Jan 27, 2017	Non-executive Director Nomination Committee, Management Committee
<b>Jeon, Yongbae</b> Executive director	<b>Senior Vice President of Management Support Division</b> Former) Vice President of Management Support Team of Samsung Electronics	Feb 7, 2012 - Mar 12, 2018 (Consecutive terms)	Non-executive Director, Nomination Committee, Remuneration Committee, Risk Management Committee, Management Committee
<b>Cho, Byeognjin</b> Executive director	<b>Full-time auditor</b> Former) Head of Insurance Inspection Bureau at Financial Supervisory Service / Director of Korea Insurance Institute	Jun 7, 2013 - Jun 6, 2016	Audit Committee
<b>Moon, Hyonam</b> Non-executive director	<b>Chairman of the BOD</b> Current) Head Lawyer at Sanyong Law Firm Former) Chief Prosecutor at Busan Supreme Prosecutors' Office	Jun 5, 2012 - Mar 12, 2016 (Consecutive terms)	Non-executive Director Nomination Committee, Internal Transaction Committee
<b>Sohn, Beyongjo</b> Non-executive director	<b>Chairman of Audit Committee</b> Current) Non-executive director of Hyundai Information Technology / Advisor to BKL Law Firm Former) Vice Commissioner at Korea Customs Service (Mar 2014 - Mar 2016)	Jun 5, 2012 - Mar 12, 2016 (Consecutive terms)	Non-executive Director Nomination Committee, Internal Transaction Committee, Audit Committee, Remuneration Committee, Risk Management Committee
<b>Yoon, Yeongcheol</b> Non-executive director	<b>Auditor</b> Current) Professor at School of Mass Communication at Yonsei University Former) Chairman of Korea Society for Journalism & Communication Studies	Jun 5, 2012 - Mar 12, 2016 (Consecutive terms)	Non-executive Director Nomination Committee, Internal Transaction Committee, Audit Committee
<b>Shin, Dongyeop</b> Non-executive director	<b>Non-executive director</b> Current) Professor at School of Business, Yonsei University / Non-executive director of Pacific Pharmacy (Mar 2013 - Mar 2017)	Jun 3, 2011 - Mar 13, 2016 (Consecutive terms)	Remuneration Committee, Risk Management Committee

\* As of Dec. 31, 2015

**Evaluation and Remuneration Framework** Management's performance evaluation and remuneration criteria is set based on sustainability values such as long-term performance, profitability and soundness. Majority of the total compensation payable to senior management is composed of variable payments and is determined based on performance evaluation. The variable compensation is paid over 3 years. Substantial portion of the variable remuneration is linked to long term performance and while the first year remuneration is paid in cash, 2nd-3rd year compensation is paid in form of equity linked products. And remuneration may also be adjusted by cancelling or reducing the relevant amount, in the event of the management's violation of regulations, activities against the company's interest and incurring loss to the company.

#### BOD & Committees

Organization	Major Role	Composition(No. of Non-Executivedirectors/Total Directors)	Name of Chairman (Internal/External, Executive/Non-Executive)
Board of Directors	Top decision-making body	4/7	Moon, Hyonam (External, Non-executive)
- Management Committee	Decides on important company management matters	0/2	Ahn, Minsoo (Internal, Executive)
- Non-executive Director Nomination Committee	Recommends non-executive directors	3/5	Ahn, Minsoo (Internal, Executive)
- Internal Transaction Committee	Reviews and decides on inter-affiliate inside transactions	3/3	Moon, Hyonam (External, Non-executive)
- Risk Management Committee	Reviews and decides on risk management issues	2/3	Jeon, Yongbae (Internal, Executive)
- Remuneration Committee	Reviews adequacy of the executive management remuneration	2/3	Sohn, Byeongjo (External, Non-executive)
- Audit Committee	Evaluates internal control system	2/3	Sohn, Byeongjo (External, Non-executive)

**2015 Board of Director Activities** In 2015, a total of 9 Board of Directors Meetings were convened and 100% attendance of outside directors was recorded. Election of chairman of BOD, legislation of CEO succession regulation with and issues relating to sustainability management such Smile Microcredit Bank were discussed. All resolutions by the Board reflect company's commitment to minimize social and environmental impact.

#### State of BODs held in 2015

Date	Major Agenda	Attendance (No. of attendants / members)	Result
Jan 29	4 agendas including Smile Microcredit Bank	7/7	Approved
Feb 13	4 including legislation of CEO succession regulation	7/7	Approved
Mar 13	4 including election of the chairman of BOD	7/7	Approved
May 27	Approval of real estate lease with major shareholders	7/7	Approved
Jun 11	3 including establishment of ME/Africa Agency	7/7	Approved
Jul 15	3 including merger of Samsung C&T Corporation and Cheil industries	7/7	Approved
Sep 10	Approval of real property lease with Samsung Life Insurance	7/7	Approved
Oct 27	2 including review of adequacy of CEO succession legislation	7/7	Approved
Dec 10	5 including approval of goods/services deal	7/7	Approved

## Risk Management

In order to secure the company's stable growth and maximize shareholders' and customers' interests, SFMI manages risks through the implementation of various risk management strategies for any risk factors that may impact the value and profitability of the business. To do this, the company established a risk managing organization that determines and executes major risk management strategies.

### Risk Management Policy and Strategy

In an attempt to secure the company's stable growth and satisfy customer's interests, SFMI manages various risks that may occur in business in a company-wide integrated way.

- Establishing retention and reinsurance strategies for insurance risk management and profit G/L for new productivity in long-term insurance
- Establishing Asset Liability Management strategies for interest rates risk management and the operation strategies for expected interest rates in long-term insurance
- Establishing criteria to manage risk-based capital ratio for financial stability

### Risk Management Organization

SFMI determines and manages risk management strategies through Risk Management Committee and administrative organizations in order to control risks companywide.

**Risk Management Committee** As a sub-committee within the board of directors, the Risk Management Committee defines tolerable risk levels for both underwriting and asset management operations and establishes risk management guidelines that are reflected

in the company-wide business decision making. The Committee also internally promotes the importance of risk management. The Committee, composed of one executive director and two non-executive directors, is authorized by the board of directors to do the following: to establish basic risk management guidelines in accordance with the company's culture; to gauge risk tolerance level; and to draft and revise risk management-related regulations.

**CRO (Chief Risk Officer)** The CRO supervises the Risk Management Committee. The CRO also attends the Product Committee and the Asset Management Committee to oversee risk management across the company business lines.

**Risk Management Departments** Under the CRO, there are risk management departments—RM Planning Department, RM Operation Department 1, RM Operation Department 2—that assess, monitor, and control risks. They operate independently in order to ensure independence. Also in order to facilitate risk-related decision makings, SFMI operates General/long-term/auto Insurance Product Committees for insurance sector, while asset management sector governs Asset RM Committee, Investment Deliberative Committee and Loan Deliberative Committee.

### Detailed Activities of Risk Management Committee

Month	Report & Resolutions
Mar 2015	<ul style="list-style-type: none"> <li>- Report of stress test analysis in 2015</li> <li>- Report of changes of RBC ratios in 2014</li> </ul>
Jun 2015	<ul style="list-style-type: none"> <li>- Report of state of RBC ratios based on internal criteria in 1st quarter 2015</li> <li>- Report of strategy for derivatives transaction &amp; Check result of operational risks</li> </ul>
Sep 2015	<ul style="list-style-type: none"> <li>- Report of changes of RBC ratios in 2015</li> </ul>
November 2015	<ul style="list-style-type: none"> <li>- Operation of long-term insurance interest rates in 2016 (draft)</li> <li>- Check of ALM operation in 2015 and strategy of 2016</li> <li>- Check of risk management for derivatives in 2015 &amp; Strategy for transaction in 2016</li> </ul>
Dec 2015	<ul style="list-style-type: none"> <li>- Retention &amp; Reinsurance strategy in 2016</li> <li>- Report of result of reinsurance operation monitoring &amp; Risk transfer assessment</li> <li>- Establishment of internal criteria for RBC management in 2016</li> </ul>

### Definition of Risks by the Type and Management Methods

Risk	Definition	Management Methods	Measuring Methods & System
Insurance Risk	Risk of loss led by higher actual claim payment rate over assumed claim payment rate	- Set tolerance risk level based on changes in loss ratio, policy termination rate and regularly monitor related risks - Establish reinsurance strategies	- VaR - ReMetrica (Built in Apr 2005)
Interest Rates Risk	Risk of loss from shrinkage in adjusted net worth led by asset and liability duration and ALM mismatch due to a fluctuation in interest rates	- Establish guidelines to formulate estimated interest rate and minimal guaranteed rate - Set asset duration target based on liabilities cash flow that takes account of liabilities structure and interest rates	- Targeted duration - ALM (Self-developed in Dec 2008)
Market Risk	Risk of loss from drop in market value of asset led by negative market fluctuations in interest rate, stock prices, and exchange rates	- Set reference investment criteria for marketable securities, loans and establish loss criteria to prevent high losses	- Market VaR - KRM (Built in Aug 2001) *Kamakura Risk Management
Credit Risk	Risk of loss caused by default or fall in credit rate of counterparty	- Set investment limits by each industry to diversify risks and check maxed-out risk through the exposure monitoring system	- Credit VaR - Credit Metrics (Built in Dec 2008)
Liquidity Risk	Risk of loss from discrepancy between supply and demand of capital or sudden capital outflow	- Monitor daily monetary transaction - Establish monthly asset management strategy - Monitor quarterly liquidity ratio	- Cash and equivalents - SAP (Accounting administration system)

### Operation Risk Management

An operation risk refers to the risk through which loss may occur due to insufficient internal control system, mistakes of employee, or system errors. SFMI manages operation risks according to characteristics of each risk.

- To control internal operation risk management, SFMI requires an approval from the internal control department in order to legislate/revise internal regulations, to develop new operation systems, and to disclose customer guidance data. In the meantime, the audit department conducts regular and intermittent audits to prevent illegal acts.
- The company focuses on prevention of losses rising from incomplete sales. Compliance Managers continuously oversee the business sites. Once sales occur, the company monitors indices of incomplete sales each month.
- For personnel risk management, the company operates rotation system for long-serving employees, and real estate management department regularly conducts safety check for workplace and buildings.
- For security risk management, the company operates diverse security systems such as electronic document DRM that is only accessible internally, and each department designates compliance security personnel.

### Risk Management Process

SFMI recognizes risks occurred in various processes such as product development, underwriting, and sales to conduct risk measurement and profitability assessment; then, it develops measures to manage risks via discussions with the related departments. Lastly, each department implements the risk management measures and delivers the results that are monitored and reviewed by the risk management departments.



## Maximum Risk Tolerance Level Establishment and Management

SFMI's risk tolerance level is annually determined by the Risk Management Committee in such a level that capital adequacy can be secured and maintained. The company prevents risks from exceeding the set level by regularly assessing the current risk level. It requires that should any excess of the tolerance level exist and major risk changes detected, those must be reported to the Committee.

### Capital Adequacy Management

SFMI maintains the highest RBC level within Korea's non-life insurance industry. It has formulated and follows an internal capital solvency calculation method based on global Solvency II standard to determine its capital solvency level and sets own internal risk tolerance level.

**Regulatory Capital Solvency Requirements** Solvency ratio of an insurance company refers to capital available in addition to capital required for insurance companies to pay policyholders back (required capital). As of December 2015, SFMI's RBC ratio stood at 350%, highly exceeding the required level of 100%, set by the Financial Supervisory Services.

### Internal Assessment and Management Process of Capital Adequacy

SFMI's capital adequacy assessment is conducted based on the capital adequacy assessment criteria for insurance companies—RBC (Risk-based capital) system, which reflects market, credit, and operational risks besides insurance and interest rates risks. Apart from the RBC system, the company reflects amount of risks detected by its internal model in determining business targets including retention/reinsurance strategy for insurance risk management, ALM (asset liability management), and SAA (Strategic asset allocation) strategies as well as operation strategy for estimated interest rates.

**Stress Test and Sensitivity Analysis** SFMI conducts the annual stress test based on the IMF bailout and 2008 global financial crisis scenarios that are set by the regulators. The test result is reported to the Risk Management Committee. Based on its recent stress test, SFMI's solvency ratio was at 200%, even under the economic crisis scenario. SFMI also performs market fluctuation sensitivity analysis to measure risks that may lead to profit and asset losses.

## Business Continuity Management

In preparation for potential business interruptions caused by disasters such as fire, gas explosions, natural disasters, and war crises, SFMI established Business Continuity Management, which ensures quick recovery of the business, to mitigate risks for its stakeholders. By drafting response scenarios to corresponding emergency scenarios, the company has been conducting trainings on regular basis; based on this, SFMI was Korea's first non-life insurance company that acquired BS25999 certification in 2010 and ISO22301 certification in 2013.

PLAN
<ul style="list-style-type: none"> <li>- Understand demands based on different organizational environments</li> <li>- Establish business continuity plan target, guidelines, and procedures</li> </ul>
DO
<ul style="list-style-type: none"> <li>- Adopt and execute business continuity plan</li> <li>- Develop recovery procedures from business interruption</li> </ul>
CHECK
<ul style="list-style-type: none"> <li>- Assess performance relative to target</li> <li>- Grant authority over activities for improvement and reformation</li> </ul>
ACTION
<ul style="list-style-type: none"> <li>- Reassess business continuity plans and goals</li> <li>- Implement necessary measures based on managerial assessment</li> <li>- Maintain</li> </ul>

## Tax policy

SFMI follows K-IFRS(K-International Financial Reporting Standards), Insurance Business Supervising Regulation, and other accounting regulations; as required by the law of external audits for corporations, it also undergoes regular accounting reviews by external auditors. The company also prepares and runs internal accounting management system, and its accounting supervisors perform periodical inspections on accounting and tax information in order to prevent any mistakes.

Following the accounting regulations legislated by the government and financial information provided by its own internal accounting management system, SFMI faithfully satisfies its responsibility of reporting tax return along with the submission of various tax payment data required by the government's tax regulations based on authoritative interpretation. As a result of such efforts, SFMI was awarded Citation for Exemplary Taxpayer from Korea's government in 2009 and also KRW 200 Billion Tax-payment Trophy in 2011.

## Tax Risk Management

Because a tax risk may have greater impacts than a financial risk, SFMI monitors related tax risks and manages them carefully. SFMI also continuously monitors tax risks and prepare measures; such risks, which can cause drastic changes in accounting methods, are following: risks from the transition to new accounting standards (adaptation of IFRS Phase 2), risks from the launch of new products/new transactions, and risks related with international tax obligation.

## Transparent Public Announcement Related With Tax

SFMI reports further details of corporate tax, deferred corporate tax, and effective tax rates in audit reports by independent auditors. It discloses the results to the company website and electronic disclosure system of Financial Supervisory Service.

### Corporate Tax Expenses Breakdown

[Unit: KRW million]

	FY2015	FY2014
Current Tax	271,448	296,191
Tax effect on changes in cumulative temporary differences	(25,348)	15,871
Income tax directly recorded in equity	-	(64,820)
Changes due to tax reconciliation	11,835	18,168
Income tax expenses	257,935	265,410

### Relation Between Corporate Tax Expenses and Accounting Profit

[Unit: KRW million]

	FY2015	FY2014
Profit before income tax	1,071,741	1,103,570
Expense (benefit) for income taxes at statutory tax rates	258,899	266,602
Adjustments		
Non-deductible (taxable) expenses (income)	(3,447)	(107)
Tax credit	(1,142)	(1,665)
Tax credit (R&D expense and etc.)	151	7,799
Others (difference in tax rate, etc.)	3,474	(7,219)
Income tax expenses	257,935	265,410
Effective tax rate	24.07%	24.05%

## Ethical Management

In order to fulfill a social role and responsibility as a leading global company, SFMI commits to the principles by building a clean corporate culture and pursuing thorough compliance and integrity.

### SFMI Code of Business Conduct

We, as employees of Samsung Fire & Marine Insurance, fully understand that compliance and integrity serve not only as the core foundation of ethical business management and a platform to transform SFMI into a world-class company trusted by our customers, but also as a precondition for individual employees to conduct as representatives of the Company. As we uphold precious values of the Company and act with integrity in doing our business, we pledge to comply with the following code of business conduct:

**1** We understand and practice management philosophy, core values, and business principles of Samsung and hold high compliance and ethics standards for fair and transparent business activities.

**2** In doing business, we comply with domestic and overseas laws and regulations, as well as following internal corporate regulations and bylaws. We neither engage in any acts that violate or may be suspected of violating laws and regulations, nor will we direct, approve, instigate, and condone such act.

#### Sound corporate culture

- We value dignity and diversity of individual employees and adhere to HR regulations including labor standards and equal opportunities for fair employment. We will not engage in any impropriety, e.g. sexual harassment, which may tarnish our reputation and compromise sound corporate culture.

#### Fair competition

- We respect free and fair market order and adhere to fair trade rules of individual countries.
- We are committed to competing fairly through just means, and do not engage in collusion or any act that may hinder fair competition.

#### Partnership with suppliers

- We respect our suppliers as our business partners, and adhere to relevant laws in dealing with our suppliers. We do not make inappropriate requests or take retaliatory actions against suppliers by abusing our advantageous position.

#### Anti-bribery

- We do not provide or receive a gift, entertainment, or business courtesy that could be perceived as a bribe to gain business opportunities or convenience from parties concerned including public officials and customers at home and abroad. We abide by anti-bribery laws of countries around the world and corporate bylaws.

#### Business and financial records

- We keep our financial records accurately in compliance with accounting rules of individual countries and internationally

accepted accounting standards, and meet obligations in regulatory filings on corporate information and major business issues.

#### Protection of trade secrets and intellectual properties

- We strictly follow laws, regulations, and internal rules pertaining to the protection of trade secrets and intellectual properties, and do not leak trade secrets or classified information of the Company.
- We respect intellectual properties of other parties and do not infringe upon their rights to such properties through unauthorized acquisition, use, duplication, or distribution of their trade secrets.

