

BEYOND INSURANCE *To* A SUSTAINABLE FUTURE



- Overview
- ESG Management
- Beyond Insurance to a Sustainable Future
- ESG Fact Book
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About This Report

This annual integrated report contains its ESG-related policies, performances, and achievements, serving as a communication channel for various stakeholders.

Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI), the international reporting guideline for sustainability management. It also complies with the Principles for Sustainable Insurance (PSI) while reflecting the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) for climate change-related information. Furthermore, it encompasses our efforts to fulfill the UN SDGs, the global sustainability initiative. The financial data included in this report adheres to the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period

This report focuses on performance data from January to December 2022, providing a three-year comparison from 2020 to 2022. It also includes some information from before 2022 and the first half of 2023 regarding important information that may impact stakeholders.

Reporting Scope

This report primarily covers the activities and performance of the head office. However, certain data includes information from overseas corporations, branches, and offices. The data with different scopes are clearly indicated.

Data Assurance

To enhance the quality and credibility of this report, it has undergone third-party verification. The results of the verification can be found on page 111.

Contact Information

If you have any questions regarding this report, please contact the ESG Secretariat of Planning Team 1 at SFMI.

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Financial Key Performance

Achieving a Record High Profit

- Net profit of KRW 1.28 trillion
- Direct Premium Written of KRW 20.12 trillion
- Industry-leading RBC¹⁾ ratio at 285%



Verifying Solid Financial Soundness

- Achieved the highest domestic private company rating of AA- from S&P
- Maintained highest credit rating of A++ from A.M. BEST for 12 consecutive years



Non-Financial Key Performance

Ranked 1st in Customer Satisfaction Index

- 22 consecutive years of 1st place in NCSI
- 25 consecutive years of 1st place in the automobile insurance sector of KCSI
- 12 consecutive years of 1st place in the long-term insurance sector of KCSI



Rated A in the MSCI ESG Ratings

Attained an A Rating in Morgan Stanley Capital International (MSCI) ESG Assessments



Implementing Mutual Prosperity Finance Strategies

Sales of environmental and social insurance products set to increase from KRW 3.7 trillion in 2022 → KRW 5 trillion by 2030



Global Initiative Memberships

Enhanced environmental management by joining Renewable Electricity 100% (RE100) and Partnership for Carbon Accounting Financials (PCAF)



2050 Net-zero Declaration

Engaged in climate finance initiatives while developing strategies to tackle the climate crisis



Transition to Pollution-free Vehicles (K-EV100)

Targeting 100% conversion by 2030



ISO 14001 / ISO 50001 Certifications

1st to achieve dual international certifications in the industry



Expanding Investments in ESG

Cumulative investment commitment size set to expand from KRW 7.65 trillion in 2022 → KRW 10.5 trillion by 2030



Creating a Paperless Office

Signed more than 90% of insurance contracts without paper



1) Risk-based Capital Ratio (RBC): An index used to assess the financial stability and solvency of an insurance company

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Dear valued stakeholders,

In 2022, we faced a string of external challenges, including rising interest rates and a decrease in consumer spending. Despite these difficulties, SFMI hit a record high, delivering KRW 1.28 trillion in net profit, up 14.1% from the previous year. This remarkable achievement was made possible by the unwavering support from our stakeholders, and I would like to take this opportunity to express my sincere gratitude to all of you.

With multiple challenges approaching and rapidly changing external and internal economic landscapes ahead, 2023 is also likely to be a tough year. And this year is the inaugural year of introducing the new international accounting standards IFRS17. Despite the unfavorable circumstances, we will never relent in our efforts to actively respond to changes and foster future growth drivers. On our journey towards a sustainable insurance company, our first step is to listen to the voice of our customers and stakeholders. And we will redefine our business scope embracing environmental changes and constantly identify new businesses to elevate our future value.

With the aim to secure new growth engines, we have adopted 'Inorganic' approach to tap into overseas markets. In 2021, we initiated a joint business with Lloyd's Canopus Group Limited in the UK, followed by the establishment of a joint venture with China-based Tencent in 2022. Leveraging our extensive experience and broad network, we will expand our presence into the global arena in 2023. Our overseas expansion will include promising Asian countries such as Vietnam and Indonesia, in addition to the Lloyd's market and China, to overcome the limitations of the local market.

In terms of digital transformation, SFMI has unveiled innovative services on the back of digital platform strengths, and entered the digital healthcare market. On top of that, various business models have been created, including investing in CVC funds or forming partnerships, to explore new opportunities in the digital-based new business areas, such as mobility and senior care. In addition, efforts are being made to find the best partners to collaborate with SFMI in this journey. In the healthcare business, we have established partnerships with startups equipped with specialized technologies and content to sharpen our content competitiveness, and have invested in startups of future-proof business models.

Going forward, we will continue to push toward digital transformation to push the limits of the insurance industry, thereby steadily expanding our portfolio of new business.

In today's world, we are confronted with various risks such as climate change, geopolitical conflicts, and economic crises. SFMI, as a leading insurance company in Korea with total assets surpassing KRW 88 trillion, aims not only to grow our business but also to secure sustainable management practices that positively impact the society. In particular, we will improve ESG management to respond addressing the urgent global issue of climate change. As part of an effort, we have set goals to convert to renewable energy by 2040 and achieve carbon neutrality for both internal operations and asset management by 2050. Additionally, we plan to establish a roadmap for gradually reducing our carbon emissions in the future. We joined the Global Carbon Accounting and Finance Association (PCAF), an organization that measures GHG emissions related to investment, as well as RE100 initiative, which aims to be 100% powered by renewable energy. All our employees are participating in these global climate actions by actively promoting environmental campaigns to raise our employees' awareness. SFMI has earned an impressive A rating in both the Morgan Stanley Capital International (MSCI) ESG evaluation and the Korea Institute of Corporate Governance and Sustainability (KCGS) evaluation, which means that our exceptional ESG capabilities have been acknowledged by reputable institutions both in and outside of Korea. We will continuously strive to achieve prestigious level of ESG management that is in line with global peers.

Dear valued stakeholders,

SFMI is now moving towards a sustainable future beyond insurance. 2023 is anticipated to be a difficult and uncertain year, but with the experience and confidence acquired from last year's remarkable results despite an adverse environment, we will make another leap forward in 2023 as well. As the top insurance company in Korea, we will persistently endeavor to create a sustainable future and will be always there with our stakeholders.

Thank you very much.

June 2023
CEO & President **Won Hak Hong** *Won Hak, Hong*



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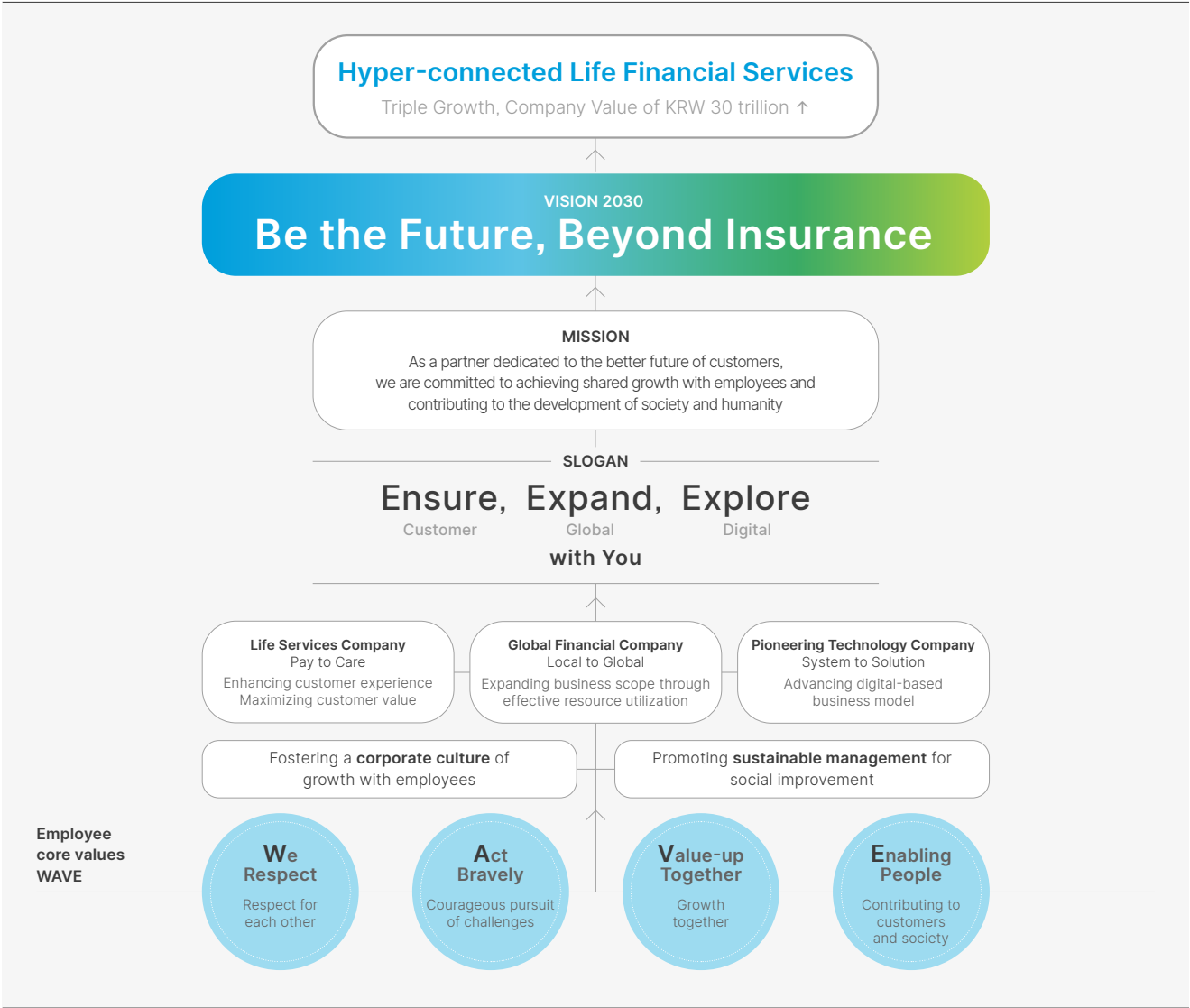
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Vision 2030

SFMI has newly formulated its Vision 2030 strategy in 2022. With the vision of 'Be the Future, Beyond Insurance' and the mission of being a partner dedicated to the better future of customers, we are committed to achieving shared growth with employees and contributing to the development the society and humanity. As a hyper-connected life financial service provider, we aim to further advance and break the limits of traditional insurance businesses.

Moreover, we have established new employee core values called 'WAVE,' representing our constant pursuit of pushing beyond the limits of the existing insurance industry and embracing new directions. 'WAVE' encompasses the aspirations of 'We Respect,' 'Act Bravely,' 'Value-up Together,' and 'Enabling People.' Along with these values, SFMI will continue to maximize customer value as a life services provider, expand its business globally as a leading global financial institution, and innovate its business model based on digital technology as a pioneering technology company.



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Introduction

SFMI is Korea’s No.1 non-life insurer, providing a diverse range of insurance products and retirement pension plans, including fire, marine, automobile, accident, liability, long term personal protection, and personal pension. We extend our offerings of P&C, automobile, and non-life insurance products to overseas markets in China, the U.S., Indonesia, Vietnam, Singapore, and the U.K. Furthermore, leveraging the capital generated from our underwriting business, we strategically engage in investment activities that support national projects and general corporate operations aiming to contribute to the balanced growth of the national economy and enhance national welfare.

Company Profile

Company Name	Samsung Fire & Marine Insurance Co., Ltd
Business Type	Non-life Insurance
Date of Establishment	January 26, 1952
CEO	Won Hak Hong
Headquarters	14 Seocho-daero 74-gil, Seocho-gu, Seoul, Korea
No. of Employees	5,588
Website	www.samsungfire.com

Organizational Structure

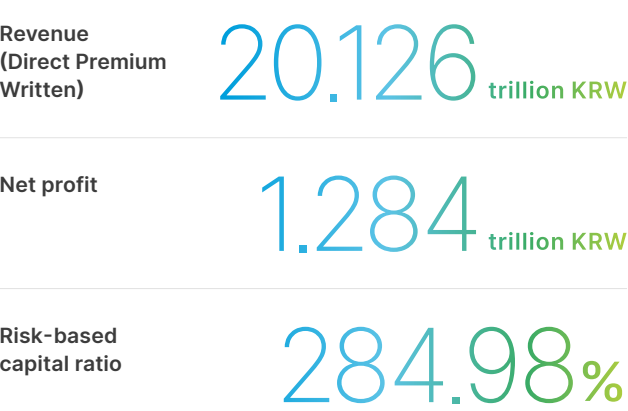
3 Businesses, 4 Headquarters, 2 Divisions, 8 Business Teams, 36 Administrative Teams (including CISO)
Commercial Line Division, Auto Insurance Division, Long-Term Insurance Division, Personal Lines Headquarters, Strategic Channel Headquarters, Asset Management Headquarters, Digital Business Headquarters, Corporate Planning Division, Corporate Management Support Division, Audit Committee, Legal Affairs Team, Customer Policy Team, HR Team, etc.

Subsidiaries

Company Name	Location	Date of Establishment	Key Businesses	Share Ownership
Samsung Fire & Marine Insurance Service Co., Ltd.	Seoul, Korea	Jan. 30, 1996 (May 28, 2002)	Claim adjustment service	100%
Samsung Claim Adjustment Service Co., Ltd	Seoul, Korea	Oct. 15, 1998	Claim adjustment service	100%
Samsung Fire & Marine Financial Service Insurance Agency	Seoul, Korea	Mar. 16, 2016	Agency	100%
PT Asuransi Samsung Tugu	Jakarta, Indonesia	Nov. 07, 1996	Non-life insurance	70%
Samsung Vina Insurance Co., Ltd.	Ho Chi Min, Vietnam	Nov. 14, 2002	Non-life insurance	75%
Samsung Fire & Marine Insurance Company of Europe	London, the UK	Mar. 30, 2011	Non-life insurance	100%
Samsung Fire & Marine US Management Corporation	New Jersey, the U.S.	Jun. 23, 2011	Insurance Service	100%
Samsung Reinsurance PTE Ltd.	Singapore	Dec. 09, 2011	Non-life insurance	100%
Samsung Fire & Marine Insurance ME and Agency of Africa	Dubai, the United Arab Emirates	Feb. 24, 2016	Agency	100%

* If the date of acquisition is different from the date of establishment, the acquisition date is stated in parentheses

Financial Status (on a consolidated basis)



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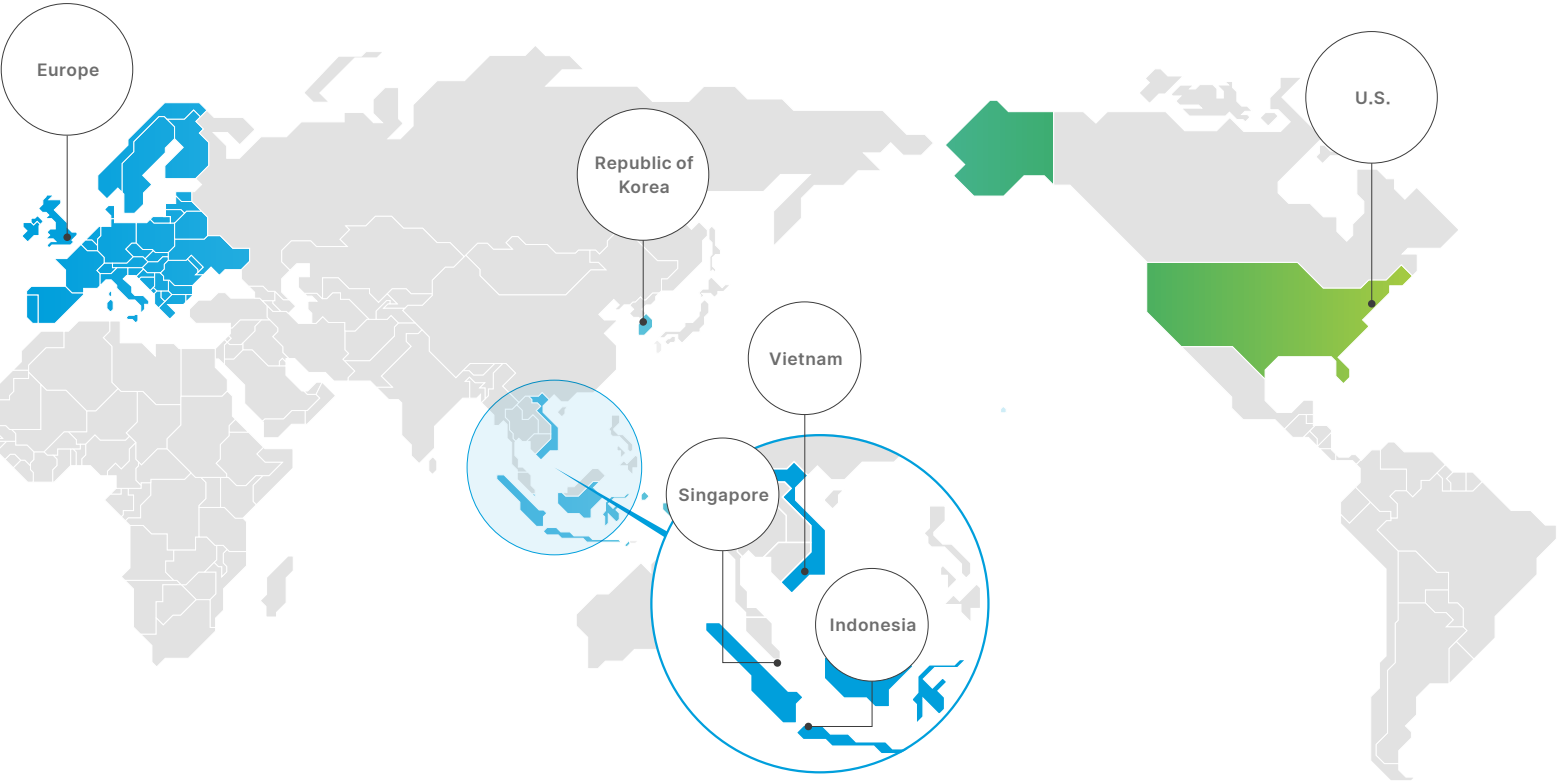
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Global Network

With the aim of ensuring future profitability and becoming a leading global P&C insurer, SFMI is actively seeking international business opportunities. We are expanding our global networks and analyzing foreign markets, trying to secure a balanced penetration into both developed and emerging markets. We are systematically executing tasks related to penetration plans for mid-to long-term overseas business plans with foreign markets based on our mid-to long-term overseas business plans, taking into consideration foreign market dynamics, key business areas, and required competencies. Additionally, we are proactively responding to changes in overseas markets, delivering unparalleled products and services to local customers through our 18 bases in 8 countries, including the United States, Europe, Asia and the Middle East.

Our subsidiaries, established in various countries such as Singapore, Indonesia, Vietnam, and Europe, generate profits by offering insurance products and successful asset management to individuals and corporate customers in those regions. In 2022, the total premium incomes written by our overseas subsidiaries, including US Management Corporation, amounted to approximately KRW 660.8 billion.



Operating Profit / Loss in 2022 ¹⁾					(Unit: KRW million)
Indonesia	Vietnam	Europe	U.S.	Singapore	
5,800	11,100	10,700	100	26,100	

1) Based on management disclosure for the year 2022

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Key Products and Services

Classification		Key Insurance Products
General Insurance	Fire	House, building, factory fire insurance
	Marine, Aviation	Vessel, aircraft, cargo insurance
	Casualty & Specialty	Engineering, casualty, liability insurance, etc.
Long-term Insurance	Injury / Sickness	My Health Partner, Nae Don Nae Sam, Medical Reimbursement Insurance, etc.
	Driver	Safe Drive Partner Plus
	Property	Feeling of Success, Super Business
	Saving	Direct Savings Insurance
	Personal Pension	Wonderful Life II
Automobile Insurance		Anycar, Anycar Direct
Loan		Apartment mortgage, insurance policy loan, credit loan
Services		SFMI Point, Anycar Service, Anyfit Plus, SFMI Picnic

Economic Value Distribution

(Unit: KRW 100 million)

Category		2020	2021	2022
Customers	Insurance benefits	153,700	152,476	151,339
Employees	Wages, welfare benefits	5,544	7,097	7,758
Shareholders / investors	Dividends	3,741	5,101	5,866
Government	Corporate tax	2,820	3,815	3,955
Partner companies	Insurance sales	33,359	31,276	31,843
Local communities	Donations for local community development	64	41	55

Global Credit Rating Evaluation

Recognized for outstanding financial strength, stable operating performance, and robust risk management capabilities, SFMI has obtained the highest rating of A++ Superior from A.M. Best, the world’s largest insurance company specialized credit rating agency, for 12 consecutive years. Additionally, we have maintained a strong credit rating by achieving AA- from S&P, one of the renowned global credit rating agencies.

Category	A.M.Best	S&P
2019	A++, Superior	AA-, Stable
2020	A++, Superior	AA-, Stable
2021	A++, Superior	AA-, Stable
2022	A++, Superior	AA-, Stable

Key Financial Performances (based on separate basis)

(Unit: KRW 100 million)

Total Assets



Total Equity



Direct Premiums Written



Net Profit



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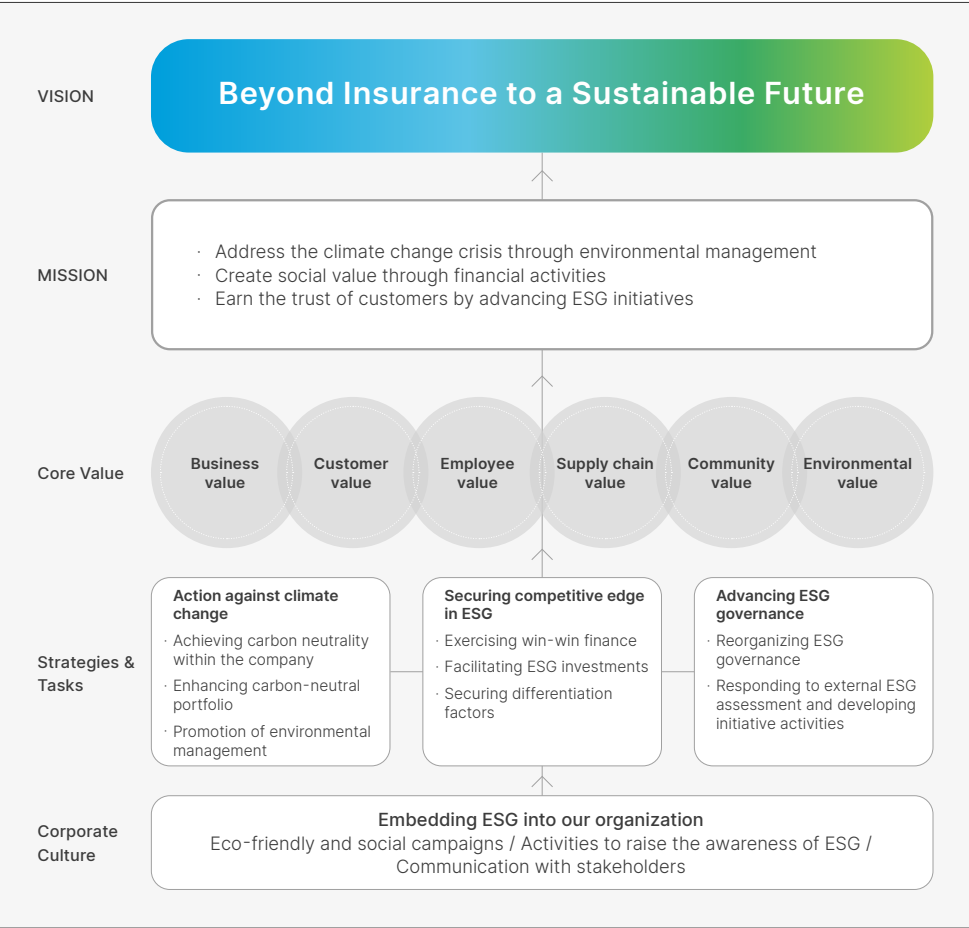
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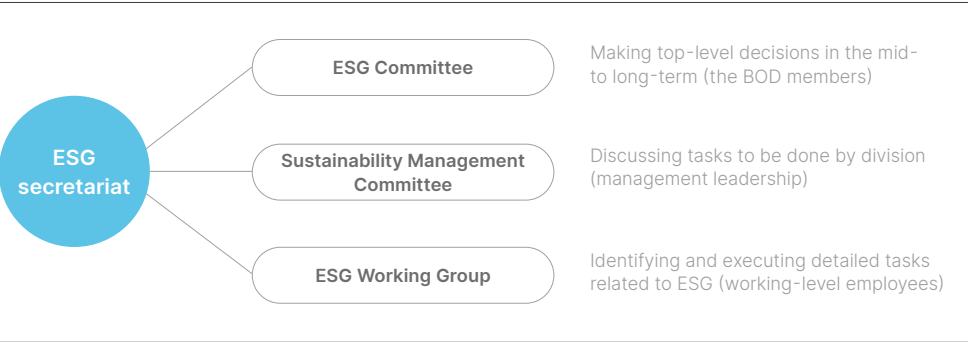
ESG Management System

Under our ESG vision of 'Beyond Insurance to a Sustainable Future,' we are committed to putting ESG management into action. Based on our ESG management system, we proactively address the climate change crisis through environmental management and strive to create social value through our financial activities. Additionally, we aim to earn the trust of our customers by advancing our ESG initiatives, thereby enhancing our competitive edge as a sustainable company.



Organizational Structure for ESG Management

SFMI has established organizational structures for ESG management, involving the BOD, management leadership, and working-level employees. We are making every effort to internalize ESG management by effectively combining top-down and bottom-up approaches.



ESG Committee
SFMI has established and operates the ESG Committee under the BOD. The committee consists of two independent directors and the CEO. It was newly established in March 2021 to proactively address the management paradigm shift prompted by the growing emphasis on ESG factors. The committee formulates company-wide ESG strategies and policies and serves as the top decision-making body, deliberating and resolving ESG-related initiatives and performances.

Sustainability Management Committee
SFMI has established and operates the Sustainability Management Committee since 2012, with the CEO serving as the chairperson. The committee comprises a total of 7 executives, including the CEO, CFO, Head of Corporate Planning Division, Head of Long-Term Insurance Division, Head of HR Team, Chief Compliance Officer, and Head of Planning Team 1. The committee convenes to discuss important matters related to ESG management, including the current status and performance of ESG management, emerging trends, future directions, and implementation tasks.

ESG Working Group
To effectively manage ESG goals across divisions and ensure responsive actions, SFMI operates the ESG Working Group. This group comprises the heads of major departments involved in ESG matters, along with the individuals responsible for managing these initiatives.

ESG Initiatives Membership Status



The United Nations Environment Programme Finance Initiative (UNEP FI) is a public-private partnership between the UNEP and financial institutions. SFMI has been a part of this effort since 2010 to promote sustainable finance together with the international community.



The Principles for Sustainable Insurance (PSI) is a global framework and initiative aiming at promoting the sustainable management of insurers. After becoming the first Korean insurer to join the framework in January 2015, SFMI has been making efforts to promote the sustainability of the insurance industry.



The Carbon Disclosure Project (CDP) is a consultative organization that evaluates GHG reduction activities of major listed companies in the world, providing relevant reports to investors. SFMI has been participating in disclosing carbon-related information as an institutional investor and information provider since 2010.



The Sustainable Development Goals (UN SDGs) are comprised of 17 goals and 169 targets that all stakeholders, including governments, businesses, and civil society, should engage in and fulfill in order to enable the sustainable development of all countries. As a global corporate citizen, SFMI is committed to accomplishing the UN SDGs by aligning the goals with sustainability management activities.



The Task Force on Climate-Related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB). It recommends disclosing climate-related information in the categories of corporate governance, strategy, risk management, and goals and indicators to companies. SFMI declared to endorse TCFD in July 2021. Since then, we have endeavored to advance the integration of climate change risks and opportunities by disclosing the relative data recommended by TCFD.



Renewable Electricity 100% (RE100) is a global campaign aimed at transitioning 100% of corporate electricity consumption to renewable energy sources. SFMI actively participates in efforts to procure 100% renewable electricity for its facilities.



The Partnership for Carbon Accounting Financials (PCAF) is an initiative that aims to establish consistent carbon accounting standards for measuring and disclosing GHGs associated with financial institutions' investments and financial activities. SFMI actively calculates and publicly discloses its financed emissions in alignment with the standards set by PCAF.

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MSCI ESG Ratings

- Achieved overall A rating



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

The Dow Jones Sustainability Indices

- Included in Asia Pacific



FTSE4Good

FTSE4Good

- Achieved 10 years of continuous inclusion in a global index



CDP

- Obtained overall B rating



한국ESG기준원
Korea Institute of Corporate
Governance and Sustainability

ESG evaluation by KCGS

- Awarded an total A rating
- Selected as an excellent company in governance



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SFMI has redefined the meaning of insurance and envisioned a new future for the industry. Our approach, encapsulated in the slogan 'Be the Future, Beyond Insurance,' transcends the conventional boundaries of the business. We believe that the future of an insurance company extends beyond merely selling insurance policies. It encompasses the provision of a comprehensive range of financial services and active participation in addressing global challenges our planet faces. That is why we actively engage in climate change mitigation efforts for the sake of future

generations. By leveraging our digital capabilities comparable to those of major tech companies and our pioneering global expansion, we aim to break free from the confines of the insurance industry and connect with the broader business ecosystem. Furthermore, we are committed to delivering exceptional customer service by anticipating and exceeding the evolving needs of our customers. Our commitment to a sustainable future goes beyond traditional insurance practices, and as such, we have developed strategic plans based on three key pillars to guide our actions.



Pathway to Sustainability #1

Action against Climate Change

- Attaining K-EV100 by 2030
- Accumulating commitments of KRW 10.5 trillion in ESG investments by 2030
- Reaching KRW 5 trillion in sales from eco-friendly and socially responsible insurance products and services by 2030
- Achieving RE100 by 2040
- Realizing 'Net-zero' in internal carbon emissions by 2050
- Fulfilling carbon neutrality in investment assets by 2050



Pathway to Sustainability #2

Advancing Core Business Sustainability

- Establishing business cooperation with Canopus USA to penetrate the U.S. market
- Forming a joint venture with Tencent to enter the online insurance market in China
- Expanding into the Asian market with a focus on Vietnam and Indonesia
- Achieving one million users for the digital platform 'Chac! Lifestyle Service' by 2023
- Taking a leading position in the digital health market through advanced 'InsureTech' solutions



Pathway to Sustainability #3

Differentiated Customer Service

- Prioritizing customer service with a focus on prevention and leveraging data utilization
- Operating the Global Loss Control Center (GLCC) to offer comprehensive solutions for mitigating natural disasters and ensuring ESG safety management

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Pathway to Sustainability #1

Action against Climate Change

Since the Paris Climate Agreement in 2015, the obligation to reduce GHGs has become a reality, emphasizing the role of companies in climate change mitigation. While the financial sector does not directly produce goods, it can contribute to climate change mitigation through ESG management and ESG investments. Financial companies are setting carbon neutrality targets, developing ESG strategies, and implementing ESG management. Additionally, they practice responsible investment by considering non-financial factors such as environmental and social responsibilities when making investment decisions regarding companies. In fact, the size of global ESG investments has been rapidly increasing. According to the Global Sustainable Investment Alliance (GSIA), global ESG investment assets are expected to reach USD 130 trillion by 2030, up from USD 35 trillion in 2020.

In line with this global trend, we have declared 'coal phase-out financing' and established the ESG Committee, diligently practicing leading ESG management as a 'good insurance company in pursuit of sustainable future.' We are committed to applying carbon-neutral investment principles to all sectors of asset management, as well as reducing internal greenhouse gas emissions. Our goal with these initiatives is to expand our ESG investments, diversify our investment portfolio, and become a responsible global insurance company.



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1. ESG Management Driven by Carbon Management

From Spearheading ESG Organizational Operations to Making a Declaration of Coal Phase-Out Finance

Since 2011, SFMI has been publishing annual sustainability reports to effectively communicate with stakeholders such as customers and investors, even when the concept of ESG was unfamiliar. In 2012, we became the industry's first company to establish a dedicated ESG organization. On the same year, the Sustainability Management Committee, chaired by the CEO, was established to facilitate discussions on sustainable management directions and initiatives through the ESG secretariat. These achievements highlight our company's significant advancement in ESG management, especially when considering that the insurance industry as a whole held the 'ESG Management Declaration Ceremony' in 2021. Established in 1979, the Global Loss Control Center (GLCC) has been the first specialized risk management organization in the domestic non-life insurance industry. Since 2013, GLCC has been actively supporting companies in their ESG management efforts by publishing materials on carbon management to assist in their climate change response. In late 2020, we further strengthened our ESG management by declaring 'coal phase-out financing' in collaboration with the group's financial companies. This decision entailed discontinuing new investments in coal-fired power generation, including corporate bonds for coal-fired power plant construction, and ceasing insurance underwriting for construction of new coal-fired power plants. Currently, new investments in coal-fired power generation have been halted, and we have plans to adopt more proactive ESG investment guidelines and establish strategies for the future. We have publicly announced our commitment to ESG management and endorsed climate finance to achieve carbon neutrality by 2050. In 2021, the ESG Committee was established under the BOD as the highest decision-making body concerning ESG matters.