#### Personal information protection for customers and employees

- We collect, process, and use personal information of our customers and employees for legitimate business purposes with their approval under applicable laws including the Personal Information Protection Act of Korea. We prohibit and prevent the leakage of any such information and adhere to laws, regulations, and internal rules to safeguard personal information.

#### Meeting standards on quality, environment, and safety

- We follow laws and regulations of individual countries, international standards, and corporate bylaws on environment and worksite safety, and do our utmost to ensure health and safety of customer and employees.

**3** We discuss potential issues in advance with related departments within the Company including Compliance Team and Legal Team to minimize risks arising from violation of laws in the process of major business projects and contracts.

**4** We immediately report to Compliance Team any violation of laws, regulations, bylaws, or this Code of conduct, or any incident suspected of such violation, upon discovery of the fact.

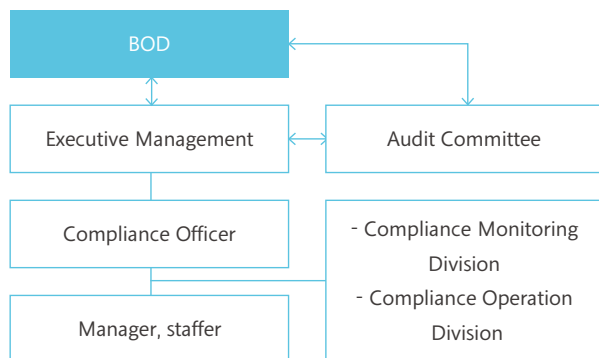
**5** We actively participate in all corporate compliance activities including employee education, monitoring, on-site inspection, and follow-up measures pertaining to compliance.

## Major Activities

Based on five core values of People, Excellence, Change, Integrity, Co-prosperity, SFMI prepares and implements Code of Business Conduct. Along the way, in an attempt to build and maintain a clean corporate culture, the company operates systematic and diverse education programs by conducting "Value Sharing Programs" among the employees under the subjects of anti-bribery, fair trade, anti-money laundering, healthy culture devoid of sexual harassments and sexual discrimination, human rights protection. SFMI operates various internal control programs to minimize risk from violation of laws and regulations that may occur from everyday operation. The programs include monitoring of employees' work process and legal compliance, daily operation compliance, fair trade self-compliance program and anti-money laundering system. In 2015, it continued its effort to expand base for compliance-abiding culture: production of special broadcasting programs through in-house media, ethical management campaign, revision/distribution of ethical management handbook and ethical sales guide.

Deploying some 230 compliance security personnel across the company, it carried out diverse compliance activities including compliance education and inspection in the field each month, exploration of good examples for ethical management, suggestion and information, consequently spearheading the practice of ethical management and ethical sales in actual workplace.

### Operating Structure



### Setting/Assessment of Internal Control Criteria

Internal compliance regulation was established as set forth by the Insurance Business Act and all employees are expected to comply with the regulations. The regulations express our commitment to abide by the laws, maintain sound asset management and protect our insured customers. Internal control policy sets out guidelines on employee role and responsibilities, compliance system, internal control structure, code of conduct, key issue by job functions and compliance check.

**Operating System for Internal Control** The Compliance Officer is responsible for the operation of internal control system and related guidelines. The officer also nominates compliance officers by individual departments to monitor the status of compliance and identify weaknesses to the system. Violation of compliance leads to disciplinary actions. The Compliance Officer evaluates the appropriateness of compliance and reports the results to be reviewed and approved by the Audit committee before reporting to the BOD.

In the meantime, managers operate effective internal control system and supervise the staffer's role performance, while staffers understand their role and comply with laws, internal regulations and ethics code, both are responsible for internal control in the first place.

### Compliance Education & Inspection

SFMI conducts regular education to employees to reinforce the principle of ethics. Value Sharing Program, a mandatory training course for all domestic and overseas employees, offers education on prevention of corruption, fair trade, personal information protection, prevention of gender discrimination and sexual harassment and protection of human rights. Furthermore 'Compliance and Ethics Self-Assessment' is completed by all employees to increase understanding of compliance management.

### Mandatory Education

		2013	2014	2015
Value Sharing Program	Training hours per person	20	20	20
	No. of attendees	5,528	5,671	5,613

\* In 2014, Value Sharing Program was offered both online and offline and the number of attendees may overlap.

### Operation of Compliance Support System

SFMI operates various internal control programs to minimize risk from violation of laws and regulations that may occur from everyday operation. The programs include monitoring of employees' work process and legal compliance, daily operation compliance, fair trade self-compliance program and anti-money laundering system.



**Major Compliance Support Systems**

Pre-Compliance	- Preliminary compliance inspection prior to final decision making related to key business operations including : Establishment and revision of internal regulations, terms and conditions of insurance policies, and new product development and new task force
CP (Compliance Program)	- Fair trade voluntary-compliance system to abide by fair disclosure regulation - Promote fair trade voluntary-compliance culture within the company by electing voluntary compliance manager(Compliance Officer) and establishing relevant guidelines
AML (Anti-Money Laundering System)	- Preventive system to promote sound financial transaction between financial institutions, while eliminating domestic and global money laundering activities - Eliminate potential risk and raise transparency of asset management for customers by assessing and monitoring the money laundering risk - Monitor by CDD(Customer Due Diligence), its verification and also using scenarios extracting suspicious transactions

**Anti-Money Laundering System**

- As set forth by laws against money laundering and public financing, SFMI operates CDD(Customer Due Diligence) system for the purpose of preventing act of crime and promoting transparent transaction with our customers. Furthermore, EDD(Enhanced Due Diligence) is performed on customers who have been categorized as higher in risk based on money-laundering risk assessment. Money laundering preventive system inspects doubtful, large cash transactions to prevent potential risks and issues STR(Suspicious Transaction Report) or CTR(Currency Transaction Report).
- In 2015, the company, reflecting revised anti-money laundering ordinance and recommendation from FIU, SFMI revised company rules and improved monitoring system for risk measurement as well as customer identifying process. Along with advancement of the system, SFMI strived to boost quality of anti-money laundering system by frequent check and education to raise the awareness among the employees and also to strengthen their work capability.

**Assessment of Anti-Money Laundering System**

- In 2015, SFMI was given the highest "Excellent"rating by KoFIU, an action task force unit on anti-money laundering operated by the Financial Services Commission in the area of 'System and operation of anti-money laundering program'. And it was awarded the Citation of Prime Minister in the '9th Anti-money Laundering Day' event.

**Fair Trade for Consumers**

Our business partners including RCs are thoroughly trained and regularly monitored to provide reliable and proper products and services to our customers. Our business partners are trained to ensure that our customers have full and clear understanding of the service and product. In accordance with the insurance business laws and supervisory regulations, we establish strict standards for product development, use of product information and educational materials. We also abide by the domestic and foreign standards for advertisements.

**Minimizing of Incomplete Sales**

SFMI carries out diverse activities to realize complete sales in our way towards establishment of trusted insurance culture and protection of consumer's interests. Its administrative organization, Compliance Operation Division focuses on preventing losses arising from incomplete sales. For this, compliance managers are placed in business sites to run round-the-clock checking system and after sales, the relevant department monitors indices of incomplete sales each month.

**Disciplinary Actions by External Authorities**

Penalties imposed by external authorities in 2015 are listed below. SFMI applies strict actions and implements prevention measures in response to the disciplinary actions initiated by supervisory authorities.

**Disciplinary Actions**

Date	Body	Reason	Punishment
Nov 30, 2015	FSS (Financial Supervisory Service)	Insufficient management of insurance agencies	Warned
Dec 30, 2015	FSC (Financial Services Commission)	Negligence on management/surveillance against violations regarding insurance recruitment	Fined KRW 25 million

## Internal Reporting System

SFMI operates various in-house communication systems to encourage ethical management such as whistle blowing and fraud reporting system. In accordance with the internal reporting system regulations, whistleblowers are guaranteed confidentiality.

### Whistle Blowing

Behaviors to be Reported	<ul style="list-style-type: none"> <li>- Illegal, unethical behavior of employees</li> <li>- Illegal, unethical behavior of sales organization</li> <li>- Violation of Fair Trade Act like unfair trades</li> <li>- Violation of recruiting order</li> <li>- Personal information leak, illegal check, information leak</li> <li>- Suggestions related to other ethical management</li> </ul>
Internal Reporting Channel	<p>The Office for Practice of Business Principles (Compliance Department)</p> <ul style="list-style-type: none"> <li>- Tel : 02-758-7112</li> <li>- Fax : 02-758-4310</li> <li>- Email : ethics@samsungfire.com</li> </ul>

### Fraud Reporting

Behaviors to be Reported	<ul style="list-style-type: none"> <li>- Misappropriation of public money &amp; bribery</li> <li>- Illegal participation in shares of unlisted companies</li> <li>- Case of dual employment</li> <li>- Providing or receiving a gift or entertainment</li> <li>- Other violations related to employee guidelines</li> </ul>
Internal Reporting Channel	<p>Audit Team</p> <ul style="list-style-type: none"> <li>- Tel : 02-758-7829</li> <li>- Fax : 02-758-7796</li> <li>- Email : auditing@samsungfire.com</li> </ul>

### Report Status

	2013	2014	2015
Processed Reports	99	53	43
- Alleged Offence	10	9	5
- Civil Complaint	73	23	24
- Others	16	21	14
No. of the punished persons	1	0	0

\* Since 2014, civil complaints were processed through a dedicated team, resulting in decrease of complaints.



Customer Satisfaction  
Human Capital Development  
Social Responsibility  
Co-prosperity  
Environment, Safety & Health

Sustainability  
Value

## Customer Satisfaction

SFMI's number one priority is our customers. This is why the service solutions that we provide have been constructed from a customer perspective and our business is focused around them. 'Working with ownership', SFMI's declared service identity, is a commitment to providing authentic and heartfelt services to customers.

### Customer Service Charter

- 1 We listen to customer's opinions with open heart and faithfully fulfill our promises.
- 2 We always consider customer's work as 'our own work' and offer best services to them with warm heart like our family.
- 3 We enhance customer's value by sincerely understanding customer's positions and offering optimal goods and best services.
- 4 We treat customer's requirements quickly and exactly, and guide customers kindly.
- 5 We respect customer's rights and report the relevant information in a responsible way.

## Customer-oriented Activities

### Customer-oriented Products and Services

At SFMI, we have appointed a CCO(Chief Customer Officer) directly under the CEO and operate the Consumer Policy Team to proactively plan and implement customer-oriented activities. SFMI is also the first in the Korean non-life insurance sector to operate Customer Right Protection Committee and Customer Panel, a consumer participation program that offers consumers the opportunity to monitor and experience our products and services. The Customer Right Protection Committee is composed of outside experts including professors, lawyers and doctors, designed to provide fair and objective settlement of insurance disputes. In 2014, we newly established 'Consumer Protection Committee' composed of internal executives in charge of the Sales, Claim Settlement and Product Development as an effort to eliminate and improve internal irrational systems and practices. Also, to implement a more efficient customer complaint management, we extended operation of Customer Protection Center to six areas across the country and we have strengthened professionalism by assigning 40 experts with rich field experience of sales and claim settlement.

**Consumer Portal Opened** In May 2015, a consumer portal opened at the company's homepage with contents of electronic complaint filing, notice of complaints, examples of best practices for consumer protection, financial consumer protecting system, financial information so that consumers can have an easy access to those information.

### Customer-oriented Education and Promotion

SMFI conducts education focused on the subjects of protection of finance consumers and customer-oriented management to our employees and partners such as Risk Consultants who provide frontline service through direct interaction with our customers.

**Service Academy** In January 2014, SFMI established the Service Academy under the Consumer Policy Team to reinforce consumer protection. The Service Academy is designed to promote customer focused service and minimize customer dissatisfaction through collective training sessions, individual sessions tailored to different lines of operations as well as consulting programs. In 2015, 2,087 employees and 9,210 partners completed education at the Academy across 323 sessions.

**Best Customer Satisfaction Practice Award** SFMI operates various reward programs to further encourage and motivate employees and partners who were outstanding in the area of customer service. Reward programs include: Company Foundation Day Award(annual), SFMI Person Award(3 times a year), the CEO Special Award(4 times a year) and CS Achievement Award(often). Examples of outstanding customer service practices are aired on company broadcast and intranet as a way to promote and raise customer satisfaction awareness to our employees and partners. In 2015, the company conducted a 'campaign for practice of basic acts for Customer Satisfaction' among the whole employees using in-house broadcasting for two months in the areas of right ways of behavior/dressing, phone and other business etiquettes.

### Customer-oriented Products & Services

SFMI proactively reflects needs and opinions of our customers throughout the development process of our products. As such, product names and policy terms can also be flexibly modified to improve customers' understanding of the policies. We also offer wide range of products and services to meet customer's specific needs such as preparation for older age, infant care or traveling that customers may join according to their preference and life cycle.

In 2015, SFMI released the industry's first ever Medical Expense Insurance for Pregnancy-related Diseases and obtained exclusive use rights. In January 2016, it released 'Convenient and Healthy Life' - a health insurance for the elderly and patients.

**Better Web Accessibility** SFMI has improved the accessibility of the company website to people with disabilities and the elderly in order to improve their usage of online financial services such as application for insurance policies, access of insurance contracts and request for consultation services. In January 2013, SFMI was awarded the "Web Accessibility Certification" by WebWatch, an organization under the Korea Human Rights for Persons with Disabilities Forum.

## Customer Communication

### Consumer Satisfaction Survey

SFMI conducts customer satisfaction survey once a year to assess and improve the level of customer service. Survey results are reflected on business activity to improve products and services. In 2015, we ranked top in customer satisfaction surveys of the country's three bodies.

Type	Body	Rating
National Customer Satisfaction Index	Korea Productivity Center	76 points (Non-life insurance : No.1 for 15 consecutive years)
Korean Customer Satisfaction Index	KMAC	77.2 (Auto insurance : No.1 for 18 consecutive years, long-term insurance : No.1 for 5 consecutive years)
Korean Standard-Service Quality Index	Korean Standards Association	75.9 (Auto insurance : No.1 for 14 consecutive years, long-term insurance: No.1 for 2 consecutive years)

### Voice of Customer (VOC)

SFMI emphasizes open communication with our customers. We commit to addressing all customers' complaints and suggestions in time. Likewise, VOC is considered highly valuable to our business. The feedbacks that are collected through VOC are reflected in service quality enhancement efforts and also in development of our products and services.

	2013	2014	2015
Rate of VOC processed within 24 hours (%)	85.5	86.2	90.8

**Evaluation by Financial Supervisory Service** Evaluation by Financial Supervisory Service: Regulators encourage all financial institutions to mitigate consumer complaints and to provide consumers with reliable and protected financial services. As part of the initiative, Financial Supervisory Service rates customer service level of financial institutions based on the number of customer complaints that were processed, together with the efforts and measures taken by the company to resolve the issues. The Service's evaluation in

2014 placed SFMI in the first class among 15 non-life insurance companies and SFMI maintained excellent grade for three consecutive years (2012 - 2014).

### Customer Panel

Since the establishment of the 'Customer Panel' in 2005, which was first of its kind in Korean non-life insurance sector, SFMI continues to actively operate the system with the purpose of offering products and services that meet the needs and demands of customers. CEO and key management executives participate in the Customer Panel and the outcomes are then actively reflected in the company's strategy to improve business management. The Customer Panel which is selected through document screening and interviews is composed of 8 to 10 general individuals, including housewives and must be covered by insurance. Since 2005, 20 rounds of panels in total were operated to date. The results from the Panel's four-month task activity are shared across the company via presentations and significantly contribute to implementing the company's customer-oriented management policy.

### Communication on SNS

SFMI operates diverse online Social Networking Services(SNS) to increase communication with our customers. As of December 2015, SFMI communicated with approximately 800,000 customers on a daily average, through 9 online PR channels including blog, Facebook and twitter. In recognition of our online communication efforts, we were awarded the Grand Prize in the social communication section of the Korea Social Media Awards in 2015.

### Major Official SNS Channels

Blog	<a href="http://blog.samsungfire.com/">http://blog.samsungfire.com/</a>
Facebook	<a href="https://www.facebook.com/samsungfiretalk">https://www.facebook.com/samsungfiretalk</a>
Twitter	<a href="https://twitter.com/samsungfiretalk">https://twitter.com/samsungfiretalk</a>
Youtube	<a href="https://www.youtube.com/user/SamsungfireTalk">https://www.youtube.com/user/SamsungfireTalk</a>
Good Daddy Blog	<a href="http://gooddaddy.samsungfire.com/">http://gooddaddy.samsungfire.com/</a>

## IT Infra

**Global IT System** Having built the next-generation IT system, SFMI allows customers to proceed all work at the same time and automatically connects insurance products and work processes. This user-friendly next-generation portal site continues to provide services to the customers through its sales and service channels. Our global IT system also enables users to check all processes including insurance contracts at overseas subsidiaries in real time.

**Mobile Systems** In prompt response to expansion of smart devices and fast change of mobile environments, SFMI has been developing mobile system. The company actively uses smartphones and PCs for customer's applications at the field and contract management and conducts incident investigation and payment of insurance premium in real time. The industry's first mobile website offers applications that deal with customer's enquiries, contract alterations, incident report, application for loan and issue of certificates. Along with its effort to simplify unnecessary work process and boost customer convenience as such, SFMI is extending its environmentally friendly work process by reducing to use unnecessary documents. Currently, insurance products that allow application and payment via the company's own apps include auto insurance, driver insurance, house fire insurance, Annuity Saving insurance, Medical Expense insurance, Traveler's insurance, and the ratio of mobile applications among total applications for insurance products is around 20% with some 270,000 applicers(as of November, 2015). On top of this, company opened mobile-based 'Smart Compensation system' that allows the customers to treat the work of processing of incidents in auto insurance and claiming in long-term insurance, strengthening its customer-centered services. In January 2016, SFMI, in association with the country's largest integrated mileage OK Cashback, launched membership exclusively for mobile use - allowing the users to pay the premium by Cashback points.

## Customer Information Protection

**Information Protection Management System** To maximize information protection, SFMI appointed a CISO(Chief Information Security Officer), a CPO(Chief Privacy Officer), a CSO(Chief Security Officer) to handle and protect credit information. We also operate the Information Protection Committee as a decision-making body for security issues. Also, departments within the company that are directly responsible for information protection such as the Information Protection Division, IT Security Division, and Compliance Monitoring Division participate in the Information Protection Committee to supervise, control and implement security policies on a regular basis. In 2014, the company acquired the certificate of ISMS(Information Security Management System) from the Ministry of Science, ICT and Future Planning.

**Information Protection Activities** Using its security-specialized organizations, SFMI is conducting a diverse range of activities : Reinforcement of security-related company rules, encrypted customer database, operation of a security task force, information protection system 24-7 cyber monitoring and regular safety prevention activities, separation of work network from internet, on/off line security education, regular and multiple security check. And it also strengthens its internal control on treatment and management of personal information overall like collection, usage, storage, and destruction of information. Besides, the company has established a separate security management system so that apart from its own employee, other companies that treat SFMI's customer information can manage the relevant information safely, demonstrating our commitment to perfect security management and supervision. No violation of customer information protection has yet been reported, and personal information of customers will be treated with utmost care and kept safe in accordance with applicable laws.

### Prevention and Detection of Insurance Fraud

SFMI regards insurance fraud as a serious crime that negatively impacts the society. We continue to reinforce insurance fraud education and promote prevention of fraud to our employees. We also operate insurance crime reporting center.

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Insurance Crime Reporting Center	- Division with primary responsibility: Insurance Inspection Division - Tel : 02-7573-112 - SFMI's website: Insurance Crime Reporting Center <a href="http://www.samsungfire.com/customer/center/crime/center_crime_01.html">http://www.samsungfire.com/customer/center/crime/center_crime_01.html</a>
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### Certified as Excellent Site for i-Safe and ePRIVACY

To date since 2000, SFMI has been certified for safe internet (i-Safe) and personal information protection (ePRIVACY) from Korea Association for ICT Promotion in recognition of its high-level security.

# Human Capital Development

At SFMI, we believe that our employees are the key to increasing company's business competitiveness. Our goal is to attract talented people through open recruitment system and develop our employees into becoming top global financial experts through excellent training opportunities that are customized to every line of functions. We are also committed to protecting human rights, health and safety of our employees as well as providing them with a good work-life balance.

## Talent Management

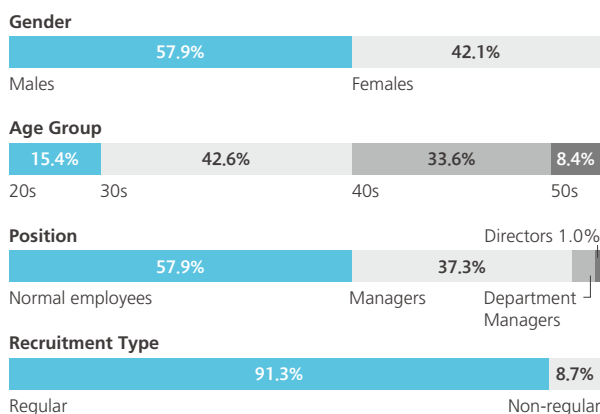
### Open Recruitment

SFMI employs an 'open recruitment' system to encourage equal opportunity and prohibit discrimination against individuals based on academic background, origin, age, gender, religion and disability. We also help create equal employment opportunities to underprivileged and the young adults with an aim to help them pursue their dreams under difficult environment.

### Talent Retention

As of end December 2015, SFMI employed a total of 5,750 people, with male and female ratio standing at 57.9% and 42.1% respectively. We are committed to developing our employees into global financial experts through diverse HR programs including: employment status transfer program from temporary to full time status, reward and early promotion programs for outstanding performers and internal job transfer programs. Additionally, to promote balance and diversity of our employees, we continue to open recruitment opportunities and out of total employees, percentage of employees with disabilities accounts for 2.1% and employees with national merits 1.5%. Also, percentage of women in management position has reached 10.9% and we continue to encourage women employees to participate in various development and training programs. In February 2014, in recognition for these efforts, SFMI was awarded by the Minister of Employment and Labor, in the field of development of talented women employees and in May 2015, it was awarded Prime Minister's Award for equal employment between genders.

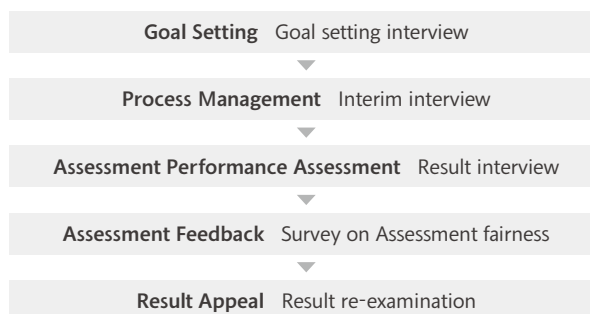
### Employee Status in 2015



## Performance and Compensation Management

**Performance Evaluation** At SFMI, we implement a target-oriented performance evaluation system for our employees. Overall evaluation of our employees is based on comprehensive assessment of individual achievements, capabilities and self-development performance. To promote a fair and transparent performance assessment, we follow a three-step dialogue and feedback system(objective interview, interim interview, and result interview) together with multi-dimensional evaluation. Our compensation framework is designed to motivate our employees and to further develop themselves into global financial experts.

### MBO (Management by Objectives)



**Compensation** SFMI implements annual salary and profit sharing system to establish performance-oriented culture and to boost the spirit of challenge among our employees. Our entry level college graduate recruits are guaranteed base salary above the legal minimum wage level and gender wage gap does not exist. Also, from 2014, information about registered directors with total remuneration above KRW 500 million is publicly disclosed.

**Awarding System** At SFMI, we strive to instill ownership and pride in our employees, so that their goals are aligned with the company's business strategy. We regularly reward our employees through diverse programs : Annual Reward Ceremony on Company Foundation Day, quarterly SFMI Person Award, BP of the Month. Employees who have contributed to the sustainability of our business with their excellent performance in areas of innovation, customer satisfaction, GWP(Great Work Place), social contribution and compliance are awarded monetary compensation, paid leaves and higher evaluation.

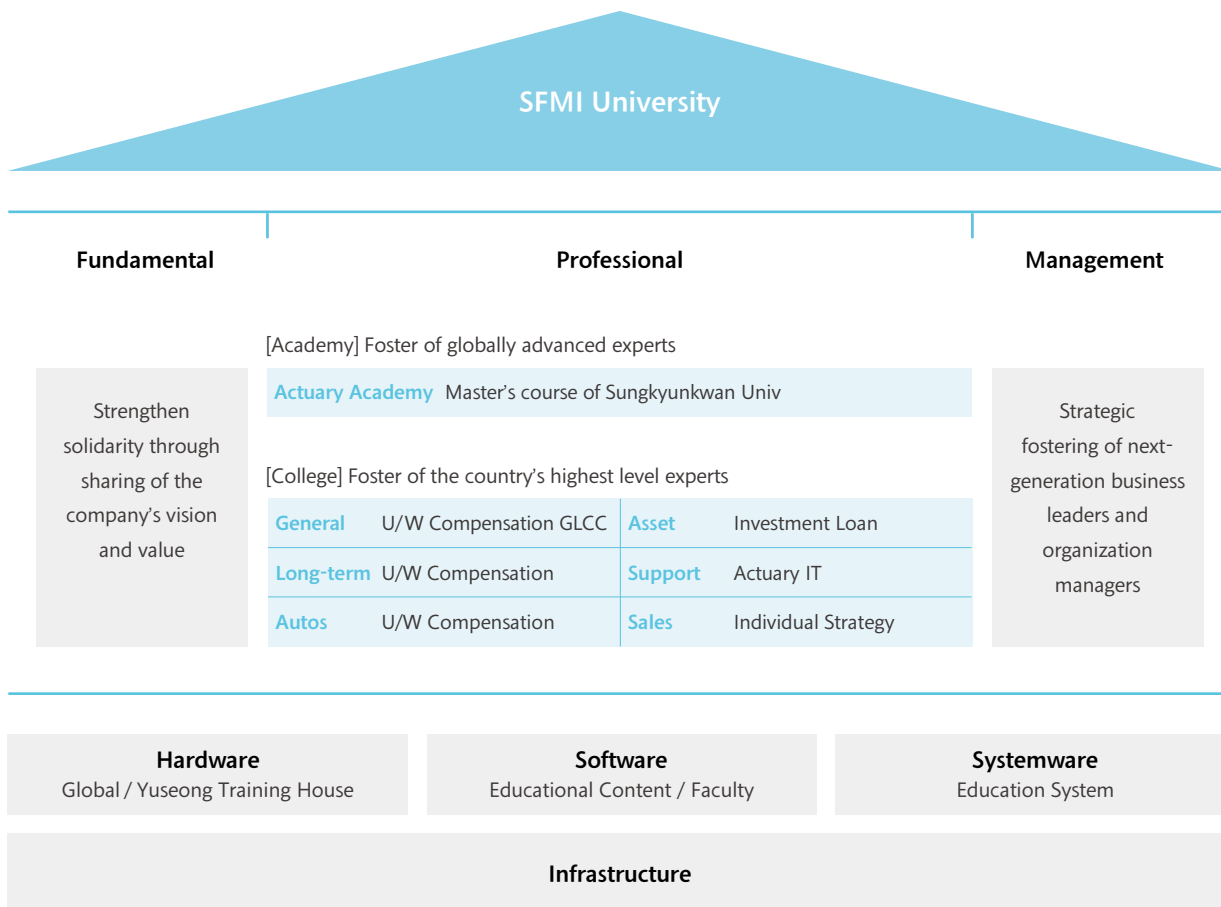
## Individual Development

At SFMI, we have established and operate talent development system to foster our employees to become top experts in the area of finance and insurance.

**SFMI University** In March 2015, SFMI newly established “SFMI University”, an employee development program aimed to foster global financial and insurance experts. In addition to the diverse customized curriculum(110 courses by level of job function, 350 educational contents), the program also offers online and mobile version of the education system(Dream Campus). We have also implemented credit completion system which is reflected in employee performance assessment and also required for promotions. The University offers essentially-needed lectures(e-Learning, expert qualification, foreign languages) and e-Book service(in association with Kyobo Book Center) to the employees, contributing to boost of their work capability and insights.

Since 2015, we have been operating an internal professor system, in which employees with remarkable level of expertise contribute to in-house education by converting their know-how and expertise to texts and by lecturing. As of December 31, 2015, 163 persons are serving as internal professors. They get various incentives such as lecture fee and extra points for promotion.

**Global Campus** SFMI Global Campus is the company’s second training house opened in December 2014, following the first Daejeon Yuseong. Located at Dong-gu, Ilsan, Goyang City with the land area of some 66,700 square metre, it is equipped with the highest level of accommodation facilities and top-notch devices. For its classy interior design and services, it was awarded IF Design Award from Germany and Grand Prize of Korea’s Architectural Culture. And in March 2016, it was also awarded Grand Prize in the field of educational facilities as organized by Korean Human Resource Development Association.





Human Capital Development

**Individual Development Plan** The Individual Development Plan (IDP) is a program that encourages our employees to upgrade and expand their area of expertise through variety of resources. The program is designed so that employees can self-assess their professional capacities and further develop through various internal and external, collective and individual training such as: e-Learning, COP (community of practice), conferences, certificate education.

**Employee Education Data**

Type	2013	2014	2015
IDP participation (%)	99.2	98.9	99.3
Curriculum	1,649	2,000	1,846
Education cost per employee (Annual average, KRW million)	2.06	1.91	1.47
Education hours per employee (Annual average)	134	116	119
Possession of expert qualifications (person)	2,647	3,186	3,470
Possession rate of five key qualifications (%)	15.8	17.3	18.6

\* Expert qualifications: 15 types at home (AFPK, underwriter, insurance examiner), 20 abroad (CPCU, Associate, CISA)  
 \* Five key qualifications : Actuary (at home and abroad), claim adjuster, CPCU, CFP, CFA

**Global Talent Management** SFMI is operating diverse programs to foster global leaders equipped with global business capability.

- Regional experts : Program in which employees are despatched overseas to learn foreign language/culture, explore national and regional information and conduct survey on business
- GFP : Educational program in which excellent employees are despatched to the company's overseas subsidiaries
- GEP : Program in which employees are despatched to globally leading companies (to learn globally advanced expertise, know-how and capability)
- MBA / EMBA : Educational program to foster the next-generation global leaders

**Human Rights & Labor**

**Protection of Human Rights**

SFMI fully adheres to the basic principles of protection and respect for human rights contained in the United Nations Universal Declaration of Human Rights and United Nations Guiding Principles on Business and Human Rights. Samsung Business Principles also stipulates that the company should adopt protection of human rights, respect diversity, prohibit forced and child labor and eliminate discrimination.

Sexual harassment prevention education and human rights awareness education is conducted more than once every year to promote a sound culture free from any forms of harassment and discrimination.

**Samsung Business Principles**

**Principle 1 : We comply with laws and ethical standards**

- 1-1 We respect the dignity and diversity of individuals
- We respect the basic human rights of everyone.
- We do not, under any circumstances, permit forced labor, wage exploitation or child labor.
- We do not discriminate against any stakeholders, including customers and employees, on the basis of nationality, race, gender, religion, etc.

**Employee Council**

SFMI is running Employee Council to establish a cooperative relationship with our employees through regular communication and mutual trust. The Council is guaranteed the rights to collective organization, bargaining and action, and under no circumstances are employees restricted or coerced into joining the union. Since 1998, as the representing employee body, the Council makes collective decisions with the company on wage agreements, working conditions and participates in key business events including executive management meetings to ensure rights of the employees and to foster a favorable working environment.

**Key Activities by Employee Council**

- Labor Union Committee (four times a year)
- Wage negotiation and collective agreement
- CEO and Employee Council Representative meetings
- "Hanmauem" (One Mind) Meeting for each department
- Participate in key business events including executive management meetings
- On-site investigation on working culture
- Operating Family Day: Weekly shutdown of company PC system
- Support employee hobby club activities
- Operate employee communication website and publish newsletter

**Employees represented by Employee Council**

	2013	2014	2015
Percentage of employees represented by Employee Council (%)	62.9	64.0	61.7

### Distress Assistance and Support System

SFMI operates various counseling and assistance system to maintain an open and constructive dialogue with employees. The complaints and suggestions are guaranteed confidentiality. Also, to encourage communication relating to sexual harassment, cases involving women employees are processed by designated female counselors. In 2015, 85 cases were resolved - four times more than the previous year - aided by further channels recommended by the Employee Council.

### Complaint Support and Processing System

HR Issues	Receipt of HR related complaints : leave of absence, reinstatement, self-development, performance evaluation. → Resolution by Distress Settlement Committee (employee representatives and company representatives)
Sexual Harassment	Receipt of complaints → Counseling and investigation → Resolutions and disciplinary action → Protection of victims and damage support
Verbal Violence	Reporting of complaints relating to verbal abuse, inappropriate comment on physical appearance, and personal insults inside or outside of work place → Counseling and investigation → Resolution and official disciplinary action depending on severity of abuse
Alcohol-related Issues	Receipt of alcohol-related complaints during company events (coercive drinking, etc.) → Investigation and corrective measures

### Strengthening Employee Communication

SFMI is committed to establishing healthy corporate culture and enhancing working environment for our employees. To increase employee satisfaction, we operate various communication system such as Exciting Talk Talk- an online community, internal broadcasting system, Employee Council homepage, management field visits and various meetings.

**Communicate** 'Communicate' is a company intranet online communication platform open to employees. The platform provides 5 main communication platforms: 'CEO Live Talk Talk'- communicates CEO's business philosophy and activities; 'Media'- contains updated news about sales and claim settlement field activities; 'Exciting Story' - a community where employees share best practice stories as well as personal family stories; 'News' and 'Events'- contains updated company news and events. 'Communicate' is accessed by around 4,100 employees a day on average, as SFMI's unique communication channel vertically and horizontally.

### Work & Life Balance

#### Robust Corporate Culture

To build a healthy and dynamic corporate culture, New Culture Department and Employee Council are conducting diverse interaction activities.

**Employee Satisfaction Survey** SFMI conducts annually the Samsung Economic Research Institute's Samsung Culture Index(SCI) survey to promote happiness at workplace for our employees. In the 2015 SCI survey, which consisted of 50 questions in 15 categories, SFMI scored 80 points(average of 15 categories) one point up from the previous year.

**Running Hobby Clubs** To encourage active interaction among employees and to increase work & life balance, the company supports over 160 hobby club activities including mountaineering, baseball, football, tennis, bowling, photography, reading and meditation.

**Promotion Celebration** Employee survey results show that one of the most exciting moments for SFMI employees is when promoted to a manager position. Since 1995, in order to celebrate this important moment, SFMI invites newly promoted employees and their families to the Leadership Conference for New Executives. In 2015, KRW 10 million, the proceeds from voluntary fund-raising by employees newly promoted, was used to assist children from low-income families suffering from burn injuries.

#### Family-friendly Management

The company actively supports family-participating programs in an effort to enhance both employee's satisfaction with the company and harmony within families.

**Parents Appreciation Festival** In May 2015, the Employee Council organized a 4-day group trip for 160 of our employees' parents to Xian, China - the new business site of SFMI's global operations. The trip was jointly organized by the company and our employees to express appreciation to our parents by offering a memorable experience and also to inform them of SFMI's high position within the industry.

**Family Care Leave** Employees with family members(parents, children, spouse and parents of spouse) who are in need of care due to sickness, accident and old age are entitled to family care leave of absence(30 to 90 days per year).