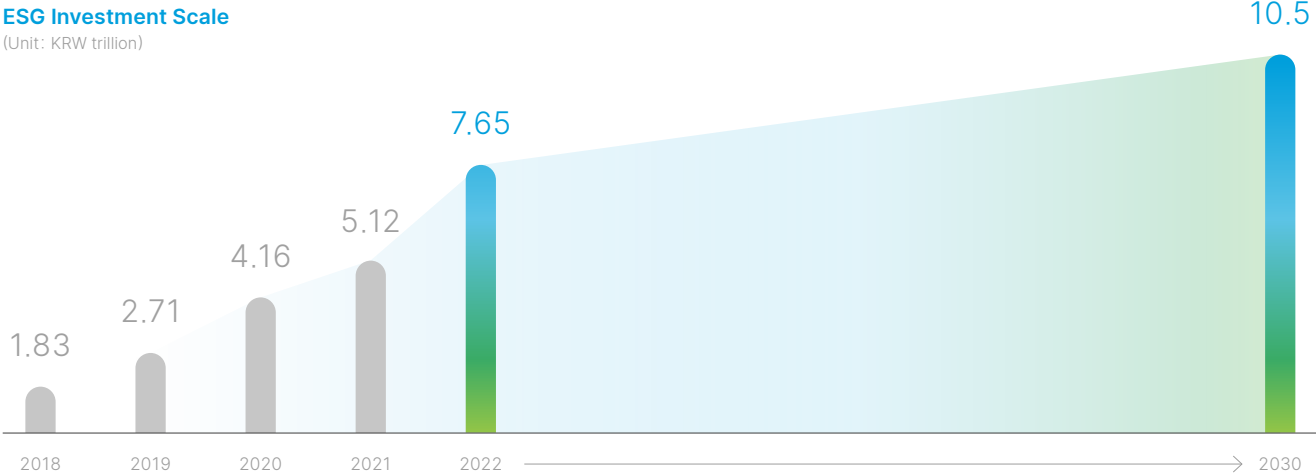
Advancing ESG Investment: Scaling Up and Expanding Scope
 As part of our commitment to ESG management, we engage in progressive ESG investments, scaling up the investment size. The investment amount has shown a steady increase over the

years: KRW 1.83 trillion in 2018, KRW 2.71 trillion in 2019, KRW 4.16 trillion in 2020, KRW 5.12 trillion in 2021 and KRW 7.65 trillion in 2022. Looking ahead, we have ambitious plans to further expand our cumulative ESG investment commitment to KRW 10.5 trillion by 2030, which represents a more than 2 times increase compared to the KRW 5.12 trillion invested by 2021. We have gained a strong reputation for our excellence in renewable energy investment, with a significant portion of our investments allocated to this sector. By 2025, we have set a target to invest a total of KRW 500 billion, with a focus on renewable energy projects such as solar and wind power as well as high-quality corporate ESG bonds. Our ultimate goal is to expand the scale of new investments to KRW 1 trillion per year by 2030, ultimately achieving a cumulative investment of KRW 10.5 trillion. Furthermore, we have strategic plans to diversify our ESG investments. In addition to traditional renewable energy sectors, we aim to explore opportunities in eco-friendly transportation, including electric and hydrogen-powered vessels. We also plan to venture into other sectors, such as zero-energy buildings, green remodeling, and various real estate areas.

In 2012
 1st company to establish
 a dedicated ESG organization

In 2020
 Declared
 'Coal phase-out financing'

By 2030
 Achieving a cumulative investment of
 KRW 10.5 trillion



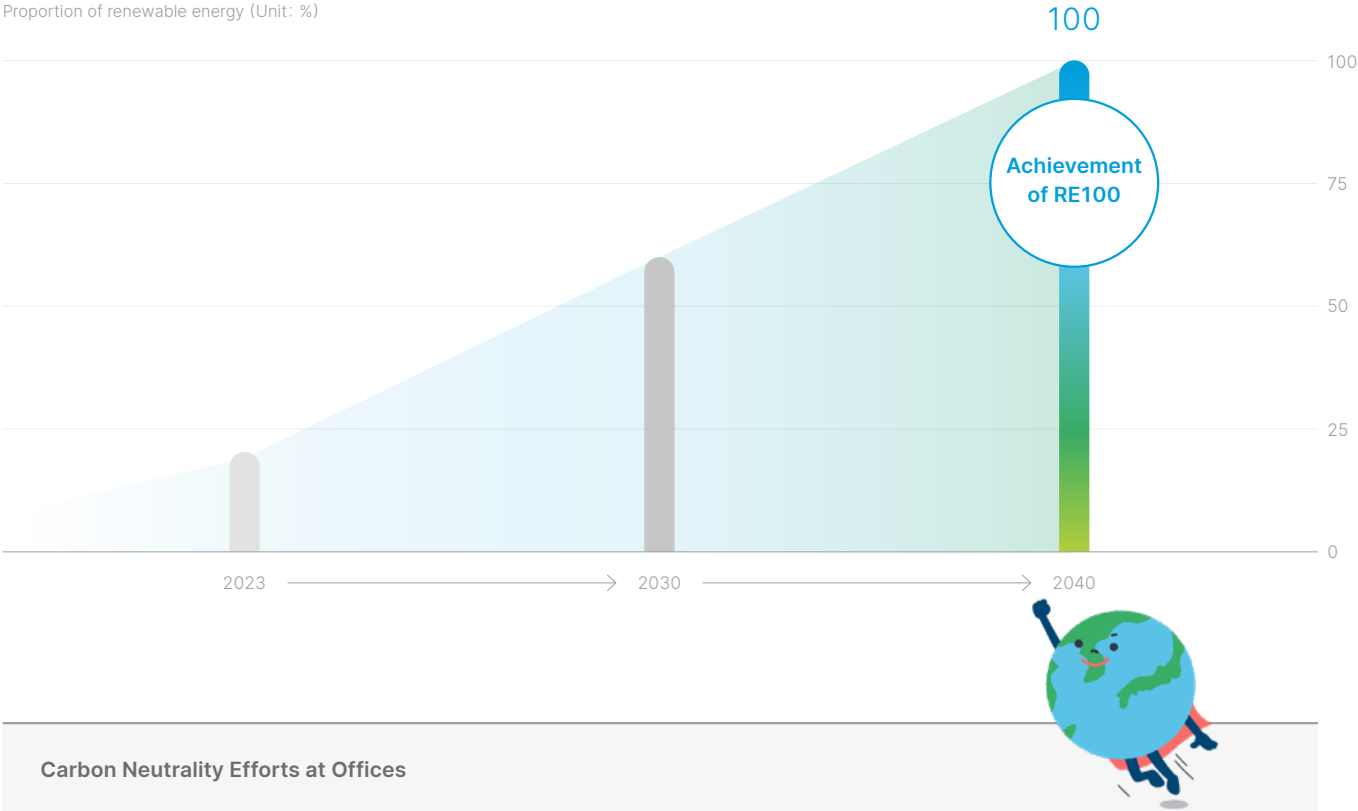
2. ESG Investment Up, Financed Emissions Down ESG

Efforts for Internal GHG Reduction

SFMI has declared a target of achieving ‘Net-zero’ in internal carbon emissions by 2050 and is actively implementing specific measures to accomplish this goal. Within the company, we have established an eco-friendly work environment by promoting paperless reporting and meetings. Moreover, we are doing activities such as providing tablet PCs and discouraging print-outs not only contribute to environmental protection but also enhance work efficiency. We have also embraced the use of mobile devices for electronic signatures in insurance contracts. Moreover, we have introduced approximately 20 self-service contract modification menus on our website and mobile platforms, enabling customers to handle various processes, such as policyholder and insured location changes, online without the need for agent assistance. As of 2021, the mobile subscription rate for long-term insurance contracts reached an impressive 96.4%. Additionally, we have joined the RE100 initiative in response to climate change, with the aim of transitioning to 100% renewable energy for our electricity consumption by 2040. RE100, established in 2014, is an initiative that focuses on renewable energy and requires companies to commit to sourcing 100% of their electricity from renewable sources. Starting from 2023, we have commenced the purchase of renewable energy and have plans to progressively expand our annual procurement volume. As part of our efforts towards carbon neutrality, we have developed plans to reduce net emissions (Scope 1 & 2 emissions, offset by renewable energy) based on our domestic and overseas business sites. These plans include measures such as reducing direct emissions from LNG boilers and a 100% conversion to zero-emission vehicles (EVs / hydrogen) for our business fleet by 2030 through our participation in the K-EV100 initiative. Lastly, we aim to achieve carbon neutrality for Scope 1 & 2 emissions by 2050 through improvements in the efficiency of our electricity facilities and the replacement of outdated equipment. With these initiatives, we plan to initiate a 1.4% reduction in annual GHGs in 2023 and ultimately achieve net-zero emissions by 2050.

RE100 Implementation Plan

Proportion of renewable energy (Unit: %)



Carbon Neutrality Efforts at Offices

We have launched several campaigns to promote sustainable practices among our employees in line with ESG management. The Eco Office initiative encompasses a series of ESG activities aimed at raising awareness about environmental protection and encouraging employee participation in eco-friendly practices. This includes the ‘Waste Separation Well’ campaign, the ‘Paperless Campaign,’ and the ‘Plastic-Free Campaign.’ To further promote these campaigns, we have introduced a mascot character named ‘EuSsuGi’ to be used in various ESG-related activities.

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Efforts to Mitigate Scope 3 Emissions

SFMI strives to reduce internal GHG emissions and also makes efforts to reduce carbon emissions (Scope 3) from its investment assets. As part of our commitment to achieving carbon neutrality for our investment assets by 2050, we have established plans to reduce financed emissions (net emissions) and are currently making multifaceted efforts to achieve this goal.

We plan to establish a carbon emission evaluation system and reduction plans for its operational assets by 2024. This initiative will enable us to apply the principles of carbon neutrality in our investment decisions. With the declaration of ‘coal phase-out finance’ in 2020, we have been identifying areas in violation of social responsibility and continuously incorporating ESG factors into our business processes. We have set an ambitious target to expand our cumulative ESG investment commitment to KRW 10.5 trillion by 2030, aligning it with K-Taxonomy (The Korean Green Classification System). Moreover, we aim to achieve zero emissions in our insurance and reinsurance underwriting portfolio by 2050, considering ESG factors in the insurance underwriting process. To accomplish these goals, we are pursuing a ‘negative screening’ strategy that restricts new investments and loans to businesses and companies with coal, tobacco, and gambling accounting for more than 30% of their revenue. This strategy aligns with the revised ESG investment guidelines implemented in 2020. Additionally, we prohibit insurance underwriting for companies involved in coal mining, coal-fired power generation, and resource development activities such as oil sands and Arctic oil exploration, which have a detrimental impact on the environment. We also avoid insurance underwriting for companies involved in human rights violations and unethical practices, in accordance with our ESG underwriting policy. Moving forward, we are committed to strengthening the decarbonization of insurance related to coal-fired power generation and enhancing the comprehensive integration of ESG factors.

Wider Application of Negative Screening Guidelines
for Investment Assets

SFMI has expanded the scope of restricted industries beyond the parameters outlined in the ESG investment guidelines in 2023. The extended negative screening approach now encompasses

the extraction and power generation sectors of petroleum and gas, which are significant sources of carbon emissions to align with domestic and international green investment trends. In case of investment targets engaged in diverse business activities, we apply the expanded exclusion criteria, which now includes fossil fuels such as petroleum and gas in addition to the previously restricted coal industry. We have excluded new investments in companies with a revenue share of 30% or more in gas, mining and power generation, tobacco, and gambling. We have plans to gradually broaden the coverage of these negative screening measures. When evaluating new investments, we plan to consider the carbon emissions per investment amount when making new investments. By adhering to responsible investment principles, we aim to lead the sustainable insurance industry and proactively address climate change, thus contributing to a sustainable future.

Negative Screening Guidelines for Investment Assets

1) As a matter of principle, investments and loans to companies and businesses engaged in coal mining, petroleum and gas extraction and power generation, tobacco, and gambling-related activities are restricted.
2) For companies engaged in multiple businesses, investments and loans are restricted for those with a revenue share of 30% or more in the most recent fiscal year derived from the categories mentioned in 1).
3) Restrictions are imposed on investments and loans to companies and businesses that are found to be in violation of social responsibility.



By 2030 Expansion of ESG investments and **revenue growth** from green insurance products and services



By 2040 Transition to **100% renewable energy** for electricity consumption

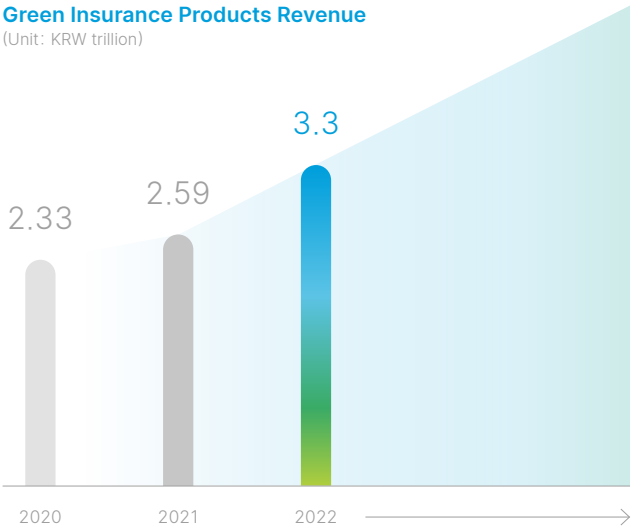


By 2050 Achieving **‘Net-zero’** in internal carbon emissions



By 2050 Realizing **Carbon Neutrality** in Financed Emissions (Net Emissions)

Green Insurance Products Revenue
(Unit: KRW trillion)



Pathway to Sustainability #2

Advancing Core Business Sustainability

The growth of non-life insurance is generally correlated with the pace of industrial growth in a given country. When industrial growth stagnates, it becomes challenging for the non-life insurance market to grow. South Korea has entered an economic stagnation period, with the economic growth rate declining from 4.3% in 2021 to 2.6% in 2022. Therefore, non-life insurance companies need to make concerted efforts to succeed in globalization in order to overcome the limitations imposed by the stagnant domestic market. To counter the entry of big tech companies into the insurance industry and cater to the needs of customers who are accustomed to non-face-to-face and digital platforms, insurance companies must enhance their digital capabilities, which have become essential. The digitalization of insurance companies presents both a crisis and an opportunity for growth. SFMI will proactively introduce digital strategies leveraging our insurance infrastructure to attract a diverse customer base and accelerate our global expansion.



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1. Successful Entry into the Global Market with Localization Strategies

Pioneering the Global Insurance Market

SFMI's overseas expansion dates back to the 1970s. In May 1978, SFMI established an office in London, the birthplace of insurance. Starting with the London office, we made significant strides in the overseas market in the 1990s. In 1990, we opened a branch in New York, marking our entry into the US market, and subsequently expanded into Asian markets, including Indonesia, Vietnam, and China. Through continuous expansion in the overseas market, we currently operate 18 branches, including seven overseas subsidiaries, in eight countries, encompassing the US, Europe, Asia, and the Middle East. We provide differentiated products and services tailored to meet the needs of local customers. Our extensive presence in the global market has propelled the growth of domestic insurance companies' performance in the overseas market. According to the '2021 Overseas Branch Operational Performance of Insurance Companies' report published by the Financial Supervisory Service, the net profit of overseas branches increased by 99.1% in 2021 compared to the previous year. The net profit of our seven overseas subsidiaries increased by 18.4% compared to the previous year, accounting for 34.4% of the total net profit. In 2022, we achieved a premium income of KRW 660.8 billion from our overseas branches. Our proactive global expansion strategies and thorough preparations have enabled us to achieve such remarkable success in the overseas market.

Successful Overseas Expansion Through Inorganic Approach

SFMI has made changes to its approach to expanding into overseas markets since 2010. In addition to establishing subsidiaries in foreign countries and directly entering the market, we have started pursuing inorganic, such as investing in or forming joint ventures with local companies. Our first investment took place in 2017 when we acquired a stake in PJICO, the fifth-largest company in the industry, established by Vietnam's state-owned enterprise, Petrolimex. Building upon this, we have further expanded our stake investments in

advanced markets. In 2019, we signed a contract to become a strategic shareholder by investing USD 150 million in Fortuna Topco Co., Ltd., which owns 100% of Lloyd's Canopus Group Limited in the UK. An additional USD 110 million was invested in 2020 to maintain the partnership. Lloyd's is an insurance cooperative where multiple insurance companies come together to collectively underwrite large risks based on their capital strength and preferred coverages. With over 300 years of history, Lloyd's has accumulated statistics and experiences to develop new general insurance products and underwriting processes. It is considered the mecca of the insurance industry, with a market size of approximately KRW 77 trillion as of 2022. Thanks to SFMI's strategic investment, Canopus took over the Lloyd's business of Amtrust in the US, rising to the sixth position in the Lloyd's market in 2022 from the tenth position in 2019. Through close cooperation with Canopus, we are expanding our influence beyond the UK to the US and Asia. In 2021, we signed a partnership with Canopus USA and agreed on a US fronting cooperation project, preparing a joint marketing strategy in Asia. SFMI and Canopus will continue to seek opportunities to jointly advance into the global insurance market by leveraging the strengths of both companies.

Milestone of Inorganic Expansion Approach

- In 2017
The acquisition of a stake in **PJICO**, Vietnam
- In 2019
Forming a partnership with **Canopus Group Limited** in the UK
- In 2021
Signed a partnership with **Canopus USA**

No. of countries
for overseas expansion /
No. of overseas branches

8/18

Net profit increase rate of
overseas branches in 2021
compared to the previous year

99.1%

Premium income
from overseas branches
in 2022

6,608 billion KRW

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2. Entering New Markets Abroad, Leveraging Digital Capabilities

Expanding into the Chinese Market Through a Joint Venture with Tencent

SFMI has also played a leading role in entering the Chinese non-life insurance market in 1995, becoming the first domestic insurance company and ranking seventh among global non-life insurance companies. In 2005, we successfully established a wholly-owned subsidiary in China, setting a global precedent for maintaining a stable management situation. In 2022, we achieved another significant milestone in our expansion into the Chinese market by establishing a joint venture corporation with Tencent, China's largest internet company. This venture, initiated in 2020, received approval for establishment within China in August 2022 and was officially launched in November of the same year. Tencent, a renowned big tech company in China, operates WeChat, the country's most influential social media platform. Through this partnership, we have secured an opportunity to enter the online insurance market, targeting China's population of 1.4 billion. We anticipate the synergistic effects resulting from the combination of our product development capabilities with Tencent's information technology (IT) infrastructure.

Asian Market Rising to Prominence with Digital Finance Growth

SFMI is expanding its global presence by venturing into other overseas regions in addition to China. In particular, we aim to accelerate our entry into Asian markets such as Vietnam and Indonesia, where the insurance industry is still emerging and significant growth is anticipated due to the expected industrial expansion in these countries. We have already established a presence in the Asian market through our subsidiaries in Indonesia and Vietnam, which experienced impressive year-on-year increases in net profit of 90.56% and 22.86% respectively in 2022. The Asian market holds appeal due to its limited financial infrastructure, which drives the rapid expansion of financial services leveraging smartphone apps and other digital platforms. As the Asian market heavily relies on mobile devices, insurance companies equipped with digital capabilities enjoy a competitive advantage in entering this market. Therefore, we aim to leverage our digital capabilities on par with big tech companies, swiftly solidifying our position within the Asian market.

In 2022

Premium income from overseas branches

KRW 660.8 billion

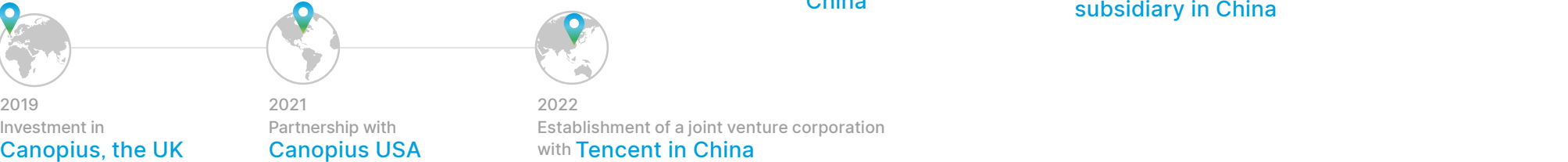
In 2022

Official launch of a joint venture corporation with Tencent

Increased premium income from Asian markets

Including Indonesia and Vietnam

Milestone of SFMI's Overseas Market Expansion



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3. Digital Platform on Par with Big Tech Companies

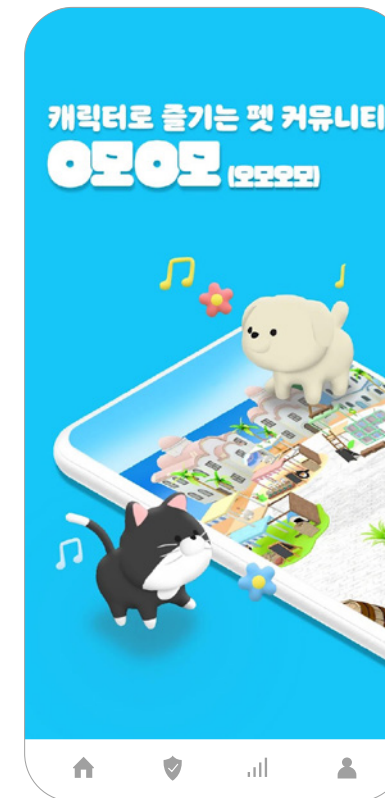
The Digital Platform that Captivated Generation MZ and Pet Owners

In 2021, SFMI launched its Digital Headquarters to enhance its digital competitiveness and focus on connecting and expanding its business areas based on its core operations. Our focus extends beyond the simple digitization of existing infrastructure. We actively strive to adopt digital platforms and foster a culture centered around insurance.

In 2022, we introduced a new brand called 'Direct Chac,' which has evolved from a sales-oriented platform to a comprehensive living finance platform. We have diversified the range of insurance products available exclusively through digital channels and provided customers with optimized and personalized services, leveraging data analysis and AI technologies. Notably, the 'Chac! Lifestyle Service' offered on the platform is a reward-based service where individuals can earn points by practicing healthy and safe lifestyle habits such as safe driving and walking. Even without being an SFMI policyholder, anyone can access this service by installing the mobile app. The 'Chac! Lifestyle Service' has gained significant attention among the Millennials and Gen-Z generation (MZ) and experienced remarkable growth in the number of subscribers, increasing from 100,000 in July 2022 to 1.2 million in May 2023, representing a more than 12 times increase within 10 months. Considering the upward trend in subscriber numbers, it is anticipated that the 'Chac! Lifestyle Service' will surpass 1.5 million subscribers by the end of 2023.

In the second half of 2022, another digital platform was launched, which established a new digital culture centered around insurance. 'Omo Omo' is a pet community service where users participate as characters in a metaverse environment. This service enables pet owners to share information and engage in community discussions. Prior to its launch, 'Omo Omo' garnered significant interest, with approximately 150,000 people participating in a month-long pre-registration campaign. Shortly after its release in two days, it quickly climbed to the top spot in the social category of the Google Play Store. Through their pet characters in the metaverse, users can interact with each other, obtain diverse

information about pets, and share their daily lives with their beloved companions. We are actively introducing pet insurance in the expanding pet market and aim to establish familiarity with pet owners through this pet community. The pet market was valued at approximately KRW 3.4 trillion in 2020 and is projected to grow to the range of KRW 6 trillion by 2027. Therefore, it is anticipated that the user base of 'Omo Omo,' which has the potential to become prospective pet insurance customers, will also increase.



삼성화재 다이렉트



No. of subscribers for 'Chac! Lifestyle Service'

June 2022

Exceeded 100,000 individuals

May 2023

Exceeded 1,200,000 individuals

Projected no. within 2023

Exceeded 1,500,000 individuals

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Beyond Insurance to
Personalized Health Management Services

SFMI launched the integrated health management platform ‘Anyfit’ in 2018 to promote digital healthcare. Evolving into ‘Anyfit 2.0’ in 2021, the app gained popularity with 410,000 users. In 2022, it further evolved into ‘Anyfit PLUS’ to enhance its competitiveness as a digital health management platform. ‘Anyfit PLUS’ supports users to manage chronic conditions and incorporate healthy habits into their daily lives, based on health risk analysis results developed by medical professionals from Severance Hospital. The app is accessible to anyone aged 15 and above upon installation. ‘Anyfit PLUS’ consists of three main services: health check, daily care, and chronic condition management. The core feature, ‘Health Check,’ adopts an AI machine learning model developed by Severance AI Research Institute, which analyzes 10 years of examination data to predict the probability of future illnesses over the next decade, making it the first model of its kind in Korea. Building on this digital competitiveness, we aim to evolve into a ‘healthcare’ company that goes beyond being a simple insurance provider and extends to customer health management.

The healthcare platform ‘Anyfit’ has expanded its scope not only as a B2C service but also into the B2B sector. In 2022, we launched ‘Anyfit PRO,’ a non-face-to-face digital health management platform exclusively for corporate employees, developed in collaboration with Gangbuk Samsung Hospital’s advisory team. ‘Anyfit PRO’ includes chronic condition management, weight management, and a mental health management program developed in partnership with the industry-leading Employee Assistance Program (EAP) company ‘EZNWellness.’ ‘Anyfit PLUS’ and ‘Anyfit PRO’ will be the foundation for us to become a leader in the digital healthcare industry.

anyfit PLUS

Main Features of Anyfit PLUS

Health check

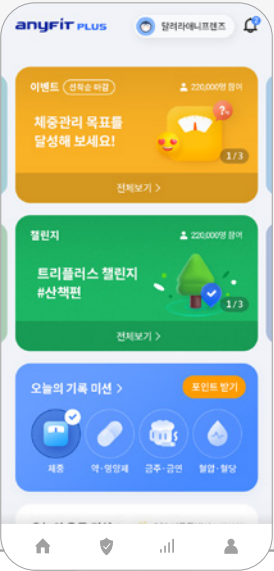
- Enabling health checks utilizing disease risk analysis system developed by Severance AI Research Institute
- Adopting the first model of its kind in Korea that analyzes 10 years of examination data to predict the probability of future illnesses over the next decade
- Providing the risk rates for a total of 16 major diseases, including 8 types of cancer and 8 types of chronic diseases, over the next 10 years, broken down by each year

Daily Care

- Providing a range of exercise missions including walking, running, cycling
- Offering diverse healthy missions such as abstaining from alcohol, weight control, taking nutritional supplements, checking blood pressure and blood sugar

Chronic Condition Management

- Chronic condition management such as hypertension, hyperlipidemia, and diabetes utilizing health check data
- Allowing users to check their vascular age and choose their own goals for improving daily habits



anyfit PRO

Main Features of Anyfit PRO

Chronic Condition Management

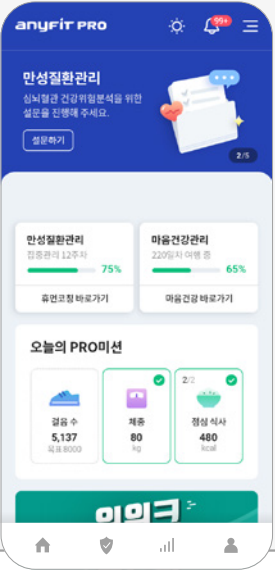
- Providing analysis results of cardiovascular health risks through surveys on basic health data and lifestyle habit
- Supporting individual management of chronic conditions utilizing health measurement devices linked to the app
- Offering personalized weekly health management information tailored and one-on-one coaching services by health managers from Chang Healthcare, a specialized healthcare company

Weight Management

- Analyzing survey results on health such as obesity, activity level, nutrition, and daily habits
- Facilitating weight management utilizing a body fat measurement device linked to the app
- Providing personalized recommendations for exercise and dietary utilizing AI program developed by Samsung Research, and offering one-on-one coaching services by professional health managers

Mental Health Management

- Under the Concept of ‘Embarking on a Journey to find myself’
- Analyzing the mental health status based on various psychological assessments developed by EAP specialist company ‘EZNWellness’
- Providing mental health information through videos and webzines, allowing users to access healing solutions without constraints of time and location
- Offering anonymous psychological counseling services by professional counselors



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4. Generating Synergy through Insurance Combined with IT

Broadening Our Customer Base with Digital Capabilities

SFMI is driving digitalization across all aspects of its business processes, from sales to compensation. To achieve this, we are enhancing our capabilities in big data analysis, enabling us to utilize a combination of internal and external data. In particular, 2023 has been designated as the year to complete our digital platforms and generate tangible results. Our goal is to sharpen the competitiveness of our digital platforms and expand our customer base. In 2022, we aim to expand our membership base, enhance content, and improve our services for customers on the integrated platform 'Monimo,' developed by the collaboration with other Samsung financial affiliates. Additionally, we will prioritize lifestyle-oriented services through our direct platform 'Chac! Lifestyle Service.' Furthermore, we will leverage our digital assets accumulated through the pet community 'Omo Omo' and insurance DIY services to achieve significant outcomes. Furthermore, we are committed to utilizing digital technologies to enhance our customer service and provide advanced solutions. In March 2023, we achieved a significant milestone by signing a MOU with Wecover, a leading AI company based in the United States. This collaboration allows us to pioneer the application of AI technology in the insurance industry, becoming the first in the country to adopt generative AI services. Insurance policies are extensive and intricate, posing challenges for employees who may not specialize in every specific clause. Collaboration across departments becomes necessary to ensure comprehensive understanding. However, by introducing AI chatbots, we can streamline this process. Our call center employees can leverage AI-powered responses to offer accurate guidance to customers, significantly reducing the time required to handle customer requests. By harnessing these advantages, we can minimize incomplete sales.

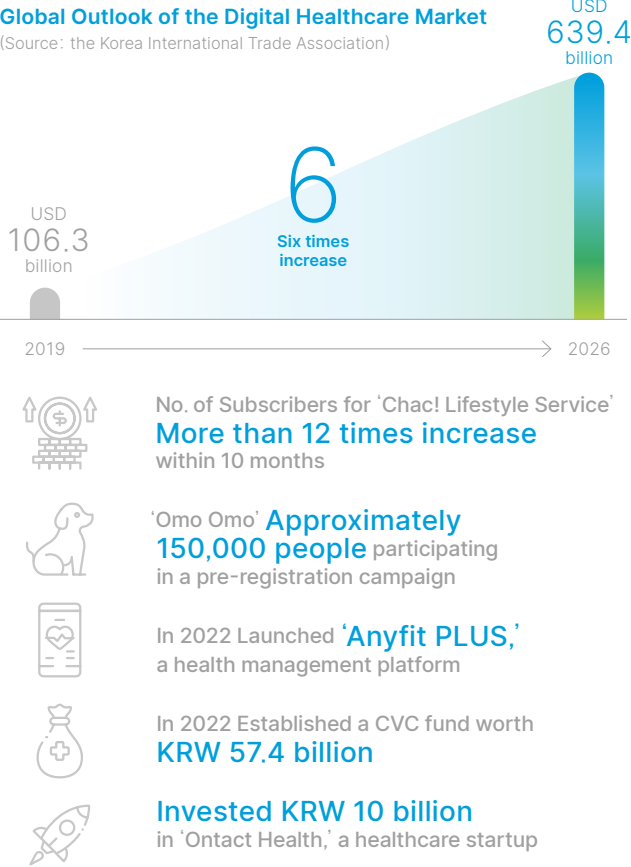
Capturing the 'InsureTech' Market for Dominance in Healthcare

Population aging is accelerating the rapid expansion of the global healthcare market. Particularly, the digital healthcare

market, driven by the technological capabilities of IT companies, is experiencing significant growth. According to the Korea International Trade Association, the global digital healthcare market is projected to reach USD 639.4 billion (approximately KRW 840 trillion) by 2026, which is nearly six times the size of USD 106.3 billion (approximately KRW 140 trillion) in 2019, demonstrating substantial growth over a span of seven years. As a result, not only tech companies but also the insurance industry are fiercely competing to seize opportunities in the digital healthcare market.

To dominate the digital healthcare market, the health management service application, 'Anyfit PLUS,' will play a crucial role. In pursuit of this goal, we aim to capture the emerging 'InsureTech,' a term coined by combining Insurance and Technology, market by investing in promising startups equipped with innovative technologies. In March 2022, we established SVIC Fund No. 58, a Corporate Venture Capital (CVC) fund worth KRW 57.4 billion. The investment through the CVC fund strategically supports promising startups. This marks the second investment in a CVC fund, following the establishment of SVIC Fund No. 44, a Financial R&D CVC fund worth KRW 39.6 billion in 2019. With these investments, the total planned or executed investment amount through CVC funds will reach KRW 100 billion. We have also proceeded with the commercialization of technologies developed by the invested startups through integration into 'Anyfit PLUS.' The first CVC investment went to 'Good Doctor,' a health check-up reservation service startup, which is currently incorporated into 'Anyfit PLUS.' For the second CVC investment, we selected 'Ontact Health,' a healthcare startup founded by doctors from Severance Hospital. 'Ontact Health' possesses exceptional capabilities in AI-based analysis of medical data, and we have invested KRW 10 billion in the company. This investment amount is unprecedented for an insurance company. The AI-based health risk analysis solution of 'Ontact Health' is also applied to 'Anyfit PLUS,' enabling the platform to offer unique digital healthcare services. Additionally, we are promoting collaboration with startups

through startup competitions jointly organized with other Samsung financial affiliates such as Samsung Life, Samsung Card, and Samsung Securities. We are devoted to proactively investing in promising companies in the healthcare market to establish a leading position in the industry.



Pathway to Sustainability #3

Differentiated Customer Service

The insurance industry was not an exception to the trend of non-face-to-face services, which was boosted by the COVID-19. The rapid pace of digitalization has resulted in a significant surge in the demand for non-face-to-face services. Customers now desire to handle every aspect of their insurance, from contracting to compensation, within a digital environment. Moreover, the changing demographics have led to an increase in the diverse needs of customers across different generations. Therefore, it is crucial for us to engage with customers through both offline and digital channels, addressing their specific requirements. Adapting to the evolving environment, we are committed to listening to customers' voices from various perspectives. We will expand the role of insurance beyond post-management to encompass proactive risk management.