Human Capital Development

**Family Day (every Wednesday, Friday)** To eliminate unnecessary overtime and to enhance work-life balance of our employees, we encourage employees to leave workplace on time by introducing automatic computer shutdown system which is implemented every Wednesday, the designated Family Day

**Certified Family Friendly Company** In recognition of its efforts to establish a family-friendly culture, SFMI has been awarded “Family Friendly Management Certification” by the Ministry of Gender Equality and Family in 2011 and has maintained the certification until today.

**Maternity and Child Care Benefit**

In addition to maternity benefits, such as pre & post childbirth leave, child care leave and shortening of work hours required by law, SFMI actively supports child birth of our employees in other various ways. We offer medical leave and medical cost subsidy for employees with infertility issues and offer flexible working hour system so that female workers can work in a more secure environment.

**Hotline for Expecting Mothers** SFMI fully supports and encourages childbirth of our employees through a new hotline system for expecting mothers. The system offers expecting mothers easy access to counseling regarding pregnancy, childbirth, pre & post maternity leave system, benefits during maternity leave and flexible working hours.

**Daycare Center at Workplace** SFMI corporate headquarters operates an in-house daycare center that offers child-care service during working hours. The system reduces concerns and provides comfort for working parents by allowing children to be close to their work place. This eventually increases work efficiency of our employees.

**Employee Benefits**

SFMI provides various fringe benefit systems to improve employee's quality of life.

**Selective Benefit System** Since 2011, SFMI operates selective benefit system for our employees. Annually, employees are compensated with benefit points which can be used to pay for different activities in areas of self-development, health care and family-friendly activities.

**Retirement Pension System** SFMI offers various post retirement support programs for our employees. Pension plans are provided in accordance with the Retirement Benefits for Workers Security Act. We also offer employment aid programs for retiring employees looking to start new career by guiding them to new opportunities by fully utilizing their experience in the financial industry.

**Main Employee Benefits**

Supporting Leisure Life	Company fitness center, paid long-term leaves, vacation housings and Caribbean Bay (amusement park) subsidy
Supporting Housing & Living Stability	Company housing for long distance employees and retirement pensions
Supporting Medical & Healthcare	Physical checkup and group health insurance for employees and their families
Supporting Childbirth and Maternity	Company-run daycare centers, resting lounges for mothers and newborn gift kit for new parents
Supporting Education	Education expense assisting system and spring & winter English camp for children
Others	Mind and marriage counseling center, support for major family events

\* Above employee benefits are offered to both regular and non-regular contracted employees.

## Social Responsibility

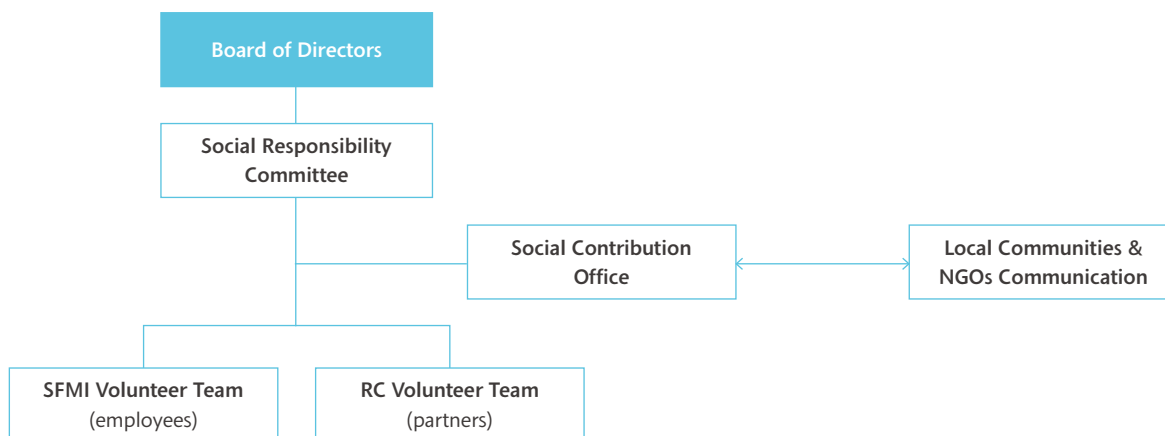
As a responsible corporate citizen, SFMI is committed to fulfilling our public responsibilities and to serving the needs of the people in the communities. We will strengthen social responsibility engagement by applying the essential characteristics of non-life insurance business to support the underprivileged people and to promote development of local communities.

### Principles and Organizational Structure

#### Principle of Social Responsibility



#### Organizational Structure of Social Responsibility



### Social Responsibility Practices Reflecting Characteristics & Organizational Capabilities of Insurance Business

SFMI commits to giving 'security' and 'hope' to our customers and the society through social responsibility practices that best reflect the characteristics of an insurance company. Some of our core socially responsible activities include promoting Traffic Safety Culture (representing campaign among social responsibility practices), supporting persons with disability and spreading daily life safety awareness.

### Traffic Safety Culture

**Samsung Traffic Research Institute** Established in July 2001, Samsung Traffic Research Institute is a specialized center for traffic safety research. Its mission is to establish advanced traffic culture and to raise driver safety awareness, ultimately to eliminate traffic related accidents. The institute conducts scientific and systematic research on safety of roads, vehicles and drivers to investigate traffic accident prevention measures. Additionally, it also issues press releases, makes policy proposals and stages traffic safety campaigns. The institute also offers special safety education and information

programs to members of the society who are exposed to greater safety risks, such as children, inexperienced and elderly drivers. In December 2014, we established Auto Insurance R&D Center in order to jump forward as a global insurer and have been conducting education to strengthen employee's expertise and technology of business partners along with research on the fields of automobile repair/damage, new technology and safety. As a result, we got certified for ISO 9001(quality management) in the fields of research on repair techniques, and educational service.

**Samsung Transportation Museum** Samsung Transportation Museum opened in May 1998 as Korea's first automobile museum. The museum offers various exploration and educational programs such as the kid-friendly 'Children's Traffic World' to promote awareness and prevention of child related traffic accidents.

### Supporting Persons with Disabilities

**Guide Dog Support System for the Visually Impaired** Guide dogs are assistance dogs trained to safely lead blind people around obstacles. A well-established guide dog support system reflects a society's level of awareness of persons with disabilities. As such, societies with high accommodation for guide dogs are widely recognized as advanced welfare societies. SFMI has trained and donated guide dogs to the visually impaired since 1993 and as of 2015, 182 dogs(9 in 2014 alone) were donated to the blind people, offering them opportunities for new and improved lives. The past recipients of SFMI's guide dogs are now productive members of the society, standing as college students, teachers, public officials and pianists.

**Support for Gifted Youths with Disabilities** 'Poco a Poco' is an annual concert organized by SFMI and performed by musically talented children with disabilities. The event was conceived to offer gifted youths with disabilities various stage experiences and opportunities to perform musical communication with the world. Poco-a-Poco, which means 'step-by-step' in Italian, gives children hope to achieve their dreams towards becoming talented musicians. Moreover, we established 'Viva Chamber Ensemble' to help the students with disabilities stand alone as a professional player and offer periodical education and performing opportunities to them, in an effort to raise an affirmative image on disabilities.

**Raising Disability Awareness** SFMI produces, in cooperation with the Ministry of Education and the Center for Disabled Persons First Campaign, televised educational dramas about disability to raise awareness in adolescents. In contrast to documentaries, drama productions easily provoke emotions in viewers, making it more effective when educating and reaching out to adolescents on such matters. The dramas have been aired on Persons with disabilities Day since 2009, under the direction and production of SFMI Media Department.

### Promoting Daily Life Safety

**Dream Playground Project** Dream Playground is a playground renovation project for underprivileged children that SFMI started with the purpose to provide them with safer playing environment. In 2015, six playgrounds(so far 12) in different establishments around the country have been renovated into environment-friendly areas, promoting health and positive emotional development of children.

**Installation of Emergency Fire Hydrants** For fire-vulnerable areas such as islands, low-income and highly populated places where fire trucks are hard to enter, SFMI is installing emergency fire hydrants along with fire safety education. In 2015, the company installed 140 fire hydrants across the country and rendered education to them. We carry on with a campaign to protect local residents in the event of a fire by their prompt initial action.

### Supporting the Underprivileged Citizens and Local Communities

SFMI engages in various social responsibility activities to support financial self-sufficiency of underprivileged people and development of local communities. These include assisting the surviving children of traffic accidents, families of police officers and firefighters who died on duty, operating support projects such as 'Kkumteo', microcredit banking project and sisterhood ties with farming and fishing communities.

#### Supporting the Underprivileged Citizens

**Support System for Surviving Children of Parents Killed in Traffic Accidents** Since 1993, SFMI offers financial aids to selected children who have lost parents in traffic related accidents. The grieving children receive monthly financial support, new school uniforms as well as emotional support through one on one mentoring and book reading programs volunteered by SFMI employees.

#### Support System for Children of Police officers and Firefighters

**Killed in line of Duty** SFMI Big Love Scholarship was created to honor police officers who sacrificed themselves in the line of duty and to support their surviving families who are in financial difficulties. In 2012, SFMI signed an agreement with the National Emergency Management Agency to fund scholarships and establish support ties with the surviving children of the firefighters.

**'Kkumteo'-Study Support Program** SFMI offers after-school study support programs to children from low-income families, those suffering from financial difficulties due to losses and injuries from natural disasters or from loss of parents from traffic accidents. In addition to the education, cultural experience and mentoring program that are provided through employee volunteer, the company also funds scholarship with Kkumteo Study Room program.

**Micro-finance** SFMI provides non-collateral and non-guarantee micro-finance funding aid to startup businesses with insufficient credit or low capital and to low income individuals. In addition to the loan support program, SFMI offers various forms of aid systems such as management consulting and marketing support programs.

\* Micro-finance :A support project that promotes foundation of social and financial self-sufficiency of those with limited access to financial services by offering non-collateralized or non-guaranteed small loans.

## Supporting the Local Communities

### Partnership Projects with Farming and Fishing Communities

SFMI participates in One department for One Community partnership program to help revive the economy of farming and fishing communities that are suffering from shortage of labor and extreme weather. The system offers labor aid as well as sales support programs such as organizing annual autumn farmer's market and developing on-line shopping mall for employees to help expand sales of farming and fishing products.

**Social Responsibility Overseas** With SFMI's growing presence in the global markets, the company is expanding its social responsibility activity to the international community. In 2015, SFMI China subsidiary participated in assistance of the handicapped persons, voluntary service in rural areas, while Indonesia subsidiary assisted orphans and low-income students together with donations to schools. Besides, Singapore subsidiary donated on the event of the country's 50th celebration of its foundation and Vietnamese subsidiary aided in repairing of schools in poor areas. All in all, we are carrying out social responsibility activities on foreign soils matching each country's traits and convey our gift of 'security' and 'hope' to local residents.

## Expanding Volunteer and Donations Activities

Voluntary participation of SFMI employees and business partners in volunteer and donations activities reflects company's active engagement in social responsibility practices.

### Volunteer Services

**Samsung Volunteer Team** Samsung Volunteers Team which is composed of SFMI executives and employees is the heart of SFMI's social responsibility practice. In 2015, 257 volunteer teams across the nation participated in blood donation campaigns, year end charity donations and 'hope sharing' activities on New Year's Day and Chuseok(Korean Thanksgiving Day). Company executives, employees and their families together with business partners(RCs) and customers participated in the activities to further promote neighborly love.

**Employee Talent Donation** Each year, SFMI participates in "Finance Education for Youths", a program hosted by the Financial Supervisory

Service to help children as future financial customers expand their understanding on sound financial transaction and services. Also, in addition to the company sponsored hobby clubs, we offer a number of community sharing activities such as talent donation and visit to workplace for underprivileged children.

### Donations by Executives and Employees

**Dream Fund** Initiated in 2001 by SFMI employees in an effort to 'share dreams and hope with neighbors and communities', the Dream Fund (which also implies 'sharing' in Korean) is a voluntary donation fund from contributions from employees' monthly wage and fully matched by the company. As of December 2015, 99.5% of the employees joined the Fund, and 96.1% have donated 1% of their wages. To date, around KRW 9.9 billion has been contributed to the Dream Fund and is used to fund projects such as school forest development, 'one department, one child sponsor' program and cultural asset preservation.

**School Forest Development** To promote a better learning environment and emotional balance for school children, SFMI joined hands with Korea Forest Service and Forest for Life to develop green forests around elementary, middle and high schools. The new forest lands provide students and the community an environment to learn about the nature and enjoy outdoor activities. Since 2012, donation funds were used to develop 20 forests around school zones which were selected by organizations or employees. In 2016, SFMI plans to develop six more school zone forests.

**One Department for One Child Support Program** SFMI sponsors underprivileged children from low-income families, single parent household, or under the care of elderly grandparents and who are in need of social support. SFMI's 249 volunteer teams across the nation have established ties with elementary school children to offer monthly financial aids. The volunteer program also sponsors children at different periods of their scholar years by donating school uniforms and other school supplies. In 2015, SFMI hosted a number of events such as "Family Culture Experience" on the Children's Day and "Make a Wish" program at year end.

**Preserving Cultural Assets** To help preserve Korean cultural assets, SFMI has partnered with Cultural Heritage Administration to support one custodian for one cultural heritage' project. Since 2005, SFMI, working as the custodian of Gyeongbokgung Palace, has participated in renovating the changhoji (traditional Korean paper for doors and windows), cleaning the palace grounds and providing volunteer services for opening of the palace at night. The company also contributes monthly through Korea Cultural Heritage Foundation for the preservation of tightrope walking, a cultural asset designated in 2011 as Important Intangible Cultural Heritage No.28 and as a form of World Cultural Heritage.

### Social Responsibility Activity Participation with Business Partners

Type	FY2013 (2013.4.~12.)	FY2014 (2014.1.~12.)	FY2015 (2015.1.~12.)
Social Contribution Fund (KRW 100 millions)	296.7	336.6	343.4
Number of volunteer participant (persons)	19,504	31,385	31,971
Participated hours per person (hours)	10.7	17.5	18.9

\* Based on numbers disclosed in Social Responsibility Activity Results (Fiscal Year End)

### Partnership with Government and Civil Organizations

SFMI is engaged in various social responsibility activities in collaboration with the government and civil organizations to resolve social issues.

#### Major Cooperators by Social Responsibility Categories

Category	Activities	Cooperating Agency
Social Welfare	Support the underprivileged	National Police Agency, National Emergency Management Agency
	Raise disability awareness	Ministry of Education, Korea National Institute for Special Education, Disabled Persons First Campaign Center
Research & Education	Donate and sponsor scholarship for children education	Ministry of Education, Kids & Future Foundation, Child Fund Korea, Safe Kids Korea
Culture & Art	Preservation of cultural heritage	Cultural Heritage Administration, Korea Cultural Heritage Foundation
Environment Protection	Development of school forests	Korea Forest Service, Forest for Life

#### Major Awards

Award	Awarded Year
Human Rights of Persons with Disability Award Korea Differently Abled Federation	2006
Grand Prize of Social Contribution for Increasing Happiness Korean Society of Consumer Studies	2011
Best Practice Award in Public-Private Cooperation Ministry of Public Administration and Security	2011
Commendation by Minister of Health and Welfare for SFMI Happiness Giving Volunteer Team and volunteer work by RCs	2012
Grand Prize of Beautiful Insurance Award for Gift of Hope with 500 Won by Financial Supervisory Service	2013
Grand Prize of Angel Company Award Ministry of Employment and Labor	2014

### Insurance Products and Services for Social Responsibility

SFMI helps underprivileged and financially-neglected people cope with risks in life by offering them various insurance products.

Customer type	Name of Products	Description
Low-income People	Auto insurance with special benefits for low-income drivers	Provide low premium auto insurance product with equal benefits to recipients of national basic livelihood to help relieve financial burdens
	Dream & Love Insurance - microinsurance	Provide protection-type microinsurance to underprivileged children aged 12 or under who are under the care of a single parent, elderly grandparent, or from a multicultural family yet not qualified for government benefits. Cooperation with Smile Microcredit Bank and use of unclaimed insurance premium reserve helps protect children from low-income from exposure to diverse risks from accident and diseases
Persons with Disabilities	Comprehensive insurance product to welfare facilities for persons with disabilities	Provide insurance services to welfare facilities for persons with disabilities against risks of fire, liability, and injuries. Increase safety for welfare workers to encourage more volunteer activities in the such facilities
	Insurance product for welfare facilities for persons with disabilities - microinsuranc	Provide insurance to welfare facilities against property losses, liability and physical damage in cooperation with Smile Microcredit Bank to protect low income persons with disabilities and children when using the facilities
Foreigners	Insurance service for foreign workers	Provide insurance against injuries, home travel and visa expenses to foreign workers who are in need of further protection
	Insurance consulting service for foreigners	Operate consulting centers and website exclusive tor foreigners to facilitate insurance consulting and application
The Elderly	Medical Expense Insurance for the Elderly	Provide Medical Expense Insurance for the Elderly to senior customers (from age 50 to 75) to help reduce burden from medical costs

## Co-prosperity

SFMI's business partners are not merely business support providers but are valuable partners carrying out direct communication with our customers in the front line of the business. In order to strengthen integrity and create a mutually beneficial business ecosystem, we have expanded our support and communication system with our business partners.

### Sustainability Management with Business Partners

SFMI announced the "Social Responsibility Code of Conduct for Business Partners" to promote social responsibility and encourage change in mindset of our business partners. For the prevention of sustainability management risks, we have reinforced support and monitoring activities for risk related to ethics, human right, social and environmental impacts.

#### Social Responsibility Code of Conduct for Business Partners

Ethics	Human rights	Safety	Environment
- Anti-corruption - Compliance with regulations	- Prohibition of child labor - Prohibition of discrimination	- Accident Prevention - Disease control	- Minimizing of pollution - Conservation of environment

### Major Partners

**Sales Partner** SFMI's risk consultants(RCs) are financial specialists who provide our customers with top class insurance consulting and services. RCs are valued partners and essential assets to our business. SFMI's RCs are complying with principles for complete sales to build up trust with customers. The company requires that they should render exact and right product explanation so that the customers have full and clear understanding of the service and product. Its RCs seek to boost customer's trust and establish a healthy insurance sales culture by doing so. Thanks to efforts of the employees and RCs towards ethical sales as such, for last three years, there was no disciplinary action or civil complaint occurred in connection with customer information-related violation for last three years.

**Claim Settlement Partner** SFMI teams up with leading roadside assistance providers and repair shops across the nation to provide our customers with efficient and convenient claim settlement services. Reported accidents are handled with top class service and assistance. All accidents reported are processed through our Call Center so that our roadside assistance and claim partners can take immediate emergency measures and conduct preliminary investigations at the site of the accident. And the company's specialized

repair shop Any Car Land and freelance repair shop Anycar Family Center, in compliance with SFMI's ethical management principles, render satisfactory service to customers through quick and sincere maintenance.

#### Major Partner [Unit : company]

Partner	Current number	
Sales partner	RC (Risk Consultants)	41,239
	Insurance agency (independent, corporate)	4,935
	Insurance agency (financial institutions)	41
Claim Service Partner	Roadside assistance companies	1,608
	Maintenance shops	1,428
	Claim adjustment company	87

\* Sales partner, Claim Service partner : As of Feb. 29, 2016 RCs include cross selling agents

### Fostering of RCs with Certificate of Excellence and Blue Ribbon

In order to increase professionalism of risk consultants and encourage reliable sales ethics, the General Insurance Association of Korea selects RCs(or sales branches) who displayed outstanding performance with high contract retention rate and compliance with sales procedures. The selected RCs are rewarded with Certificate of Excellence and the Blue Ribbon. The Blue Ribbon is awarded to RCs who have received Certificate of Excellence for 4 consecutive years. In 2015, 4,852 of SFMI's RCs(36% of all recipients of the Certificate of Excellence) and 68 of its RCs(27.2% of all recipients) were awarded the Certificate of Excellence and the Blue Ribbon respectively, exceeding that of all other domestic non-life insurance company.

#### State of RCs with Certificate of Excellence and Blue Ribbon

	2013	2014	2015
Certificate of Excellence (persons)	3,956	4,675	4,852
Blue Ribbon (persons)	55	57	68



## Supporting Our Partners

**Sales Partner** We aim to foster our RCs into insurance and financial specialists through systematic training and support system. We support our RCs to conduct business with strong ethics and professionalism, ultimately providing our customers and their families with complete confidence and satisfaction. To support the sales activities we provide our RCs with top welfare and benefits group insurance, individual annuity insurance, education support for children, child care, and health examinations, selective benefit system(the industry's first ever, differentiated by the RC level). Besides, we support refresh package and membership programs for excellent RCs.

**Claim Settlement Partner** We aim to install customer focused service mind and boost competitiveness of our claims service partners through various support programs such as customer satisfaction education, repair technology training and consulting support for start-up partners and those who have newly contracted with us. Together with our partners, we are working to promote ethical management. All our claim partners are expected to pledge to SFMI's ethical management principles and we conduct regular inspections to ensure customer privacy and information are well protected. We also provide various incentives for outstanding claim partners to encourage honest and transparent service.

### Settling Rate of RCs on the 13th Month

	2013	2014	2015
	45.9 %	39.8 %	45.5 %

### Excellent Partner Repair Shops (Anycar Family Center)

	2013	2014	2015
	720	781	946

### Education Programs

Basic Curriculum (For RCs with career of below one year)	Curriculum that firmly establishes basics for new RCs below one year. Persons without sales experience at all become to be aware of necessity and benefits of insurance through its systematic curriculums and can be reborn as a confident professional consultant.
Professional RC Fostering curriculum at Samsung Sales University, SFMI MBA (Expert course for insurance marketing)	The company supports the best curriculums such as course for financial consultants, Samsung Sales University, company MBA (expert course for insurance marketing in association with Sungkyunkwan Univ.) so that attendants can grow as a industry's best consultant.

### Sales Support System

Mobile Sales Support System	The company built smart work system using galaxy tab so that RCs contacting directly customers for sales could deal with quickly and offer customized consulting to customers at one time for whole processes from the initial meeting with customers to final contract.
Activity Support System	SFMI built the industry's top-level Activity Support System to assist sales activity of RCs, using various customer-managing tools such as management of potential customers, customer exploration via CRM data.
Consulting System	This system inputs customer's economic conditions, risk factors, insured state, requirements according to the system's process and provides data such as report for efficient consulting.
Big Ocean of Information	Knowledge and information database to support RC's sales activity. Using this system, RCs are able to directly send the SFMI's each DM, SMS, emails to customers. The system helps them to buy lots of promotional materials and also get sales data from leaflets and newspaper articles.
RC Knowledge Center	This system offers various product, insurance, work knowledge needed to non-life insurance RCs. Using this knowledge center only available to them in the areas of diverse product guide data, sales skills, knowhow and expertise, SFMI's RCs can learn and share information.
Internet Sales Broadcasting System	This system allows RCs to watch lots of products and educational videos at any time and place through internet. They can study themselves at home. In the event of consulting with customers they can use various contents regarding needs for insurance and product introduction to explain value of insurance, benefits of certain products, examples of compensation to customers.

## Communicating with Partners

We conduct regular meetings with our partners to discuss the difficulties that they face on site and to identify efficient resolutions. Open communication channels such as the internal bulletin board and SNS channel are also available.

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### RC SNS Channels

Blog	Facebook	Twitter
<a href="http://rcblog.samsung-fire.com/">http://rcblog.samsung-fire.com/</a>	<a href="https://www.facebook.com/SamsungfireRC">https://www.facebook.com/SamsungfireRC</a>	<a href="https://twitter.com/RC_Samsungfire">https://twitter.com/RC_Samsungfire</a>

## Social Responsibility Activities

**Gift of Hope with 500 Won, Happy School Campaign** SFMI's RCs actively participate in social responsibility programs to share the culture of insurance with customers and the society. 'SFMI Happy Dream Voluntary Team', which is the RC voluntary service organization, was awarded the Citation of the Minister of Health & Welfare on April 20, 2012(the Day of Persons with Disabilities) as well as 'Financial Supervisory Service Governor Award, Beautiful Insurance Awards' in November 2013.

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### Major Volunteer Service Activities by RCs

Gift of Hope with 500 Won	RCs voluntarily set aside KRW 500 per long-term insurance contract in a fund and use this fund to improve housing facilities of persons with disabilities such as kitchen, bathroom and study room.
Happy School Campaign	RCs voluntarily set aside KRW 500 per auto insurance contract through a fund and use this fund to install facilities (fences to prevent jaywalking, etc.) to prevent traffic accidents of children, give safety packs (umbrellas in vivid colors to help children stand out clearly on rainy days), and provide preventive education.

**Dream Car Project** Joining hands with the Samsung Claim Adjustment Service and the Korea Differently Abled Federation, our leading vehicle repair and maintenance partners provide free auto check-ups for people with disabilities and people in financial difficulties.

## Environmental Management

SFMI is committed to promoting green management philosophy which prioritizes the future health of our people and our planet. We are committed to raising awareness of environmental issues from climate changes, destruction of eco-system and environment pollution.

### Environmental Management System

#### Strategies to be Promoted

Play a Role as Social Safe Net	<ul style="list-style-type: none"> <li>- Provide insurance products/services considering environment and expand socially responsible investment</li> <li>- Examine risk factors of climate change and provide preventive measures</li> </ul>
Minimize Environmental Impacts in Business	<ul style="list-style-type: none"> <li>- Operate environment/energy management system</li> <li>- Expand environmental management with business partners</li> </ul>

#### Promoting Organizations



### Research on Climate Change Risks

SFMI operates the Samsung Global Loss Control Center, a team of experts that investigates and analyzes the global climate change trends to predict future environmental impacts provides preventive risk solutions to our personal and corporate customers. The SFMI develops, applies and advances GRM(Global Risk Map) and natural disaster modelling tools to apply them to potential risks for possessed insurance portfolio and estimation of expected losses and also to connect them to management of accumulated risks and underwriting and reinsurance business process.

#### Suggestion by GLCC | ‘Research on Natural Disasters & Efforts to Adapt to and Mitigate Climate Change’

Occurrence and losses of catastrophes related with the world’s climate(1980 - 2015) continue to increase and the number of such events and losses during the period are estimated to have increased three times and four times respectively. In case of Asia, insured losses out of total losses of around 700 billion US Dollars are around 76 billion US Dollars- some 11%- while climate-related catastrophes in East Asia increased by five times. In Korea, total insured losses were estimated to reach around KRW 1.4 trillion(converted rate as of 2012). Since the 1980s, occurrence of climate-related disasters tends to increase across the all Continents, whereas the increasing speed in East Asia is observed to record the highest level. The world’s leading insurance companies already started to build climate-friendly business models as a significant move. In the meantime, market and customers, to cope with climate change and fluctuations of energy price, are changing their methods to construct buildings, transport means, product design and energy production process.

Therefore, market and customers expect that insurance companies provide goods and services necessary for climate-friendly global economy and at the same time prepare measures to respond to climate-related catastrophes flexibly and threats of climate change. How the insurance industry responds to climate change can largely be divided into adaptation and mitigation. While the former is an effort to minimize the losses arising from climate change on the assumption that climate change is a given and inevitable situation, the latter is an effort to mitigate impacts of climate change through reduction of greenhouse gas emissions. In step with this global trend and also to cope with impacts rising from climate change and climate disasters, SFMI offers climate insurance products such as Storm and Flood Insurance, index-type Weather Insurance as a means for financial risk transfer and at the same time, SFMI is rendering a diverse range of efforts to adapt/mitigate climate change: launch of products inducing the less greenhouse gas emissions (for instance, Eco-mileage Auto insurance), more investment in low carbon emitting/environmentally friendly companies, disclosure of climate change-related information.

### Provision of Environment-friendly Insurance Products & Services

As an effort to address environmental risks from climate changes we embed environmental issues in our product and service development. We are committed to providing personal and corporate customers with protection and compensation for the damages caused by climate changes. We offer eco-friendly products such as: Storm & Flood Insurance, Weather Insurance, New Renewable Energy Insurance and Mileage Auto Insurance.

Insurance Type	Name of Product/Service	Descriptions
Commercial, Long-term Insurance	- Storm & Flood Insurance	- Insurance coverage for damages led by extreme weather: agricultural facilities, green house
	- Crop Insurance	- Insurance coverage for agricultural produce damages from natural disasters
	- Environmental Pollution Liability Insurance	- Covers for restoration costs due to damages and contamination from pollution accidents
	- Weather Insurance	- Insurance coverage for profit losses led by abnormal weather conditions
	- Renewable Energy Insurance	- Insurance to support renewable energy technology: solar and wind energy power plants
Auto Insurance	- Bicycle Insurance	- Insurance coverage for accidents related to bicycle
	- Eco Mileage Auto Insurance	- Discount of premium if the insured drive the car as per agreed mileage (to encourage the use of public transport)
	- Auto Insurance for Driving in Designated Days a Week	- Discount of premium for participants in no-driving one designated day of the week
Paperless Service	- Auto Insurance for Used Parts	- Partial refund on new vehicle parts for drivers using used part for car repair
	- Electronic contract	- Discount of premium for customers opting to receive electronic terms of conditions and bills, and donation to environmental organizations
	- Electronic signature	- Introduction of electronic signature to reduce use of paper contracts

### Socially Responsible Investment

SFMI adopts social responsibility by integrating ESG criteria in our asset management. In 2015, the company approved investment of KRW 161.9 billion and approved loan of KRW 426.3 billion for new renewable energy facility projects and investment of KRW 25.7 billion and loans of KRW 332.4 billion for water processing environment projects including the sewage management project.

### Environment and Energy Management System

SFMI applies environment and energy management system to all our operation locations and buildings. The company also obtained ISO14001(environment management system) and ISO50001(energy management system). In 2015, we continued to strengthen the operation of environment and energy management system, focusing on issues identified through environmental impact assessment and research on energy.

**Setting Target of Emissions** SFMI voluntarily established its mid- and long-term target of emissions as 'Reduce 30% from 2020 BAU (Business As Usual, expected emissions)' and currently conducts integrated administration for 29 company-owned buildings. And the computer managing department monitors the target and result of each building every month and should there be any which does not achieve its target, the department applies solutions and seeks to improve.

#### SFMI's Environment/energy Management Guidelines

- 1 SFMI operates company-wide environment/energy management system and pursues to boost corporate value in the environmental and social fields.
- 2 SFMI willingly complies with international conventions and national, regional environment/energy laws and regulations, and seeks to continually improve environment/energy management level.
- 3 SFMI voluntarily participates in activities to improve environment/energy matters such as reduction of energy use, reduction of greenhouse gas emissions, saving and recycling of resources, exploration and removal of risk factors.
- 4 SFMI conducts R&D on environment/energy-related insurance products, research on risk management and asset operation based thereon so as to contribute to materializing a sustainable society.
- 5 SFMI periodically evaluates performances in the field of environment/energy and transparently discloses the results to internal or external stockholders.
- 6 SFMI extends robust cooperation to environment/energy activities of stakeholders such as customers, shareholders, business partners and customers for mutual development.
- 7 As part of social responsibility, SFMI conducts activities to improve environment/energy in cooperation with local communities.

Environment, Safety & Health

**Emissions Management during Business Trips** We have taken a number of measures to minimize business travels in an effort to mitigate greenhouse gas emissions(Scope3). SFMI encourages the use of public transportation and encourage use of video conferencing and conference calls to limit traveling. In 2015, 1,633 tons of greenhouse gas - 4.9% up from the previous year- emitted from business trips, which was the result of increase of overseas travels because of expanded business while travelling mileage via domestic airlines, railroads, buses decreased.

Efficiency of Resources

SFMI seeks to minimize environmental pollution risks and improve efficiency of resources.

**Reduction of Paper Use** We have also taken a number of measures to reduce the use of paper such as encouraging the use of E-documents and contracts. Also, all used documents are disposed of to prohibit leakage of customer's information.

**Use of Recyclable Paper** Since 2014, 130 types of environment friendly recyclable paper are being used for insurance policy contracts and clauses, educational material, notices to the customers. As a result, out of total printable paper that was used in 2015, 77.1% was environment-friendly recyclable papers, marking 9.9% improvement from the previous year.

**Use and Treatment of Water Resources** We have installed water treatment system in all of the office buildings across the country(29 in total). Used water is treated by sewage disposal plants, eliminating danger of toxic materials that may impact the surrounding environment.

**Management of Pollutants & Wastes** Our company is completely free from destructive substance, air contaminants, waste water or any toxic substances that may impact the eco-system and the environment.

**Protection of Biodiversity** There is no workplace in the company that may have a negative impact on conservation of biodiversity. To raise social awareness on biodiversity, SFMI offers ecosystem education projects for the young.

**Green Purchasing** To promote purchase of eco-friendly products, in December 2006, Samsung established guidelines that states the purchase of environment-friendly products as first priority. The guideline mandates the purchase of Environment Mark Authorized and energy efficient products. We also encourage employees to purchase environment-friendly goods in their daily life through ed-

ucation on environmental management. In 2015, purchase amount of goods that was Environment Mark Authorized and is high energy efficiency was KRW 2.76 billion in total.

Environmental Protection

Eco-office Campaign

SFMI, together with employees, partners and customers, continues to campaign for the conservation of water and energy. We operate monitoring of energy-waste elements and automatic light-off during lunch hours. We also support the Earth Hour campaign, an annual worldwide one hour light off event. In recognition of our contribution to various projects operated by Seoul Metropolitan Government, we were awarded the Citation of Seoul Mayor in January 2015.

School Forest Project

To promote a better learning environment and emotional balance for school children, SFMI joined hands with Korea Forest Service and Forest for Life to develop green forests around elementary, middle and high schools. In 2015, Dream School Fund was used to plant 20,640 trees in 8 forests around six schools including Seoul Baeksan Elementary School(arranged area in total 6,959m<sup>2</sup>) and we have arranged totally 20 school forests so far since the project's inauguration in 2012.

Environmental Management Activities with Partners

Environmental Management Activities with Partners

Since April 2012, SFMI has been pursuing user- and environment-friendly sales processes by using tablet PCs together with RCs(Risk Consultants), leading to the saving of 25 pages of paper on average per contract. The company focuses on higher environment-friendly mobile insurance contracts using customer counseling method via tablet PCs and education on such contract process.

Mobile Insurance Contracts

	2013	2014	2015
Ratio of mobile insurance contracts among new long-term insurance contracts (%)	24.2	33.9	41.8

## Environmental Assessment & Complaint Handling

At time of selecting a new business partner, SFMI checks if the candidate complies with environment-related regulations, and if it is certified with International Environmental Management System (ISO14001). Along the way, the company conducts regular education on compliance with environment/safety-related regulations with business partners as well as self-monitoring. In the meantime, no complaint has been received so far regarding environmental impacts of SFMI's business activities and its products/services.

## Safety, Health Management

SFMI pays extraordinary attention to health and safety of the employees by establishing its management process in an effort to offer safe and comfortable work environment to all employees. The company also continues to conduct health and safety education for all employees within the workplace together with risk check.

### Establishment of Safety, Health Management System

Since 2014, SFMI has been operating Industrial Safety & Health Committee on a quarterly basis, composed of representatives from the employees(Chairman of Employee Council and three persons) and the company representatives(HR Team Manager and three persons). The Committee discusses company-wide issues regarding industrial safety, health management such as selection of a safety, health management manager and legislation/revision of industrial safety, health management regulations.

#### Agendas Reviewed in 2015

- Plan to check safety & environment
- Alteration of regulations concerning safety/health management
- Review of company-wide safety & terrorism dealing methods
- Operation of collaborative hospitals for medical checkup(draft)
- Review of safety measures for personal electric devices
- Prevention of MERS and due assistance
- Reinforcement of maternity-related assistance
- Summary of safety/health-related work, and report of plans

**Safety Management for Office Buildings** SFMI continues to conduct periodical/special check for its buildings in possession. It conducted regular safety check for fires, storm and flood, freeze/burst as expected by the season(six times yearly) as well as special check for old facilities together with special medical checkup for chemicals-dealing personnel.