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1. Customer Service Beginning from Listening

Diversified Digital Services

With the growing demand for non-face-to-face services following the COVID-19 pandemic and the rapid advancement of digitalization, SFMI has enhanced its range of digital services. Our customers now have the convenience of managing their entire insurance process, from product consultation to contract and claims processing, through non-face-to-face channels. We take pride in being the first company in the industry to introduce electronic signatures on our mobile website. As a result, customers can effortlessly handle a wide range of tasks on our mobile app, eliminating the need for individual installations. These tasks include insurance claims, contract modifications, premium payments, and more, all conveniently accessible in one place. Moreover, the mobile web offers an expanded selection of authentication methods, further enhancing the ease of requesting insurance services. Diversified 'Smart Link'-based services have significantly increased consumer convenience in the online environment, allowing customers to verify and manage their contract and benefit information. The wide array of digital services not only provides convenience to customers but also fosters improved communication with them. Consequently, the number of e-finance members has been steadily rising, reflecting the positive response to our diversified digital services.

Customized Communication and Services by Generation

As non-life insurance covers the entire life stages of customers, it serves a diverse range of generations. Therefore, SFMI operates systems to ensure effective communication for different age groups. In 2005, we introduced the 'Customer Panel System' for the first time in the industry, which has since been expanded to include the 'Senior Customer Panel' system in 2021 for customers aged 60 and older, and the 'MZ Generation Customer Panel' in 2022 to gather the opinions of customers in their 20s and 30s. We actively utilize the 'Customer Panel' system, allowing customers to experience our products and services and enabling us to collect feedback to make necessary improvements. As of 2022, a total of 75% of the identified issues have been



addressed among 1,000 tasks suggested by customer panels. These initiatives reflect our commitment to providing customized products and services that meet the needs of our customers. Recently, we have enhanced our services to support seniors who may not be familiar with the digital environment. In January 2022, we launched the dedicated 'Call Senior Team,' connecting senior customers aged 65 and above to a specialized team for telephone consultations, ensuring detailed discussions using simpler language. In January 2023, we introduced the industry's first 'Senior-friendly Mobile Service' designed specifically for the elderly. Customers can easily switch to the senior-friendly mobile service on our mobile website by clicking on the 'Large Font' button, enabling easy and fast transaction processing. This service offers a unique experience for both elderly individuals and customers who prefer convenient transaction processing.



In 2021 Introduced the
'Senior Customer Panel' system
In 2022 Installed the
'MZ Generation Customer Panel'
system



As of 2022
Improved 75%
of the identified issues among 1,000 tasks



In 2023
Introducing **the industry's first**
'Senior-friendly Mobile Service'

2. Insurance that Moves Ahead of Customers

Managing Customer Risks: Taking Preemptive Action Before Reactive Measures

Considering that the essence of the insurance industry is to enable customers to lead a safe life, insurance companies should not only provide risk solutions but also adopt a proactive approach to predict and implement preventive measures for the risks that customers and society may encounter. In line with this principle, SFMI strives to be a company that embraces ESG management, serving as a social safety net and emphasizing proactive risk management rather than reactive post-management. To accomplish this goal, we operate non-profit research institutes, namely the 'Samsung Traffic Safety Research Institute' and the 'Global Loss Control Center.'

Establishing a Proactive Customer Response and Preemptive System

Starting from 2023, SFMI will shift its focus on customer service from a reactive problem-solving approach to a proactive and preemptive system that anticipates customer requests in advance. First, we will establish a consultation system for each case. To do this, we are planning to form dedicated teams for specific customer groups as senior customers and excellent customers. This approach will enable us to anticipate and prevent future customer requests. Additionally, we intend to develop protocols for special situations such as adverse weather conditions and refine contingency plans accordingly. Secondly, we are committed to making efforts in preventing customer requests in advance. We will implement standardized responses to frequent and complex customer requests, such as policy renewal premiums, refunds, and discounts or surcharges of automobile insurance, to enhance our response capabilities. Furthermore, we will strengthen on-site training for major issues, such as disputes related to medical expense claims, in order to proactively prepare for anticipated customer requests. Through these changes in customer service, we will accumulate customer data for future utilization, which will serve as a foundation for better understanding of our customers and providing more advanced customer services.

Samsung Traffic Safety Research Institute

Since its establishment in 2001, the Samsung Traffic Safety Research Institute has been actively involved in various research projects aimed at reducing traffic accidents and social costs. It also provides traffic safety consulting services to client companies. One of the notable initiatives introduced by the institute is the 'Variable Speed Limit' in collaboration with transportation authorities. Furthermore, it has played a significant role in the approximately 50 legislative amendments, including the 50-30 safe speed policy in conjunction with the National Police Agency. In April 2022, the institute established the Traffic Safety Policy Advisory Committee, which serves as a platform for collaboration among diverse stakeholders such as NGOs, government agencies, the National Assembly, public and research institutions, and academia. Through these partnerships, the institute works closely with relevant organizations to develop traffic safety policies that can effectively adapt to changes in the transportation environment. This includes setting safety standards for personal mobility vehicles and implementing regulations mandating the stopping at red lights before making right turns.



Global Loss Control Center

The Global Loss Control Center (GLCC) is a private disaster research institute established in 1979, guided by the principle that 'most accidents can be avoided with proper prevention measures.' GLCC conducts on-site risk assessments and engages in accident prevention activities in various settings, including industrial sites, public infrastructure, commercial and residential facilities, with the goal of creating a safe society and secure environment. With a team of experienced professionals in various fields, each with over 20 years of expertise, GLCC provides 19 types of consulting services across 4 sectors to approximately 200-300 clients annually. Through these services, GLCC identifies potential risks for clients and offers customized safety measures, thereby supporting their stable business operations. Additionally, GLCC is actively addressing pressing social issues such as climate change, disaster prevention, ESG safety management support, and the development of safety management guidelines and solutions for personal safety.



3. Let's Go Together to The Future!

Inclusive Insurance Embracing Socially Vulnerable Individuals

As the nation's leading non-life insurance company, SFMI recognizes inclusive finance as a key initiative. Therefore, we strive to provide insurance products that embrace socially vulnerable individuals and enhance social value, ensuring comprehensive insurance coverage without any gaps. In addition, operating dedicated foreign customer service centers and websites is an integral part of our inclusive finance approach.

Furthermore, our inclusive finance practices have expanded to encompass digital platforms. In 2022, we launched the 'Platform Exclusive Caregiver Liability Insurance' in collaboration with the caregiver matching service platform, 'CareNation.' Caregiver liability insurance is crucial not only for patients and their families but also for caregivers. Previously, the process required caregiving agencies to submit daily lists to insurance companies, which caused inconvenience. This platform has streamlined the enrollment and claims process for caregiver liability insurance, specifically targeting seniors, people with disabilities, and individuals with illnesses who have been marginalized in the traditional insurance market. We offer this product at reasonable premiums.

For Healthy Local Communities

Under the CSR vision of 'Let's go together to the future! Enabling people,' SFMI is actively engaged in social contribution activities. Our CSR initiatives cover various areas, involving our specialized business, joint initiatives with Samsung Group, and contributions to local communities, amounting to a yearly value of KRW 12 billion. In 2022, through these social contribution activities, we achieved significant milestones by returning approximately KRW 12.66 billion to society. Particularly noteworthy are our 'Traffic Safety Academy' and 'Guide Dogs for the Visually Impaired' projects, which are deeply rooted in our longstanding and unique history of social contribution. These activities are directly linked to the essence of the insurance industry, our core business, as we strive to serve as a safety net for society.

Traffic Safety Academy

To reduce casualties and accidents involving vulnerable road users, which are higher than the average among OECD members, we established the SFMI Transportation Museum in 1998 and The Samsung Traffic Safety Research Institute in 2021. The SFMI Transportation Museum is Korea's first museum specializing in automobiles and has been collecting, researching, and preserving natural heritage related to automobiles. Additionally, it provides the 'Traffic Safety Education for Children' program to prevent traffic accidents involving children. As of 2022, the cumulative number of visitors to the museum stands at 4.37 million, with 510,000 participants completing the traffic safety education program. In commemoration of its 25th anniversary in 2023, the museum is planning a complete renovation with a focus on mobility. It will undergo a transformation into a multifaceted cultural space where visitors can experience and enjoy the diversity of past, present, and future mobility. The reopening is scheduled to take place in August, 2023. The Samsung Traffic Safety Research Institute promotes an advanced traffic safety culture based on its research and development findings. It collaborates with the government and local authorities to develop traffic safety policies and conduct nationwide traffic safety education and promotion.



Supporting The Visually Impaired with Guide Dogs

In 1993, we established a guide dog school to assist visually impaired individuals in safe and independent walking by introducing the concept of 'assistance dogs for people with disabilities' for the first time in Korea. At that time, it was rare to find dogs assisting humans. From humble beginnings, we have grown into the only domestic institution that supplies internationally certified¹⁾ guide dogs. The guide dog support program for people with visual impairments is a prominent social contribution project that involves collaboration among companies, citizens, and the government. We breed, distribute, and manage guide dogs, while citizens volunteer for activities such as puppy walking²⁾, caring for breeding or retired dogs. The government has also enacted legislation to ensure that guide dogs have access to convenient facilities. This project requires significant attention and support, with over 1,800 households participating in volunteer work and more than 300 volunteers working at the guide dog school. The SFMI Guide Dog School provides free distribution of 12 to 15 guide dogs every year. As of January 2023, a total of 270 guide dogs have been distributed, with 71 currently in service. 2023 marks the 30th anniversary of the guide dog program. In line with this milestone, we are determined to make even greater efforts to achieve qualitative growth.

- 1) In 1999, we acquired full membership status in the International Guide Dog Federation (IGDF).
- 2) Volunteer service involving socializing and training guide dog puppies in households for one year



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4. Customer Protection, Ultimate Destination of Service

Seamless Data Management

The nature of insurance entails a significant amount of customer information, which compels us to spare no effort in preventing information leakage regarding our contracts. To address this, we have established an Information Protection Committee, a decision-making body comprised of key executives that focuses on security issues. Additionally, we regularly convene the IT Information Protection Committee, which reports its findings and future plans to the CEO. In 2000, our website was recognized as an excellent website by the Korea Association for ICT Promotion during the first round of ePRIVACY PLUS. As the sole Korean insurance company to receive this certification, we have successfully renewed it every year since then. We are deeply committed to thorough data management. Furthermore, we take pride in being the first in Korea to obtain the ‘Data Quality Certification-M Level 4’ from the Korea Data Agency under the Ministry of Science and ICT. This certification is granted to public institutions or private corporations based on a comprehensive assessment of their information system management. As the only private corporation to receive the ‘Level 4’ certification, which is the highest level in Korea, we maintain a strict system and adhere to rigorous data management practices. This enables our customers to use our online services without concerns. Moreover, we have introduced personal cyber accident insurance in February 2023 to empower individuals to proactively prepare for various types of cyber incidents. This coverage includes cyber financial crimes, online trading and shopping fraud, as well as liability and legal expenses. The insurance policy extends coverage not only to the policyholder but also to their family members, providing comprehensive protection.

Organizations Responsible for Customer Protection

SFMI established a comprehensive customer protection system. In March 2009, we introduced the ‘Customer Rights Protection Committee,’ an advisory body that fairly and

objectively mediates and arbitrates complex and challenging insurance disputes between the company and customers. The committee consists of a diverse range of professionals, including current professors, lawyers, and doctors, to ensure fairness, objectivity, and expertise. Additionally, we have set up the ‘Customer Protection Committee’ to promptly and effectively address consumer protection-related issues. The Consumer Protection Committee, established in 2014, plays a role in identifying customer inconveniences or suggestions as improvement tasks and incorporating them into the company’s systems, thereby addressing irrational systems and practices from the perspective of consumers.

With an aim to handle customer complaints on-site with faster resolutions, we operate the ‘Consumer Protection Center’ in eight locations nationwide. Furthermore, in order to assist consumers who face difficulties in understanding insurance terms, we have established the ‘Insurance Terms Improvement Task Force,’ which aims to enhance customers’ understanding and prevent incomplete sales. Through this task force, we revise 70 types of insurance terms to improve clarity and transparency for customers.



In 2022
Launched the ‘Platform Exclusive Caregiver Liability Insurance’



The cumulative no. of visitors to the SFMI Transportation Museum reaching **4.37 million, 510,000 participants** completing the traffic safety education program



Insurance Terms Improvement Task Force
Revising 70 types of insurance terms to improve clarity for customers



22 consecutive years of 1st place in NCSI
25 consecutive years of 1st place in the automobile insurance sector of KCSI

Ranked 1st in External Customer Satisfaction Evaluation

Through our unwavering commitment to customer satisfaction, we have consistently secured the top position in customer satisfaction evaluations such as the National Customer Satisfaction Index (NCSI) conducted by the Korea Productivity Center and the Korean Customer Satisfaction Index (KCSI) conducted by the Korea Management Association Consulting.

Our remarkable achievement includes 22 consecutive years of being ranked 1st in NCSI, the longest record in the financial industry. Additionally, we have maintained our position as the leader in the automobile insurance sector for 25 consecutive years and in the long-term insurance sector for 12 consecutive years in KCSI, solidifying our status as a major player in the financial industry. In particular, our focus on expanding digital services in lifestyle-oriented insurance and healthcare has earned us high scores and accolades in 2022. This digitalization initiative has further strengthened our competitiveness in the value chain and has contributed to an enhanced corporate value.

Ranked 1st in NCSI for 22 consecutive years

Ranked 1st in KCSI automobile insurance sector for 25 consecutive years

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Action against Climate Change

Strategy

SFMI is actively addressing climate change in alignment with global society by formulating climate change response strategies. We have established environmental and energy management policies and are engaging in eco-friendly activities such as target-based Green House Gases (GHGs) reduction and reduced resource usage. Building on these efforts, we are implementing energy efficiency measures to decrease carbon emissions. This includes the replacement of outdated building facilities and transitioning our corporate fleet vehicles to zero emission vehicles (EVs/HVs) by 2030, in accordance with our goals. We are committed to reducing direct emissions from LNG gas boiler facilities by adjusting boiler operating hours and improving heating efficiency through the installation of low-NOx burners. Also, we will optimize the operation of elevators, lighting systems and air conditioning facilities to decrease electricity consumption, while enhancing the efficiency of electrical facilities and replacing outdated equipment as part of our ongoing efforts. Since we declared the coal phase-out financing in 2020, we have decided to suspend underwriting insurances and investing in assets related to coal-fired power plants, including coal mining, coal-powered electricity and new infrastructure construction. We aim to expand our accumulated ESG contract investments to KRW 10.5 trillion by 2030, as part of our pursuit of a transition toward carbon-neutral economic system.

[🔗 Policy on Responsible Investment \(p.45\)](#)

[🔗 ESG Insurance Underwriting Policy \(p.47\)](#)

Target

SFMI is making multilateral efforts to achieve carbon neutrality by committing to decarbonized insurance underwriting and declaring coal phase-out finance. Our goal is to achieve net-zero emissions by 2050. Additionally, we have joined the RE100 initiative to tackle climate change, aiming to convert our entire electricity consumption to 100% renewable energy sources, such as solar and wind power, by 2040. We plan to gradually expand the share of renewable energy to achieve RE100 and offset carbon emissions. As we joined the ‘Korean Electric Vehicle 100 (K-EV100)’ initiative organized by the Korea Automobile Environmental Association in June 2022, we have set a goal to transition all our business vehicles to zero emission vehicles by 2030. As of December 2022, SFMI has a total of 161 business vehicles, with 5 of them being EVs. We plan to increase the proportion of pollution-free vehicles to 30% by 2025, 70% by 2028, and 100% by 2030.

By 2050

Net-zero

Reduction rate of GHGs compared to the 2030 target

50% Compared to 21,124 tCO₂eq in 2017

Action against Climate Change

2022 Performance

GHG Emissions

SFMI applies an internal carbon price standard to practice and enhance our carbon reduction efforts. The internal carbon price is based on the average price of the previous year on the Korea Exchange. In 2022, the average price of KAU21 (Korea Allowance Unit 21) was applied, which was KRW 23,402 and we plan to apply the average price of KAU22, which is KRW 23,889 in 2023. The internal carbon pricing mechanism enables us to quantify the abstract impact of GHG reduction in terms of economic value. It is utilized in various aspects of our environmental and energy management initiatives. By capitalizing on this mechanism, we gain crucial insights that demonstrate the economic benefits resulting from improvements in energy efficiency, expansion in investments in renewable energy facilities, and changes in employee attitudes. Additionally, it helps us align with government GHG policies. Additionally, we urge our employees to opt for public transportation for business-related travels and advocate the use of video and voice conferencing systems for virtual meetings, with the objective of reducing GHG emissions (Scope 3).

Category		Unit	2020	2021	2022
GHGs	Total emissions (Scope 1 & 2) ¹⁾	tCO ₂ eq	15,153	14,707	14,757
	Direct emissions (Scope 1) ²⁾	tCO ₂ eq	3,233	3,016	3,039
	Indirect emissions (Scope 2)	tCO ₂ eq	11,920	11,691	11,718
	- Local based ³⁾	tCO ₂ eq	11,920	11,691	11,718
	- Market based ⁴⁾	tCO ₂ eq	0	0	0
	Other indirect emissions (Scope 3) ⁵⁾	tCO ₂ eq	4,081	3,208	3,708
	- Emissions in business trip ⁶⁾	tCO ₂ eq	88	156	1,141
	- Emissions in waste generated in operations	tCO ₂ eq	151	160	486
	- Emissions in the use of water	tCO ₂ eq	87	66	47
	- Emissions in the use of paper	tCO ₂ eq	3,755	2,826	2,035
GHG emissions intensity ⁷⁾		tCO ₂ eq/m ²	0.0424	0.0414	0.0419
GHG emissions reduction	Total reduction (Scope 1 & 2 & 3) ⁸⁾	tCO ₂ eq	4,281	1,298	-550
	Reduction rate (Percentage of target achieved) ⁹⁾	%	56.5	60.8	60.3 ¹⁰⁾

1) FY2022 Target: 14,707
 2) FY2022 Target: 3,016
 3) FY2022 Target: 11,691
 4) FY2022 Target: 0
 5) FY2022 Target: 3,208
 6) FY2022 Target: 420
 7) Per square meter, based on Scope 1 & 2 emissions, the Head Office's mobile combustion excluded
 8) Scope 3 is limitedly reflected (Business trip, waste, water, paper)
 9) Based on Scope 1 & 2, Percentage of 2030 target achieved
 10) FY2022 Target: 60.8

Energy Consumption

In our effort to reduce carbon emissions, we are making improvements to our facilities. As part of these efforts, a solar power generation facility was installed at the Goyang Global Campus (training center). By generating and utilizing eco-friendly electricity, this facility contributed to the reduction of approximately 313.3tCO₂eq in 2022. Looking ahead, we will play a leading role in responding to climate change by reinforcing eco-friendly infrastructure and promoting the use of renewable energy, in line with the government's carbon neutrality goals and the Green New Deal policy.

Category		Unit	2020	2021	2022
Non-renewable energy	Total consumption ¹⁾	MWh	85,416	84,024	84,423
	Direct consumption	TJ	59	56	57
	Indirect consumption	TJ	248	247	247
	Energy intensity ²⁾	TJ/m ²	0.000951	0.000898	0.000902
Renewable energy	Total production ³⁾	MWh	640	650	682
Energy consumption Reduction	Reduction	TJ	67	4	-1

1) FY2022 Target: 84,024
 2) Per square meter
 3) FY2022 Target: 650

Climate Risk Management

Strategy

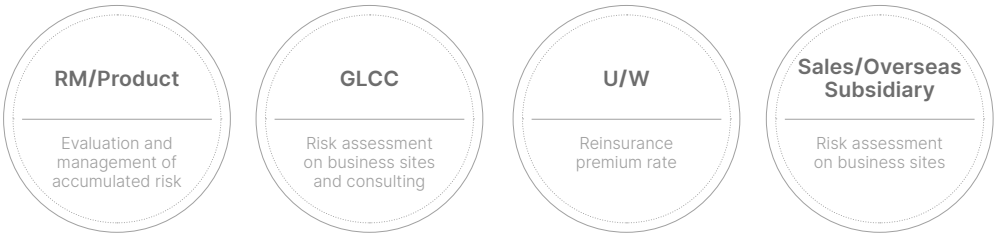
SFMI is diligently carrying out a comprehensive climate risk management system, following the step-by-step approach. We have identified climate-related risk factors that could impact our business and have defined measures to quantify these risks. In 2023, we expect to establish a governance and management system focused on climate risks. We have also aligned our information disclosures with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). By thoroughly analyzing the climate risks we face, we are enhancing our resilience to manage and mitigate them.

Assessment

Climate Change Risk Analysis and Evaluation

SFMI's Global Loss Control Center (GLCC) provides comprehensive support in various ways to mitigate the financial impact of natural disasters on our customers and local communities. The GLCC'S responsibilities encompass various areas, including conducting risk diagnosis for insured properties, offering expert consultations, carrying out research on the environment and safety issues, analyzing natural disaster risks on a regional and national level, and developing and managing risk-related standards and guidelines. Moreover, we have developed our distinctive loss assessment and estimation model called the Global Risk Map (GRM), which is being actively utilized in various tasks, such as risk assessment and insurance examination. GRM offers valuable information on natural disasters and simulates estimated loss amount for individual insured properties and Cat Zones. We verify GRM internally and externally, and compare it with industry-leading modeling firms, reinsurance brokers, and Nat Cat professionals, to ensure its accuracy and reliability. By doing so, we strive to provide our customers and local communities with trustworthy information.

Application of the GRM (Global Risk Map) to Business



Business Case: Weather Risk Management

Given the impact of weather-related events on our non-life insurance business, such as storms and floods, SFMI recognizes the criticality of proactive risk management. To address this issue, we established a systematic approach to collect and analyze weather information, enabling us to anticipate and mitigate potential accidents and losses. In the event of severe weather conditions such as heavy snow or typhoons, we send text messages to our auto insurance policyholders, providing them with timely updates. In addition, we offer support for the evacuation of vehicles parked in low-lying areas to minimize the risk of flood damage. By doing so, we aim to protect our customers from the adverse effects of inclement weather. Through systematic risk management consulting services, we assist overseas worksites as well to prevent the loss of life and minimize property damage caused by natural disasters.

Resource Use and Pollution Reduction

Strategy

According to our Environment-Energy Management Guidelines, we actively engage in environmental activities encompassing the entire spectrum of our business operations, from insurance product development to distribution, sales, and claims management. One of our key areas of focus is the efficient use of resources such as water, paper, and waste reduction. We implement strategies to minimize resource consumption and maximize recycling. By continuously monitoring and managing accumulated data, we strive to minimize waste generation and work towards achieving a recycling rate of 50% in 2030.

[Environment-Energy Management Guidelines \(p.52\)](#)

Target

Green purchasing in 2025

2 KRW billion

Achieving waste recycling rate by 2030

50%

2022 Performance

Resource Use

Paperless Insurance Contract

Since its introduction in 2012, our mobile-based e-signature system has revolutionized the sales processes. We have established mobile sales support system that includes mobile consulting services, replacing traditional printed documents with e-signatures for insurance contracts. Building on this foundation, we launched our innovative mobile sales system, the ‘M-Portal,’ in 2019, and in 2020, we have introduced certification marks that recognize customers’ participation in environmental protection while creating a video clip that informs customers about our ongoing environmental conservation activities. With those actions, we are committed to raising customers’ awareness of sustainable practices. Our dedication to promoting paperless insurance contracts remains unwavering.

The Use and Treatment of Water Resources

All domestic buildings of SFMI rely on the public water supply as water sources. All the wastewater generated within our facilities is treated through urban sewage treatment facilities. We are committed to preserving the surrounding environment and take great care to avoid the use or discharge of any harmful substances.

Green Purchasing

Samsung Group established preferential purchasing guidelines for eco-friendly products back in 2006. These guidelines serve as a framework for promoting sustainable purchasing practices within our organization. According to the guidelines, we prioritize the procurement of products with eco-friendly certifications which are made of recycled materials and demonstrate high energy efficiency. When acquiring work-related consumables, such as computer products and office supplies, we give preference to those that align with our sustainability criteria. In 2021, we incorporated ESG factors into the selection of our partner companies. A new evaluation standard was introduced, incentivizing or penalizing based on their ESG management status. Through this initiative, we encourage our partners to implement ESG management. We invested a total of KRW 3.85 billion in 2022 to procure environmentally friendly products.

Category		Unit	2020	2021	2022
Water	Total consumption ¹⁾	m ³	262,901	197,235	196,854
Paper	Total amount purchased	ton	2,848	2,158	1,599
	Amount of copying paper purchased	ton	1,133	917	860
	Amount of printing paper purchased	ton	1,715	1,241	739
Waste	Total Waste throughput ²⁾	ton	474	475	412
	Amount of waste landfilled	ton	316	271	33
	Amount of waste incinerated by Energy Recovered	ton	100	136	118
	Amount of waste incinerated without energy recovery	ton	58	68	261
	Waste recycled	ton	321.5	351.4	357.4

1) FY2022 Target: 250,000
 2) FY2022 Target: 470

Participation in Environmental Movement

2022 Performance

Environmental Programs

Earth Hour

Since 2010, SFMI has been participating in the annual Earth Hour event, a global environmental protection campaign to raise awareness about the need for collective efforts to combat climate change. In 2023, continuing our tradition from the previous year, we turned off the lights in and outside our company buildings, including billboards, for a designated period on the day of the event. Our employees, Risk Consultants (RCs), and customers joined this campaign, recognizing the importance of addressing climate change and protecting our environment.



Eco Office

SFMI carries out various 'Eco Office' programs as part of green campaigns to raise employees' environmental awareness and promote eco-friendly practices. Since 2018, we have been taking part in the 'Zero Standby Power Campaign,' where employees cut down all standby power after work. We have displayed the 'Nudge for Green' guidelines on our company bulletin board, urging employees to change their attitudes towards environmental conservation. These efforts demonstrate our commitment to leading the way in the environmental sector within the industry. In 2023, we have planned several campaigns to promote sustainable practices among our employees. For the 'Waste Separation Well' campaign, we relocate recycling bins, provide informative materials, and add food waste bags in pantry areas to encourage our employees to participate in waste separation and recycling. During the second quarter, we initiate the 'Paperless Campaign' by replacing office paper with eco-friendly alternatives, promoting double-sided printing to reduce A4 paper consumption, and recommending the use of hand towels instead of paper towels in restrooms. In the third quarter, we will launch the 'Plastic-Free Campaign' by replacing plastic packaging materials for take-out meals in our cafeteria to reduce plastic waste.

Eco-friendly Insurance Products and Services

SFMI offers a range of environmental insurance products such as Eco-mileage Auto Insurance, Storm & Flood Damage Insurance, Weather Insurance, and Environmental Pollution Liability Insurance, among others. In 2022, we recorded KRW 3.3 trillion in the sales of eco-friendly insurance products, exceeding our goal of achieving KRW 2.5 trillion set for the year 2023. Building on these achievements, we are leveraging our own climate change model to develop insurance products and services that consider the impact of climate change. Those services will enable us to anticipate and mitigate financial damages caused by climate change and ensure quick claim payment. We aim to offer stability and support in our customers' everyday lives and business operations.

Category	Unit	2020	2021	2022
Total Eco-friendly insurance products	Cases	3,515,895	3,905,642	4,841,921
	KRW 1 million	2,339,824	2,599,376	3,305,654
No-driving day auto insurance	Cases	1	1	1
	KRW 1 million	0.4	0.4	0.6
Eco mileage auto insurance	Cases	3,505,836	3,890,068	4,820,627
	KRW 1 million	2,285,773	2,561,782	3,266,103
Storm & flood insurance	Cases	10,045	15,565	21,281
	KRW 1 million	2,761	4,015	8,483
Crop insurance	Cases	1	1	1
	KRW 1 million	36,323	19,151	21,575
Livestock disaster insurance	Cases	1	1	1
	KRW 1 million	6,494	6,756	8,439
Weather insurance	Cases	1	1	1
	KRW 1 million	4	4	3
Environmental pollution liability insurance	Cases	10	5	9
	KRW 1 million	8,469	7,668	1,050

Participation in Environmental Movement

Environmental Certification

ISO 14001 & ISO 50001
 Due to SFMI's successful management of environmental indicators, we have maintained and consistently renewed certifications of international standards for company buildings. The representative office building of SFMI in Seocho acquired ISO 14001 (Environmental Management System) certification in 2014, the highest international standard in the environmental management sector. Additionally, all 15 office buildings owned by the headquarters have acquired and consistently renewed ISO 50001 (Energy Management System) certification. These acquisitions demonstrate our efforts to incorporate and push ahead with environmental management across all business activities.

ISO 14001 Certification
(Environmental Management System)



ISO 50001 Certification
(Energy Management System)



Violation of Environmental Regulations

Category	Unit	2020	2021	2022
Violation of regulations	Cases	0	0	0
Fines and penalties	KRW 1 million	0	0	0

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Customer Communication

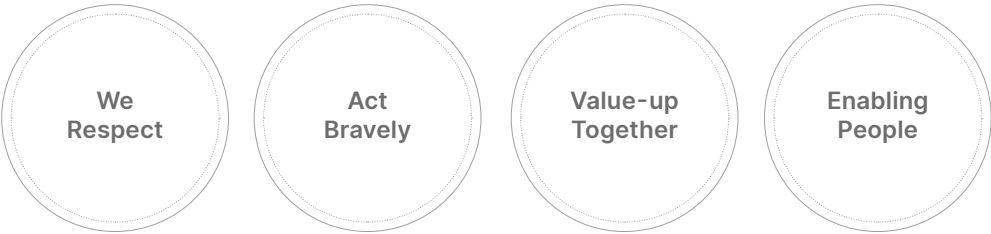


Labor

Strategy

Under the 2030 vision of ‘Be the Future, Beyond Insurance,’ SFMI is creating an organizational culture of growth with employees. To this end, we have established the core employee values of WAVE and are pursuing sustainable management that benefits society. Recognizing that human resources are key to developing a new model for the insurance industry, we have implemented a talent development strategy to attract and nurture outstanding talents. For this reason, we are fostering a talent pool that includes data analysis experts, utilizing People Analytics to forecast the demand for manpower in the fast-evolving business environment shaped by demographic changes and digitalization. We are implementing programs to nurture human resources, both newly hired and existing employees. A human resource data analysis tool is expected to identify competency gaps among our workforce. Additionally, we provide selfinitiated and company-initiated job rotation opportunities to enhance our employees’ skills and operate a performance assessment system which is a goal-oriented for all employees. We are implementing the process of Management by Objectives (MBO), where individual and team goals are set, evaluated, and reviewed through semi-annual 3-stage individual meetings (goal, midpoint, and outcome). We hold a total of 6 meetings per year for agile conversations. After announcing the performance evaluation results to the team members, we operate a system where they can raise objections or provide feedback. These measures aim to improve performance and enhance the capabilities of our employees. We operate a variety of HR programs, such as the special promotions for exceptional performers and an open job application system to support employees to grow as global financial experts. We will continue expanding the selection of on-site high performers and recruiting digital, data analysis, and alternative investment experts, aiming to prepare for the future and strengthen the competitiveness of our core businesses.

Core Employee Value, WAVE



Management By Objectives (MBO)



Target

Various labor-related indicators such as education, welfare, satisfaction, and the ratio of female employees, are managed in a goal-oriented manner. These indicators have been established as mid-to long-term goals, along with the goals for the current year, and managed in conjunction with the organizational KPIs.

Possession rate of financial expert qualifications in 2025

55%

Rate of employees returning to work from childcare leave in 2025

97%

The ratio of female employees in 2050

50%

Assessment

SFMI uses the Samsung Culture Index (SCI) survey, developed by Samsung Global Research Institute, to measure workplace satisfaction every year. We set the goals and actions for a better workplace based on the survey results. Additionally, we are separately managing HCROI (Human Capital Return on Investment) to measure the effectiveness of our employee support programs. The HCROI for the years 2020 to 2022 was 2.84, 3.06, and 2.96, indicating a high return on investment for our employees.

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2022 Performance

Employees

Category		Unit	2020	2021	2022
Total no. of executives and employees ¹⁾	Total no. of employees	Persons	5,819	5,647	5,588
	Male	Persons	3,253	3,160	3,108
	Female	Persons	2,566	2,487	2,480
Contract type	Regular (executives included)	Persons	5,691	5,577	5,506
	Non-regular	Persons	128	70	82
Position	Employee	Persons	2,938	2,692	2,559
	Manager	Persons	2,586	2,670	2,764
	Department leader	Persons	238	228	208
	Executive	Persons	57	57	57
Age	Under 30s	Persons	993	853	734
	Over 30 and under 50	Persons	3,892	3,699	3,679
	Over 50s	Persons	934	1,095	1,175
Minority	Disabilities	Persons(%)	143(2.4)	141(2.5)	140(2.5)
	National Veterans	Persons(%)	94(1.6)	93(1.6)	79(1.4)

1) There are a total of 1,745 workers who are not employees including support staff at the headquarters

Gender Balance

Currently, the ratio of female employees stands at 44% which is expected to increase to 50% along with 30% of female managers by 2030. Setting mid- to long-term goals, SFMI is boosting the diversity of our organization which will eventually result in enhanced competitiveness.