## Major Activity Content

**Promoting Healthy Life** SFMI promotes health and wellbeing to our employees through various programs. We promote health campaigns such as smoke-free and healthy drinking culture and provide our employees with collective health insurance. To provide a balanced and healthy work life, company cafeteria and fitness club(Wellness Center) are also available to our employees.

**Promoting Mental Health** Stress can be a big threat to the health of our employees. SFMI operates 'Maeum Nuri' counseling center since 2010 to provide professional mind counseling to employees suffering from stress and distress from daily work life.

**Check and Education on Health & Safety** To establish a safe working environment, SFMI conducts periodic checks on buildings, electronic facilities, firefighting system, elevators, air and water quality. Preventive safety programs such as regular safety drills and broadcasting of safety guidelines are in place.



Non-financial Result  
Financial Result

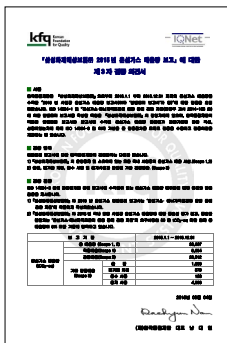
Value  
Statement

## Non-financial Result

### Environment

		Unit	2013	2014	2015	2016 Target
Energy	Total emission amount	TJ	673	652	641	622
	- Direct (Scope1)	TJ	103	97	106	
	- Indirect (Scope2)	TJ	570	555	535	
	- GHG intensity (by area)	TJ/m <sup>2</sup>	0.0015	0.0014	0.0013	
Greenhouse Gas (GHG)	Total emission amount	tCO <sub>2</sub> e	33,105	32,044	31,566	30,619
	- Direct (Scope1)	tCO <sub>2</sub> e	5,550	5,316	5,654	
	- Indirect (Scope2)	tCO <sub>2</sub> e	27,555	26,728	25,912	
	- GHG intensity (by area)	tCO <sub>2</sub> e/m <sup>2</sup>	0.0749	0.0699	0.0646	
Waste	Total emission amount	Ton	1,939	1,851	1,733	1,681
	Rate of recycling	%	41	42	43	45
Water	Total usage	m <sup>3</sup>	380,126	340,237	371,713	360,560
Paper	Purchase amount of copying paper	Ton	1,430	1,368	1,412	1,370
	Purchase amount of printing paper	Ton	2,312	2,161	1,940	1,882
Employee's Business Trips	Total travelled mileage	1,000km	13,441	14,585	14,947	14,000
	- Airplane (at home/abroad)	1,000km	9,636	9,380	9,891	
	- Train (domestic)	1,000km	3,040	4,237	4,382	
	- Bus (domestic)	1,000km	765	968	674	
No. of Electronic Contracts (paperless)			613,769	1,152,566	1,722,103	2,000,000
Violation of Environmental Regulations			None	None	None	None

\* Domestic company buildings : 29 in 2013, 30 (1 newly bought) in 2014, 29 in 2015 (2 sold, 1 newly added)



Third-party Verification on Greenhouse Gas Emissions



ISO14001  
(Environmental management system)  
Certificate



ISO 50001  
(Energy management system)  
Certificate



## Social

		Unit	2013	2014	2015
<b>Employees</b>	Total No. of employees	Persons	5,839	5,555	5,750
	- Percentage of males	%	62.5	59.8	57.9
	- Percentage of females	%	37.5	40.2	42.1
	Ratio of employment status				
	- Regular	%	93.6	95.3	91.3
	- Non-regular	%	6.4	4.7	8.7
	Age distribution				
	- Below 20s	%	19.3	18.1	15.4
	- 30s	%	46.6	45.6	42.6
	- 40s	%	29.4	30.6	33.6
	- Above 50s	%	4.7	5.7	8.4
	Turnover rate	%	0.2	0.4	0.3
	Absence/loss				
	- Absent days	Days	644	179	351
	- No. of absent employees	Persons	129	68	102
	- Lost days	Days	35	319	386
	- No. of employees with loss	Persons	3	2	5
	- Industrial accident	Case	0	0	3
	Childbirth leave, child care leave				
	- Persons for childbirth leave	Persons	236	225	164
	- Return rate from childbirth leave	%	99.6	99.1	98.7
	- Persons for child care leave (females/males)	Persons	241/5	267/12	226/6
- Return rate from child care leave	%	99.2	83.5	80	
<b>Customers</b>	National Customer Satisfaction Index	Points	74	74	76
	Complaint assessment (Financial Supervisory Service)	Grade	1st grade	1st grade	1st grade
	Retention Rate of Protection-type Insurances				
	- Retention Rate in 13th round	%	75.4	77.0	81.3
	- Retention Rate in 25th round	%	61.6	61.5	64.3
	Incomplete sales (based on standard RC organization)	%	0.08	0.21	0.19
<b>Sales of Environment-friendly Management and Socially Responsible Insurance Products</b>	Sales of environment-friendly insurance products	KRW 100 million	3,464	5,369	8,141
	Sales of socially responsible insurance products	KRW 100 million	2,649	3,017	3,431

## Financial Result

### Consolidated Statements of Financial Result

As of Dec 31, 2015 (end of the 66th year, current)  
As of Dec 31, 2014 (end of the 65th year, previous)

SFMI & its subsidiaries

[Unit: KRW]

Account	End of the 66th year (current)	End of the 65th year (previous)
<b>Assets</b>		
I. Cash and deposits	1,723,679,925,834	1,980,684,081,967
II. Financial assets	51,133,675,069,842	47,314,363,099,678
1. Financial assets at fair value through profit or loss	961,497,213,642	961,975,667,381
2. Available-for-sale financial assets	34,584,418,610,762	31,762,851,630,425
3. Held-to-maturity financial assets	182,491,152,436	200,836,812,124
4. Loans	14,337,847,063,475	13,205,074,598,643
5. Other receivables	1,067,421,029,527	1,183,624,391,105
III. Investments in associates	7,446,655,298	9,738,415,579
IV. Derivative assets	38,768,217,738	93,655,611,424
V. Reinsurance assets	1,345,183,696,892	1,324,062,263,255
VI. Investment properties	1,098,978,804,028	1,098,102,402,600
VII. Property and equipment	930,266,932,792	923,760,479,789
VIII. Intangible assets	163,547,215,614	172,382,325,924
IX. Deferred income tax assets	4,913,811,187	3,473,913,472
X. Other assets	2,736,397,842,295	2,698,123,766,233
XI. Separate account assets	4,050,737,530,911	2,565,210,754,481
<b>TOTAL ASSETS</b>	<b>63,233,595,702,431</b>	<b>58,183,557,114,402</b>
<b>Liabilities</b>		
I. Insurance liabilities	45,967,941,323,512	41,761,950,742,344
II. Financial liabilities	575,784,603,240	661,223,461,776
III. Derivative liabilities	207,191,555,976	105,548,806,670
IV. Provisions	74,136,049,630	60,366,205,109
V. Defined benefit liabilities	1,051,950,446	7,516,014,121
VI. Deferred income tax liabilities	1,535,531,982,820	1,437,143,892,935
VII. Current tax liabilities	64,645,452,404	119,998,442,989
VIII. Other liabilities	479,085,633,561	442,162,173,420
IX. Separate account liabilities	4,242,976,437,155	4,048,843,198,011
<b>TOTAL LIABILITIES</b>	<b>53,148,344,988,744</b>	<b>48,644,752,937,375</b>
<b>Capital</b>		
I. Stockholders' equity	10,070,135,258,139	9,525,350,682,848
1. Capital stock	26,473,418,500	26,473,418,500
2. Consolidated capital surplus	939,233,350,327	939,233,350,327
3. Consolidated capital adjustment	(1,351,769,727,914)	(971,110,153,035)
4. Accumulated other comprehensive income, net of taxes	3,541,857,546,320	3,225,867,324,370
5. Consolidated retained earnings	6,914,340,670,906	6,304,886,742,686
II. Non-controlling interests	15,115,455,548	13,453,494,179
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>10,085,250,713,687</b>	<b>9,538,804,177,027</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>63,233,595,702,431</b>	<b>58,183,557,114,402</b>

## Consolidated Statements of Comprehensive Income (Loss)

The current 66th year (Jan 1 to Dec 31, 2015)  
The previous 65th year ((Jan 1 to Dec 31, 2014)

SFMI & its subsidiaries

[Unit: KRW]

Account	The 66th (current)		The 65th (previous)	
<b>I. Operating revenues</b>		<b>21,729,143,820,131</b>		<b>20,997,560,007,531</b>
1. Insurance operating income	19,342,614,065,730		18,808,781,980,359	
(1) Premium income	18,346,359,169,532		17,906,274,321,545	
(2) Reinsurance income	732,141,365,364		573,282,368,674	
(3) Increase in reinsurance assets	13,318,222,800		73,747,716,545	
(4) Compensation income (loss)	8,020,376,022		(813,101,028)	
(5) Expense recovered	203,814,071,012		228,221,400,479	
(6) Expense recovered	38,960,861,000		28,069,274,144	
2. Investment income	2,230,428,382,042		2,072,056,362,700	
(1) Interest income	1,651,300,989,995		1,625,387,375,768	
(2) Dividend income	109,234,445,104		88,265,771,939	
(3) Gain on valuation and sales of financial instruments	127,594,218,437		73,755,540,838	
(4) Gain on valuation and sales of derivative instrument	28,455,827,286		39,015,940,306	
(5) Reversal of allowance and impairment loss of financial asset	6,619,473,665		5,343,445,549	
(6) Rental income	78,316,913,689		77,297,815,764	
(7) Commission income	1,198,942,627		812,409,122	
(8) Gain on foreign exchange transactions	225,672,992,714		158,352,842,608	
(9) Gain on disposal of investment properties	-		177,644,762	
(10) Miscellaneous investment income	2,034,578,525		3,647,576,044	
3. Separate account commission	21,035,202,152		16,318,059,140	
4. Separate account income	135,066,170,207		100,403,605,332	
<b>II. Operating expenses</b>		<b>20,644,050,101,119</b>		<b>19,880,946,780,054</b>
1. Insurance operating expenses	19,965,574,336,355		19,396,367,956,197	
(1) Claims paid and refund of long-term insurance policies	10,778,479,374,044		9,749,045,695,309	
(2) Reinsurance premium expenses	1,045,130,985,072		1,095,853,647,785	
(3) Increase in insurance liabilities	4,189,225,452,607		4,813,593,903,850	
(4) Loss adjustment expense	450,045,845,879		428,819,693,213	
(5) Expenses paid	3,467,466,920,779		3,279,773,002,679	
(6) Loss on foreign exchange transactions	35,225,757,974		29,282,013,361	
2. Investment expenses	542,060,696,744		383,649,834,318	
(1) Interest expense	10,588,743,537		7,959,385,323	
(2) Loss on valuation and sale of financial nonderivative instruments	111,728,033,110		21,659,416,740	
(3) Loss on valuation and sale of derivative instrument	220,142,445,901		135,144,422,839	
(4) Impairment loss on financial assets	16,051,773,908		19,813,402,658	
(5) Investment management expenses	127,781,544,214		113,953,558,316	
(6) Maintenance expenses on investment properties	22,360,996,226		21,978,966,515	

[Continued]

[Unit: KRW]

Account	The 66th (current)	The 65th (previous)
(7) Depreciation expenses on investment properties	9,069,585,458	8,855,512,210
(8) Loss on foreign exchange transactions	19,645,671,792	48,699,166,274
(9) Loss on disposal of investment properties	-	1,350,909,793
(10) Miscellaneous investment expenses	4,691,902,598	4,235,093,650
3. Separate account commission paid	1,348,897,813	525,384,207
4. Separate account expenses	135,066,170,207	100,403,605,332
<b>III. Operating profit</b>	<b>1,085,093,719,012</b>	1,116,613,227,477
<b>IV. Non-operating income</b>	<b>18,640,401,069</b>	19,044,755,139
<b>V. Non-operating income</b>	<b>31,993,219,319</b>	32,087,868,544
<b>VI. Net profit before tax</b>	<b>1,071,740,900,762</b>	1,103,570,114,072
<b>VII. Tax expenses</b>	<b>257,934,706,001</b>	265,410,302,458
<b>VIII. Consolidated net profit</b>	<b>813,806,194,761</b>	838,159,811,614
<b>IX. Consolidated other comprehensive income</b>	<b>315,945,513,686</b>	933,075,883,592
1. Accounts not reclassified as profit/loss of the current term succeedingly	(11,594,281,009)	90,437,85
2. Accounts reclassified as profit/loss of the current term succeedingly	327,539,794,695	932,985,445,740
<b>X. Consolidated total comprehensive profits</b>	<b>1,129,751,708,447</b>	1,771,235,695,206
1. Belonging to Consolidated net profit : Net profit of equity attributable to owners of the Group, net profit of Non-controlling interests	811,244,931,873 2,561,262,888	835,867,252,013 2,292,559,601
2. Belonging to Consolidated comprehensive profit: comprehensive profit of equity attributable to owners of the Group, total comprehensive profit of non-controlling interests	1,127,235,153,823 2,516,554,624	1,768,523,107,707 2,712,587,499
<b>XI. Consolidated earnings per share</b>		
1. Basic earnings per share	<b>18,384</b>	<b>18,786</b>
2. Diluted earnings per share	<b>18,384</b>	<b>18,786</b>

## Consolidated Statements of Cash Flows

The current 66th year (Jan 1 to Dec 31, 2015)  
The previous 65th year ((Jan 1 to Dec 31, 2014)

SFMI &amp; its subsidiaries

[Unit: KRW]

Account	Equity attributable to owners of the Group						Total
	Capital stock	Consolidated capital surplus	Consolidated capital adjustments	Accumulated other comprehensive income, net of taxes	Consolidated retained earnings	Non-controlling interests	
<b>I. Jan 1, 2014 (Beginning of the previous year)</b>	<b>26,473,418,500</b>	<b>736,200,419,633</b>	<b>(775,351,338,056)</b>	<b>2,293,211,468,676</b>	<b>5,586,986,657,547</b>	<b>20,994,053,192</b>	<b>7,888,514,679,492</b>
1. Dividends	-	-	-	-	(120,200,994,350)	(3,177,016,583)	(123,378,010,933)
2. Consolidated Net profit for the period	-	-	-	-	835,867,252,013	2,292,559,601	838,159,811,614
3. Acquisition of treasury stock	-	-	(415,871,905,850)	-	-	-	(415,871,905,850)
4. Disposal of treasury stock	-	-	223,817,623,230	-	-	-	223,817,623,230
5. Gain on disposal of treasury stock	-	203,032,930,694	-	-	-	-	203,032,930,694
6. Valuation profit (loss) for available-for-sale financial assets	-	-	-	847,516,941,959	-	233,534,703	847,750,476,662
7. Gain on translation of foreign currency financial statements	-	-	-	6,139,932,333	-	188,091,247	6,328,023,580
8. Net change in unrealized valuation of cash flow hedge derivatives	-	-	-	28,262,887,133	-	-	28,262,887,133
9. Accumulated other comprehensive income of the separate account	-	-	-	50,644,058,365	-	-	50,644,058,365
10. Remeasurement related to defined benefit plans	-	-	-	92,035,904	-	(1,598,052)	90,437,852
11. Additional acquisition of subsidiary's shares	-	-	(3,704,532,359)	-	-	(7,076,129,929)	(10,780,662,288)
12. Change in consolidation scope, etc.	-	-	-	-	2,233,827,476	-	2,233,827,476
<b>II. Dec 31, 2014 (End of the previous year)</b>	<b>26,473,418,500</b>	<b>939,233,350,327</b>	<b>(971,110,153,035)</b>	<b>3,225,867,324,370</b>	<b>6,304,886,742,686</b>	<b>13,453,494,179</b>	<b>9,538,804,177,027</b>
<b>III. Jan 1, 2015 (Beginning of the current year)</b>	<b>26,473,418,500</b>	<b>939,233,350,327</b>	<b>(971,110,153,035)</b>	<b>3,225,867,324,370</b>	<b>6,304,886,742,686</b>	<b>13,453,494,179</b>	<b>9,538,804,177,027</b>
1. Dividends	-	-	-	-	(198,776,228,100)	(847,975,284)	(199,624,203,384)
2. Consolidated Net profit for the period	-	-	-	-	811,244,931,873	2,561,262,888	813,806,194,761
3. Acquisition of treasury stock	-	-	(380,647,870,650)	-	-	-	(380,647,870,650)
4. Valuation profit (loss) for available-for-sale financial assets	-	-	-	296,979,532,090	-	(41,755,716)	296,937,776,374
5. Gain on translation of foreign currency financial statements	-	-	-	6,945,503,990	-	(20,013,850)	6,925,490,140
6. Net change in unrealized valuation of cash flow hedge derivatives	-	-	-	5,216,353,743	-	-	5,216,353,743
7. Accumulated other comprehensive income of the separate account	-	-	-	18,460,174,438	-	-	18,460,174,438
8. Remeasurement related to defined benefit plans	-	-	-	(11,611,342,311)	-	17,061,302	(11,594,281,009)
9. Additional acquisition of subsidiary's shares	-	-	(11,704,229)	-	18,322,200	(6,617,971)	-
10. Change in consolidation scope, etc.	-	-	-	-	(3,033,097,753)	-	(3,033,097,753)
<b>IV. Dec 31, 2015 (End of the current year)</b>	<b>26,473,418,500</b>	<b>939,233,350,327</b>	<b>(1,351,769,727,914)</b>	<b>3,541,857,546,320</b>	<b>6,914,340,670,906</b>	<b>15,115,455,548</b>	<b>10,085,250,713,687</b>

## Statements of Financial Result

As of Dec 31, 2015 (end of the 66th year, current)  
As of Dec 31, 2014 (end of the 65th year, previous)

SFMI & its subsidiaries

[Unit: KRW]

Account	End of the 66th year (current)	End of the 65th year (previous)
<b>Assets</b>		
I. Cash and deposits	1,357,537,223,363	1,646,333,898,371
II. Financial assets	51,644,842,028,749	47,699,308,598,589
1. Financial assets at fair value through profit or loss	933,906,253,165	961,975,667,381
2. Vailable-for-sale financial assets	34,843,528,554,935	31,976,972,560,619
3. Held-to-maturity financial assets	140,322,625,027	159,948,874,425
4. Loans	14,598,547,063,475	13,465,774,598,643
5. Other receivables	1,128,537,532,147	1,134,636,897,521
III. Investments in associates	200,392,013,818	202,904,302,379
IV. Derivative assets	38,768,217,738	93,655,611,424
V. Reinsurance assets	1,228,758,949,442	1,108,629,764,383
VI. Investment properties	539,547,583,334	543,082,092,694
VII. Property and equipment	921,348,415,203	915,912,657,950
VIII. Intangible assets	156,388,850,194	165,045,553,837
IX. Net defined benefit assets	2,076,240,364	-
X. Other assets	2,730,224,540,454	2,691,844,395,775
XI. Separate account assets	4,050,737,530,911	2,565,210,754,481
<b>TOTAL ASSETS LIABILITIES</b>	<b>62,870,621,593,570</b>	<b>57,631,927,629,883</b>
<b>Liabilities</b>		
I. Insurance liabilities	45,723,430,765,605	41,433,879,457,452
II. Financial liabilities	625,744,126,353	571,840,499,844
III. Derivative liabilities	207,191,555,976	105,548,806,670
IV. Provisions	73,800,920,163	59,864,375,958
V. Defined benefit liabilities	-	2,966,170,175
VI. Deferred income tax liabilities	1,533,922,163,968	1,435,570,922,564
VII. Current tax liabilities	58,808,940,634	114,027,919,812
VIII. Other liabilities	434,159,400,142	409,885,047,599
IX. Separate account liabilities	4,242,976,437,155	4,048,843,198,011
<b>TOTAL LIABILITIES</b>	<b>52,900,034,309,996</b>	<b>48,182,426,398,085</b>
<b>Capital</b>		
I. Capital stock	26,473,418,500	26,473,418,500
II. Capital surplus	939,233,350,327	939,233,350,327
III. Capital adjustments	(1,348,053,491,326)	(967,405,620,676)
IV. Accumulated other comprehensive income, net of taxes	3,558,276,964,061	3,240,481,154,187
V. Retained earnings	6,794,657,042,012	6,210,718,929,460
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>9,970,587,283,574</b>	<b>9,449,501,231,798</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>62,870,621,593,570</b>	<b>57,631,927,629,883</b>

## Consolidated Profit/Loss Statements

The current 66th year (Jan 1 to Dec 31, 2015)  
The previous 65th year ((Jan 1 to Dec 31, 2014)

### SFMI & its subsidiaries

[Unit: KRW]

Account	The 66th (current)	The 65th (previous)
<b>I. Operating revenues</b>	<b>21,386,421,355,703</b>	<b>20,675,276,180,433</b>
1. Insurance operating income	19,024,649,938,905	18,500,304,458,553
(1) Insurance operating income	18,109,463,946,990	17,660,848,131,205
(2) Reinsurance income	601,947,105,114	485,483,557,728
(3) Reinsurance income	113,294,582,598	153,789,323,898
(4) Compensation income (loss)	8,020,376,022	(813,101,028)
(5) Expense recovered	163,306,147,268	180,803,207,421
(6) Gain on foreign exchange transactions	28,617,780,913	20,193,339,329
2. Investment income	2,205,670,044,439	2,058,250,057,408
(1) Interest income	1,652,508,787,110	1,627,912,042,681
(2) Dividend income	125,489,527,242	105,443,410,982
(3) Gain on valuation and sales of financial instruments	126,606,896,804	73,755,540,838
(4) Gain on valuation and sales of derivative instrument	28,455,827,286	39,015,940,306
(5) Reversal of allowance and impairment loss of financial asset	6,619,473,665	5,343,445,549
(6) Rental income	49,548,427,926	47,732,496,717
(7) Commission income	1,198,942,627	812,409,122
(8) Gain on foreign exchange transactions	213,218,129,910	154,424,225,111
(9) Gain on disposal of investment properties	-	177,644,762
(10) Miscellaneous investment income	2,024,031,869	3,632,901,340
3. Separate account commission	21,035,202,152	16,318,059,140
4. Separate account income	135,066,170,207	100,403,605,332
<b>II. Operating expenses</b>	<b>20,339,418,356,454</b>	<b>19,611,518,575,962</b>
1. Insurance operating expenses	19,675,594,739,164	19,138,852,719,006
(1) Claims paid and refund of long-term insurance policies	10,580,892,532,832	9,599,644,910,555
(2) Reinsurance premium expenses	943,709,571,351	974,158,609,110
(3) Increase in insurance liabilities	4,274,438,581,931	4,901,654,925,146
(4) Loss adjustment expense	453,157,305,999	425,227,780,962
(5) Expenses paid	3,399,513,238,981	3,217,229,481,435
(6) Loss on foreign exchange transactions	23,883,508,070	20,937,011,798
2. Investment expenses	527,408,549,270	371,736,867,417
(1) Interest expense	9,589,825,298	4,955,296,115
(2) Loss on valuation and sale of financial nonderivative instruments	111,728,033,110	21,655,545,942
(3) Loss on valuation and sale of derivative instrument	220,142,445,901	135,144,422,839
(4) Impairment loss on financial assets	16,051,773,908	19,813,402,658
(5) Investment management expenses	117,573,506,047	105,128,669,679
(6) Maintenance expenses on investment properties	22,360,996,226	21,978,966,515

[continue]

[Unit: KRW]

Account	The 66th (current)	The 65th (previous)
(6) Maintenance expenses on investment properties	22,360,996,226	21,978,966,515
(7) Depreciation expenses on investment properties	9,069,585,458	8,855,512,210
(8) Loss on foreign exchange transactions	16,200,903,347	48,631,388,942
(9) Loss on disposal of investment properties	-	1,350,909,793
(10) Miscellaneous investment expenses	4,691,479,975	4,222,752,724
3. Separate account commission paid	1,348,897,813	525,384,207
4. Separate account expenses	135,066,170,207	100,403,605,332
<b>III. Operating profit</b>	<b>1,047,002,999,249</b>	<b>1,063,757,604,471</b>
<b>IV. Non-operating income</b>	<b>18,318,793,120</b>	<b>18,901,122,918</b>
<b>V. Non-operating expenses</b>	<b>31,633,398,554</b>	<b>31,852,661,911</b>
<b>VI. Net profit before tax</b>	<b>1,033,688,393,815</b>	<b>1,050,806,065,478</b>
<b>VII. Tax expenses</b>	<b>250,974,053,163</b>	<b>254,191,246,914</b>
<b>VIII. net profit</b>	<b>782,714,340,652</b>	<b>796,614,818,564</b>
<b>IX. Other comprehensive income.</b>	<b>317,795,809,874</b>	<b>923,596,455,814</b>
1. Accounts not reclassified as profit/loss of the current term succeedingly	(10,125,371,722)	1,771,175,435
2. Accounts reclassified as profit/loss of the current term succeedingly	327,921,181,596	921,825,280,379
<b>X. Total comprehensive profit/loss</b>	<b>1,100,510,150,526</b>	<b>1,720,211,274,378</b>
<b>XI. Earnings per share</b>		
1. Basic earnings per share	17,738	17,904
2. Diluted earnings per share	17,738	17,904



## Statements of Cash Flows

The current 66th year (Jan 1 to Dec 31, 2015)  
The previous 65th year ((Jan 1 to Dec 31, 2014)

SFMI &amp; its subsidiaries

[Unit: KRW]

Account	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income, net of taxes	Retained earnings	Total
<b>I. As of Jan 1, 2014 (Beginning of the previous year)</b>	<b>26,473,418,500</b>	<b>736,200,419,633</b>	<b>(775,351,338,056)</b>	<b>2,316,884,698,373</b>	<b>5,534,305,105,246</b>	<b>7,838,512,303,696</b>
1. Dividends	-	-	-	-	(120,200,994,350)	(120,200,994,350)
2. Net profit for the period	-	-	-	-	796,614,818,564	796,614,818,564
3. Acquisition of treasury stock	-	-	(415,871,905,850)	-	-	(415,871,905,850)
4. Disposal of treasury stock	-	-	223,817,623,230	-	-	223,817,623,230
5. Gain on disposal of treasury stock	-	203,032,930,694	-	-	-	203,032,930,694
6. Valuation profit (loss) for available-for-sale financial assets	-	-	-	839,455,310,259	-	839,455,310,259
7. Gain on translation of foreign currency financial statements	-	-	-	3,463,024,622	-	3,463,024,622
8. Net change in unrealized valuation of cash flow hedge derivatives	-	-	-	28,262,887,133	-	28,262,887,133
9. Accumulated other comprehensive income of the separate account	-	-	-	50,644,058,365	-	50,644,058,365
10. Remeasurement loss related to defined benefit plans	-	-	-	1,771,175,435	-	1,771,175,435
<b>II. As of Dec 31, 2014 (End of the previous year)</b>	<b>26,473,418,500</b>	<b>939,233,350,327</b>	<b>(967,405,620,676)</b>	<b>3,240,481,154,187</b>	<b>6,210,718,929,460</b>	<b>9,449,501,231,798</b>
<b>III. As of Jan 1, 2015 (Beginning of the current year)</b>	<b>26,473,418,500</b>	<b>939,233,350,327</b>	<b>(967,405,620,676)</b>	<b>3,240,481,154,187</b>	<b>6,210,718,929,460</b>	<b>9,449,501,231,798</b>
1. Dividends	-	-	-	-	(198,776,228,100)	(198,776,228,100)
2. Net profit for the period	-	-	-	-	782,714,340,652	782,714,340,652
3. Acquisition of treasury stock	-	-	(380,647,870,650)	-	-	(380,647,870,650)
4. Valuation profit (loss) for available-for-sale financial assets	-	-	-	298,943,206,309	-	298,943,206,309
5. Gain on translation of foreign currency financial statements	-	-	-	5,301,447,106	-	5,301,447,106
6. Net change in unrealized valuation of cash flow hedge derivatives	-	-	-	5,216,353,743	-	5,216,353,743
7. Accumulated other comprehensive income of the separate account	-	-	-	18,460,174,438	-	18,460,174,438
8. Remeasurement loss related to defined benefit plans	-	-	-	(10,125,371,722)	-	(10,125,371,722)
<b>IV. As of Dec 31, 2015 (End of the current year)</b>	<b>26,473,418,500</b>	<b>939,233,350,327</b>	<b>(1,348,053,491,326)</b>	<b>3,558,276,964,061</b>	<b>6,794,657,042,012</b>	<b>9,970,587,283,574</b>



Materiality Test  
PSI Report  
Independent Assurance  
Statement  
G4 Index

# Appendix

## Materiality Matters

SFMI's Sustainability Report focuses on key material issues, both internal and external, which we have determined as material to corporate management and to our stakeholders according to GRI G4 guidelines

### Process of Determining Issues

**Step 1, Identifying** To identify material sustainability issues that may affect our business, we have conducted in depth analysis of domestic and international sustainability management trends and guidelines, (GRI G4 and ISO26000, etc.), changes in domestic policies and press releases associated with SFMI and the insurance industry. We have determined 23 issues as material.

**Step 2, Prioritizing** Materiality Test is conducted for the identified issues based on the SFMI's significance of economic, environmental, and social impacts and influence on stakeholder assessment

and decisions. Opinions of our employees and of external experts were reflected when assessing the significance of economic, environmental, and social impacts, and analyses of press releases and survey results were reflected in assessing social impacts and influence on stakeholder.

**Step 3, Review & Approval** The issues are internally reviewed and approved by the Sustainability Management Committee. We have made utmost efforts to cover all the material issues in this Sustainability Report.

#### Issue matrix of the 6th Sustainability Report

	High-level Issue (9)	Mid-level Issue (8)	Low-level Issue (6)
Customers	Customer information protection (p.30) Customer-oriented activity (p.28)	Customer communication (p.29)	IT infra (p.30)
Employees	Work-life balance (p.34) Talents management (p.32)	Health safety (p.46)	Human rights and labor (p.33)
Shareholders/Investors	Risk management (p.19) Ethics and Integrity (p.23)	Business results (p.9) Governance policy (p.16)	Tax policy (p.22)
Business partners	Co-prosperity (p.40)	Communication with business partners (p.42)	Programs and education for support of business partners (p.41)
Communities	Social responsibility programs (p.37)	Investment for social responsibility and engagement (p.38)	Socially responsible products and services (p.39)
environment	Research on climate change risks (p.43)	Efficiency of resources (p.45) Environmental performance (p.48)	environment-friendly products and services (p.44)

## Report on PSI(Principles for Sustainable Insurance) in April 2016

In January 2015, SFMI signed the PSI of UNEP FI (United Nations Environment Programme Financial Initiative) and declared to render due efforts for sustainability of the insurance industry together with global insurers. We at SFMI are committed to fulfilling our social responsibility as a global cooperate citizen and carrying out sustainability management taking environment, society and governance into consideration from a long-term perspective. Thus, SFMI is going to report annually each aspects according to four principles of the PSI.



**SAMSUNG FIRE & MARINE  
INSURANCE SERVICE**



<b>Principle 1.</b>	<b>We consider the aspects of environment, society and governance, while making decisions as an insurer.</b>
Operation of Sustainability Management Committee	In 2012, SFMI established the Sustainability Management Committee chaired by our CEO (head of the Committee) to speed up sustainability management. In 2015, the Committee discussed major issues including recent issues related to sustainability management at home and abroad, major performances of sustainability management activities, approval of Sustainability Report and advancement of environmental management.
KPI for Sustainability Management	SFMI has set and operates KPI (Key Performance Indicators) for sustainability management taking customers, shareholders/investors, employees, business partners and communities into consideration (P.12/13, 2016 Sustainability Report).
Regulations regarding Socially Responsible Management	SFMI established regulations regarding socially responsible management to reflect the aspects of environment, society and governance on its decision making and activity.
<b>Principle 2.</b>	<b>We raise the awareness on the aspects of environment, society and governance along with customers and business partners, and jointly explore solutions to manage risks.</b>
Environmental, Social Insurance Products and Services	As insurance products related with climate change, SFMI is providing Storm & Flood Insurance, Weather Insurance, New Renewable Energy Insurance and Mileage Auto Insurance (P. 44, 2016 Sustainability Report). Along the way, the SFMI is conducting a diverse range of supportive activities so that the underprivileged and financially neglected people are able to cope with various risks in life, using relevant insurance products (P. 39, 2016 Sustainability Report).
Paperless Insurance Contract	Since April 2012, SFMI has been pursuing user- and environment-friendly sales processes by using tablet PCs together with RCs (Risk Consultants), leading to the saving of 25 pages of paper on average per contract. The company focuses on higher environment-friendly mobile insurance contracts using customer counselling method via tablet PCs and education on such contract process (P. 45, 2016 Sustainability Report).
Research on Climate Change Risks	The company's GLCC (Global Loss Control Center) helps customers and communities deal with climate change risks by conducting a diverse range of R&D relative to climate change. * <a href="http://rm.samsungfire.com/index.html">http://rm.samsungfire.com/index.html</a>
Social Responsibility Code of Conduct for Business Partners	SFMI announced the "Social Responsibility Code of Conduct for Business Partners" to promote social responsibility and encourage change in mindset of our business partners. For them to secure sustainable competitiveness, we are reinforcing support and monitoring activities for risks related to ethics, human right, social and environmental impacts.

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**Principle 3. We, in collaboration with the government and other major stakeholders, carry out diverse activities in society as a whole relative to environment, society and governance.**

**Partnership with Government and Civil Organizations** SFMI is engaged in various social responsibility activities in collaboration with the government and civil organizations to resolve social issues (P. 36-39, 2016 Sustainability Report).

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**Major Cooperators by Social Responsibility Category**

Category	Activities	Cooperating Agency
Social Welfare	- Support the underprivilege	National Police Agency, National Emergency Management Agency Ministry of Education,
	- Raise disability awareness	Korea National Institute for Special Education, Disabled Persons First Campaign Center
Research & Education	Donate and sponsor scholarship for children's education	Ministry of Education, Kids & Future Foundation, Child Fund Korea, Safe Kids Korea
Culture & Art	Preservation of cultural heritage	Cultural Heritage Administration, Korea Cultural Heritage Foundation
Environment Protection	Development of school forests	Korea Forest Service, Forest for Life

**Operation of Samsung Traffic Research Institute** Established in July 2001, Samsung Traffic Research Institute is the country's first civil research organization in the field of traffic safety in an attempt to establish advanced traffic culture and realize Zero of traffic accident in society. As a drive to prevent traffic accidents, the Institute conducts scientific and systematic research on safety of roads, vehicles and drivers along with press releases, policy proposals and traffic safety campaigns.  
\* <http://www.stm.or.kr/main.html>

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**Principle 4. We will periodically announce performances of the Principles to the public and secure credibility and transparency.**

SFMI systematically manages issues related with environment, society and governance and announces their results transparently to public using Sustainability Report, Annual Report of Governance and Annual Report each year.

## INDEPENDENT ASSURANCE REPORT

### To the management of Samsung Fire & Marine Insurance

We have been engaged by Samsung Fire & Marine Insurance (the “Company”) to perform an independent assurance engagement in regard to the following aspects of Samsung Fire & Marine Insurance Sustainability Report 2016 (the “Report”).