Category		Unit	2020	2021	2022
Female employee ¹⁾	Total no. of female employees	Persons(%)	2,566(44.1)	2,487(44.0)	2,480(44.4)
	Female manager	Persons(%)	431(15.0)	459(15.6)	527(17.4)
	Female entry-level manager	Persons(%)	357(21.6)	366(22.2)	407(24.2)
	Female executive	Persons(%)	6(10.7)	7(12.3)	8(14.0)
	Female employee in profit-making departments	Persons(%)	231(29.1)	246(31.7)	231(31.3)
	Ratio of female employees in STEM	Persons(%)	40(44.4)	39(41.9)	39(41.5)

1) Total no. of female employees FY2030 Target: 50%
Female manager FY2030 Target: 30%
Female entry-level manager FY2030 Target: 45%
Female executive FY2030 Target: 20%
Female employee in profit-making departments FY2030 Target: 35%
Ratio of female employees in STEM (Science, Technology, Engineering, Math) FY2030 Target: 50%

Labor

Recruitment

SFMI has implemented an online hiring system to provide job opportunities for job seekers, ensuring continuous recruitment despite the COVID-19 situation. As of 2022, a total of 130 individuals have joined. In collaboration with the Korea Employment Agency for persons with disabilities and the Ministry of Patriots and Veterans Affairs, we actively support the underprivileged by employing individuals with disabilities and national veterans. For the past five years, we have operated a blind recruitment system to ensure a fair and transparent selection process. Going forward, we will continue to adhere to our recruitment policy, which is based on fairness and integrity.

Category		Unit	2020	2021	2022
Gender	Total	Persons	134	49	130
	Male	Persons(%)	56(41.8)	34(69.4)	90(69.2)
	Female	Persons(%)	78(58.2)	15(30.6)	40(30.8)
Position	Executives	Persons(%)	0(0)	2(4.1)	1(0.8)
	Middle manager	Persons(%)	0(0)	1(2.0)	4(3.0)
	Entry-level manager	Persons(%)	14(10.4)	21(42.9)	60(46.2)
	Employee	Persons(%)	120(89.6)	25(51.0)	65(50.0)
Internal recruitment rate		%	33.8	27.7	25.5
Average employment cost per capita		KRW	3,374,048	4,283,274	3,177,417

Nationality¹⁾

Category		Unit	2020	2021	2022
Republic of Korea	Employee	Persons(%)	5,808(99.8)	5,637(99.9)	5,579(99.8)
	Manager	Persons(%)	3,847(99.8)	3,772(99.8)	3,770(99.8)
China	Employee	Persons(%)	1(0.02)	1(0.02)	1(0.02)
	Manager	Persons(%)	0(0)	0(0)	0(0)
U.S.	Employee	Persons(%)	7(0.12)	6(0.11)	6(0.11)
	Manager	Persons(%)	6(0.16)	5(0.13)	5(0.13)
Canada	Employee	Persons(%)	2(0.03)	2(0.04)	1(0.02)
	Manager	Persons(%)	2(0.05)	2(0.05)	1(0.03)
Malaysia	Employee	Persons(%)	1(0.02)	1(0.02)	0(0)
	Manager	Persons(%)	1(0.03)	1(0.03)	0(0)
Australia	Employee	Persons(%)	0(0)	0(0)	1(0.02)
	Manager	Persons(%)	0(0)	0(0)	0(0)

1) Employee (ratio to total employees), Manager (ratio to total manager)

Labor

Employee Turnover

Category		Unit	2020	2021	2022
Total no. of leavers		Persons(%)	141(2.4)	187(3.3)	190(3.4)
Gender	Male	Persons(%)	87(1.5)	132(2.3)	145(2.6)
	Female	Persons(%)	54(0.9)	55(1.0)	45(0.8)
Position	Executives	Persons(%)	20(0.3)	8(0.1)	16(0.3)
	Middle manager	Persons(%)	30(0.5)	58(1.0)	73(1.3)
	Entry-level manager	Persons(%)	27(0.5)	55(1.0)	56(1.0)
	Employee	Persons(%)	64(1.1)	66(1.2)	45(0.8)

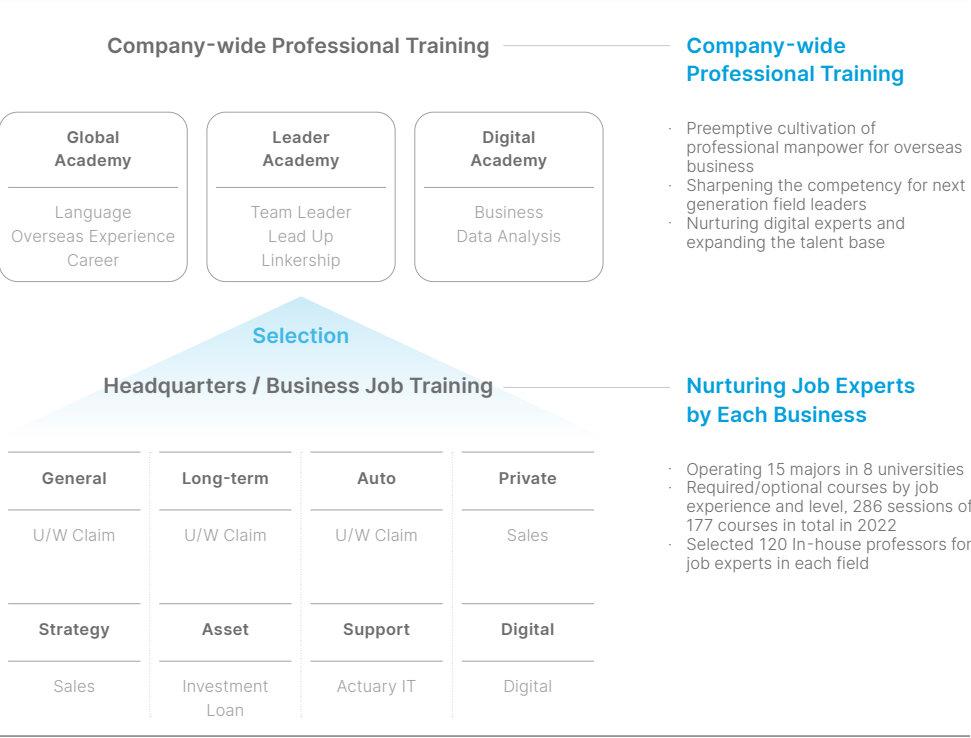
Employee Voluntary Turnover

Category		Unit	2020	2021	2022
Total no. of voluntary leavers		Persons(%)	25(0.4)	48(0.8)	33(0.6)
Gender	Male	Persons(%)	17(0.3)	40(0.7)	22(0.4)
	Female	Persons(%)	8(0.1)	8(0.1)	11(0.2)
Position	Executives	Persons(%)	0(0)	0(0)	0(0)
	Middle manager	Persons(%)	2(0.0)	6(0.1)	1(0.1)
	Entry-level manager	Persons(%)	7(0.1)	23(0.4)	19(0.3)
	Employee	Persons(%)	16(0.3)	19(0.3)	13(0.2)

Talent Development

SFMI has established a talent development system aimed at enabling all employees to become exceptional finance and insurance specialists. As part of this system, we operate the 'Individual Development Plan (IDP)' to enhance employees' job expertise. We support the curation of in-house professional courses (both face-to-face and virtual) as well as external training courses (face-to-face, virtual, e-learning, and book-learning) tailored to each job level. Starting in 2020, we have upgraded the IDP to an autonomous competency development program, fostering a culture of motivated and self-initiated learning. This program provides employees with diverse learning experiences curated according to their respective levels.

Talent Development·Education System



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Talent Nurturing System - SFMI University

SFMI operates an in-house university called ‘SFMI University’ to nurture global and digital experts in finance and insurance. To strengthen the employees’ job expertise, we offer customized courses for different job levels and provide various step-by-step learning methods based on voluntary learning. Our learning system supports employee growth through e-learning, external courses, professional certification support, and virtual language programs. Additionally, we have specialized academies, such as the Global Academy and Digital Academy dedicated to developing finance experts. To create an optimal training environment, we provide the Global and Yuseong Campuses, where employees can access learning materials and engage in communication anytime and anywhere through our mobile platform, the DREAM CAMPUS+.

Furthermore, SFMI has implemented an internal professor program that encourages employees with expertise in their respective fields to contribute to in-house education. These internal professors create learning materials and deliver lectures to share their knowledge and expertise. As of the end of 2022, a total of 120 employees have served as internal professors, and they are eligible for various incentives, such as level-based lecture fees and awards for exceptional performance.

Education and Training Status

Category		Unit	2020	2021	2022 ¹⁾
Average training per capita	Training Hours	Hours	92.9	87.4	71.4
	Educational expenses	KRW 1 million	0.8	0.8	1.0
Capacity building program	Subject to capacity building program	Persons	3,898	3,797	3,510
	No. of participants completed the course	Persons	3,763	3,714	3,503
	Participation rate	%	96.5	98.8	99.8
No. of courses		Numbers	1,367	779	978
In-house professor		Persons	128	120	120
Possession rate of financial expert qualifications ²⁾		%	52.2 ³⁾	54.2	51.5

1) Based on those subject to the system by 2021, based on incumbent workers from 2022

2) FY2050 Target: 55

3) Modified the figures due to data entry errors

Average training hours

Category		Unit	2020	2021	2022 ¹⁾
Gender	Male	Hours	N/A	105.9	72.7
	Female	Hours	N/A	70.4	69.8
Staff Level	LP (Lead Professional)	Hours	N/A	51.5	56.8
	SP (Senior Professional)	Hours	N/A	75.6	76.7
	JP (Junior Professional)	Hours	N/A	99.5	121.4

1) Based on those subject to the system by 2021, based on incumbent workers from 2022

Main Programs

Career-Design program	SFMI introduced the Career-Design program in 2015 to provide job rotation opportunities for all employees. The system has proven to be beneficial in helping employees develop their careers by gaining extensive experience in various roles and enabling them to become leaders with a broader perspective on the insurance business. In 2020, 2021, and 2022, the Career-Design program successfully facilitated job switches for 34%, 28%, and 26% of applicants respectively, allowing them to transition to their preferred new roles.
Vision-Up course	In 2022, SFMI revamped the previously introduced ‘Change-Up’ program to ‘Vision-up,’ specifically designed to cater to the needs of our junior employees. The Vision-up program aims to expand their business perspectives and foster motivation. Since 2020, a total of 118 individuals have been selected and participated in a 7-day program conducted in different cohorts. Within the Vision-up program, participants had the opportunity to broaden their thinking horizons by gaining insights into the company’s current and future strategies. They also experienced various job roles, allowing allow them to enhance their expertise and develop new perspectives. These experiences served to strengthen their motivation for personal growth. Moving forward, we plan to develop a range of diverse programs to present a clear vision for the growth of our junior workforce, which may include expanding the size of the selection process and introducing new initiatives.
Digital Academy	SFMI aims to secure unmatched competitiveness in the rapidly evolving insurance market through ‘Digital Academy’ system where we cultivate professionals equipped with comprehensive digital capabilities. To enhance digital business capabilities and data analysis skills, we have implemented a two-track program designed to support step-by-step competency development. In 2021, a total of 238 individuals, followed by 375 individuals in 2022, have strengthened their competencies through the Digital Academy. Moving forward, we plan to develop and implement courses that focus on practical application and project-based problem solving, enabling our employees to further enhance their digital proficiency.

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Main Programs

Global Academy	For the purpose of nurturing global talent with practical expertise based on an understanding of the global insurance market and regional business conditions, SFMI has established and implemented programs. We are cultivating talent through progressive education divided into three stages, focusing on global core competencies such as business conversation and practical skills. From July 2021 to December 2022, a total of 214 individuals successfully completed the comprehensive program, which consisted of 24 hours of training per person.
Management and leadership development	SFMI believes that the capabilities of the department leaders in each organization are crucial for achieving consistent results through effective teamwork, especially in challenging management environments. To this end, we offer various courses tailored to different stages of department leadership. Courses cater to the essential capacity-building needs of new department leaders, second-year department leaders, and all department leaders, including seminars and special training sessions focusing on performance and organization management. Furthermore, we are strengthening our leadership capabilities through specialized programs such as the ‘Training Course for Department Leader’ specifically designed for aspiring department heads, along with ‘Lead-Up Academy’ and ‘Linkership.’ In 2022, 64% of those who completed the ‘Training Course for Department Leader’ were promoted to the head of department with 422 participants.
Mentoring program	SFMI recognizes the positive impact of successful employee integration and career management on reducing turnover rates. In line with this understanding, we have implemented a mentoring program which is designed to assist junior employees in adapting to the company and building a long-term career. As of 2022, a total of 100 employees have participated in the mentoring program, which provides valuable support for their professional growth and development.

Managing the Effect of Education - Job Training

The proficiency and professional knowledge of employees in their job responsibilities have a positive impact on various aspects of the company, including financial performance indicators. Therefore, we offer professional job training in general insurance, long-term insurance, auto insurance, tied agent sales, general agent sales, digital, product actuary, and IT. In 2022, 3,181 employees participated in the program.

Category	Unit	2020	2021	2022
Educational expenses	KRW 1 million	634	711	1,052
Effect of education: Operating profit	KRW 100 million	11,321	15,502	16,721
The application of the content of training to actual work ¹⁾	Points	4.8	4.9	4.9

1) Out of 5 points

Managing the Effect of Education - Global Talent Development

Despite the challenges posed by COVID-19, which made it difficult to carry out overseas dispatch programs aimed at fostering global leaders, SFMI expanded the operation of its Global Academy and increased investment to enhance the capabilities of future global talents. A total of 124 employees in 2022 joined the program, which improved their language proficiency, a key skill needed for engineering global business, and their knowledge of the international insurance market. The global talent development programs especially made positive contributions to skills related to overseas inward reinsurance business.

Category	Unit	2020	2021	2022
Educational expenses	KRW 1 million	873	329	434
Effect of education: Overseas insurance premium	KRW 100 million	4,028	3,672	4,851

Labor

Labor Practice

SFMI has maintained a cooperative labor-management relationship based on harmony and mutual trust, while respecting the employees' freedom of association. As part of this commitment, we have established three labor unions to protect the rights and improve the economic status of both employees and the company. We deeply value the autonomy of our labor unions and strive to promote a mutually beneficial labor-management relationship by engaging in open communication with employees, addressing their concerns, and continuously enhancing working conditions based on their feedback. SFMI believes that effective two-way communication is essential for ensuring the satisfaction of both the company and its employees. Thus, we have implemented various online and offline communication channels, including CEO-Employee meetings during management visits to field, an online community called 'SoTongHaeBom,' and in-house broadcasting. Additionally, for the past year our employees have actively participated in designing the new vision for 2030. Thirty individuals, meticulously appointed through a survey, formed the Next Crew and took part in two intensive workshops where they shared their and the colleagues' aspirations for the future of our company. The refined vision was then showcased through nationwide exhibitions at various business locations, incorporating the diverse voices of our employees. This process was followed by in-depth discussions with external experts and management leadership, leading to the final decision on the vision that was most favored by the majority of employees: 'Be the Future, Beyond Insurance.'

Labor Management Relations

Category	Unit	2020	2021	2022
No. of Labor Union members	Persons	3,431	3,392	3,575
Labor Union membership ¹⁾	%	64.0	60.0	65.0

1) Collective bargaining application rate of the regular employee council will be replaced with the union membership rate from 2021

Handling Employees' Grievances

We receive employees' complaints and suggestions through various consultation channels and the grievance handling system and strive to address the issues quickly. The reported grievances are kept strictly confidential and in the case of sexual harassment, female counselors are designated to handle the issue.

Grievance Handling Process



Category	Unit	2020	2021	2022
Grievance Handling	Cases	70	36	24

Labor

Welfare Benefits

SFMI offers a range of welfare programs aimed at enhancing the quality of life for our employees. One notable initiative is the selective benefit system, which we implemented in 2011. This system provides all employees, including non-regular workers, with annual benefit points that can be used for self-development, healthcare, or family gifts, depending on their lifestyle and preferences. Furthermore, in 2009, SFMI established the Financial Career Consulting Center to support retired or soon-to-be-retired employees seeking new job opportunities to extend their financial careers. As a pioneer in our industry, we were the first financial company to offer age-specific life planning courses for employees approaching the ages of 50 and 55. Additionally, we launched the 58+ senior course to provide tailored guidance for employees nearing retirement age. In 2022, we provided support to a total of 54 employees who were either starting a new business or transitioning into new jobs. Of those individuals, 14 successfully secured new employment opportunities. This program not only enabled our employees to accept different ways of life to expand their careers and professionalism but has also instilled confidence in their post-retirement life.

Main Welfare

Leisure	Corporate fitness center, vacation for long-term employees, leisure facilities
Housing / Life stability	Company housing, private pension, loans from the employment welfare fund
Healthcare	Medical checkup, group accident insurance - No. of employees who received medical checkups: 3,198
Childbirth / Maternity protection	Corporate day care centers, lounge for maternity protection, childbirth gifts
Education for children	School expense reimbursement, gifts for children entering school
Etc	Counseling office, marriage support center, support for family events, etc.

Work-Life Balance

Flexible Work System

Category	Unit	2020	2021	2022
Selective working hour	Y/N	Y	Y	Y
Working from home arrangements	Y/N	Y	Y	Y
Part-time working options	Y/N	Y	Y	Y

Main Programs

Operating hobby clubs	To encourage mutual communication between employees and improve work-life balance, SFMI supports the operation of various hobby clubs. Every employee can join or start a hobby club. Currently, hobby clubs for hiking, soccer, tennis, bowling, photography, reading, and meditation clubs, are available.
Promotion celebration program	In a bid to congratulate a new beginning of employees who are getting a promotion, SFMI holds an event where the employees are given congratulatory message cards from the CEO and gifts.
Filial piety festival	SFMI organizes filial piety festivals with our employees to inform the parents of SFMI's leading status and deliver heartfelt appreciation.
Family care leave	In cases where employees' family members, including grandparents, parents, spouses, parents-in-law, children, or grandchildren, require care due to sickness, accidents, or old age, employees have the option to take family care leave (a minimum of 30 days and a maximum of 90 days per year) or family care vacation (a maximum of 20 days per year).
Infertility leave system	SFMI operates an infertility leave system for female employees who are over 30 years old, have been married for more than 3 years, or have no children over 35 years old, have been married for more than a year. The system provides financial support for infertility treatment.
Getting off work on time	SFMI has introduced the Home Run System, which automatically shuts down computers at the end of work hours, to encourage employees to leave work on time. This is aimed at preventing unnecessary overtime and helping them achieve a work-life balance. In addition, as part of the flexible working hours system, we have 'Core Time Days' twice a month during which employees can work from 10 am to 4 pm and then leave the office.

Labor

Childbirth and Childcare Benefits

SFMI is making all-out efforts to create a women-friendly corporate culture by implementing various programs for maternity protection. Designed with much consideration, these programs include a flexible working system for pregnant women and a hotline for maternity protection and support. We operate corporate daycare centers for the children of employees aged 1 to 5, allowing working parents to focus on their work without concerns. As of 2022, a total of three centers are in operation (Seocho I, Seocho II, and Seosomun). Moreover, employees who have given birth receive maternity supplies can utilize the lounge for maternity protection for breastfeeding.

Category		Unit	2020	2021	2022
Employee on maternity leave		Persons	78	76	78
Rate of return from maternity leave		%	96.2	98.7	100.0
Employee on childcare leave	Male	Persons	26	38	31
	Female	Persons	129	116	125
Return from childcare leave	Male	Persons(%)	23(100.0)	26(92.9)	30(83.3)
	Female	Persons(%)	133(100.0)	115(99.1)	110(96.5)
Rate of employees returning to work from childcare leave ¹⁾		%	100.0	97.9	93.3
Working for more than 12 months after returning to work	Male	Persons(%)	20(87)	23(88.5)	23(79.3)
	Female	Persons(%)	130(97.7)	110(95.7)	111(91.7)
Childcare facilities		Y/N	Y	Y	Y
Breastfeeding facility		Y/N	Y	Y	Y

1) FY2050 Target: 97

Performance Evaluation

Category			Unit	2020	2021	2022
Regular performance evaluation	No. of workers subject to a regular performance evaluation		Persons	5,819	5,647	5,588
	No. of workers receiving a regular performance evaluation ¹⁾		Persons	5,388	5,238	5,178
	Percentage of workers receiving a regular performance evaluation ¹⁾		%	92.6	92.7	92.7
Gender	Male	Subject	Persons	3,253	3,160	3,108
		Implementation rate	%	96.1	96.7	97.7
	Female	Subject	Persons	2,566	2,487	2,480
		Implementation rate	%	88.2	87.8	86.3
Position	Executive	Subject	Persons	57	57	57
		Implementation rate	%	0.0	0.0	0.0
	Supervisor	Subject	Persons	2,824	2,898	2,972
		Implementation rate	%	98.0	98.2	98.0
	Nonsupervisory	Subject	Persons	2,938	2,692	2,559
		Implementation rate	%	87.7	87.3	87.1
Long-term incentive	High-ranking supervisory position		Persons	49	54	53
	Ratio of employees subject to long-term incentives		%	0.8	1.0	0.9

1) Excluding executives

Labor

Equal Pay

SFMI does not engage in discriminatory payment based on gender and instead strives for fair treatment based on employees’ capabilities and performance. We operate the annual salary system to foster a performance-oriented culture and have a profit-sharing program in place to motivate employees to take on new challenges. The salary of our new hires with a college degree exceeds the legal minimum, and the median value of salary for employees in 2022 was KRW 137,190,410. Moreover, there is no gender-based salary gap at SFMI.

Category		Unit	2020	2021	2022
Executive (base salary+cash incentives)	Male	KRW 10 million	N/A	38.5	37.7
	Female	KRW 10 million	N/A	38.5	37.7
Supervisor (base salary)	Male	KRW 10 million	N/A	9.1	9.5
	Female	KRW 10 million	N/A	8.6	8.9
Supervisor (base salary+cash incentives)	Male	KRW 10 million	N/A	16.0	17.1
	Female	KRW 10 million	N/A	15.1	16.0
Nonsupervisory (base salary)	Male	KRW 10 million	N/A	6.3	6.7
	Female	KRW 10 million	N/A	4.9	5.2

Employee Satisfaction

SFMI operates a wide variety of award programs, including the Company Foundation Day Award (annual), Best Employee Award (quarterly), and Best Department Award (quarterly). These programs aim to foster employees’ pride in their work and facilitate further growth. Moreover, we recognize employees who have contributed to the company’s sustainable growth in the performance metrics such as achievement, innovation, customer satisfaction, corporate culture, social contribution, and compliance. They are awarded medals along with benefits such as prize money and additional points for promotion. In addition, we conduct an annual satisfaction survey that includes metrics related to job satisfaction, sense of purpose, happiness, and stress. The survey results are reflected in formulating our improvement strategies.

Category		Unit	2020	2021	2022
Gender	All employees ¹⁾	Points	80.3	78.6	80.1
	Male	Points	81.5	80.7	82.3
	Female	Points	78.5	73.5	77.5
Position	Middle manager	Points	N/A	79.6	81.2
	Employee	Points	N/A	78.0	79.0

1) FY2022 Target: 83

Health and Safety

Strategy

SFMI prioritizes safety and health in our management activities to safeguard our customers and employees by preventing accidents. To achieve this, we have developed health and safety policies that involve self-assessment of workplace risk factors and improvement activities to prevent industrial accidents, ensuring employees' safety and strengthening business continuity. To enhance safety awareness company-wide, we have established safety and health principles outlined in the Code of Conduct. Since 2014, we have operated the Occupational Safety & Health Committee, consisting of four employee representatives and four company representatives, on a quarterly basis. The committee supervises and manages safety-related issues, deliberating and resolving them. These issues are documented and systematically addressed, with an annual report presented to the BOD. Furthermore, we consider health and safety standards when selecting collaborative partners during the contract process.

[!\[\]\(d3102649f02e825ddb76dc3de0190154_img.jpg\) Safety and Health Management Policy \(p.10\)](#)

Major Agendas Resolved by the Occupational Safety & Health Committee in 2022

- Operation plan of affiliated health checkup hospital in 2022
- Results of inspection concerning the food poisoning prevention in summer season
- Follow-up measures regarding the mandatory installation of rest facilities
- Safe environment operation plan for 2023

※ Due to the COVID-19, only necessary agendas were resolved, and inspection was not conducted.

To guarantee a safe workplace, SFMI regularly conducts inspections on the safety of buildings, electrical facilities, firefighting devices, and elevators as well as air and water quality checks. We carry out both regular and special checkups on our buildings. This includes regular safety inspections conducted four times a year to mitigate seasonal disasters such as fire, storms, and floods. Additionally, we inspect old facilities and provide training and inspections for chemical substance handlers. We enhance safety awareness among our employees by conducting emergency drills and providing safety and health training. We also inform them of the safety rules through in-house broadcasting to prevent accidents. In addition, we conduct three training sessions every year, targeting 60 personnel responsible for disaster evacuation in the headquarters, with the aim of promoting a safety-oriented mindset.

Target

SFMI sets goals to create safety environment and be prepared for various risks, including casualties, material accidents, and violations of regulations. We achieve safety and health management by incorporating objectives into the action plan for quantitative goals and setting priorities. In 2023, our targets are to achieve an absence rate of 0.01% and zero occupational accidents, respectively.

Target absence rate in 2023

0.01%

Occupational accidents in 2023

0 cases

Assessment

In order to create a safe and pleasant working environment, safety and health risk and hazard assessment and internal inspection are conducted on a regular basis. Results of these assessment and inspections serve as indicators to evaluate our progress toward annual goals related to workplace safety and health. We have established the Business Continuity Plan (BCP) and implemented various measures at the company level to respond to emergency situations caused by disasters and occupational accidents. We select contractors to form partnerships with those who meet the health and safety standards. Additionally, we actively listen to the voices through our consultative body.

Health and Safety

2022 Performance

Occupational Accidents ¹⁾

Category	Unit	2020	2021	2022
Total working hours	hours	10,674,124	10,503,729	10,101,767
No. of absent employees	Persons	47	25	19
Absence rate ²⁾	%	0.008	0.013	0.003
Lost workdays ³⁾	Days	121	200	65
No. of lost employees	Persons	2	2	1
No. of occupational accidents	Cases	1	3	1

1) Based on internal employees
 2) FY2022 Target: 0.0075
 3) Absence due to illness

Occupational Safety

SFMI was selected as a health-friendly certified company by the Ministry of Health and Welfare and the Korea Health Promotion Institute in 2022. This recognition acknowledges our efforts to create a health-friendly workplace culture and environment that allow employees to actively engage in self-health management. In particular, our digital health management program, which was implemented in the first half of 2022 for our employees, received positive evaluations for contributing to employee health improvement. This proven program was launched in July 2022 as the ‘Anyfit Pro’ application, adedicated non-face-to-face digital health management platform for company employees. It offers arange of B2B services equipped with various management programs for chronic diseases, weight management, and mental health.

Safety Management

Category	Unit	2020	2021	2022
Risk assessment	Cases	4	4	4
Safety prevention education for partner companies	Y/N	Y	Y	Y

Support for Physical Health Care

Ergonomic working environment	SFMI provides our employees with ergonomic office chairs designed to alleviate pressure on their back and spine. Furthermore, since 2015, we have implemented standing desks for employees who have conditions such as a herniated disc, offering them a more comfortable work environment.
Lighting	SFMI conducts regular assessments of the lighting levels in all company buildings and ensure they are maintained at an appropriate level.
Noise	SFMI manages and monitors the noise level at all company buildings.
Indoor air quality	Every year, SFMI engages an external company to measure the air quality in all our company buildings. This comprehensive assessment includes measurements of fine dust, formaldehyde, carbon dioxide, and carbon monoxide levels.
Humidity	Every year, SFMI monitors the humidity of all company buildings and provides dehumidifiers during the rainy season.
Temperature	SFMI monitors the temperature of all company buildings every morning and noon, taking extra measures to ensure a comfortable environment during both hot and cold seasons.
Health/Nutrition	SFMI conducts regular medical checkups for employees and provides access to fitness facilities and on-site clinics to promote their health and well-being. Additionally, we ensure the nutritional value of meals served at our office cafeterias by employing dietitians who oversee calorie and nutrient management, ensuring a healthy diet for our employees.

Support for Mental Health Care

Job stress control program	SFMI has implemented a stress test system that allows employees to request and undergo stress tests. The test results are managed by our internal psychological counseling center called Maeumnuri.
Stress control training	Since 2010, SFMI has operated the Maeumnuri Counseling Center to enhance the mental health of our employees. The center is available to employees, as well as their spouses and children, offering professional psychological counseling for various personal, childcare, and educational concerns. Additionally, since 2013, we have partnered with external counseling providers with branches nationwide, enabling employees to conveniently access personality and psychological tests at nearby branches or through online platforms.

Accidents and Violations

Category		Unit	2020	2021	2022
Safety accidents	No. of serious accidents	Cases	0	0	0
Violation of regulations	No. of violations	Cases	0	0	0
	Penalty	KRW 1,000	0	0	0
	Fines	KRW 1,000	0	0	0

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Human Rights

Strategy

SFMI has implemented a comprehensive human rights policy that aligns with international standards and local regulations. This policy is based on the principles outlined in the UN Human Rights Commission’s Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights. We also adhere to Korea’s Labor Standard Act and International Labor Organization (ILO) regulations. Within the Samsung Group, our management principle, Code of Conduct, and Code of Conduct for Business Partners emphasize the protection of human rights. These principles prohibit discrimination, promote diversity, and forbid child and forced labor. All employees and business partners are expected to uphold these principles. We are committed to ensuring the protection of our employees’ human rights and fostering a safe and positive working environment. We have implemented policies to address workplace and sexual harassment, which is an example of human rights violation that can happen in a workplace. Our approach prioritizes the protection of victims, and we adopt a zero-tolerance stance towards such issues. We take appropriate measures, including reassignment to different departments, changes in positions, and providing paid leaves based on the investigation results and the victims’ perspectives.

[Human Rights Policy \(p.41\)](#)

[Prohibition of Workplace Harassment including Sexual Harassment \(p.07\)](#)

Human Rights Issues Management Process



Target

SFMI respects and protects the human rights of all stakeholders, including its employees. To identify and prevent potential human rights risks in all relevant areas, we strive to proactively address any negative impacts. The dedicated human rights department will assess trends and risks and review the human rights policy for revision at least once a year. This process will be incorporated into regular discussions within the BOD and ESG agenda, ensuring that human rights issues are not merely managed on an ad hoc basis, but through systematic and periodic management, supervision, monitoring, and reporting processes. Additionally, we aim to establish

specific management criteria by integrating the results of human rights impact assessments into the development of the human rights management system, with a target of conducting such assessments at least once a year. Identified improvement tasks discovered through human rights impact assessments will be managed based on priorities with human rights management plans. We will regularly hold departmental consultations to identify and address areas in need of improvement and carry out these actions within the workplace. Furthermore, we will conduct regular reviews, thereby contributing to the enhancement of stakeholder rights.

Assessment

Human Rights Risks Identification and Due Diligence

SFMI has identified key areas of human rights management based on international and domestic standards and guidelines, such as the UN Guiding Principles on Business and Human Rights. Evaluations have been conducted to address these areas. The evaluations encompass all business locations to mitigate human rights risks that may arise from employees and business partners. Additionally, potential human rights risks stemming from new business relationships, including mergers and acquisitions, are taken into account, along with consideration for all stakeholders¹⁾ involved in these business relationships. The evaluations primarily focus on the following key areas; ① Human rights management system, ② Identification of human rights risks in the value chain, ③ Remediation and corrective actions, ④ Monitoring and disclosure. Each area is thoroughly examined, taking into consideration SFMI’s business value chain.

1) Employees, children, women, local community residents (including indigenous people and migrant workers), and third-party employees

Assessment Process



Human Rights

Assessment Areas

Human rights management system	Declaration of human rights policy and support from top management
	Development of human rights policy
	Establishment of human rights management system
	Resource allocation
	Implementation of human rights impact assessments
	Communication and training
	Sanctions and incentives
	Collaboration with government and joint efforts
Identification of human rights risks in value chain	Working conditions and wages
	Freedom of association
	Forced labor
	Child labor
	Non-discrimination
	Equal pay
	Health and safety
	Measures against infectious diseases
	Protection of personal information
	Environmental rights
	Community impact
	Management of supply chain and business partners
	Identification of new business risks
	Product and service management
Grievance handling and remediation	Grievance handling mechanism
	Remediation and mitigation
Monitoring and disclosure	Performance monitoring
	Stakeholder disclosure

Assessment Implementation and Improvement Rate ¹⁾

Employees	Assessment rate	100%
	Risk identification rate	4.89%
	Improvement rate	100%
Business Partners	Assessment rate	100%
	Risk identification rate	3.26%
	Improvement rate	100%
Local Community	Assessment rate	100%
	Risk identification rate	3.26%
	Improvement rate	100%
Customers	Assessment rate	100%
	Risk identification rate	3.80%
	Improvement rate	100%

1) SFMI aims to maintain a 100% improvement rate in addressing identified human rights risks as a mid- to long-term goal

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Identification and Improvement of Human Rights Risks

Major risks in key human rights areas	Stakeholders	Implementation of key tasks	Remediation actions
Employment and compensation <ul style="list-style-type: none">· Potential discrimination against vulnerable workers such as people with disabilities and women with career breaks· Promoting diversity and equal opportunities	Employees	Enhancing a system to prevent and address workplace human rights violations	<ul style="list-style-type: none">· Operation of the Workplace Harassment Deliberation Committee· Operation of the Verbal Abuse Reporting Center, Workplace Harassment Counseling Center, Grievances Counseling Center, Personnel Matters Counseling Center, Sexual Harassment Counseling Center
		Supporting the capacity development of female employees and strengthening female leadership	<ul style="list-style-type: none">· Increase the proportion of female employees to 50% by 2030
Forced and child labor <ul style="list-style-type: none">· Prevention of unfair labor practices and mandatory overtime work· Ensuring work-life balance		Ensuring compliance with legal working hours and fostering work-life balance	<ul style="list-style-type: none">· Implementation of a 52-hour workweek policy and monthly verification of commuting records to ensure compliance with 208 working hours per month· Introduction of a flexible work hours
Industrial safety <ul style="list-style-type: none">· Promoting physical and mental health· Taking protective measures for vulnerable workers· Implementation of strategies and measures to address infectious diseases		Establishment of a safety and health management system	<ul style="list-style-type: none">· Development of safety and health policies· Conducting safety and health risk assessments and inspections· Establishing a Business Continuity Plan (BCP)
	Business partners	Physical and mental health management of employees	<ul style="list-style-type: none">· Conducting health examinations· Operation of stress management programs related to job responsibilities· Operation of Maeumnuri Counseling Center
		Protection of pregnant women and disabled	<ul style="list-style-type: none">· Maternity leave, childcare leave, and shortened working hours during pregnancy/childcare period
Responsible supply chain management and win-win cooperation <ul style="list-style-type: none">· Taking actions to address human rights issues· Expansion of human rights management in the supply chain· Protection of emotional laborers in customer service		Protection of the health and rights of customer center employees	<ul style="list-style-type: none">· Implementation of support programs and establishment of a counseling center dedicated to complaint handling personnel
Identification of new business risks <ul style="list-style-type: none">· Potential human rights risks stemming from new business relationships, including mergers and acquisitions		Implementation of Code of Conduct for Business Partners	<ul style="list-style-type: none">· Compliance with the Code of Conduct for responsible business operations, which encompasses ethics, human rights, safety, and environmental management
Ensuring environmental rights <ul style="list-style-type: none">· Possibility of environmental risks surrounding the workplace	Local community	Consideration of ESG factors in investment process	<ul style="list-style-type: none">· Revision of Responsible Investment policy and ESG Insurance Underwriting policy
Customer rights protection <ul style="list-style-type: none">· Possibility of customer information leakage	Customers	Establishment of financial consumers protection system Enhancing customer communication	<ul style="list-style-type: none">· Expanding technological/managerial measures (encryption of customer information, strengthening security measures)· Operating an online consumer protection center· Providing prior guidance on potential risks and managing products and services· Actively incorporating customer feedback, complaints (24 hours respond principles)· Operating a Customer Rights Protection Committee· Operating a Consumer Protection Committee
Ensuring financial accessibility <ul style="list-style-type: none">· Facing difficulties in accessing finance for vulnerable social groups (the elderly, people with disabilities, children etc)		Improving financial accessibility for vulnerable groups, including the elderly, people with disabilities, and children, and enhancing their financial capabilities	<ul style="list-style-type: none">· Operating a sign language counseling center for the hearing-impaired· Developing a dedicated menu for people with visual impairments (providing video captions, alternative texts, and designs for color-blind customers)· Establishing a one-stop call center with immediate connection instead of ARS and providing dedicated services for elderly customers· Expanding financial education and insurance services for the elderly· Supporting study rooms for children who are victims of traffic accidents or come from low-income families· Implementing financial education programs for elementary, middle, and high school students

Human Rights

2022 Performance

Report Handling

Category	Unit	2020	2021	2022
No. of reports	Cases	-	6	1
No. of handling cases	Cases	-	6	1

Human Rights Education

Category	Unit	2020	2021	2022
Training on human rights per capita	Hours	-	3	3
Training on sexual harassment prevention	Hours	-	1	1
Training to raise awareness of the disabled	Hours	-	1	1
Training on workplace harassment prevention	Hours	-	1	1

Supply Chain Management

Sales Channels (RC, GA) / Automobile-related Partner Companies

Strategy

SFMI recognizes our business partners to be integral to our operations and actively encourages responsible corporate practices. In this regard, we have established the ‘Partners Code of Conduct’ to promote transparency and social responsibility in trade processes. The code encompasses eight principles: anti-corruption, compliance with laws and regulations, prohibition of child labor, non-discrimination, accident prevention, disease management, minimizing environmental pollution, and conservation. We strongly urge all our business partners, including maintenance companies and sales channels, to uphold these principles. We recommend voluntary agreement signings upon contract, facilitating the adoption of socially responsible practices among our business partners.

To ensure our business partners’ fulfilment of social responsibilities, SFMI conducts regular meetings, monitoring, and evaluations of their compliance. We offer incentives such as long-term contracts to encourage and support our partners’ continuous improvement in ethical practices, human rights protection, safety management, and environmental conservation. Additionally, in our pursuit of customer satisfaction, we actively engage in various program activities to enhance the capabilities of our partners. This includes conducting satisfaction surveys, addressing complaints, organizing internal and external events, and facilitating participation in seminars. Through these efforts, we aim to contribute to the competitiveness and growth of our business partners.

[🔗 Samsung Fire & Marine Insurance Partners Code of Conduct \(p.61\)](#)

Supply Chain Management

Sales Channels (RC, GA) /
Automobile-related Partner Companies

2022 Performance

Major Partners

SFMI leads the insurance business with various partners which is sales partners, claim service partners and repair & maintenance partners. Moreover, we evaluate customer satisfaction through customer monitoring and encourages our business partners to adopt socially responsible management practices. Over the past three years, we have observed a consistent increase in customer satisfaction scores for our service providers.

Category		Unit	2020	2021	2022
Sales partner	Risk Consultant (RC)	Persons	39,372	40,435	37,231
	Insurance agency (individual, corporate)	Numbers	4,835	5,049	5,028
	Insurance agency (financial institutions)	Numbers	49	49	53
Claim service partner	Roadside assistance provider	Numbers	1,541	1,527	1,479
	Repair & maintenance shop	Numbers	1,939	1,989	2,077
	Claim adjustment company	Numbers	14	14	14
General Insurance Association of Korea	RCs with Certificates of Excellence by General Insurance Association of Korea	Persons	6,551	6,703	6,164
Repair & maintenance partner	Outstanding repair & maintenance partners	Numbers	976	995	1,055
	Evaluation of the shre of eco-friendly repairs (rate of bumper restoration) ¹⁾	%	45.1	46.0	46.1
	Training on restoration repair technology ²⁾	Cases	Stopped due to COVID-19	Stopped due to COVID-19	Stopped due to COVID-19
Customer satisfaction assessment for roadside assistance providers	Roadside assistance providers for car accidents	Points	96.1	96.2	96.2
	Roadside assistance providers for breakdowns	Points	98.0	98.1	98.3

1) FY2022 Target: 47 over
 2) FY2022 Target: 50 over

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Consent Rate of ‘Social Responsibility Code of Conduct’ among Major Partners

Category		Unit	2020	2021	2022
Total	No. of target partners	Numbers	-	46,900	43,748
	No. of agreed partners	Numbers	-	46,886	43,748
	No. of disagreed partners	Numbers	-	14	0
	Consent rate	%	-	100.0	100.0
Sales channels (RC, GA)	No. of target partners	Numbers	-	45,484	42,259
	No. of agreed partners	Numbers	-	45,484	42,259
	No. of disagreed partners	Numbers	-	0	0
	Consent rate	%	-	100.0	100.0
Anycar service	No. of target partners	Numbers	-	1,407	1,479
	No. of agreed partners	Numbers	-	1,394	1,479
	No. of disagreed partners	Numbers	-	13	0
	Consent rate	%	-	99.1	100.0
Compensation assessment outsourcing agency	No. of target partners	Numbers	-	9	10
	No. of agreed partners	Numbers	-	8	10
	No. of disagreed partners	Numbers	-	1	0
	Consent rate	%	-	88.9	100.0

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Sales Channels (RC, GA) /
Automobile-related Partner Companies

Partner Support System

Sales Partners

Risk Consultants (RCs) are financial specialists and valued sales partners who provide our customers with exceptional insurance consulting and services. Our RCs comply with the principles for complete sales, fostering trust among our customers. They prioritize accurate explanations of insurance terms, receive customers’ signatures, and ensure the delivery of application form copies while actively promoting a culture of ethical insurance sales. Thanks to the unwavering commitment of our employees and RCs effort to stick to integrity-driven sales practices, we have proudly avoided any sanctions related to customer information protection, including instances of customer information leakage, for the past three years.

Results from a job satisfaction survey conducted among 2,000 RCs reveal that 82.3% of respondents expressed satisfaction with SFMI RC. The key reasons cited for recommending SFMI RC were its industry-leading commission system for new RCs (42.9%) and the pioneering 24-hour digital sales system (36.5%). Our RCs take immense pride in being associated with SFMI, a renowned brand in the non-life insurance industry (51.6%), known for its cutting-edge digital sales support system (22.5%) and comprehensive education assistance (22.4%). These findings confirm the high regard for our well-structured education programs and mobile-based sales support system, which have streamlined RC activities. We will continue to enhance the work environment for our RCs to improve job satisfaction.

Basic curriculum	This curriculum aimed for helping new RCs with less than one year of experience to understand the basics of insurance sales and consulting. Even those who do not have any sales experience can learn the necessity and benefits of having insurance through SFMI’s systematic curriculum and become a confident professional consultant.
Professional RC training course, Samsung Sales University (SSU), SFMI MBA	SFMI offers a comprehensive curriculum designed to provide our sales partners with the best possible training, including the professional financial consultant training course, Samsung Sales University (SSU, SFMI’s educational program specializing in non-life insurance), and SFMI MBA (insurance marketing expert training course offered in association with Sungkyunkwan University) to support our sales partners in becoming industry-leading consultants, equipped with the necessary skills and expertise to excel in the field.
SFMI Sales+ 삼성화재 영업+	SFMI has launched ‘SFMI Sales+,’ a PC and smartphone-based platform designed to enhance the competitive edge of our face-to-face channel. With improved task processing speed and an optimized user interface (UI), our RCs can now work in a better environment at customer touchpoints. We provide a one-stop solution that empowers RCs to efficiently manage their operations, from customer consultations to contract agreements, through their smartphones, even on weekdays, weekends, or evenings.
Activity support system	SFMI provides comprehensive customer management processes, and system-based sales activity platform that covers various stages, including managing prospective customers, utilizing CRM analysis to identify new customers, and leveraging customer management tools. Our goal is to establish a cutting-edge activity support system that maximizes efficiency for RCs in their sales activities.
Barotong 삼성화재 바로통	Barotong is a mobile content transmission system that supports the sales activities of RC in customer communication. RCs can utilize smartphones, the Galaxy Book, and PCs to send text messages to customers, reminding them of the importance of insurance and delivering interactive materials.
Consulting system	The consulting system enables RCs to quickly assess customers’ insurance status and recommend customized products and plans based identified coverage gaps.
Learning platform ‘MOVE’	SFMI has launched a learning platform called ‘MOVE’ to support the professional growth of RCs. MOVE with the flexibility to study using PCs or mobile devices at anytime and anywhere. By utilizing the platform, RCs can enhance their expertise and make valuable contribution to financial consumer protection.
Sea of Information	SFMI provides an information content service that enhances RCs’ sales activities. Through this service, RCs can directly send the company’s DMs to customers as well as purchase PR materials and print sales materials, such as leaflets and relevant news articles.
SF (Success of Forty)	SFMI operates SF (Success of Forty) branches, primarily composed of female RCs aged 30 to 45. SF branches were established in May 2019 and aim to provide female-friendly working environment. We accommodate the needs of women whose careers were interrupted due to childbirth and childcare by adjusting training and working hours, ensuring sufficient time for childcare responsibilities.
R-lim 알림 R	R-lim is a personalized mini-blog that showcases the photos and greetings of the RCs, making its debut in SFMI. This user-friendly touch tool enables RCs to send insurance-related content, materials, and affiliate coupons to customers through KakaoTalk. In the second half of 2023, R-lim will introduce a customer self-assessment service, facilitating the identification of potential customers among untapped acquaintances, in addition to obtaining agreement for insurance plan design. Going forward, R-lim will incorporate features of insurance such as premium calculations and mini-insurance coverage.

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Sales Channels (RC, GA) / Automobile-related Partner Companies

Claim Service Partner

SFMI has established business partnerships with roadside assistance providers and repair shops nationwide to ensure our customers receive prompt and precise claim services. Roadside assistance providers play a vital role as SFMI’s primary claim service partners. They are dispatched to accident scenes whenever auto insurance policyholders report accidents or breakdowns via the SFMI Call Center, aiming to minimize damages. Moreover, Anycar Land and our excellent maintenance partner Anycar Family Center (AFC) are ethical management practice repair shops in collaboration with SFMI. They strive to enhance customer satisfaction through prompt and honest maintenance services. We are implementing various programs to promote mutual growth with our claim service partners.

Overseas training course for the CEOs of outstanding partners	SFMI provides an overseas training course for partners with outstanding customer service and maintenance quality, so that they can experience advanced technologies, strengthen competitiveness in customer service, and foster a business mindset.
Technical training assistance	SFMI provides training on new technologies, new vehicles, and recovery repair technology to improve maintenance quality and prevent the devaluation of customers’ vehicles.
Consulting for new roadside assistants	To ensure early adjustment of new roadside assistants, SFMI provides consulting services to help those start CS activities, share the value of the roadside assistance business, and improve service quality.
Consulting for roadside assistants dispatched to the outskirts	SFMI provides separate consulting services for roadside assistants who are dispatched to the outskirts and do not have many opportunities to receive consulting. The goal is to improve customer service and strengthen loyalty.
Anycar Land establishment course	SFMI offers consultation for those who want to open a new Anycar Land branch and furnish business courses to enhance brand competitiveness.

Attention to Grievances and Improving Communication

SFMI regularly holds meetings with RC and claim service partners to listen to their concerns and find suitable solutions. In 2022, we elected RC representatives from each business division to participate in these meetings, where we shared the company’s management principles and sought their recommendations on revitalizing front offices. Amidst the COVID-19 pandemic, we have spared no effort in supporting sales partners by establishing an online, mobile-based sales environment.

Nurturing RCs with Certificates of Excellence

In order to uphold professionalism and ensure complete sales, the General Insurance Association of Korea annually recognizes RCs (or sales branches) who demonstrate excellence in sales training, contract retention rate, and compliance with ethical sales procedures. These exceptional individuals are awarded the Certificate of Excellence and the Blue Ribbon. In 2022, SFMI, with 6,164 individuals, has been selected and accounts for 33% of the total outstanding certifications. The Blue Ribbon is awarded to those who pass a screening process based on criteria such as their record of adhering to ethical sales procedures, contract retention rate on the 13th and 25th month, years of services, and the number of contracts. Notably, 823 RCs were honored with the Blue Ribbon, representing the largest no. of RCs and accounting for 34% of all Blue Ribbon Winners recognized as financial experts among domestic non-life insurance companies.

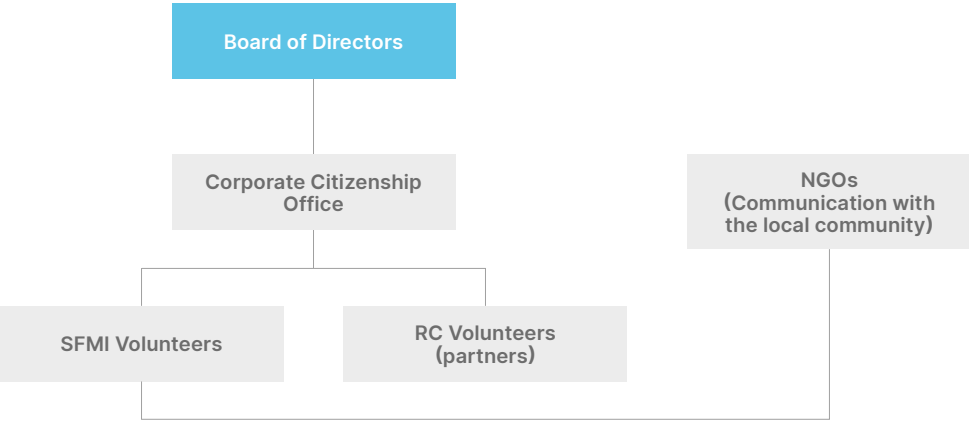
Category	Unit	2020	2021	2022
Blue Ribbon Winners	Persons	774	974	823

Inclusive Insurance and Social Contribution

Strategy

SFMI recognizes inclusive finance as a significant challenge and provides insurance products that embrace socially vulnerable groups, while also enhancing social value. Our efforts are directed towards eliminating blind spots in insurance coverage through the expansion of inclusive finance on digital platforms. Under our social contribution vision, 'Let's Go Together to the Future! Enabling People,' we actively fulfill the social responsibility by engaging in social contribution activities. We prioritize specialized businesses, joint businesses with Samsung and local contributions to create value for local communities.

Organization Driving Social Contribution Activities



Principles for Social Contribution

- Leveraging our expertise in social contribution activities by capitalizing on the unique nature of the insurance business and organizational capabilities → **UN SDGs No. 3**
- Continuing social contribution activities aimed at enhancing the resilience of local communities → **UN SDGs No. 8**
- Expanding the engagement of employees and partners (RCs) in volunteer work and donation.
- Creating synergy through strategic partnerships with the government and civic groups → **UN SDGs No. 3**

Target

Expansion of social insurance products in 2023

500 KRW billion

2022 Performance

Inclusive Insurance Products and Services

SFMI provides inclusive and socially responsible insurance products as part of our commitment to fulfilling our social responsibility. In 2022, the revenue from these products amounted to KRW 419.5 billion. Looking ahead, we have set a target to generate KRW 500 billion in revenue by 2030 through the expansion of eco-friendly and socially responsible insurance products. In particular, we aim to alleviate financial difficulties by providing tailored financial and non-financial services to underserved groups. We strive to continuously improve inclusive finance by gathering feedback from underserved communities and enhancing understanding of the product delivery process.

Low-income Households

The auto insurance rider for low-income drivers' is an auto insurance product with lower premiums and equal coverage offered to recipients of basic national benefits to lighten their financial burden.

Category		Unit	2021	2022
Auto insurance rider for low-income drivers	Social KPI	No. of beneficiaries (No. of register)	13,106	12,080
	Business KPI	Collected premiums (KRW million)	8,579	8,054

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Insurance for children from low-income households is a microinsurance plan specifically designed to provide coverage for unexpected accidents and diseases among children aged 17 or younger in low-income families. This insurance plan caters to children raised by grandparents, single-parent families, and multicultural families who often face financial vulnerability. By collaborating with the Korea Inclusive Finance Agency, we ensure that dormant claims are utilized effectively to support these families.

Category		Unit	2021	2022
Insurance for children from low-income households	Social KPI	No. of register	2	1
		No. of beneficiaries	213,894	155,554
	Business KPI	Collected premiums (KRW million)	1,308	831

Disabled

Umbrella insurance, with preferential terms for welfare facilities catering to the disabled, is an insurance product designed to offer protection against potential risks such as fire incidents and liability issues that these facilities may encounter. It also provides coverage for the risk of injury among the facility users.

Category		Unit	2021	2022
Facilities for the disabled	Social KPI	No. of beneficiaries (No. of register)	19	16
	Business KPI	Collected premiums (KRW million)	11	9

Foreign Workers

The insurance product for foreign workers is designed to cater to their specific needs. It provides accident insurance, return cost insurance, and departure guarantee insurance, offering coverage for non-occupational injuries, diseases, or accidents. This insurance aims to assist foreign workers with the expenses associated with returning to their home countries. Additionally, we operate a dedicated counseling center and website, providing easy and convenient consultation services for foreigners seeking insurance coverage.

Category		Unit	2021	2022
Foreign worker insurance	Social KPI	No. of beneficiaries (No. of register)	159,417	398,601
	Business KPI	Collected premiums (KRW million)	346,380	398,730

Volunteer Work

SFMI offers an insurance product that provides coverage for bodily injuries to volunteers and liability compensation for facility owners that may arise from accidents during volunteer activities.

Category		Unit	2021	2022
Volunteer comprehensive insurance	Social KPI	No. of beneficiaries (No. of register)	-	223
	Business KPI	Collected premiums (KRW million)	-	3,087

The insurance plan was specifically designed for participants of senior employment and social activities programs, including volunteer work, public interest activities, and talent-sharing initiatives. This insurance plan provides coverage for injuries resulting from accidents during these activities, as well as liability protection. By providing this insurance, we aim to create a safer environment for participants to engage in these programs.

Category		Unit	2021	2022
Silver volunteer comprehensive insurance	Social KPI	No. of beneficiaries (No. of register)	606,500	628,395
	Business KPI	Collected premiums (KRW million)	6,785	5,863

Cyber Accident

In February 2023, SFMI introduced a personal cyber accident insurance product, which was previously only available to businesses, in response to the rising frequency of cybercrimes and the growing risks associated with online activities. Through this insurance product, we aim to empower individuals to proactively prepare for various types of cyber incidents, including cyber financial crimes, online trading, and shopping fraud, as well as liability and legal expenses. Each coverage category offers a maximum coverage limit of KRW 2 million.

Revenue from Social Insurance Products

Category	Unit	2020	2021	2022
Revenue from social insurance products ¹⁾	KRW 100 million	4,197	3,663	4,195

1) FY2023 Target: 5,000

Inclusive Insurance and Social Contribution

Social Charitable Investment and Donation

Category		Unit	2020	2021	2022
Investment in social contribution projects		KRW 100 million	144.0	125.3	136.1
Charitable donations	The amount of donation in cash	KRW 1,000	6,769,994	4,297,582	6,182,816
	The amount of donation in kind	KRW 1,000	4,847,043	5,587,066	5,018,788
	Business overhead expense	KRW 1,000	2,781,931	2,647,351	2,397,895
	Total hours of volunteer work	Hours	49,767	19,770	13,310
The amount of political donation ¹⁾		KRW 100 million	-	-	-

1) SFMI strictly abides by the Political Funds Act of Korea that prohibits corporations or organizations from donating political funds and Improper Solicitation and Graft Act. Therefore, we do not provide any political funds.

Inclusive Support

Support for Safe Life

Samsung Traffic Safety Research Institute

Samsung Traffic Safety Research Institute is Korea’s first private research institution specializing in traffic safety. It was established to promote an advanced traffic safety culture and create a society where traffic accidents are reduced to zero. The institute conducts systematic and scientific research in three major areas: road environment, automobiles, and drivers. By studying these components, the institute aims to achieve the national goal of reducing traffic-related fatalities and preventing customers from being involved in accidents. The institute plays an active role in developing and enhancing traffic safety policies based on its research and development findings. It also provides education and support to individuals with limited mobility and residents of accident-prone areas. Through its efforts, the institute has contributed to the implementation of 55 legislative amendments, including policies related to disabled parking zones and the 50-30 safe speed policy. In April 2022, the institute established the Traffic Safety Policy Advisory Committee which brings together various stakeholders, including NGOs, government agencies, the National Assembly, public and research institutions, and academia.

SFMI Transportation Museum

The SFMI Transportation Museum is Korea’s first museum specializing in automobiles designed to showcase the global history of automobile development and promote the automobile culture in Korea. The museum has been collecting, researching, and preserving automobile-related natural heritages. In addition, it provides ‘Traffic Safety Education for Children’ program to prevent traffic accidents involving children. The program provides children with easily understandable explanations about common accidents involving children and teaches preventive measures. Offline traffic safety education resumed in May 2022.

In commemoration of its 25th anniversary in 2023, the museum is planning a complete renovation with a focus on mobility. It will undergo a transformation from a car-focused museum to becoming a multifaceted cultural space where visitors can experience and enjoy the diversity of past, present, and future mobility.

Support for the Disabled

Supporting the visually impaired with guide dogs

Since 1993, SFMI has been providing free training and guide dogs to visually impaired individuals. In 2022, we successfully provided 15 dogs, bringing the total to 270. These guide dogs have assisted the visually impaired individuals to become proud members of society as college students, teachers, public officials, pianists, and more. This citizen participation program is a representative model that company (providing guide dogs), citizen (volunteer) and the government (improvement of the law, institution) engage with. For 2023, our goal is to continue training and providing at least 15 guide dogs free of charge and various events for improving guide dogs awareness as we celebrate our 30th anniversary.

Support for the youth with disabilities

Every year, SFMI organizes a concert titled ‘Poco a Poco’ with the aim of providing musically talented youths with disabilities nationwide an opportunity to showcase their skills on stage and communicate with the world through music. In addition, we have established the ‘Viva Chamber Ensemble’ in 2015 to nurture students with disabilities and help them develop into professional musicians. This ensemble provides regular training sessions and performance opportunities, thereby promoting a positive understanding and awareness of disabilities. In 2022, we successfully organized the regular concert of Viva Chamber Ensemble, where the audience had the privilege of witnessing various performances of aspiring musicians. These attempts will continue in 2023 with the fourth cohort of talented individuals.

Improving disability awareness for adolescents

SFMI supports the production of dramas aimed at helping children and adolescents have a correct understanding of disability. This is an effort made as part of the extension of the Memorandum of Understanding (MOU) we signed with the Ministry of Education and Disabled Persons First Campaign Center in 2019. In 2022, we released the educational drama titled ‘On Your Road We Are...’ on the Day of People with Disability which had been produced the year before and the drama has been played at middle and high schools across the country for educational purposes. In addition to drama production, we co-host writing contests for elementary, middle, and high school students nationwide with the Disabled Persons First Campaign Center and Kids Korea Times. Under the theme of ‘My small steps to communicate with people with disabilities,’ we received a total of 21,386 essays from 1,617 schools in 2022. Students who wrote the best essays were selected as winners and awarded prizes.

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Inclusive Insurance and Social Contribution

Support for the Underprivileged

Supporting the children of traffic accident victims

Since 1993, SFMI has been providing financial support for children whose parents died or lost their economic ability due to traffic accidents. This support includes monthly scholarships, gifts in celebration of their entrance to higher-level schools, and birthdays and national holidays. We also provide emotional support through one-on-one mentoring, cultural experience programs organized by employees, and home visits. In 2022, we selected 38 children to provide various support, with the goal of nurturing them into healthy members of society.

Managing the online market for farming and fishing communities

To help farming and fishing communities suffering from a shortage of labor and adverse weather conditions, we have supported them in expanding their sales channels for agricultural produce. One of our initiatives is the annual opening of an online market for employees every year, in the run-up to the Lunar New Year and Korean Thanksgiving holidays.

SFMI Volunteers

SFMI Volunteers, composed of our employees, play a central role in our corporate social responsibility activities. As of 2022, we have 294 employee volunteers nationwide. In 2022, we organized mentoring programs as part of emotional exchange programs, where our employees delivered postcards and books with encouraging messages to children who are victims of traffic accidents and recipients of scholarships. Despite the limitations due to the ongoing COVID-19 situation, our employees personally crafted meaningful items such as the pop-up book featuring smile angels, Bunny, book covers for children from family in crisis, and bead mobiles for low-income children. These heartfelt creations were delivered to social welfare institutions and organizations, demonstrating our commitment to sharing our love with our neighbors. Additionally, we organized a blood donation campaign after a three-year hiatus due to the COVID-19 pandemic. Employees at the headquarters visited the nearby Red Cross blood donation buses, while employees at other locations visited nearby blood donation centers to make individual blood donations. The blood donation certificates were donated to the company, contributing to alleviating the winter blood supply shortage.

Dream Car Project

The Samsung Claim Adjustment Service has been actively participating in social contribution activities in collaboration with SFMI's outstanding maintenance partners and the Korea Foundation for Persons with Disabilities since 2013. It provides checkups and maintenance for vehicles of welfare facilities for the disabled and disabled individuals from low-income households who have trouble maintaining their vehicles. The effort to promote the safety of the disabled is known as the 'Dream Car Project,' and the cumulative number of vehicles that benefited from the free maintenance service surpassed 426, with 40 vehicles added to the list in 2022.

Dream Fund

SFMI employees started Dream Fund aimed at providing neighbors and communities with new dreams and hopes. The Dream Fund is a voluntary donation fund comprised of contributions from employees' monthly wages and the equal amount donated by the company. As of the end of 2022, 71.2% of regular employees participated in the fund, raising a total of KRW 1.07 billion this year alone. A total of KRW 22.5 billion was raised as of the end of 2022, and the fund is used to finance the Viva Chamber Ensemble and hands-on volunteer projects.

Global Social Contribution

Social Contribution of Overseas Subsidiaries

SFMI is actively carrying out social contribution activities mainly in China and Southeast Asia. Our overseas subsidiaries engage in region-specific activities, with the Chinese subsidiary raising funds for the disabled, the Indonesian subsidiary supporting school expenses for students from low-income families, and the Vietnamese subsidiary supporting the renovation of elementary schools.

SFMI World Go Masters

Launched in 1996, the SFMI World Go Masters has contributed to elevating the standing of Go in the world, with its reputation of being a 'festival of Go stars.' It has spearheaded changes and innovation in global Go competitions by introducing open tournaments and prize money systems, and creating new categories such as the 'senior cup,' 'women's cup,' and 'world cup.'

Joint Venture by Samsung

Dream Class

SFMI operates Dream Class, an educational program that provides basic learning, future skills, and career exploration courses to low-income middle school students who lack educational opportunities. Since 2012, a multidimensional mentoring program involving college students, professionals, and employees has been conducted, with a total of 89,000 middle school students and 24,000 college students participating.

Respect for Life (Suicide Prevention)

SFMI collaborates with financial institutions of the Samsung Group to operate the Respect for Life program. Furthermore, we have plans to operate a suicide prevention SNS counseling channel specifically designed for teenagers who are familiar with mobile technology. This channel will address crisis counseling for at-risk youth and provide support to prevent suicide. In 2022, we developed detailed programs and are scheduled to begin pilot operations in 2023, targeting 45 students from three schools. Our expansion plan includes reaching 150 students from 10 schools in 2024 and 300 students from 20 schools in 2025.

Nanum Kiosk

The Nanum Kiosk is a program where employees donate KRW 1,000 each time they tag their employee ID card, and the funds raised are delivered to children from low-income families and those with rare incurable diseases in the local community. In May 2022, we installed the Nanum Kiosk at the headquarters. Until the end of the year, a total of 764 employees participated in the program. The sponsorship funds are utilized for the housing, living, and educational expenses of children in need, and the results of the usage are shared internally through company announcements.

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Inclusive Insurance and Social Contribution

Inclusive Non-financial Support

SFMI provides inclusive services beyond simple financial support to underserved groups in our society. It aims to improve their quality of life and facilitate decision-making processes while utilizing the financial products and services offered by SFMI. Moreover, SFMI supports various non-financial support to promote financial and digital literacy, and provides educational and business management tools for enhancing business capabilities.

One Company-One School

SFMI has run the 'One Company-One School Financial Education' program organized by the Financial Supervisory Service to help adolescents, future financial consumers, to acquire proper financial knowledge. Although we minimized school visits in response to the COVID-19 pandemic in 2022, a total of 51 financial training sessions were held at 22 schools and 2,262 persons were participated. In 2023, we plan to offer various programs to promote the value of sharing, including talent donations for schools and children from low-income families.

Stepping Stones of Hope ¹⁾

SFMI operates a program titled, Stepping Stones of Hope, which supports residential facilities for transitioning youth from childcare institutions to independent living, and provides them with education. Concretely, we provide supports for self-reliance, including life skills, economic (financial literacy), and vocational education. We also offer career counseling and introduce employment opportunities with affiliated companies in the local area. The first cohort of the program includes centers in Busan, Daegu, Gangwon, Gwangju, and Gyeongbuk. The second cohort includes centers in Gyeongnam, Chungnam, Jeonbuk, Gyeonggi, and Jeonnam (currently ongoing). The third cohort is to be launched in Chungbuk. In 2022, the number of beneficiaries of the 'Stepping Stone for Hope' program was 16,760.

1) Stepping Stones of Hope is a joint venture by Samsung and under the category of inclusive non-financial support. It goes beyond simple financial assistance and provides economic (financial literacy) education to young people

SF (Success of Forty)

SFMI operates SF (Success of Forty) branches, primarily composed of female RCs aged 30 to 45 from May 2019. We provide opportunities for women who have experienced career break to challenge themselves as Risk Consultants (RC) based on specialized financial knowledge. To address the main obstacle of childcare, which often leads to hesitation in reemployment for women with career gaps, our education and sales activities are structured from 10:00 AM to 4:00 PM. Working as an RC allows them to take care of their children's commuting needs and utilize personal time effectively. Additionally, even for those with limited experience in insurance industry, SFMI supports a systematic three-month training program to help mothers unfamiliar with insurance sales become financial professionals. As of 2022, 1,128 career women are employed as RCs in 39 SFMI branches.

Performance of Inclusive Insurance and Social Contribution

Under the CSR vision of 'Let's go together to the future! Enabling people,' SFMI has contributed approximately KRW 12.66 billion to society as of 2022. Through our participation in the Traffic Safety Academy and guide dogs for the visually impaired projects, we have made a significant impact. Additionally, we have actively engaged in four joint business: Dream Class, Stepping Stones of Hope, Respect for Life and Nanum Kiosk, which have generated social value. We have undertaken community engagement initiatives such as supporting the children of traffic accident victims and providing music education for disabled youth. Additionally, we introduced the industry's first 'Senior-friendly Mobile Service.' With the 'Large Font Mode' feature of this service, users can easily and quickly handle tasks such as reviewing contract details by simply pressing the 'Large Font' button in the top-left corner of the SFMI app or mobile website. We have prioritized spacious layouts and large fonts to minimize the chances of accidental inputs. Through interactive messages like 'Whose insurance claim are you filing?' we ensure clear guidance and enhance convenience for our senior customers. Going forward, we will continue to strengthen our commitment to service improvement by actively embracing customer feedback.