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#### Scope and Subject Matter

The information for the year ended December 31, 2015 (hereinafter, collectively referred to as the “Sustainability information”) on which we provide limited assurance consists of:

- The Company’s conclusion on meeting the principles of Inclusivity, Materiality and Responsiveness in the AA1000 AccountAbility Principles
- The non-financial information, stated in “GRI Content Index” as subject to an external assurance (the “Sustainability Data”) is prepared based on the reporting principles set out on GRI G4 guideline with core option

We read the other information included in the Report and considered whether it was consistent with the Sustainability Information. We considered the implications for our report in the case that we became aware of any apparent misstatements or material inconsistencies with the Sustainability

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#### Assurance Work Performed

Information. Our responsibilities do not extend to any other information.

We conducted our engagement in accordance with ISAE 3000(1) and AA1000AS(2)

The term ‘moderate assurance’ used in AA1000AS (2008) is designed to be consistent with ‘limited assurance’ as articulated in ISAE 3000. Our assurance is a Type II assurance engagement as defined in the AA1000AS (2008).

- (1) International Standard on Assurance Engagements 3000 - ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by International Auditing and Assurance Standards Board
- (2) AA1000 Assurance Standard(2008), issued by AccountAbility

Our work involved the following activities :

1. Interviews with the personnel responsible for internal reporting and data collection to discuss their approaches to stakeholder inclusivity, materiality and responsiveness
2. Visits to the Company’s headquarter in Seoul to understand the systems and processes in place for managing and reporting the Sustainability Data
3. Review of samples of internal documents relevant to output from the risk assessment process, sustainability-related policies and standards, the sustainability materiality assessment matrix and other documents from stakeholder-engaged activities
4. Evaluating the design and implementation of key processes and controls for managing and reporting the Sustainability Data
5. Limited testing, through inquiry and analytical review procedures, of the preparation and collation of the Sustainability Data
6. Review of media sources referring sustainability issues of the Company during the Reporting period

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#### Respective Responsibilities of the Management of the Company and Samil PricewaterhouseCoopers

The management of the Company is responsible for establishing reporting principles that meet the principles of Inclusivity, Materiality and Responsiveness in the AA1000APS, measuring performance based on the reporting principles, and reporting this performance in the Report.

Our responsibility is to provide a conclusion based on our assurance procedures in accordance with ISAE 3000 and AA1000AS.

This report, including the conclusion, has been prepared for the management of the Company as a body, to assist the management in reporting on the Company’s sustainability performance and activities. We do not accept or assume responsibility to anyone other than the management of the Company as a body and the Company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

**Inherent limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

A limited assurance engagement is less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient, appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

- We did not attend any stakeholder-engaged activities. Therefore our conclusion is based on our discussions with the management and the staff of the Company, and our review of sampled documents provided to us by the Company.
- The scope of our work was restricted to 2015 performance only, as set out in the scope and subject matter section above. Information related to the year ended December 31, 2014 and earlier periods have not been subject to assurance by us.

**Conclusion**

Based on the results of the assurance work performed, our conclusion is as follows

- On the AA1000APS principles
  - Inclusivity**
    - The Company has collected concerns and opinion through stakeholder communication channels that include those of Customers, Partners, Stakeholders, Communities and Employees.
    - Nothing has come to our attention to suggest that material stakeholder groups were excluded from these channels.
  - Materiality**
    - The Company has identified most relevant and significant sustainability issues through process for identifying material issues.
    - Nothing has come to our attention to suggest that material issues were omitted in this process.
  - Responsiveness**
    - The Company has included in the Report its response to the material sustainability issues which are defined through process for identifying material issues.
    - Nothing has come to our attention to suggest that there were material deficiencies in the issue management system.
- Nothing has come to our attention that causes us to believe that the Sustainability Data for the year ended December 31, 2015 is not fairly stated, in all material respects, in accordance with the Company's internal reporting principles set out on GRI G4 guidelines with Core option.

**Recommendations**

As a result of our work, we have provided the following recommendations to the management.

- It is recommended to disclose its level of achieving goals and future plans regarding key performance indicators by sustainability aspect so that the Company can be recognized by its stakeholders for its authenticity in the execution process of systematic sustainability management.
- It is recommended to manage key performance indicators with wider scope which are aligned with performance evaluation of each part of the Company in order to effectively implement sustainability management and address sustainability issues corporate-wide.
- It is necessary to improve key performance indicators and targets how the economic, social and environmental performances are aligned with business model and value creating activity of the company.

June, 2016  
Sam-il PricewaterhouseCoopers PwC  
Seoul, Korea

## GRI G4 Index



### 1. General Standard Disclosure

	Index	GRI	Page reference	External assurance
<b>Strategy and Analysis</b>	G4-1	Statement from the most senior decisionmaker of the organization (incl. strategy relates to sustainability, impacts of the activities in relation to the stakeholders)	4~5	Yes (62~63)
	G4-2	Description of key impacts, risks, and opportunities	13	Yes (62~63)
<b>Organizational Profile</b>	G4-3	Name of the organization	6	Yes (62~63)
	G4-4	Primary brands, products, and/or services	7	Yes (62~63)
	G4-5	Location of organization's headquarters	6	Yes (62~63)
	G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	6	Yes (62~63)
	G4-7	Nature of ownership and legal form	6	Yes (62~63)
	G4-8	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	6	Yes (62~63)
	G4-9	Scale of the reporting organization	6	Yes (62~63)
	G4-10	The total workforce by employment type, gender, employment contract and region	49	Yes (62~63)
	G4-11	The percentage of total employees covered by collective bargaining agreements	33	Yes (62~63)
	G4-12	Describe the organization's supply chain	6	Yes (62~63)
	G4-13	Significant changes during the reporting period relating to size, structure, or ownership or its supply chain	None	Yes (62~63)
	G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	8	Yes (62~63)
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	11	Yes (62~63)
G4-16	List memberships of associations (such as industry associations)	11	Yes (62~63)	
<b>Identified Material Aspects and Boundaries</b>	G4-17	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures (List all entities in the consolidated financial statements)	6	Yes (62~63)
	G4-18	Process for defining report content and the Aspect Boundaries and explain how the Reporting Principles has been implemented	59	Yes (62~63)
	G4-19	List all the material Aspects identified in the process for defining report content	59	Yes (62~63)
	G4-20	The Aspect Boundary within the organization: Whether the Aspect is material within the organization;	59	Yes (62~63)
	G4-21	The Aspect Boundary outside the organization: Whether the Aspect is material outside the organization;	59	Yes (62~63)
	G4-22	Explanation the effect of any restatements of information provided in previous reports, and the reasons for such restatements	None	Yes (62~63)
	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	None	Yes (62~63)
<b>Stakeholder Engagement</b>	G4-24	The list of stakeholder groups engaged by the organization	12~13	Yes (62~63)
	G4-25	The basis for identification and selection of stakeholders with whom to engage	12~13	Yes (62~63)
	G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	12~13	Yes (62~63)
	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting; Report the stakeholder groups that raised each of the key topics and concerns	12~13	Yes (62~63)
<b>Report Profile</b>	G4-28	Reporting period (such as fiscal or calendar year) for information provided	2	Yes (62~63)
	G4-29	Date of most recent previous report	2	Yes (62~63)
	G4-30	Date of most recent previous report	2	Yes (62~63)
	G4-31	Provide the contact point for questions regarding the report or its contents	2	Yes (62~63)
	G4-32	Table identifying the location of the Standard Disclosures in the report	64-70	Yes (62~63)
	G4-33	Policy and current practice with regard to seeking external assurance for the report	62~63	Yes (62~63)



	<b>Index</b>	<b>GRI</b>	<b>Page reference</b>	<b>External assurance</b>	
<b>Governance</b>	G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	16~18	Yes (62~63)	
	G4-35	Process for delegating authority for economic, environmental and social topics	16~18	Yes (62~63)	
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	16~18	Yes (62~63)	
	G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	16~18	Yes (62~63)	
	G4-38	The composition of the highest governance body and its committees	16~18	Yes (62~63)	
	G4-39	Report whether the Chair of the highest governance body is also an executive officer	16~18	Yes (62~63)	
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	16~18	Yes (62~63)	
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed	16~18	Yes (62~63)	
	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	16~18	Yes (62~63)	
	G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	16~18	Yes (62~63)	
	G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	16~18	Yes (62~63)	
	G4-45	Procedures of the highest governance body for overseeing the organization's identification and management of performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	16~18	Yes (62~63)	
	G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	16~18	Yes (62~63)	
	G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	16~18	Yes (62~63)	
	G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	16~18	Yes (62~63)	
	G4-49	The process for communicating critical concerns to the highest governance body	16~18	Yes (62~63)	
	G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	16~18	Yes (62~63)	
	G4-51	The remuneration policies for the highest governance body and senior executives	16~18	Yes (62~63)	
	G4-52	The process for determining remuneration; Whether remuneration consultants are involved	16~18	Yes (62~63)	
	G4-53	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	16~18	Yes (62~63)	
	G4-54	The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	None	Yes (62~63)	
	G4-55	The ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	None	Yes (62~63)	
	<b>Ethics and Integrity</b>	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	23	Yes (62~63)
		G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	23-25	Yes (62~63)
		G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	23-25	Yes (62~63)

## 2. Specific Standard Disclosure

	Index	GRI	Page reference	External assurance
<b>Economic</b>				
	G4-DMA	Disclosure on Management Approach	9	Yes (62~63)
<b>Economic Performance</b>	G4-EC1	Direct economic value generated and distributed	11	Yes (62~63)
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	43	Yes (62~63)
	G4-EC3	Coverage of the organization's defined benefit plan obligations	35	Yes (62~63)
	G4-EC4	financial assistance received from government		
<b>Market Presence</b>	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	49	Yes (62~63)
<b>Indirect Economic Impacts</b>	G4-EC7	Development and impact of infrastructure investments and services supported	49	Yes (62~63)
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	49	Yes (62~63)
<b>Procurement Practices</b>	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	11	Yes (62~63)
<b>Environmental</b>				
	G4-DMA	Disclosure on Management Approach	43	Yes (62~63)
<b>Materials</b>	G4-EN1	Materials used by weight or volume	48	Yes (62~63)
	G4-EN2	Percentage of materials used that are recycled input materials	48	Yes (62~63)
<b>Energy</b>	G4-EN3	Energy consumption within the organization	48	Yes (62~63)
	G4-EN4	Energy consumption outside of the organization		
	G4-EN5	Energy intensity	48	Yes (62~63)
	G4-EN6	Reduction of energy consumption		Yes (62~63)
	G4-EN7	Reductions in energy requirements of products and services		Yes (62~63)
<b>Water</b>	G4-EN8	Total water withdrawal by source	48	Yes (62~63)
	G4-EN9	Water sources significantly affected by withdrawal of water	None	Yes (62~63)
	G4-EN10	Percentage and total volume of water recycled and reused		
<b>Biodiversity</b>	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	45	Yes (62~63)
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		
	G4-EN13	Habitats protected or restored	45	Yes (62~63)
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		

	Index	GRI	Page reference	External assurance
<b>Emissions</b>	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	48	Yes (62-63)
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	48	Yes (62-63)
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)		
	G4-EN18	Greenhouse gas (GHG) emissions intensity	48	Yes (62-63)
	G4-EN19	Reduction of greenhouse gas (GHG) emissions		
	G4-EN20	Emissions of ozone-depleting substances (ODS)	None	Yes (62-63)
	G4-EN21	NOx, Sox, and other significant air emissions	None	Yes (62-63)
<b>Effluents and Waste</b>	G4-EN22	Total water discharge by quality and destination		
	G4-EN23	Total weight of waste by type and disposal method	48	Yes (62-63)
	G4-EN24	Total number and volume of significant spills	None	Yes (62-63)
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	None	Yes (62-63)
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	None	Yes (62-63)
<b>Products and Services</b>	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	44	Yes (62-63)
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		
<b>Compliance</b>	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	0	Yes (62-63)
<b>Transport</b>	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	None	Yes (62-63)
<b>Overall</b>	G4-EN31	Total environmental protection expenditures and investments by type	49	Yes (62-63)
<b>Supplier environmental assessment</b>	G4-EN32	Percentage of new suppliers that were screened using environmental criteria		
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	41	Yes (62-63)
<b>Environmental grievance mechanisms</b>	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	0	Yes (62-63)

	Index	GRI	Page reference	External assurance
<b>Social</b>				
<b>Labor Practices and Decent work</b>	G4-DMA	Disclosure on Management Approach	31	Yes (62~63)
<b>Employment</b>	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	49	Yes (62~63)
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	34~35	Yes (62~63)
	G4-LA3	Return to work and retention rates after parental leave, by gender	49	Yes (62~63)
<b>Labor/Management Relations</b>	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	30days	Yes (62~63)
<b>Occupational Health and Safety</b>	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	46	Yes (62~63)
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	49	Yes (62~63)
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		
	G4-LA8	Health and safety topics covered in formal agreements with trade unions		
<b>Training and Education</b>	G4-LA9	Average hours of training per year per employee by gender, and by employee category	33	Yes (62~63)
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	35	Yes (62~63)
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		Yes (62~63)
<b>Diversity and Equal Opportunity</b>	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	49	Yes (62~63)
<b>Equal Remuneration for Women and Men</b>	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		
<b>Supplier Assessment for Labor Practices</b>	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	40	Yes (62~63)
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		
<b>Labor Practices Grievance Mechanisms</b>	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	26	Yes (62~63)
<b>Human Rights</b>	G4-DMA	Disclosure on Management Approach	23	Yes (62~63)
<b>Investment</b>	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	49	Yes (62~63)
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	24	Yes (62~63)
<b>Non-discrimination</b>	G4-HR3	Total number of incidents of discrimination and corrective actions taken	26	Yes (62~63)
<b>Freedom of Association and Collective Bargaining</b>	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	23~25	Yes (62~63)
<b>Child Labor</b>	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	23~25	Yes (62~63)
<b>Forced or Compulsory Labor</b>	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	23~25	Yes (62~63)
<b>Security Practices</b>	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations		
<b>Indigenous Rights Assessment</b>	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	0	Yes (62~63)
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments		
<b>Supplier Human Rights Assessment</b>	G4-HR10	Percentage of new suppliers that were screened using human rights criteria		
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	41	Yes (62~63)
<b>Human Rights Grievance Mechanisms</b>	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	26	Yes (62~63)

	<b>Index</b>	<b>GRI</b>	<b>Page reference</b>	<b>External assurance</b>
<b>Social</b>	G4-DMA	Disclosure on Management Approach	36	Yes (62~63)
<b>Local Communities</b>	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	36~39	Yes (62~63)
	G4-SO2	Operations with significant actual or potential negative impacts on local communities	None	Yes (62~63)
<b>Anti-corruption</b>	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		
	G4-SO4	Communication and training on anti-corruption policies and procedures	34	Yes (62~63)
	G4-SO5	Confirmed incidents of corruption and actions taken	26	Yes (62~63)
<b>Public Policy</b>	G4-SO6	Total value of political contributions by country and recipient/beneficiary		
<b>Anti-competitive Behavior</b>	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	0	Yes (62~63)
<b>Compliance</b>	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	2	Yes (62~63)
<b>Supplier Assessment for Impacts on Society</b>	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society		
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken		
<b>Grievance Mechanisms for Impacts on Society</b>	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	26	Yes (62~63)
<b>Product Responsibility</b>	G4-DMA	Disclosure on Management Approach	28	Yes (62~63)
<b>Customer Health and Safety</b>	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	44	Yes (62~63)
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	0	Yes (62~63)
<b>Product and Service Labeling</b>	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	49	Yes (62~63)
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	0	Yes (62~63)
	G4-PR5	Results of surveys measuring customer satisfaction	49	Yes (62~63)
<b>Marketing Communications</b>	G4-PR6	Sale of banned or disputed products	None	Yes (62~63)
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	0	Yes (62~63)
<b>Customer Privacy</b>	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	44	Yes (62~63)
<b>Compliance</b>	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	0	Yes (62~63)

GRI G4 - Specific Standard Disclosures for the Financial Services Sector

		Index	Core	GRI	Page The reason for omission	External Assurance
<b>Economic</b>						
	<b>Economic Performance</b>	DMA	●	Disclosures on management approach	9	Yes(62~63)
		G4-EC1	●	Direct economic value generated and distributed	11	Yes(62~63)
<b>Environmental</b>						
	<b>Emissions</b>	G4-EN15	●	Direct greenhouse gas (GHG) emissions (Scope 1)	48	Yes(62~63)
		G4-EN16	●	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	48	Yes(62~63)
		G4-EN17	●	Other indirect greenhouse gas (GHG) emissions (Scope 3)		Yes(62~63)
	<b>Effluents and Waste</b>	G4-EN23	●	Total weight of waste by type and disposal method	48	Yes(62~63)
<b>Social</b>						
<b>Labor Practices and Decent Work</b>	<b>Occupational Health and Safety</b>	DMA	●	Disclosures on management approach	31	Yes(62~63)
<b>Human Rights</b>	<b>Investment</b>	G4-HR1	●	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	49	Yes(62~63)
<b>Society</b>	<b>Local Communities</b>	FS13	●	Access points in low-populated or economically disadvantaged areas by type	36-39	Yes(62~63)
		FS14	●	Initiatives to improve access to financial services for disadvantaged people	36-39	Yes(62~63)
<b>Product Responsibility</b>	<b>Product and Service Labeling</b>	DMA	●	Disclosures on management approach	28	Yes(62~63)
	<b>Product Portfolio</b>	DMA	●	Disclosures on management approach (Former FS1~5)	7	Yes(62~63)
		FS6	●	Percentage of the portfolio for business lines by specific region, size and by sector	7	Yes(62~63)
		FS7	●	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	49	Yes(62~63)
		FS8	●	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	49	Yes(62~63)
	<b>Audit</b>	DMA	●	Disclosures on management approach (former FS9)	23-26	Yes(62~63)
	<b>Active Ownership</b>	DMA	●	Disclosures on management approach (former FS12)	44	Yes(62~63)
		FS10	●	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	49	Yes(62~63)
		FS11	●	Percentage of assets subject to positive and negative environmental or social screening	49	Yes(62~63)



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