Category	KPIs	2021		2022
Samsung Traffic Safety Research Institute / SFMI Transportation Museum	Business KPIs	Decrease rate of auto insurance accidents	Average annual decrease of 11.0% from '16 to '21	Average annual decrease of 4.7% from '17 to '22
		Auto insurance loss rate	Decrease of 3.7%p compared to the year '20	Decrease of 0.2%p compared to the year '21
	Social & Environmental KPIs	No. of children who completed traffic safety education	8,195 persons	36,710 persons
Inclusive insurance product services	Business KPIs	Sales of inclusive insurance products	KRW 366.3 billion	KRW 419.5 billions
	Social & Environmental KPIs	No of beneficiaries of inclusive insurance products	1,246,555 persons	1,202,676 persons

Information Security and Personal Information Protection

Strategy

For ensuring strict and rigorous information protection, SFMI has appointed the CSO (Chief Security Officer), CISO (Chief Information Security Officer), CPO (Chief Privacy Officer), and credit information handlers. We also have an Information Protection Committee, a decision-making body for security issues consisting of members of the board and major executives. Moreover, the IT Information Protection Committee involves relevant departments such as IT Security Department, Information Protection Department, and Information Planning Department. This committee meets regularly to establish and monitor the implementation of security policies. The committee’s findings and future plans are reported to the CEO on a monthly basis, while the BOD receives annual reports on the company’s information protection-related performance, issues and plans in regular meetings. To safeguard all information assets owned by the company, we have prepared a classification system and policies that employees have to comply with in the process of the collection, use, management, and destruction information depending on the attribute of each asset.

[🔗 Personal Information Protection Policy \(p.24\)](#)

[🔗 Customer Rights policy \(p.63\)](#)

Target

Leakage of
data assets including
personal data

0 cases

Violation of
data security laws

0 cases

Rate of employees who
completed data security
training

100%

2022 Performance

Information Protection

SFMI has bolstered our internal regulations related to information security by establishing a security task force. Customer information is encrypted and stored in DB, and we employ an information protection system and 24/7 cyber control with network separation between business and the Internet. To date, there have been no information leaks or regulatory sanctions. In order to proactively address the expanding landscape of cloud services, we are enhancing the management of cloud servers and account permissions, and implementing a Risk Management Solution (CSPM). We continuously monitor the percentage of users whose data is used for secondary purposes. In 2022, the percentage of customer information provided for secondary purposes, as required by legal obligations, was 0.047%. We will continue to safely manage the personal information of customers in accordance with relevant laws, such as the Personal Information Protection Act, to prevent any potential breaches.

Category	Unit	2020	2021	2022
Information leakage	Cases	0	0	0
No. of complaints related to information leakage	Cases	0	0	0

Information Security and Personal Information Protection

Certification and Education

Education on Information Security, Personal Information Protection and Constant Inspection
 In order to raise the employees’ awareness of data security and personal information protection, SFMI provides an education program titled ‘Understanding Information Security and Personal Information Protection’ for all employees, including contract workers. Moreover, we conduct specialized training programs for information specialists¹⁾ who has high risks in information and personal data and insurance solicitors/loan counselors²⁾. This program aims to raise awareness and provide necessary training to prevent malware infections through regular and diverse inspections such as mock hacking and emergency drills. We also collaborate with the Financial Security Agency, an information security specialized institute, to assess vulnerabilities in our electronic financial infrastructure and report the findings to the Financial Supervisory Service. Our external systems undergo DDoS simulation training with the Financial Security Agency, and we receive daily reports on analyzed hacking indicators to swiftly respond to APT (Advanced Persistent Threat) attacks. Additionally, the Financial Security Agency and Samsung Integrated Security Center continuously evaluate the effectiveness of our control system in preventing external intrusions.

1) Special training for 268 compliance and security officers (biannually)
 2) Capacity building courses for insurance solicitors (0.5h), credit information training for loan counselors (1h)

Information Security Verification
 SFMI obtained ISMS (Information Security Management System) certification from the Ministry of Science, ICT, and Future Planning (formerly known as the Ministry of Science, ICT, and Future Creation)¹⁾ in 2014. We have maintained this certification every year and have been recognized as an excellent website for personal information protection. Additionally, we have achieved the highest level of data management certification, ‘Level 4.’ These achievements demonstrate that we possess a top-tier information security system in South Korea.

1) Expiration date: 2023.07.13

Certified as an Excellent Website for Personal Information Protection (ePRIVACY PLUS)
 In 2000, our website was certified as an excellent website by the Korea Association for ICT Promotion during the first round of certification. Since then, as the only Korean insurance company to receive this certification, we have successfully renewed it every year. The ePRIVACY PLUS mark is granted to outstanding websites that have surpassed comprehensive and quantitative examination standards regarding the level of personal information protection, as well as the physical and managerial safeguards in place for the processing of such information.

Acquired Data Quality Certification-M (DQC-M) Level 4
 SFMI has become the first in Korea to acquire the ‘Data Quality Certification-M Level 4’ certification from the Korea Data Agency under the Ministry of Science and ICT. Data Quality Certification is granted to public institutions or private corporations based on a comprehensive examination of the level of information system management. Two companies acquired ‘Level 4’ certification, and nine companies acquired ‘Level 3’ certification. We are the only private corporation that received ‘Level 4’ certification, which is the highest level in Korea.

Category		Unit	2020	2021	2022
Training on information security and personal information protection	No. of employees completed training	Persons	5,934	5,584	5,500
	Training hours per person	Hours	6	6	6
	Completion rate	%	100	100	100
	Whether training is provided to all employees, including staff in partner companies	Y/N	Y	Y	Y
International certification	ISMS certification	Y/N	Y	Y	Y
	Certified as an excellent system in terms of personal information protection	Y/N	Y	Y	Y

Audit

Our information security policies and systems undergo annual audits by the Financial Security Agency, and we have been recognized for our outstanding data protection management system.

Category	Unit	2020	2021	2022
External audits on information security policies and systems	Y/N	Y	Y	Y

Customer Communication

2022 Performance

Customer Satisfaction

For 22 consecutive years, SFMI has been selected as the top-ranked company in the non-life insurance sector in the National Customer Satisfaction Index (NCSI) survey conducted by the Korea Productivity Center, Chosun Ilbo, and the University of Michigan. This achievement is a great honor for the company, as we have maintained the top rank within the financial industry for the longest continuous period. The NCSI survey is a comprehensive assessment of customer satisfaction, employing a model that has been extensively validated and adopted as a benchmark for measuring quality competitiveness in the United States. Its high level of completeness and reliability ensures accurate and meaningful results. Additionally, in the Korea Customer Satisfaction Index (KCSI) survey conducted by the Korea Productivity Association Consulting, we achieved remarkable success in both the automobile insurance and long-term insurance sectors. We take great pride in being ranked first in terms of automobile insurance for 25 consecutive years and in long-term insurance for 12 consecutive years.

Category		Unit	2020	2021	2022
National Customer Satisfaction Index(NCSI)		Points	78	79	80 ¹⁾
Korea Customer Satisfaction Index (KCSI) ²⁾	Auto insurance	Points	86.5	88.0	89.3
	Long-term insurance	Points	83.4	85.3	86.7
No. of VOC handled within 24 hours		%	90.0	89.5	85.6
No. of customers		10,000 persons	1,055	1,103	1,139

1) No.1 in non-life insurance for 22 consecutive years
FY2022 Target: 79

2) No.1 in auto insurance for 25 consecutive years, No.1 in long-term insurance for 12 consecutive years

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Board of Directors

Strategy

The Role and Composition of BOD

The Board of Directors (BOD) serves as the top decision-making body within the company. In accordance with relevant laws such as the Commercial Act and the Financial Company Governance Act, the BOD holds the authority to appoint the CEO and Chairman of the BOD. It is stipulated that the Chairman of the BOD is selected from among independent directors. Furthermore, the BOD is predominantly comprised of independent directors who possess expertise and independence, fostering an environment that ensures effective oversight of the BOD and management. Moreover, the BOD supports the management leadership in fulfilling their responsibilities based on rational business judgments. To this end, the BOD is constituted by experts in various fields who meet the criteria of independence, diversity, and expertise. Efforts are being made to facilitate effective communication among members, and external experts can be consulted when necessary.

Expertise of BOD

The Executive Candidate Nomination Committee and the BOD review the qualifications of executive candidates in accordance with relevant rules and regulations. Specifically, they closely examine not only the passive qualifications stipulated by the law but also active qualifications, including expertise, job suitability, ethics, accountability, and fidelity. The aim is to recommend candidates with expertise and rich experience in the fields of finance, economy, and management as final candidates to the BOD and general shareholders' meeting.

Diversity of BOD

SFMI regards the diverse background and experience of the BOD as a valuable asset that enables us to understand the trend and seize new business opportunities in the rapidly changing insurance industry. To secure diversity among the BOD members, we actively seek candidates who can bring new and diverse perspectives for the company's development. We do not limit the pool of candidates on the grounds of gender, race, ethnicity, place of birth, nationality, or age. In March 2023, we further enhanced gender diversity within the BOD by appointing more female executives following 2022.

[Policy on Diversity of BOD \(p.06\)](#)

Independence of BOD

To maintain effective oversight of the management, SFMI has implemented the policy on independence of BOD. This policy aligns with the definition of independence specified in the Commercial Act, the Act on the Corporate Governance of Financial Companies, and global standards. Additionally, the majority of our BOD members are independent directors to meet the criteria of independence as per the policy.

[Policy on Independence of BOD \(p.03\)](#)

Efficiency of BOD

The BOD members, both executive and independent directors including the CEO, can serve an initial term of three years with the possibility of reappointment. Setting a short-term tenure for independent directors may hinder the implementation of responsible management focused on shareholder value and raise concerns about pursuing short-term gains. Conversely, establishing a long-term tenure for independent directors may lack independent checks and balances, potentially hindering rational decision-making. After careful consideration of these factors, the BOD has determined that independent directors can serve a maximum of three years, with a combined total of six years if reappointed. To ensure effective board operation, we have set an internal benchmark of a minimum attendance rate as 90%. Over the past three years, the actual average attendance rate at board meetings has been 100%. Additionally, in accordance with Article 8, Paragraph 3, Clause 4 of the Enforcement Decree of the Corporate Governance of Financial Companies Act, independent directors are prohibited from concurrently serving as directors, executives, or auditors of two or more other companies except SFMI. The independent directors of SFMI fully comply with the relevant laws.

Election Process of Directors

The Candidate Recommendation Committee or the BOD recommends and approves candidates who satisfy qualifications stipulated in the relevant laws and regulations for their excellence in rich experience and expertise. Directors are ultimately appointed at general shareholders' meetings. Different agenda items are proposed for the appointment of each director.

Assessment

SFMI conducts an annual self-evaluation to assess expertise, understanding, and independence of the BOD. Independent directors are performing their duties fairly and faithfully, aiming to enhance shareholder value. They are also making strenuous efforts to facilitate communication with the management from the perspective of shareholders. As a result, we were awarded an A rating in the 2022 governance level evaluation annually conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS), which includes assessments on the board members capabilities, and independent operations.

Board of Directors

2022 Performance

Composition

Category		Unit	2020	2021 ¹⁾	2022 ²⁾
Independence	Ratio of non-executive directors of the BOD	%	66.7	66.7	57.1
	Whether non-executive directors serve as a chairman	Y/N	Y	Y	Y
	Operation of shareholder recommendation system for non-executive directors	Y/N	Y	Y	Y
Diversity	Female executive	Persons(%)	0	1(14.3)	2(28.6)
Professionalism	Non-executive directors with industrial experience	Persons(%)	3(75.0)	3(75.0)	3(75.0)
	Risk management expert	Persons(%)	3(50.0)	3(42.9)	6(85.7)
	Financial expert	Persons(%)	4(66.7)	5(71.4)	4(57.1)
Efficiency	Average term of office	Years	3.4	3.4	1.5
	Attendance rate	%	100.0	100.0	100.0
	Re-election cycle	Years	3	3	3

1) As of Apr. 2022
 2) As of Apr. 2023

Operation

In 2022, the BOD has convened nine times with an average attendance rate of 100%, enabling practical deliberation and decision-making on agendas. We inform directors of the agenda items before the meeting to help them preview the issues. If necessary, executives in charge of each agenda provide a detailed explanation in advance for better understanding. The BOD members with various professional backgrounds have engaged in active discussions, and as a result, a total of 76 reports and resolutions were passed in 2022.

BOD Meeting Results

No.	Date	Main agenda	Attendance
1	Jan 27, 2022	6 items, including the approval of the 72nd financial statements and business reports	6/6
2	Feb 23, 2022	14 items, including the acquisition of the 80th income securities issued by Samsung SRA Asset Management's Samsung SRA General Real Estate Investment Trust	6/6
3	Mar 18, 2022	10 items, including the reporting of the 20th Financial Consumer Protection Assessment results	7/7
4	Jun 23, 2022	10 items, including the acquisition of the 1st income securities issued by Samsung SRA Asset Management's Samsung SRA Domestic Collateral Loan General Real Estate Investment Trust	7/7
5	Jul 26, 2022	The approval of the entrustment agreement with Samsung Card	7/7
6	Sep 22, 2022	11 items, including the acquisition of the 1st income securities issued by Samsung SRA Asset Management's Samsung SRA Blackstone Partnership General Office Real Estate Investment Trust	7/7
7	Nov 28, 2022	3 items, including the allocation of sponsorship funds	7/7
8	Dec 14, 2022	The appointment of a major business executive	6/6
9	Dec 22, 2022	20 items, including the approval of real estate lease transactions with major shareholders	6/6

Category		Unit	2020	2021	2022
Meetings		Times	12	9	9
Reporting and resolutions	No. of reporting	Cases	24	21	25
	No. of resolutions	Cases	29	43	51

Responsibility

Category		Unit	2020	2021	2022
Limit the liability	Subscription of liability insurance	Y/N	Y	Y	Y
	Leadership-related issues	Cases	0	0	0
Training for directors	Participation in in-house training	Y/N	Y	Y	Y
	Inviting external experts on demand	Y/N	Y	Y	Y

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Board Composition

(As of Apr. 2023)

Name	Executive/ Non-executive	Position	Career	Date of appointment	End of term of office	Term	Assigned subcommittee
Sung Jin Kim	Non-executive	Chair of the BOD(independent) Chair of the Audit Committee Chair of the Executive Candidate Nomination Committee Member of the Internal Transaction Committee Member of the ESG Committee	2018 (Current) Foreign Investment Ombudsman, (Current) Independent director of SFMI 2016 Independent director of Hanyang Securities 2008 Advisor and visiting member of the Korea Capital Market Institute 2007 Administrator of the Public Procurement Service 2005 Deputy Minister for International Affairs, Ministry of Finance and Economy	2018.03.23.	2024.03.22.	61 months	Audit Committee Executive Candidate Nomination Committee Internal Transaction Committee ESG Committee
Seong Yeon Park	Non-executive	Independent director Chair of the Internal Transaction Committee Chair of the ESG Committee Member of the Audit Committee	2022 (Current) Independent director of SFMI 2017 Director of the Beautiful Foundation 2016 (Current) Director of the Post Office Public Interest Foundation 2015 (Current) Vice President of the Korea Marketing Association 2007 Independent director of Hyundai Marine & Fire Insurance 1994 (Current) Professor, Business Administration, Ewha Womans University	2022.03.18.	2025.03.17.	13 months	Internal Transaction Committee ESG Committee Audit Committee
Jin Hei Park	Non-executive	Independent director Chair of the Remuneration Committee Member of the Audit Committee Member of the Risk Management Committee Member of the Executive Candidate Nomination Committee	2023 (Current) Independent Director of SFMI 2022 (Current) Independent Director of SK Innovation 2021 (Current) Co-Vice Chairman of the 2030 Carbon Neutral ESG Sharing Forum held by Chung-Ang University 2014 President of Citibank Korea 2004 Senior Deputy Head of Citibank Korea 2002 Deputy Head of Hanmi Bank 1995 Head of Treasury HQ at Citibank	2023.03.17.	2026.03.16.	1 month	Remuneration Committee Audit Committee Risk Management Committee Executive Candidate Nomination Committee
So Young Kim	Non-executive	Independent director Chair of the Risk Management Committee Member of the Internal Transaction Committee Member of the Remuneration Committee	2023 (Current) Independent Director of SFMI, (Current) Independent Director of Hyosung 2022 (Current) Director General of the Naun Foundation, (Current) Lawyer at Kim & Jang Law Firm 2021 (Current) Chair of the Korean Press Ethics Commission 2017 Chief Administrator of the Judicial Administration Office 2012 Justice of the Supreme Court 1987 Top scorer in the Judicial Examination (29th Exam)	2023.03.17.	2026.03.16.	1 month	Risk Management Committee Internal Transaction Committee Remuneration Committee
Won Hak Hong	Executive	CEO Chair of the Management Committee Member of the Executive Candidate Nomination Committee Member of the ESG Committee	2021 (Current) Chief Executive Officer of SFMI 2020 Head of Automobile Insurance HQ (Vice President), Head of Samsung Life Insurance FC Sales HQ (Vice President) 2018 Head of Samsung Life Insurance Strategy Sales HQ (Vice President) 2018 Head of Samsung Life Insurance Specialized Sales HQ (Vice President) 2011 Head of Samsung Life Insurance HR team (Senior Managing Director) 1990 Joined Samsung Life Insurance	2021.03.19.	2024.03.18.	25 months	Management Committee Executive Candidate Nomination Committee ESG Committee
Seong Woo Hong	Executive	Executive Director	2022 (Current) Head of SFMI long-term Insurance Division (Vice President) 2021 (Current) Executive Director of SFMI 2020 Head of SFMI Management Support Division (Vice President), Head of SFMI CPC Planning Team (Senior Managing Director) 2018 Head of SFMI Personal Sales Marketing Team (Managing Director) 1990 Joined Ankuk Fire & Marine Insurance Co., Ltd.	2021.03.19.	2024.03.18.	25 months	-
Jun Ha Kim	Executive	Executive Director Member of the Management Committee Member of the Risk Management Committee Member of the Remuneration Committee	2023 (Current) SFMI Executive Director 2022 (Current) Head of SFMI Management Support Division (Vice President) 2020 Head of SFMI Strategic Sales and Marketing Team (Managing Director) 2018 Head of SFMI Planning Team 1 (Managing Director) 2015 Head of SFMI Affiliate Business Department 2010 Head of SFMI Planning Part 1994 Joined SFMI	2023.03.17.	2026.03.16.	1 month	Management Committee Risk Management Committee Remuneration Committee

Board of Directors

Board Skill Metrix

SFMI strives to achieve rational decision-making on various issues the company faces by assembling a board of directors consisting of diverse backgrounds and expertise. The aim is to maximize the integration of expertise among the directors and ensure that the board’s decisions are well-informed. SFMI analyzes Board Skill Matrix based on the capabilities of board members with their career, profession, and areas of activity. This analysis is utilized in the operation of the board and the appointment of directors.

Category	Sung Jin Kim	Seong Yeon Park	Jin Hei Park	So Young Kim	Won Hak Hong	Seong Woo Hong	Jun Ha Kim
Leadership	●		●	●	●	●	●
Finance/Insurance	●		●		●	●	●
Management		●	●	●	●	●	●
Accounting	●		●			●	●
Legal				●			
ESG/Customer Protection		●	●				
Marketing		●				●	●

BOD Subcommittees

Audit Committee

Being comprised solely of independent directors, the Audit Committee conducts audits on the management’s business operations to assess their legality and appropriateness, ensuring that the management can make sound decisions. Additionally, the committee thoroughly reviews agenda items of the BOD before and after meetings, and provides recommendations based on their assessments.

- Chair: Sung Jin Kim (independent)
- Relevant regulations: Article 29-2 of the Articles of Incorporation, Audit Committee Regulations

Category	Unit	2020	2021	2022 ¹⁾
No. of members	Persons	3	3	3
Ratio of independent directors	%	100.0	100.0	100.0
No. of financial experts	Persons	2	2	2
No. of industrial expert	Persons	0	0	1

1) As of April, 2023

Remuneration Committee

The Remuneration Committee is responsible for designing and implementing the compensation system for the management, ensuring a balance between performance and risk factors.

- Chair: Jin Hei Park (independent)
- Relevant regulations: Article 29-2 of the Articles of Incorporation, Remuneration Committee Regulations

Category	Unit	2020	2021	2022
No. of members	Persons	3	3	3
Ratio of independent directors	%	66.7	66.7	66.7
No. of meetings	Times	5	5	4

Risk Management Committee

The Risk Management Committee is responsible for making decisions on significant risk management strategies in alignment with the corporate objectives. The committee applies the risk management policy to the company’s decision-making process to ensure that risk management is taken into consideration by the management leadership. Ultimately, the committee aims to foster a culture of measuring and controlling risks in insurance sales and asset management, contributing to overall risk management practices.

- Chair: So Young Kim (independent)
- Relevant regulations: Article 29-2 of the Articles of Incorporation, Risk Management Committee Regulations

Category	Unit	2020	2021	2022 ¹⁾
No. of members	Persons	3	3	3
Ratio of independent directors	%	66.7	66.7	66.7
No. of financial experts	Persons	3	3	2

1) As of April, 2023

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Executive Candidate Nomination Committee

Based on qualifications such as expertise, independence, and job suitability, the Executive Candidate Nomination Committee oversees the management, verification, and recommendation process for a pool of candidates for independent directors, CEO, and Audit Committee members. These candidates will subsequently be appointed during general shareholders' meetings and Board of Directors (BOD) meetings.

- Chair: Sung Jin Kim (independent)
- Relevant regulations: Article 29-2 of the Articles of Incorporation, Executive Candidate Nomination Committee Regulations

Category	Unit	2020	2021	2022 ¹⁾
No. of members	Persons	3	3	3
Ratio of independent directors	%	66.7	66.7	66.7
Participation of CEO	Y/N	Y	Y	Y
Participation rate	%	100.0	100.0	100.0

1) As of April. 2023

Internal Transaction Committee

The Internal Transaction Committee was established with the objective of improving transparency in transactions involving affiliated companies. The committee addresses internal transaction matters by conducting reviews, deliberations, and requesting corrective actions as necessary. Significant internal transactions involving major shareholders and executives undergo a prior review by the committee, and require a final approval from the BOD. Since the committee is composed solely of independent directors, it enables objective oversight and supervision, and helps prevent potential conflicts of interest in management.

- Chair: Seong Yeon Park (independent)
- Relevant regulations: Article 29-2 of the Articles of Incorporation, Internal Transaction Committee Regulations

Category	Unit	2020	2021	2022 ¹⁾
No. of members	Persons	3	3	3
Ratio of independent directors	%	100.0	100.0	100.0

1) As of April. 2023

Management Committee

The Management Committee was launched to enhance the efficiency of the BOD's operations. The committee is in charge of making important decisions related to general management matters, asset management, and significant issues except for those that are specifically designated to be resolved by the BOD according to the Articles of Incorporation, and relevant laws and regulations. By providing this support, the company is able to respond swiftly to changes in the management environment.

- Chair: Won Hak Hong (executive)
- Relevant regulations: Article 29-2 of the Articles of Incorporation, Management Committee Regulations

Category	Unit	2020	2021	2022 ¹⁾
No. of members	Persons	2	2	2
Ratio of independent directors	%	0	0	0

1) As of April. 2023

ESG Committee

The ESG Committee assumes the roles of developing the company's strategies and policies related to ESG aspects. The committee oversees and monitors the implementation and progress of various projects aimed at achieving sustainable management.

- Chair: Seong Yeon Park (independent)
- Relevant regulations: Article 29-2 of the Articles of Incorporation, ESG Committee Regulations

Category	Unit	2020	2021	2022 ¹⁾
No. of members	Persons	N/A	3	3
Ratio of independent directors	%	N/A	66.7	66.7

1) As of April. 2023

ESG Major Agenda

Category	Unit	2020	2021	2022 ¹⁾
Integrated management and decision making on climate change issues	Y/N	N	Y	Y
Establishment and implementation of risk management system	Y/N	Y	Y	Y
Review and approval of non-financial risk (ESG)	Y/N	N	Y	Y

1) As of April. 2023

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Evaluation and Compensation

Methods for Measuring Performance and Translating Performance into Compensation
SFMI measures performance using financial metrics and relative financial metrics. We use financial indicators such as profitability metrics (earnings per share, pre-tax profit margin, price-earnings ratio) and productivity metrics (retention rate of insurance contracts, settlement rate) as key performance measurement indicators. In addition to absolute evaluation based on targets and historical performance, we also incorporate relative evaluation by comparing our financial metrics, such as earnings per share, pre-tax profit margin, and price-earnings ratio, to those of our competitors. Alongside these financial measures, we also consider relative financial metrics. These include factors like the soundness index (compliance), customer satisfaction index (Financial Supervisory Service’s complaint evaluation grade), and risk index (loan delinquency rate, and safety environment incidents and accidents). When linking performance and compensation for each director, we take into account both company-wide financial and relative financial metrics that reflect the specific responsibilities of their roles.

The Standard for the Deferral, Adjustment, Withdrawal, and Payment of Compensation
A total of 40% of the compensation determined based on performance evaluation is paid in cash, while the remaining remuneration is delivered as deferred payment for over a period of three or more years. The deferred payment is recalculated based on the stock price using predetermined methods. For executives, both cash and stock grant amount are adjusted according to their performance achievement rate, and short-term performance-based remuneration is paid in line with the attainment rate of corporate management goal, organizational performance, and excess earnings. In case of violating corporate rules, acting against the benefit of the company, or doing damage to the company, the tentatively determined compensation can be withdrawn or adjusted. We have the authority to withdraw or reduce provisionally determined performance-based compensation if the management violates the company’s regulations, especially by engaging in actions that obstruct the company’s business operations or act against its interests. Additionally, we have procedures in place to claw back any previously disbursed performance-based compensation if necessary.

Standards on Determining the Allocation of Compensation, Such as Cash and Stocks
SFMI classifies the compensation into two categories: basic salary, which is the amount included in the average wage stipulated by the Labor Standards Act or similar to that of general employees, and performance-based remuneration, which serves as incentives based on the executives’ long-term performances. Incentives are determined by evaluating the performances for a three-year period, and the incentive can range from a minimum of 0% to a maximum of 300% of their three-year average annual salary. In order to offer long-term performance-based compensation, we pay 40% of the incentives determined at the Remuneration Committee in cash in the first year,

and the remaining 60% is deferred and paid in the form of equity-related products at the rate of 20% per annum from the second to the fourth year. In February 2023, through a resolution of the Remuneration Committee, the performance-based compensation system for the management team was enhanced to better reflect the company’s medium to long-term profitability and risks. The deferred payment ratio was strengthened from the existing 60% (20% each for three installments) to 75% (25% each for three installments). Starting from 2023, for the incentives determined under this resolution, 25% of the amount will be paid in cash in the first year, and the remaining 75% will be deferred and paid in four installments, with 25% each, through stock-linked products in the second to fourth years.

Category		Unit	2020	2021	2022
Compensation	Guidelines for variable compensation of CEO	Y/N	Y	Y	Y
	Rate of performance-based incentives of CEO and deferred period	%(Years)	60(3.5)	60(3.5)	60(3.5)
	Payment gap between CEO	CEO remuneration	KRW 1 million	2,070	2,346
	-employee	Average employee remuneration	KRW 1 million	99	127
		Median value of employee remuneration	KRW 1 million	99	127
Stocks	Shareholding ratio of directors and CEO	%	0.00	0.01	0.01
	Shareholding ratio among incentives of CEO	%	60	60	60
	No. of average shares held by executives except for CEO	Numbers	116.7	83.2	61.4
	Payment of treasury stock to employees for the past two years	%	0	0	0

Board of Directors

Rights of Shareholders

SFMI organizes Investor Relations (IR) events, such as Non-deal Roadshows (NDR) and conferences, with the aim of enhancing shareholders' and investors' understanding, building trust, and informing the market about the company's competitiveness. Our financial information and earnings reports are released on our website and the DART system of the Financial Supervisory Service. Moreover, the opinions of shareholders and investors collected through IR activities are reported to the management and shared with relevant departments to be incorporated into corporate management activities.

As of December 31, 2022, a total number of issued common shares is 47,374,837. The largest shareholder, Samsung Life Insurance, owns 14.98% of the total shares, while affiliated non-profit organizations of the largest shareholder, namely Samsung Foundation of Culture and Samsung Welfare Foundation, hold 3.06% and 0.36% respectively. None of the SFMI affiliates own more than 5% of the shares. Additionally, the National Pension Service holds 7.95% of the shares but does not possess a golden share. We are dedicated to increasing corporate value by moving away from the pursuit of short-term profit and achieving higher shareholder value and long-term performance goals.

Remuneration and Owned Shares of Executive Directors

Name	Position	No. of shares (ordinary)	Value of shares ¹⁾	Remuneration ²⁾
Won Hak Hong	CEO	2,500	500	641
Seong Woo Hong	Executive director	102	20.4	257

1) Ownership shares *Based on the closing price as of Dec. 29, 2022 (KRW 200,000)
Unit: KRW million

2) Based on basic salary
Unit: KRW million

Category		Unit	2020	2021	2022
Shareholder composition	Institutional and individual investors in Korea	%	21.5	17.8	15.7
	Shareholding ratio of NPS	%	10.8	9.3	8.0
	Largest shareholder and affiliated persons	%	18.5	18.5	18.5
	Shareholding ratio of the founding family	%	0.1	0.1	0.1
	Treasury shares	%	15.9	15.9	15.9
Invigorating voting rights	Foreigners	%	44.1	47.8	49.9
	Introducing e-voting system	Y/N	N	Y	Y
	Disclosure of regulations on the exercise of voting rights by proxy	Y/N	Y	Y	Y
	Proxy solicitation for all shareholders	Y/N	Y	Y	Y
Protection of shareholder rights	Introducing cumulative voting	Y/N	N	N	N
	Disclosure of dividend policy	Y/N	Y	Y	Y
	Notice of agenda before general meeting	Y/N	Y	Y	Y
	Disclosure of audit report prior to convening notice	Y/N	N	N	N

Ethical Management

Strategy

SFMI has established the ethical management system that realizes compliance management and is centered around five key elements: integrity, fairness, co-prosperity, transparency and compassion. These key principles are embodied in the Code of Conduct of SFMI, clearly demonstrating standards that employees should comply with in their business process and furthermore in their everyday life. To uphold our moral obligations and social responsibilities, we engage in various ethical management activities, including obtaining consent to the Compliance Pledge and developing educational materials for compliance training. We have also implemented an internal reporting system called ‘Whistleblowing’ on the employee portal site to facilitate easy access and proactively detect and prevent unethical behavior.

Target

Self-inspection and training by department

10 times per year

Assessment

SFMI conducts regular compliance self-inspections and training by department with the results being submitted for review. In addition, employees undergo self-inspections four times a year, which are conducted in the form of pop-up assessments.

Employee self-inspection on ethics and compliance

4 times per year

2022 Performance

Reporting Channels

SFMI operates an internal reporting system which serves as communication channel for ethics and compliance matters, allowing for whistleblowing and reporting of alleged offenses. The identity of reporters and content are kept strictly confidential in accordance with the guidelines on internal reporting system operation. If the allegations reported through the channels are confirmed to be true, investigations are conducted promptly and disciplinary measures are taken based on the severity of the matter.

Whistleblowing	Management Principle Practice Office (Compliance Support Department)
	Tel: 02-758-7112 / Fax: 02-758-4310
	e-mail: ethics.sfmi@samsung.com
Alleged offense report	Reporting via email, telephone, fax, or postal mail of Audit Team
	Tel: 02-758-7106 / Fax: 02-758-7796
	e-mail: auditing@samsung.com

Category		Unit	2020	2021	2022
Internal reporting system	No. of cases reported and addressed	Cases	103	115	165
	Alleged offense	Cases	8	14	46
	Complaints	Cases	48	38	63
	Etc.	Cases	47	63	56
Monitoring	Regular ethics audit (monitoring for reporting and disciplinary action)	Y/N	Y	Y	Y
Violation of regulations	No. of non-monetary sanctions related to anti-corruption	Cases	0	0	0
	Fines and settlements related to anti-trust and anti-competitive behaviors	KRW	0	0	0

Ethical Management

Ethics Education

Based on ethical management system and Code of Conduct, SFMI offers ethics education programs to all employees. These programs include monthly compliance security training tailored to each department, annual online training, and position-specific educational curricula. Through these initiatives, we aim to establish a clear and comprehensive ethics education system. In addition, we actively encourage our partner companies to practice ethical behaviors. We provide them with educational materials on ethical management, include compliance information in contracts, and seek their consent to a compliance pledge, emphasizing the importance of ethical management.

Category	Unit	2020	2021	2022
Training hours on ethics per employee	Hours	7.9	7.7	8.2
Ratio of employees completed trainings on ethics	%	100	100	100
Providing staff in partner companies with trainings on ethics	Y/N	Y	Y	Y
Trainings on prevention of sexual and workplace harassment	Y/N	Y	Y	Y

Expanding Ethical Management

Self-inspection

Category	Unit	2020	2021	2022
Self-inspection and training by department ¹⁾	Times	11	11	11
Self-inspection on ethics and compliance ²⁾	Times	4	4	4

1) Target: 10 times per year
2) Target: 4 times per year

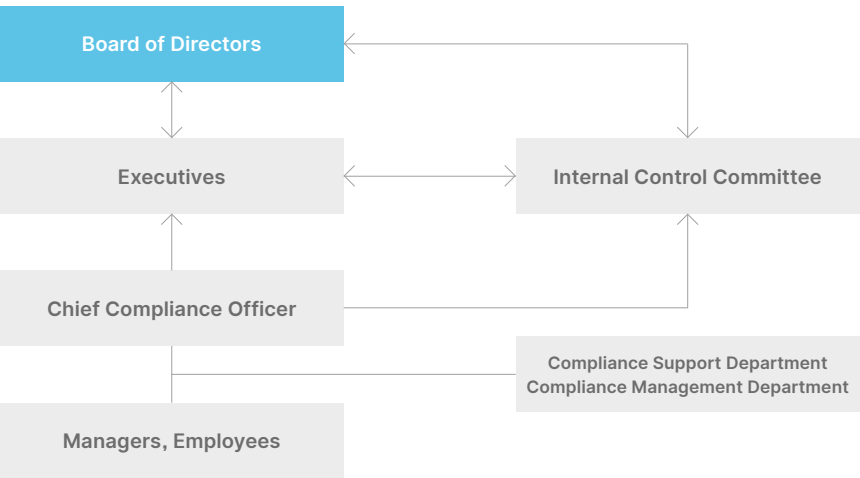
Compliance

Strategy

In accordance with the ‘Act on Corporate Governance of Financial Companies,’ SFMI establishes the internal control standard to comply with the law, to maintain the soundness of asset management and to protect the policyholders. We operate compliance support system, including pre-compliance on daily tasks, Compliance Program (CP), and Anti-Money Laundering system (AML). To solidify and improve the system, we plan to conduct consulting on company, ensuring the incorporation of organizational changes and legal amendments, thereby addressing any identified deficiencies.

The Chief Compliance Officer (CCO) oversees the operation of the internal control system by managing a dedicated organization and appointing compliance staff for each department. The CCO conducts frequent inspections to ensure adherence to internal control standards, identify and rectify shortcomings, and enforce appropriate measures for violators in accordance with the company rules. Furthermore, the CCO monitors the operation of the internal control system and reports findings to the Internal Control Committee and the BOD. Meanwhile, middle managers implement effective internal control procedures within their respective divisions and supervise employees’ performance of roles. Employees themselves bear the primary responsibility for internal control and are expected to understand their roles fully, comply with the rules, internal regulations, and the Code of Conduct.

Compliance Management Organization



Major Compliance Support Systems

- Pre-Compliance: Preliminary compliance inspection conducted by the CCO before making a final decision on key business operations, including the establishment and revision of internal regulations and product advertisement.
- Compliance Program (CP): A compliance system aimed at encouraging voluntary compliance with fair trade laws. Fostering the culture of voluntary compliance with fair trade laws and enhancing the company’s competitiveness by appointing the fair-trade voluntary compliance manager (CCO) and setting business guidelines.
- Anti-Money Laundering system (AML): A management system aimed at preventing the money laundering of crime funds through financial institutions within and outside the country and maintaining a healthy financial trade order. Preventing potential risks and increasing transparency in the management of customers’ assets by assessing and monitoring the risk of money laundering. Reconducts and verifies Customer Due Diligence and monitors suspicious transactions using scenario rules.

Assessment

Each executive officer in SFMI is assigned compliance improvement tasks on an annual basis, and the results are collected and monitored. By doing so, we are proactively preventing compliance risks and bolstering our leadership position in compliance management. Additionally, employees conduct monthly self-inspections on compliance, where they review the legal risks associated with respective roles. This process enhances the employees’ understanding of compliance and raises their awareness. Furthermore, through department self-inspections and periodic inspections, we strive to minimize compliance risks.

Compliance

2022 Performance

Commitment to Fair-Trade

SFMI operates a Compliance Program (CP) and provides education aimed at voluntary compliance with fair trade laws.

Fair trade for consumers

SFMI provides training on complete sales and closely monitor sales agents, including sales partners and the RCs, to make sure they offer customers with products that meet their needs. We emphasize clear explanations to ensure that customers fully understand the product details. Furthermore, in accordance with the Insurance Business Act and insurance industry supervisory regulations, advertisement-related laws, we have established standards for publishing and utilizing insurance-guidance pamphlets and training materials. We strictly adhere to both domestic and foreign standards in this regard.

Minimizing Incomplete sales

As a company committed to fostering trusted insurance sales practices and protecting consumers' rights, SFMI carries out diverse activities to promote complete sales of insurance products. Our dedicated Compliance Management Department plays a crucial role in promoting complete sales by focusing on customer protection and conducting monthly monitoring of incomplete sales indicators. To prevent incomplete sales, we provide regular training through online and offline channels. Additionally, we operate a monitoring system where undercover customers are deployed to observe sales activities on-site. These efforts reflect our commitment to minimizing incomplete sales. ¹⁾

1) SFMI's incomplete sales rate was 0.02% as of the second half of 2022, conducted monitoring to reduce incomplete sales

Category		Unit	2020	2021	2022
Compliance Program (CP)	Risk assessment	Y/N	Y	Y	Y
	Prior consultation system	Y/N	Y	Y	Y
	Internal supervision system	Y/N	Y	Y	Y
Required training on CP	Training hours per employee	Hours	2	2	2
	No. of students	Persons	5,987	5,114	5,381

Violation of Regulations

In 2022, SFMI received the following sanctions from supervisory institutions, which prompted us to implement stricter internal controls to prevent recurrence. ¹⁾

Category	Unit	2020	2021	2022
Unfair trade practices, such as disturbing competition and monopoly	Cases	0	0	1
No. of monetary sanctions related to violations of laws and regulations ²⁾	Cases	1	1	0
No. of lawsuits related to violations of laws and regulations	Cases	0	0	0
Fines and settlements related to anti-trust and anti-competitive behaviors	KRW 100 million	0	0	0

1) Jan. 23, 2020 / Financial Supervisory Service / KRW 17 million / Unfair and underpayment of insurance claims / Article 127-3 of the Insurance Business Act, Article 196 of the Insurance Business Act
Feb. 19, 2021 / Financial Supervisory Service / KRW 153 million / Violation of obligation to explain important terms of insurance contracts / Article 95-2, Paragraph 1 of the Insurance Business Act
Apr. 19, 2022 / Fair Trade Commission / KRW 230 million / Bid rigging in public agency bidding / Article 40, Paragraph 1, Clause 8 of the Fair-Trade Act (Administrative litigation proceeding for cancellation of fine imposition)
2) Violation of marketing regulations included

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Tax and Accounting

Strategy

In line with our established tax policies, SFMI diligently adheres to the tax laws of each in which we conduct business, including overseas corporations. We faithfully fulfill our reporting obligations and tax liability. We identify tax risks and carefully evaluate and manage them in a prudent manner. We maintain a close monitoring of tax risks that have the potential to impact the management of our tax affairs, such as those arising from the implementation of new accounting standards (IFRS Phase 2), the introduction of new products and transactions, as well as risks related to international tax obligations.

[Tax Policy \(p.39\)](#)

Assessment

SFMI continuously monitors and reviews changes in tax laws, new rules, and precedents to take swift response to any potential tax risks. If deemed necessary, we make tax-related decisions, considering the advice provided by external tax experts and the authoritative interpretation provided by tax authorities.

2022 Performance

Tax Report

SFMI provides comprehensive information on corporate tax, deferred corporate tax, and effective tax rates through independent auditors' reports. These reports are disclosed on our website as well as through Financial Supervisory Service's Data Analysis, Retrieval and Transfer System (DART).

(Unit: KRW 1 million (on a consolidated basis))

Nation	Corporate	No. of employees	Business profit	Profit before tax	Unpaid corporate tax	Paid corporate tax
Republic of Korea	Samsung Fire & Marine Insurance Co., Ltd. ¹⁾	5,588	257,844	16,025	26,678	3,396
U.S.	Samsung Fire & Marine Management Corporation ²⁾	26	2,075	128	-	-
Indonesia	PT Asuransi Samsung Tugu ¹⁾	47	558	62	10	13
Vietnam	Samsung Vina Insurance Co., Ltd ¹⁾	67	657	110	4	22
Europe (located in UK)	Samsung Fire & Marine Insurance Company of Europe ¹⁾	14	613	103	2	17
Singapore	Samsung Reinsurance PTE Ltd. ¹⁾	29	1,101	265	27	27
China	Samsung Property & Casualty Insurance Company (China), Ltd. ¹⁾	362	1,723	221	-	57
UAE	Agency Samsung Fire & Marine Insurance ME and Agency of Africa ³⁾	4	-	-	-	-

Activities: 1) Non-life insurance
 2) Insurance consulting
 3) Agency

Corporate Tax

(on a consolidated basis)

Category	Unit	2020	2021	2022
Profit before tax	KRW 1 million	1,030,852	1,517,315	1,602,474
Corporate tax expenses	KRW 1 million	275,902	392,605	408,626
Effective tax rate ¹⁾	%	26.8	25.9	25.5
Corporate tax payment	KRW 1 million	140,538	309,047	339,648
Cash tax rate ²⁾	%	13.6	20.4 ³⁾	21.2
Changes in deferred tax	KRW 1 million	9,412	32,315	-62,272
Effects of tax adjustment changes	KRW 1 million	-6,906	-1,366	-9,950

1) Corporate tax expenses/Profit before tax
 2) Corporate tax payment/Profit before tax
 3) Modifying the figures due to data entry errors

Accounting and Auditing

Category	Unit	2020	2021	2022
External audit expenses	KRW 100 million	14	16	16

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Sustainable Insurance

Strategy

To lead the sustainable insurance industry, SFMI has established responsible investment and ESG insurance underwriting policies. These policies enable us to integrate ESG factors into our asset management and insurance underwriting processes. In line with our commitment to addressing the climate crisis, we declared 'coal phase-out finance' in 2020 and 'internal carbon neutrality' in 2022. Our focus is on implementing measures such as carbon neutrality plans for investment assets and employing negative screening methods that center around reducing carbon emissions. In particular, we restrict new investments and loans to companies and businesses where coal, oil/gas mining and power generation, tobacco, and gambling industries account for more than 30% of their revenue. By adopting this approach, we aspire to become a global ESG leader. We diligently conduct detailed assessments and management of ESG-related risks and opportunities, while actively communicating with relevant departments to ultimately internalize ESG management into our management architecture.

As a prominent insurance company in domestic ESG market, we are expanding our ESG investments in line with global trends and continuously strengthening responsible investment principles. We plan to expand new investments in corporate finance related to green energy and businesses, as well as in ESG bonds across various sectors. Additionally, we actively participate in global initiatives such as RE100, PSI, UNEP to achieve our vision of carbon neutrality and enhance responsible investment principles and guidelines.

Target

SFMI has set ambitious goals to set up an evaluation system and reduction plans for carbon emissions in our asset management operation by 2024, and our ultimate aim is to achieve carbon neutrality across all sectors of our asset management by 2050. To guide our efforts, we have adopted the standards set forth by the Partnership for Carbon Accounting Financials (PCAF). In line with our trajectory, we are committed to expanding our cumulative ESG investments to KRW 10.5 trillion by 2030, while consistently increasing our annual investment size. To achieve carbon neutrality in managed assets, we plan to gradually decrease our investments in industries with significant GHGs, such as fossil fuel.

2022 Performance

Capacity Building Training

To ensure swift responses to global changes and thorough evaluation in the investment and underwriting process, SFMI provides ESG education for employees responsible for related matters. In 2022, a total of 11 personnel participated a training course consisting of 8 areas, including environment, and safety and health, with a total duration of 32 hours.

Responsible Investment

SFMI has implemented the Policy on Responsible Investment which actively embrace the principles of Socially Responsible Investment (SRI). As part of our investment process, we conduct thorough negative screening to identify and select investments that align with our ESG investment guidelines. Aligning with the government's Green New Deal policy and our vision for carbon neutrality, we collaborate with Global Loss Control Center (GLCC), an internal corporate expert to analyze, research, and evaluate natural disaster risks. The insights gained from these assessments are incorporated into our insurance products. To deepen our understanding of future-oriented areas, we regularly engage with experts from the new renewable energy sector. Moreover, we have implemented a policy to prohibit funding, investing, and underwriting activities related to unconventional oil and gas ¹⁾, including oil sands, shale oil and gas, arctic oil and gas, and ultra-deep-water (UDW) oil and gas.

[Policy on Responsible Investment \(p.45\)](#)

1) Unconventional oil and gas are usually heavier and contain more carbon and sulfur which are produced in a different way from conventional energy

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Management Scale

Category		Unit	2020	2021	2022
ESG management scale ¹⁾	Total investment	KRW 100 million	35,378	46,240	63,868
	Total no. of investments	Cases	194	229	354
	Amount of environmental investments ²⁾	KRW 100 million	22,737	26,279	42,087
	No. of Environmental investments ²⁾	Cases	76	89	112
	Amount of ESG bonds	KRW 100 million	12,641	19,961	21,781
	No. of ESG bonds	Cases	118	140	242

1) Based on balance
 2) Renewable/water treatment, K-Taxonomy etc.

Insurance Underwriting

SFMI has established an ESG insurance underwriting policy, which aims to actively embrace the principle of responsible investment. This policy requires the integration of ESG (Environmental, Social, and Governance) factors into the decision-making process during the underwriting processes of general insurance and reinsurance. Within our underwriting process, we have integrated ESG evaluation criteria and apply them during the assessment of corporate general insurance. We strictly prohibit underwriting for coal mining and power generation-related companies and businesses. Furthermore, we reject underwriting requests from companies involved in human rights violations or unethical practices, in accordance with ESG underwriting guidelines. Building upon these policies, we provide relevant information and engage in open communication with all customers regarding ESG risks and opportunities in the insurance sector. Additionally, we actively participate in global efforts for carbon neutrality in insurance underwriting.

[ESG Insurance Underwriting Policy \(p.47\)](#)

ESG Products and Services

Category		Unit	2020	2021	2022
Revenue scale of ESG-based products	Revenue scale of ESG-based products	KRW 100 million	27,595	29,657	37,251
	Total revenue of ESG-based non- life insurance products ¹⁾	KRW 100 million	73,337	75,741	79,033
	Ratio of ESG-based non-life insurance product income to total non-life insurance business income	%	37.6	39.1	47.1
Green infrastructure insurance products	ECO mileage auto insurance	KRW 100 million	22,858	25,618	32,661
Eco-friendly disaster insurance products	Wind and flood insurance	KRW 100 million	28	40	85
	Crop insurance	KRW 100 million	363	192	216
	Livestock insurance	KRW 100 million	65	68	84
	Environmental pollution liability insurance	KRW 100 million	85	77	11
Social contribution insurance products and services	Amount of the Korea Inclusive Finance Agency contributions	KRW 100 million	0	28	29
	Low-income child insurance	KRW 100 million	12	12	8
	Foreign worker insurance	KRW 100 million	4,001	3,464	3,987
	Volunteer comprehensive insurance	KRW 100 million	N/A	N/A	31
	Silver volunteer comprehensive insurance	KRW 100 million	61	68	59
	Special contract preferential to the low-income people	KRW 100 million	87	86	81

1) Based on general insurance, auto insurance

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Finanacial Emission

In accordance with the standards of the Partnership for Carbon Accounting Financials (PCAF), SFMI classified our assets ¹⁾ into seven categories: ①listed shares and corporate bonds, ②corporate loans and unlisted shares, ③Project Financing (PF), ④commercial real estate, ⑤mortgages, ⑥car loans and ⑦government bonds. We measure financed emissions at a 100% coverage rate for asset groups that can be calculated using available data. Based on the measured financed emissions, we will set reduction targets for asset class using the Sectoral Decarbonization Approach (SDA) recommended by SBTi. Additionally, we aim to diversify our ESG investments beyond the existing focus on renewable energy to include environmentally friendly transportation such as electric and hydrogen-powered vessels, as well as zero-energy buildings in the real estate sector.

1) Asset categories (3.5%) with unverifiable data on emissions and revenue, are excluded from the calculation

Finanacial Absolute Emissions

Category		Unit	2020	2021	2022
Scope 3 financial emissions		10,000tCO ₂ eq	N/A	1,305.1	1,592.7
Scope 3 financial emissions intensity ¹⁾		10,000tCO ₂ eq/KRW 1 trillion	N/A	31.0	27.8
Asset classification ²⁾	Listed stocks and corporate bonds	10,000tCO ₂ eq	N/A	1,093.9	1,010.3
	Corporate loans and unlisted stocks	10,000tCO ₂ eq	N/A	0	4.9
	Project Financing (PF)	10,000tCO ₂ eq	N/A	201.7	273.9
	Commercial real estate	10,000tCO ₂ eq	N/A	5.3	8.9
	Mortgage	10,000tCO ₂ eq	N/A	4.1	4.3
	Car loans	10,000tCO ₂ eq	N/A	-	-
	Government bonds	10,000tCO ₂ eq	N/A	-	290.3
Asset intensity ²⁾	Listed stocks and corporate bonds	10,000tCO ₂ eq/KRW 1 trillion	N/A	47.2	44.0
	Corporate loans and unlisted stocks	10,000tCO ₂ eq/KRW 1 trillion	N/A	0.1	8.5
	Project Financing (PF)	10,000tCO ₂ eq/KRW 1 trillion	N/A	59.2	38.2
	Commercial real estate	10,000tCO ₂ eq/KRW 1 trillion	N/A	1.0	1.4
	Mortgage	10,000tCO ₂ eq/KRW 1 trillion	N/A	0.4	0.4
	Car loans	10,000tCO ₂ eq/KRW 1 trillion	N/A	-	-
	Government bonds	10,000tCO ₂ eq/KRW 1 trillion	N/A	-	30.2

1) Amount of financial emissions to total assets
2) Based on PCAF asset classification

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Financial Data

Consolidated Statements of Financial Position
Samsung Fire & Marine Insurance Co., Ltd. and Subsidiaries

Item	End of the 73rd year (current)	End of the 72nd year (previous)
Asset		
I. Cash and deposits	1,490,257,631,897	1,733,734,341,558
II. Financial assets	69,016,015,719,906	75,635,862,806,420
1. Financial assets at fair value through profit or loss	2,650,835,115,581	1,989,586,385,800
2. Available-for-sale financial assets	31,208,316,228,541	44,912,034,859,785
3. Held-to-maturity financial assets	6,699,782,296,358	175,638,129,035
4. Loans	27,076,877,231,707	27,245,717,119,885
5. Other receivables	1,380,204,847,719	1,312,886,311,915
III. Investments in associates	549,837,359,471	287,860,458,102
IV. Derivative assets	172,626,810,546	23,528,420,742
V. Reinsurance assets	1,726,163,597,877	1,153,837,042,703
VI. Investment properties	1,242,328,693,773	919,737,714,879
VII. Property and equipment	771,143,984,647	791,132,418,675
VIII. Intangible assets	246,635,349,668	224,304,003,426
IX. Assets held-for-sale	-	629,751,654,602
X. Net defined benefit assets	203,506,295,942	77,670,948,436
XI. Current tax asset	2,329,409,939	1,060,657,624
XII. Deferred income tax assets	6,181,809,654	40,523,724,369
XIII. Other assets	2,482,890,764,158	2,470,114,414,080
XIV. Separate account assets	10,314,338,081,621	10,944,892,504,836
Total asset	88,224,255,509,099	94,934,011,110,452

as of December 31, 2022 (end of the 73rd year, current)
as of December 31, 2021 (end of the 72nd year, previous)
(Unit: KRW)

Item	End of the 73rd year (current)	End of the 72nd year (previous)
Liabilities		
I. Insurance liabilities	61,458,961,953,209	60,876,109,429,118
II. Financial liabilities	2,234,655,006,734	1,889,758,901,294
III. Derivative liabilities	269,504,896,269	229,760,951,294
IV. Provisions	77,602,493,472	68,178,365,551
V. Current tax liabilities	266,780,694,560	174,722,131,579
VI. Deferred income tax liabilities	743,132,369,475	2,735,203,404,157
VII. Other liabilities	704,314,989,925	611,047,248,480
VIII. Liabilities held-for-sale	-	488,450,888,434
IX. Separate account liabilities	11,427,754,108,971	12,368,448,009,828
Total liabilities	77,182,706,512,615	79,441,679,329,735
Equity		
I. Controlling Company Shareholders’ Equity	11,013,521,225,728	15,467,008,869,690
1. Equity capital	26,473,418,500	26,473,418,500
2. Capital surplus	939,233,350,327	939,233,350,327
3. Capital adjustment	(1,487,219,924,864)	(1,487,219,924,864)
4. Accumulated other comprehensive income, net of taxes	495,480,581,006	5,717,828,814,082
5. Retained earnings	11,039,553,800,759	10,270,693,211,645
(Credit losses to be reserved: KRW 2,757,088,566 Reserved credit losses: KRW 250,169,943,330) (Fund for emergent risk to be reserved: KRW 111,225,771,470 Reserved fund for emergent risk: KRW 2,461,039,615,392)		
II. Non-controlling interests	28,027,770,756	25,322,911,027
Total equity	11,041,548,996,484	15,492,331,780,717
Total liabilities and equity	88,224,255,509,099	94,934,011,110,452

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Separate Statements of Financial Position
 Samsung Fire & Marine Insurance Co., Ltd.

Item	End of the 73rd year (current)	End of the 72nd year (previous)
Assets		
I. Cash and deposits	1,061,888,992,513	1,345,621,453,025
II. Financial assets	69,443,880,212,119	75,819,299,534,412
1. Financial assets at fair value through profit or loss	1,229,709,777,353	858,051,904,674
2. Available-for-sale financial assets	33,718,746,643,601	46,826,111,297,783
3. Held-to-maturity financial assets	6,643,017,626,656	134,713,819,995
4. Loans	26,513,978,339,876	26,698,135,711,041
5. Other receivables	1,338,427,824,633	1,302,286,800,919
III. Investments in subsidiaries and associates	571,809,185,675	571,851,107,306
IV. Derivative assets	85,008,432,152	15,263,423,075
V. Reinsurance assets	1,598,720,340,285	1,009,258,454,555
VI. Investment properties	246,299,917,995	241,446,817,013
VII. Property and equipment	658,161,929,219	684,815,363,010
VIII. Intangible assets	240,782,927,730	218,689,032,888
IX. Net defined benefit assets	156,027,551,089	60,663,313,069
X. Deferred income tax assets	15,545,390,375	17,006,938,408
XI. Other assets	2,464,407,841,341	2,456,004,784,018
XII. Separate account assets	10,314,338,081,621	10,944,892,504,836
Total asset	86,856,870,802,114	93,384,812,725,615

<div> <div>Samsung Fire & Marine Insurance</div> <div>2023 ESG REPORT</div> <div>86</div> </div>		
<div> <div>as of December 31, 2022 (end of the 73rd year, current)</div> <div>as of December 31, 2021 (end of the 72nd year, previous)</div> <div>(Unit: KRW)</div> </div>		

Item	End of the 73rd year (current)	End of the 72nd year (previous)
Liabilities		
I. Insurance liabilities	61,254,642,464,831	60,639,466,710,571
II. Financial liabilities	1,378,832,157,516	1,229,980,952,467
III. Derivative liabilities	237,317,828,543	196,769,764,050
IV. Provisions	75,182,142,337	65,972,782,049
V. Current tax liabilities	259,636,004,283	172,607,023,617
VI. Deferred income tax liabilities	789,342,840,046	2,776,104,326,897
VII. Other liabilities	619,031,123,246	535,236,215,883
VIII. Separate account liabilities	11,427,754,108,971	12,368,448,009,828
Total liabilities	76,041,738,669,773	77,984,585,785,362
Equity		
I. Equity capital	26,473,418,500	26,473,418,500
II. Capital surplus	939,233,350,327	939,233,350,327
III. Capital adjustment	(1,483,503,688,276)	(1,483,503,688,276)
IV. Capital adjustment	627,712,517,794	5,844,064,626,233
V. Retained earnings	10,705,216,533,996	10,073,959,233,469
(Credit losses to be reserved: KRW 2,757,088,566 Reserved credit losses: KRW 250,169,943,330) (Fund for emergent risk to be reserved: KRW 111,225,771,470 Reserved fund for emergent risk: KRW 2,461,039,615,392)		
Total equity	10,815,132,132,341	15,400,226,940,253
Total liabilities and equity	86,856,870,802,114	93,384,812,725,615

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Consolidated Statements of Comprehensive Income
Samsung Fire & Marine Insurance Co., Ltd. and Subsidiaries

Item	End of the 73rd year (current)	End of the 72nd year (previous)
I. Operating revenues	25,784,423,160,935	24,444,257,521,333
1. Insurance operating income	22,385,521,143,127	21,255,457,261,252
(1) Premium income	20,641,916,985,041	20,106,066,001,421
(2) Reinsurance income	871,640,155,656	733,032,400,969
(3) Gain (Loss) on changes of reinsurance assets	563,971,167,281	193,546,314,449
(4) Compensation income	12,039,685,429	6,139,595,474
(5) Expense recovered	259,131,554,356	200,079,761,361
(6) Gain on foreign exchange transactions	36,821,595,364	16,593,187,578
2. Investment income	3,101,808,772,630	2,897,738,061,264
(1) Interest income	1,856,071,742,340	1,740,569,291,765
(2) Dividend income	366,682,849,638	465,437,962,374
(3) Gain on valuation and sales of financial instruments	184,132,243,048	216,467,492,237
(4) Gain on valuation and sales of derivative instruments	163,226,648,834	30,081,285,620
(5) Reversal of allowance and impairment losses of financial assets	57,639,549	320,370,118
(6) Rental income	84,415,288,517	71,029,558,917
(7) Commission income	5,929,983,079	5,065,313,273
(8) Gain on foreign exchange transactions	423,300,917,736	358,505,606,683
(9) Gain on disposal of investment properties	-	-
(10) Miscellaneous investment incomes	17,991,459,889	10,261,180,277
3. Separate account commission	12,292,920,749	46,962,915,080
4. Separate account income	284,800,324,429	244,099,283,737

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(Unit: KRW)		
Item	End of the 73rd year (current)	End of the 72nd year (previous)
II. Operating expenses	24,178,281,678,753	22,937,395,785,260
1. Insurance operating expenses	22,878,956,754,018	21,915,744,438,380
(1) Claims paid and refund of insurance policies	15,497,871,449,404	14,496,495,268,225
(2) Reinsurance expenses	1,785,438,375,445	1,331,332,042,415
(3) Increase in insurance liabilities	564,744,068,180	1,258,096,697,435
(4) Loss adjustment expenses	643,685,813,908	662,048,929,039
(5) Expenses paid	4,349,649,696,855	4,151,578,320,018
(6) Loss on foreign exchange transactions	37,567,350,226	16,193,181,248
2. Investment expenses	989,846,060,381	775,693,578,821
(1) Interest expenses	79,780,306,514	59,175,208,865
(2) Loss on valuation and sales of financial instruments	89,951,123,367	60,650,549,004
(3) Loss on valuation and sales of derivative instruments	348,205,892,457	345,196,553,393
(4) Impairment losses on financial assets	44,305,526,969	56,181,111,449
(5) Investment management expenses	184,033,089,661	168,366,996,387
(6) Maintenance expenses on investment properties	14,942,425,341	14,136,559,719
(7) Depreciation expenses on investment properties	11,443,746,873	12,711,770,962
(8) Loss on foreign exchange transactions	215,757,276,846	54,196,340,817
(9) Loss on disposal of investment properties	-	-
(10) Miscellaneous investment expenses	1,426,672,353	5,078,488,225
3. Separate account commission paid	24,678,539,925	1,858,484,322
4. Separate account expenses	284,800,324,429	244,099,283,737

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Samsung Fire & Marine Insurance Co., Ltd. and Subsidiaries

Item	End of the 73rd year (current)	End of the 72nd year (previous)
III. Operating profit	1,606,141,482,182	1,506,861,736,073
IV. Non-operating revenues	26,485,025,555	24,421,580,805
V. Non-operating expenses	30,152,559,722	30,995,273,839
VI. Profit before income tax from continuing operations	1,602,473,948,015	1,500,288,043,039
VII. Income tax expense from continuing operations	408,626,371,768	389,003,037,160
VIII. Profit for the period from continuing operations	1,193,847,576,247	1,111,285,005,879
IX. Profit from discontinued operations after income tax	89,854,440,137	13,425,305,328
X. Profit for the year	1,283,702,016,384	1,124,710,311,207
(Profit for the year adjusted for regulatory reserve for credit loss Current year: KRW 1,286,459,104,950 Previous year: KRW 1,102,587,788,630) (Profit for the year adjusted for regulatory reserve for emergent risk Current year: KRW 1,172,476,244,914 Previous year: KRW 1,012,161,774,153)		
XI. Other comprehensive income, net of tax	(5,222,301,973,540)	(1,540,854,377,190)
1. Items that will not be reclassified subsequently to profit or loss	38,174,919,182	(2,394,627,051)
2. Items that will be reclassified subsequently to profit or loss	(5,260,476,892,722)	(1,538,459,750,139)

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as of December 31, 2021 (end of the 72nd year, previous)
(Unit: KRW)

Item	End of the 73rd year (current)	End of the 72nd year (previous)
XII. Total comprehensive income	(3,938,599,957,156)	(416,144,065,983)
1. Profit for the period from continuing operations attributable to:		
Owners of the Group	1,190,239,907,035	1,108,793,116,746
Non-controlling interests	3,607,669,212	2,491,889,133
2. Consolidated net income attributable to:		
Owners of the Group	1,280,094,347,172	1,122,218,422,074
Non-controlling interests	3,607,669,212	2,491,889,133
3. Total comprehensive income attributable to:		
Owners of the Group	(3,942,253,885,904)	(420,774,296,092)
Non-controlling interests	3,653,928,748	4,630,230,109
XIII. Earnings per share		
1. Basic earnings per share	30,113	26,399
2. Diluted earnings per share	30,113	26,399
3. Basic earnings from continuing operations per share	27,999	26,083
4. Diluted earnings from continuing operations per share	27,999	26,083

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Item	End of the 73rd year (current)	End of the 72nd year (previous)
I. Operating revenues	25,210,977,366,869	23,967,024,499,195
1. Insurance operating income	22,121,679,169,446	20,966,509,822,969
(1) Premium income	20,444,930,743,525	19,929,641,761,136
(2) Reinsurance income	837,403,840,913	717,218,204,456
(3) Gain (Loss) on changes of reinsurance assets	583,969,816,928	160,399,272,202
(4) Compensation income	12,039,685,429	6,139,595,474
(5) Expense recovered	217,133,962,154	140,132,712,541
(6) Gain on foreign exchange transactions	26,201,120,497	12,978,277,160
2. Investment income	2,792,204,952,245	2,709,452,477,409
(1) Interest income	1,805,774,432,888	1,697,462,180,500
(2) Dividend income	422,551,466,893	510,485,685,540
(3) Gain on valuation and sales of financial instruments	139,834,311,381	151,405,079,472
(4) Gain on valuation and sales of derivative instruments	79,641,366,395	19,640,685,904
(5) Reversal of allowance and impairment losses of financial assets	57,639,549	320,370,118
(6) Rental income	32,797,990,671	30,815,545,416
(7) Commission income	5,929,983,079	5,065,313,273
(8) Gain on foreign exchange transactions	302,938,912,373	290,445,197,353
(9) Gain on disposal of investment properties	-	-
(10) Miscellaneous investment incomes	2,678,849,016	3,812,419,833
3. Separate account commission	12,292,920,749	46,962,915,080
4. Separate account income	284,800,324,429	244,099,283,737

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as of December 31, 2022 (end of the 73rd year, current) as of December 31, 2021 (end of the 72nd year, previous) (Unit: KRW)		
Item	End of the 73rd year (current)	End of the 72nd year (previous)
II. Operating expenses	23,686,846,272,980	22,506,864,154,063
1. Insurance operating expenses	22,668,064,329,364	21,648,601,950,974
(1) Claims paid and refund of insurance policies	15,425,663,927,833	14,457,973,891,874
(2) Reinsurance expenses	1,671,021,614,331	1,222,654,978,552
(3) Increase in insurance liabilities	605,623,062,932	1,221,244,998,601
(4) Loss adjustment expenses	626,701,457,378	621,594,582,868
(5) Expenses paid	4,314,048,347,493	4,115,022,422,833
(6) Loss on foreign exchange transactions	25,005,919,397	10,111,076,246
2. Investment expenses	709,303,079,262	612,304,435,030
(1) Interest expenses	33,580,549,153	20,156,018,458
(2) Loss on valuation and sales of financial instruments	71,142,732,307	58,187,326,195
(3) Loss on valuation and sales of derivative instruments	289,835,555,903	281,875,517,848
(4) Impairment losses on financial assets	44,305,526,969	56,181,111,449
(5) Investment management expenses	158,123,414,309	147,458,737,619
(6) Maintenance expenses on investment properties	14,942,425,341	14,136,559,719
(7) Depreciation expenses on investment properties	6,392,450,612	6,323,693,573
(8) Loss on foreign exchange transactions	89,675,547,345	26,876,908,798
(9) Loss on disposal of investment properties	-	-
(10) Miscellaneous investment expenses	1,304,877,323	1,108,561,371
3. Separate account commission paid	24,678,539,925	1,858,484,322
4. Separate account expenses	284,800,324,429	244,099,283,737

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Item	End of the 73rd year (current)	End of the 72nd year (previous)
III. Operating profit	1,524,131,093,889	1,460,160,345,132
IV. Non-operating revenues	22,948,313,975	20,244,806,441
V. Non-operating expenses	10,232,223,309	6,315,531,057
VI. Profit before income tax	1,536,847,184,555	1,474,089,620,516
VII. Income tax expenses	395,462,285,928	381,504,980,086
VIII. Profit for the year	1,141,384,898,627	1,092,584,640,430
(Profit for the year adjusted for regulatory reserve for credit loss Current year: KRW 1,070 ,462,117,853 Previous year: KRW 746,332,419,486) (Profit for the year adjusted for regulatory reserve for emergent risk Current year: KRW 980,096,103,376 Previous year: KRW 650,950,732,012)		
IX. Total other comprehensive income, net of tax	(5,216,352,108,439)	(1,556,018,230,268)
1. Items that will not be reclassified subsequently to profit or loss	19,712,350,059	(3,421,863,979)
2. Items that will be reclassified subsequently to profit or loss	(5,236,064,458,498)	(1,552,596,366,289)
X. Total comprehensive income for the year	(4,074,967,209,812)	(463,433,589,838)
XI. Earnings per share		
1. Basic earnings per share	26,850	25,702
2. Diluted earnings per share	26,850	25,702

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Double Materiality Assessment

SFMI conducts a comprehensive materiality assessment each year to identify key sustainability issues. Unlike traditional materiality concepts that solely focus on the impact of sustainability issues on a company's financial performance, double materiality takes into account the broader impact of our activities on the sustainability of society and the environment. Going beyond the materiality assessment that prioritizes the financial risks associated with environmental and social factors from an investor's perspective, we have implemented a double materiality assessment that considers the company's impact on the environment and society, as well as issues that significantly influence stakeholders' evaluations or decisions. This assessment aligns with the criteria set forth by the Global Reporting Initiative (GRI) Standards and the Corporate Sustainability Reporting Directive (CSRD) of the EU Commission. The identified key sustainability topics are integrated into our ESG strategies and transparently reported alongside the related performance indicators. Based on such significance assessments, SFMI operates an enterprise-wide risk management process to ensure that material topics are considered in the company's management decision-making process.

Impact Materiality	Materiality assessment of corporate economic, environmental, and social impact from an inside-out perspective, applying the GRI methodology
Financial Materiality	Materiality assessment of the impact on corporate value and finances from the outside-in perspective, following the SASB (Sustainability Accounting Standards Board) guidelines

Double Materiality Assessment Process

SFMI has analyzed the key topics covered by organizations such as GRI, SASB, and MSCI. Through the analysis of benchmarking data from major domestic and international peer groups, as well as a thorough examination of internal and external management information, we have carefully selected topics that align with our business and stakeholders. Our evaluation encompassed relevant regulations, guidelines, controversial issues over the past three years, and risks and opportunities to identify the potential scope and timing of impacts for each topic. Moreover, we proceeded with surveys utilizing the double materiality assessment approach to evaluate both the impact materiality and financial materiality. These surveys utilized a 5-point scale to assess the level of influence. The impact materiality assessment was carried out among internal employees and external stakeholders, aiming to gauge the probability and severity (scale, scope, resilience) of impacts associated with each material topic. On the other hand, the financial materiality assessment focused on external stakeholders such as investors, as well as internal financial experts. Its objective was to identify direct financial impacts and examine the financial implications arising from risks, legal, regulatory, and policy drivers, industry norms and competitive factors, stakeholder perceptions, societal trends, and new innovative opportunities.

Step 1.	Topic selection <ul style="list-style-type: none">Analyzing the topics covered by GRI, SASB, and MSCIAnalyzing benchmarking data (key peer groups at home and abroad)Examining internal and external management informationReviewing material topics in 2022
Step 2.	Topic impact identification <ul style="list-style-type: none">Regulations and guidelines at home and abroadChecking controversial issues in recent three years in the same industryInspecting the investor groups' perception on risks and opportunitiesIdentifying the potential scope and timing of impacts
Step 3.	<div><div>Impact evaluation 1) Impact materiality (inside-out perspective) ¹⁾<ul style="list-style-type: none">① Occurrence possibility② Impact severity<ul style="list-style-type: none">Scale: Scale of impact (materiality)Scope: Scope of impact (value chain, the environment, local communities)Resilience: Resilience from impact (Separate calculation for the company and the environment & society)</div><div>2) Financial materiality (outside-perspective) ¹⁾<ul style="list-style-type: none">① Direct financial impacts② Legal, regulatory, and policy drivers③ Industry norms and competitive factors④ Stakeholder perceptions and societal trends⑤ New innovative opportunities</div></div> <p><small>1) On a scale of 5 point</small></p>
Step 4.	Prioritization <ul style="list-style-type: none">Comprehensive analysis of assessment results
Step 5.	Reporting and review <ul style="list-style-type: none">Third-party verificationReporting to senior management and the BODUnderstanding the linkage with major risks

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Double Materiality Assessment

Double Materiality Assessment Result

The final results of the double materiality assessment led to the identification of 12 topics, with the top 10 ¹⁾ being designated as material topics. Among them, 'climate risk management' and 'customer-oriented management' claimed the higher ranks, securing the second and third positions respectively compared to the results of 2021. 'Digital innovation,' which was the second position in the previous year, emerged as the most significant topic in the current year. Overall, the topics mostly remained at similar ranks compared to last year, indicating a consistency in stakeholder perception and associated importance.

1) The topics were composed of those ranking in the top and middle, based on a final score of 60 or above

Topic	Impact materiality	Financial materiality	Report Page
㉠ Digital innovation	●	●	22-25, 64-65
㉡ Climate risk management	●	●	35, 105-108
㉢ Customer-oriented management	●	●	26-30, 56, 66
㉣ ESG investment	●	●	16-19, 81-82
㉤ Customer data protection	●	●	30, 64-65
㉥ GHG and energy mitigation	●	●	18-19, 33-34

● Upper impact ● Middle impact ● Lower impact

Topic	Impact materiality	Financial materiality	Report Page
㉦ Ethics and compliance management	●	●	75-78
㉧ Sound governance	●	●	68-79
㉨ Diversity and fair opportunity	●	●	40-42, 52-55, 69
㉩ Employment and talent development	●	●	42-48
㉪ Inclusive insurance and social contribution	●	●	59-63
㉫ Supply chain management	●	●	55-58

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Double Materiality Assessment

Analysis of Assessment Results

Major topics	Digital Innovation ¹⁾	Climate Risk Management ²⁾	Customer-oriented Management ³⁾
Risk and opportunities	With the development and evolution of digital scientific technologies such as big data and AI, the previous methods of signing contracts on paper during in-person meetings are transforming into non-face-to-face and electronic contract formats. The integration of insurance into various apps allows insurance companies to engage in business that caters to social demand. This presents a new opportunity for insurance companies.	As the risks associated with climate change increase, insurance losses are also on the rise. Alongside GHG reduction efforts, there is a growing demand to incorporate climate change-related factors into financial activities. If investments, assets, projects, and other ventures are jeopardized by the climate change, they may suffer financial losses. Additionally, there is an upward trend in climate litigation cases.	Insurance companies should go beyond providing risk solutions and also anticipate potential risks that customers and society may encounter, taking proactive measures to prevent them. The changing demographic structure has led to diverse needs among customers across different generations, necessitating prompt and proactive responses. Additionally, given the nature of the insurance industry and its possession of sensitive customer information, it is vital to implement measures in advance to prevent the possibility of information leakage.
Business strategy	SFMI aims to enhance services and increase revenue through digital innovation. To achieve this, we are building a big data system that leverages the combination of internal and external data, enabling us to reinforce our IT infrastructure and sharpen our data capabilities. We are embedding the DNA of digital insurance business into all aspects of our operations from sales to compensation. Through this approach, our goal is to provide consumer-centric services and content, expanding accessibility for users and increasing the number of policyholders.	SFMI has implemented responsible investment policies and ESG insurance underwriting policies to proactively tackle climate change. The in-house expert group, known as the Global Loss Control Center (GLCC), conducts research and analysis on global climate change trends to forecast future environmental impacts. The GLCC offers proactive risk solutions to both individual and corporate customers. We continuously develop, utilize, and improve the Global Risk Map and natural disaster modeling tools to evaluate potential risks and estimate anticipated losses within our insurance portfolio. These tools are seamlessly integrated into our accumulated risk management, underwriting, and reinsurance business processes.	Recognizing customers as a crucial factor in the development of insurance products and services, we aim to provide products and services that meet their needs. We are transitioning from a sales-centric platform to offering a range of services and content that intersect with customers’ daily lives and insurance. As a financial services provider, we have a vast customer base and strive to maximize customer satisfaction by maintaining ongoing communication and enhancing convenience. Additionally, SFMI appoints a Chief Information Security Officer (CISO) directly under the CEO to continuously review the information security system. We also conduct employee training to ensure the protection of customer information from external threats. Furthermore, we operate a Customer Policy Team to proactively plan customer-centered activities.
Business cases	SFMI has launched the Digital Headquarters to enhance its digital competitiveness and concentrate on connecting and expanding various business areas in line with its core operations. Our focus extends beyond the mere digitization of existing infrastructure as we actively embrace digital platforms to foster an insurance-centric culture. We provide a diverse range of digital insurance products, including Direct Chac, Omo Omo, Anyfit, and Monimo.	As part of our efforts to address environmental risks associated with climate change, we incorporate environmental issues into the process of developing our products and services. Our aim is to minimize the damages caused by climate change and provide compensation to both individual and corporate customers. We are dedicated to offering environmentally friendly products, such as storm insurance, weather insurance, renewable energy insurance, energy insurance, and mileage-based auto insurance.	SFMI operates the Customer Rights Protection Committee, and the consumer participation program called the Customer Panel, the first of its kind in the domestic non-life insurance industry. These initiatives provide consumers with opportunities to directly monitor and experience products and services. As part of our customer-centric service, we have launched the lifestyle-oriented digital platform ‘Direct Chac,’ the integrated Samsung Financial One App ‘Monimo,’ and personalized health management services such as ‘Anyfit PLUS and PRO.’
Executive compensation	SFMI integrates the performance of its digital business with executive compensation. It aligns executive performance with not only revenue and pre-tax profit but also achievements related to the development of the digital business, establishment of integrated financial platforms, and long-term efficiency improvements.	SFMI aligns the performance in climate-related activities, such as responding to climate change, reducing resource usage and pollution, and obtaining international certifications, with compensation. Through this approach, we strive to achieve our overarching environmental management goals.	SFMI is in the process of developing a customer-centric health management platform and expanding its customer base to improve consumer satisfaction. we also calculate non-quantitative metrics associated with customer satisfaction and integrates them with compensation measures.

1) The construction of a digital platform for Direct Chac, Omo Omo, Anyfit, and Monimo has been 100% completed
2) The expansion of 10.5 trillion KRW on ESG investment in 2030 is 73% completed
3) The operation of the subdivided Customer Panel by ages has been 100% completed

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Double Materiality Assessment

Analysis of Assessment Results

Identification and Measurement of External Impact

SFMI has identified external impact by selecting two key topics out of the top 10 ones derived through the double materiality assessment.

Major topics	Digital Innovation	Customer-oriented Management
External impact	SFMI has introduced the 'T-Map Safe Driving Discount Ride' as part of its digitalization initiatives, integrating the app with auto insurance. We have expanded the coverage and discount rates for T-Map Safe Driving, providing a special discount benefit of 7.5% to 10.3% on insurance premiums for drivers who achieve a T-Map driving score of 76 or higher. By incentivizing safe driving through insurance premium discounts, we have effectively promoted accident prevention. As a result, we have observed a decline in accident rates and a reduction in the societal costs associated with traffic accidents.	SFMI has launched 'Anyfit PRO,' a digital health management platform that caters to users' needs. As the country's first comprehensive digital healthcare service solution, Anyfit PRO is exclusively designed for employees of companies. It offers three main services: chronic condition management (hypertension, diabetes, hyperlipidemia, fatty liver), weight management (overweight, obesity), and mental health management. By supporting individuals in managing their daily habits, it improves users' access to medical care and promotes a healthier lifestyle. It particularly emphasizes disease prevention, disease management, and health promotion for individual employees, while also providing extensive benefits to companies, such as accident prevention and productivity enhancement, thereby adding value to the organization.
Measurement of external impact	According to a study conducted by the Korea Transport Institute, the average cost of traffic accidents in 2022 reached KRW 44.2 trillion. A comparison of the accident rates between policyholders and non-policyholders of the 'T-Map Safe Driving Discount Ride' program revealed that policyholders had an accident rate of 14.7%, while non-policyholders had a rate of 15.5%. This indicates a reduction in the accident rate by 0.9 percentage points. When translated into the social cost of traffic accidents, this reduction amounts to approximately KRW 400 billion in social costs.	Anyfit PRO is designed to contribute to the development of individual employees, companies, and ultimately the national economy. Users who have undergone three months of concentrated management with Anyfit PRO have shown approximately 10.0% improvement in key indicators such as blood pressure and blood sugar. Additionally, customer satisfaction levels have reached 70-80%.

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Stakeholder Communication

Category	Relevant Policy	Communication channels	Stakeholder-specific issues	Status of issue management
Customers	Bringing relief through the finest products and services	<ul style="list-style-type: none">· Customer Panel· Customer complaints and feedback (VOC)· Official social media channels	<ul style="list-style-type: none">· Customer-centered management activities· Strengthening financial consumer protection· Customer information protection	<ul style="list-style-type: none">· Expansion of imported car safety care center· Consumer Protection Centers and Consumer Protection Committees· Enhancement of information security management system
Employees	Providing opportunities for growth as a global financial specialist	<ul style="list-style-type: none">· Labor Union· Employee satisfaction surveys· Grievance handling system	<ul style="list-style-type: none">· Work-life balance· Talent development· Strengthening employee communication	<ul style="list-style-type: none">· Operation of Home Run System· SFMI University and support programs for acquisition of professional certification· On-site visitation of CEO
Business partners	Seeking mutual growth based on trust	<ul style="list-style-type: none">· Meetings· Internal bulletin board	<ul style="list-style-type: none">· Supporting RCs for their capacity building· Strengthening communication· Minimizing incomplete sales	<ul style="list-style-type: none">· CEO-RC Meetings· Customer satisfaction awards· Appointment of compliance managers and monthly monitoring
Local community/ Government	Fulfilling social and environmental responsibilities as a global corporate citizen	<ul style="list-style-type: none">· Various NGOs· The National Police Agency, the National Fire Agency, and government departments· Satisfaction surveys	<ul style="list-style-type: none">· Supporting underprivileged groups· Promoting advanced traffic safety culture· Minimizing environmental impact	<ul style="list-style-type: none">· Constant social contribution projects in various sectors· Traffic safety education programs· Participation in Earth Hour campaign
Shareholders/ Investors	Generating shareholder value beyond market expectations through sustainable growth	<ul style="list-style-type: none">· Shareholders' Meeting· Investor Relations Presentation (NDR)· Various conferences	<ul style="list-style-type: none">· Enhancing shareholder value· Strengthening communication· Fair value distribution	<ul style="list-style-type: none">· Enhancing communication through quarterly performance briefings and IR meetings· Ensuring fair and transparent disclosure

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Risk Management

SFMI has established a rigorous risk management system that enables holistic oversight of all possible risks at the organizational level, guaranteeing our consistent development and providing superior returns to clients. Adhering to the principle of decision-making that considers profitability against risk, we have established and implemented effective risk management strategies to proactively respond to the rapidly evolving financial environment.

Risk Management Organization

The BOD plays central role in comprehensive risk management. They establish and operate risk management goals and principles while approving the results of the Own Risk and Solvency Assessment (ORSA) that evaluates the appropriateness of solvency, including the risk appetite. Furthermore, we have established a Risk Management Committee under the BOD, with a Chief Risk Officer (CRO) and a dedicated risk management department, to support the board in their risk management duties and review possible risks on semi-annual. Additionally, we have implemented a risk reporting system that involves dedicated departments, the CRO, the Risk Management Committee, and the BOD, reporting on anticipated risks. Through this comprehensive risk reporting structure, we ensure enterprise-wide risk management.

Risk Management Organization



Risk Management Committee

The Risk Management Committee, as a sub-committee under the BOD, is responsible for executing various risk management tasks delegated by the board. This includes incorporating risk management policies into the decision-making process, making decisions on risk management strategies, and conducting assessments of the outcomes. Additionally, the committee conducts risk management training for the management team. In line with these responsibilities, we have established risk management strategies based on the principle of decision-making that considers profitability against risk. This proactive approach allows us to effectively respond to the rapidly changing financial environment. In close cooperation with one executive director and two independent directors, a risk measurement and management culture are being fostered within the company, extending to insurance sales and asset management. Independent directors receive regular training sessions, facilitating in-depth discussions within the committee. In 2022, two training sessions were conducted specifically on the risk management system, strategies, and solvency margin system.

Chief Risk Officer (CRO)

The CRO implements the risk management strategies established by the BOD and Risk Management Committee and supervises the recognition, measurement, control, and management of risks. Furthermore, as the ultimate accountable authority for risk management, the CRO is responsible for reviewing the risks reported by the dedicated risk management department and reporting them to the Risk Management Committee.

Departments Responsible for Risk Management

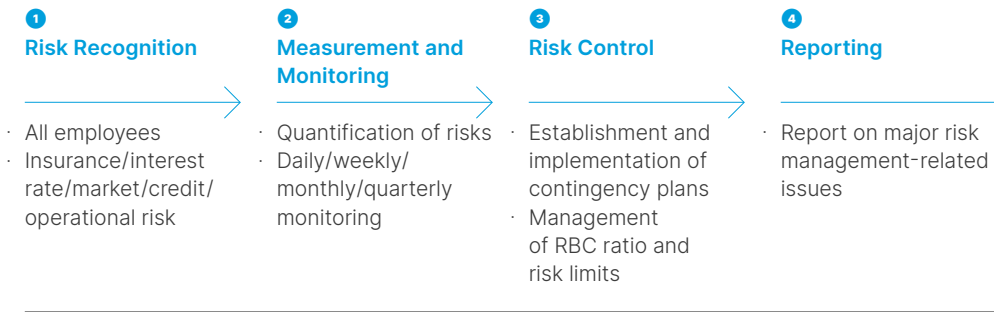
Established under the CRO, the RM Planning Department, RM Operation Department 1, and RM Operation Department 2 are in charge of overall risk-related tasks, including risk management, such as assessing, monitoring, and controlling risks. To guarantee the independence of the departments, they are operated separately from insurance sales and asset management-related departments. The insurance division and the asset management division have established separate committees to address each risk with specificity. The insurance division operates the General / Long-term / Auto Insurance Risk Management Committee, while the asset management division has the Asset Risk Management Committee and the Asset Management Committee.

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Risk Management Process

SFMI has risk management process that comprises four stages: Risk recognition, measurement and monitoring, control, Reporting.



Evaluation and Management of Capital Adequacy

SFMI maintains an exceptional RBC ratio in the non-life insurance industry, adhering to advanced standards such as Europe's Solvency II. Our internal RBC ratio is calculated by considering insurance, interest rate, market, credit, and operational risks, allowing us to establish and manage risk tolerance limits. Furthermore, we employ various means to ensure differentiated financial soundness, safeguard customer assets, and enhance shareholder value. Specifically, we are maintaining 305.4% of RBC as of 2022, retaining 240% of RBC based on the global standard set by Solvency II in Europe. This demonstrates that the strengthening of prudential regulations has minimal impact on our capital adequacy. When making significant decisions, we prioritize value-based management, which incorporates the analysis of potential risks, rather than solely focusing on short-term performance. This approach minimizes any adverse effects on our financial soundness. Throughout the decision-making process, we place great emphasis on enhancing company value. To achieve this, we conduct Embedded Value Analysis, Dynamic Financial Modeling to assess the impact of potential risks and profitability, enabling us to be equipped with the necessary response system.

Business Continuity Management

To prepare for potential business disruptions caused by disasters, SFMI has established the Business Continuity Management system and operates the Risk Management Committee, which is an anti-disaster decision-making body consisting of the CEO and major executives. With in the system, we regularly conduct IT Disaster Recovery (DR) drills, disaster evacuation drills, and business resumption drills to secure business continuity and resilience. Moreover, we capitalize on the PDCA system which enables the constant updating of our disaster response system for efficient business continuity management. Based on these risk management capabilities, we have obtained and maintained the ISO 22301 certification, an international standard for business continuity management.

PLAN	DO	CHECK	ACTION
<ul style="list-style-type: none">· Understanding the demand of different organizational environments· Establishing business continuity management targets, guidelines, and implementation procedures	<ul style="list-style-type: none">· Introducing and implementing the business continuity plan· Developing recovery procedures in preparation for business disruptions	<ul style="list-style-type: none">· Verifying and assessing progress against the objectives· Reporting the results for management evaluation· Granting the right to take corrective and countermeasures	<ul style="list-style-type: none">· Reassessing business continuity plans and goals· Implementing corrective measures based on the result of management evaluation· Carrying out maintenance and update

Stress Test and Sensitivity Analysis

Every six months, SFMI conducts stress tests based on financial crisis scenarios provided by supervisory agencies to analyze the potential crisis and reports the results to the Risk Management Committee. In the latest stress test, it was found that would be able to maintain a strong RBC ratio of 209%, even in the worst-case scenario. The result confirmed our effective response to the crisis Furthermore, in 2022, we participated in a climate stress test led by the Financial Supervisory Service to pilotically assess the impact of climate change on the company's financial soundness. Moreover, we are conducting sensitivity analyses on capital market fluctuations to prepare for potential impacts on profits and capital.

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Major Business Risks

SFMI manages potential risks in the non-life insurance business by categorizing into them into and non-financial risks. We have set risk tolerance limits and key risk indicators (KRIs) to monitor quantifiable risks. For qualitative risks, such as non-financial risks and potential risks, we have dedicated organization for each specific risk, which handle risk management and control measures under the leadership of CRO. We also have established risk control guidelines for the value chain of each business division, considering the market situation and our mid to long-term management strategy. Annually, Risk Management Committee sets a risk tolerance limit with in a range ensures and maintains capital adequacy, while proactively addressing potential risks. Regular reviews of the established risk tolerance limits are conducted to ensure they are not exceeded. In the event of exceeding the tolerance limits or the occurrence of significant risks, we have implemented reporting procedures to the committee, ensuring that risk management is overseen at the board level.

Financial Risks

Risk type	Category	Description
Insurance risk	Definition	We address the risk associated with potential decrease in corporate value related to our primary business of insurance contracts, which may arise due to an increase in loss ratio and termination rate. To manage the loss ratio, we employ various measures, including constant monitoring, risk reduction, and risk transfer through reinsurance. Additionally, we operate underwriting guidelines to effectively control the risks involved. Furthermore, we regularly monitor the termination rate to safeguard innocent policyholders from engaging in malicious contracts.
	Management method	· Setting risk tolerance limit concerning changes in loss ratio and policy termination rate and conduction regular monitoring on the reduction rate · Establishing and implementing reinsurance strategies
	Measuring method & system	· VaR (Value at Risk) · ReMetrica · RAFM (Risk Agility Financial Modeler)

Financial Risks

Risk type	Category	Description
Market risk	Definition	Potential risks include a decrease in corporate value due to changes in market variables such as shares, real estate, and exchange rates. To manage share price risk, we establish guidelines that maintain a reasonable share ownership while avoiding overexposure to specific sectors through risk and profitability analysis. Real estate risk control is executed by following property investment guidelines. Exchange rate risk associated with overseas assets is managed through derivative investments to reduce and transfer the risk, and when it comes to foreign liabilities, we employ a natural hedging method by investing in the local currency.
	Management method	· Applying the investment eligibility criteria to securities and loans · Establishing loss-cut criteria to prevent the escalation of losses
	Measuring method & system	· Market VaR · Kamakura Risk Management (KRM) system
Credit risk	Definition	Possible risks include a decrease in corporate value due to defaults on owned corporate bonds, borrower bankruptcies, and credit rating reductions. We have implemented guidelines that establish limits on corporate bond ownership and borrowers. Additionally, we proactively assess credit risks by thoroughly reviewing individual cases before making new large-scale investments. To minimize credit risks, we closely monitor changes in credit ratings of corporate bonds and borrowers.
	Management method	· Diversifying risks by setting transaction limits by business type · Using the exposure inquiry system to check whether the limit has been exceeded.
	Measuring method & system	· Credit VaR · Risk Weight Function (Baselll)
Interest rate risk	Definition	The risk arises from the disparity between the return on asset management and the interest payments to be made to policyholders based on prevailing interest rates. If the return on asset management falls below the amount of interest owed to policyholders in a low interest rate environment, losses can be incurred. To safeguard policyholders while minimizing such situations, we primarily invest in relatively stable long-term bonds. Additionally, we establish an Asset-Liability Management (ALM) strategy annually, which includes setting a target for the asset-liability duration gap and regularly monitoring its status on a monthly basis.
	Management method	· Establishing guidelines to determine the estimated interest rate and guaranteed minimum interest rate · Setting the asset duration target based on the changes in liabilities structure, interest rate and liabilities cash flow
	Measuring method & system	· VaR (Value at Risk) · ALM (Asset and Liability Management) · RAFM (Risk Agility Financial Modeler)

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Major Business Risks

Non-financial Risks

Risk type	Category	Description
Operational risk	Definition	Risks arise from inadequate internal control, employee errors, external incidents, and failure to make strategic decisions. These risks can result in operational losses and a decline in corporate value. Quantifying these risks is challenging, and reducing or transferring them through derivatives and reinsurance is difficult. As a result, we manage operational risks through departmental collaboration, led by responsible departments in charge of controlling each risk.
	Infrastructure risk	Risks arise from the possibility of losses occurring in the IT systems and business site operations due to insufficient management and external factors. We minimize risks under the supervision of various teams, including the IT Strategy Team, Audit Team, HR Team, and RM Team. This is achieved by implementing contingency plans, conducting training simulations for handling malicious code, and providing system restoration training to ensure effective response in case of system failure. Additionally, we actively engage in compliance activities, perform safety inspections at business sites, and provide comprehensive safety and health training.
	Process risk	Risks stem from the potential for losses resulting from inadequate procedures and governance in business operations, employee errors, and insufficient internal control. To address these risks, we actively engage in risk control activities. These include conducting risk assessments by sector, automating authority delegation in compliance with arbitrary decision regulations, and providing compliance training to prevent incidents. The CCO and RM Team oversee these efforts to ensure effective risk management.
	Strategic risk	Potential risks involve possible losses, including a decline in market position, due to inadequate response strategies against changes in institutions, industrial structure, demographics, as well as M&A and marketing failures. To address these risks, we actively monitor industry trends both domestically and internationally. We conduct thorough analyses of the impact of changes in relevant laws and regulations under the supervision of the Planning Team. This ensures that risks are effectively managed, minimizing any adverse effects on the company's management strategy.
	Reputation risk	Risks that may cause potential loss to the company due to customer complaints, negative public opinion, or a decrease in credit rating. We manage reputation risk by monitoring how complaints are handled by the PR Team, the CCO, Customer Policy Team, and operational departments in the product/sales/claim divisions and their daily activities. We continuously evaluate their daily activities and ensure proper handling of customer interactions and concerns to mitigate reputational risks.

Emerging Risks

To ensure the protection of our customers from unforeseen circumstances, SFMI has been diligently preparing to address emerging risks that may arise in the operation of our non-life insurance business.

Risk type	Category	Description
Climate change	Definition	Risks that manifest themselves over an extended period due to the accumulation of GHGs, such as CO2 emissions, and the subsequent global warming are a significant concern. Climate change risks can be broadly categorized into two main types: physical risks and transition risks. Physical risks pertain to the escalating frequency and depth of natural disasters, including typhoons, floods, and heavy rainfalls posed by global warming. Transition risks, on the other hand, arise from the failure to adapt to evolving climate change regulations and market dynamics.
	Impact on business	SFMI acknowledges climate change risks as long-term potential risks and conducted analysis to understand their impact on our business. We classify these risks into two categories: physical risk and transition risk. Regarding physical risk, the increasing frequency and severity of natural disasters incurred by global warming can have a significant impact on the loss ratio in our insurance business. Specifically, our auto insurance business has been directly affected by natural disasters like floods and typhoons, resulting in an average annual loss of over KRW 10 billion in the past decade. In August and September, unusually heavy rain and storms caused a significant increase in the number of vehicle flooding, leading to a surge in the loss ratio compared to the previous year (6.4%p increase in August and 6.7%p increase in September, year-on-year). Given that one-third of our direct premiums written come from auto and general insurance, it is imperative to develop measures that minimize the impact of natural disasters and reduce carbon emissions. In terms of transition risk, there is a possibility that the Korean government may tighten laws and regulations related to carbon emissions to achieve its long-term goals outlined in the Paris Climate Change Agreement. Considering that environmental changes resulting from climate change risks may create demand for new products and services, we need to closely monitor market trends and proactively seize opportunities.
	Our responses	SFMI actively engages in a range of activities to minimize damages to our customers, local communities, and the company itself. These efforts include declaring a coal phase-out in Samsung financial groups, and establishing and amending Responsible Investment policy and ESG Insurance Underwriting policy to address climate change challenges. These include conducting risk assessments, providing consultations on insured goods, developing new risk control projects, researching into environmental and safety fields, analyzing the level of natural disaster risks by region and country, and establishing and managing risk management standards and guidelines. Through practical research and analysis, we strive to enhance our understanding and preparedness. Furthermore, we utilize the GRM, an estimated loss evaluation model for natural disasters. The GRM enables us to perform various tasks such as cumulative risk assessments and insurance reviews. By providing risk maps for natural disasters such as floods, earthquakes, volcanic eruptions, tsunamis, and typhoons, the GRM allows us to simulate estimated losses for individual insured properties and Cat Zones. This empowers us to respond swiftly to the challenges posed by climate change.

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Emerging Risks

Risk type	Category	Description
Climate change	Our responses	<p>In addition, diverse campaigns have been launched to curtail carbon emissions. Our employees have been participating in the 'Zero Standby Power Campaign' since 2018, where they cut all standby power after work by installing power strips. We have also been distributing the 'Nudge for Green' guidelines to encourage employees to change their behavior for the good of the environment. We have been developing and launching in-house programs such as the 'Waste Separation Campaign' and 'Paperless Campaign,' where employees can participate and contribute to minimizing environmental pollution.</p> <p>We have been taking steps to deal with potential transition risks posed by climate change through external evaluations and verifications. Since 2010, we have been actively participating in the Carbon Disclosure Project (CDP), demonstrating our commitment to objective external evaluation and certification of our efforts. We consistently measure and verify our GHGs, maintain ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System) certifications.</p> <p>Furthermore, we are dedicated to the development of eco-friendly products and services, such as the 'Eco-mileage' rider and electronic insurance policy conditions. These initiatives allow us to adapt to market changes arising from climate change.</p>
Cyber security	Definition	<p>With the rapid advancement of digital technologies such as AI, blockchain, and the Internet of Things (IoT), the insurance industry is experiencing significant changes, leading to the digitization of business processes, products, and services, enabling the seamless provision of data-driven customized insurance solutions. However, this transformation also brings about heightened risks related to the exposure of financial data, including company and customer information, increasing the potential for sophisticated cybercrimes and data security risks.</p>
	Impact on business	<p>In leveraging digital technologies, SFMI can benefit from significant advantages in easily accessing financial information and services, as well as collecting and analyzing large volumes of data to enhance the efficiency of insurance processes such as enrollment, underwriting, and claims. However, this digital transformation also brings about increased security vulnerabilities and the potential for data breaches due to cyber-attacks such as hacking and DDoS attacks, compromising the confidentiality of sensitive information. Particularly concerning is the advancing sophistication and intelligence of cyber-attack techniques, highlighting the growing importance of cyber security risks in the insurance industry. Failure to strengthen capabilities in addressing data breaches, detecting malicious software, and preventing hacking incidents can result in substantial financial losses, damage to brand reputation, and even legal repercussions.</p>
	Our responses	<p>With the aim of preparing for the digital transformation that will affect the insurance industry, SFMI has implemented a comprehensive risk management system encompassing both technical and managerial aspects. In terms of technical measures, we leverage customer data encryption, security devices, access prevention systems against external intrusion, and vulnerability analysis systems. We continuously assess and enhance our vulnerabilities through activities such as intrusion incident response training, including mock hacking and simulation training to prevent malicious code infections. Additionally, in collaboration with the Financial Security Agency, a data protection organization, we conduct DDoS simulation training and daily analysis of hacking indicators to proactively prepare for APT attacks. The results of these efforts are reported in a comprehensive format. Furthermore, the Samsung Integrated Security Center conducts rigorous testing of our external intrusion prevention and control performance to ensure our preparedness for any potential scenarios.</p>

Risk type	Category	Description
Cyber security	Our responses	<p>As a management measure, we have established a comprehensive system to mitigate system operational risks. This system operates 24/7/365, and is managed by a dedicated security team. We have segregated the business network from the internet network. In addition to regular IT audits, we provide our employees with training on information protection and cyber security to raise awareness and promote a culture of data security. We are committed to maintaining the highest standards of information security and have recently renewed our ISMS-P certification.</p>
Demographic change	Definition	<p>It is expected that Korea will become a super-aged society in 2026, as people aged 65 or older will account for around 20% of the population. Demographic risks refer to those that may threaten the insurance business in the future, such as the decrease in the working-age population, weak economic growth, and shrinking areas requiring insurance coverage.</p>
	Impact on business	<p>Aging population is expected to bring about three major changes in the insurance industry. First, there will be a decrease in asset management yield. The decrease in the working-age population and the increase in fiscal expenses for the elderly population will significantly slow down economic growth and lower the interest rate, which will have negative consequences on the asset management yield. Second, there will be shrinking areas in need of insurance coverage and a decrease in new demand. The economic slowdown weakens investment, resulting in reduced areas that require insurance coverage. Therefore, direct premiums written may decrease due to diminishing demand for insurance following population aging, a low birth rate, market saturation, and intensifying competition, which is highly likely to have an adverse effect on our business. Third, there will be an impact on the health insurance business. The growing burden of medical expenses and an increasing number of patients with chronic diseases may deteriorate the profitability of the existing health insurance business, leading to a negative impact on the financial soundness.</p>
	Our responses	<p>To tackle the decrease in asset management yield caused by a sluggish economy and weakened investment, SFMI is implementing an ALM-based asset allocation strategy. This strategy focuses on long-term bonds, corporate loans such as large office mortgage loans and SOC investment, and investment diversification. These measures serve as alternative ways to ensure profitability. In anticipation of the worsened profitability in the health insurance business due to population aging, we are also placing emphasis on providing healthcare services that can improve the loss ratio while meeting consumers' needs. These services include the 'Anyfit' mobile app-based service, which rewards users with points for achieving exercise goals like walking and running. Additionally, we have 'MyHealthNote,' an application that helps diabetic patients improve their lifestyle habits and manage their condition effectively. We will continue to leverage new digital technologies that complement our core business and expand services aimed at supporting customers with their health management.</p>

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In January 2015, SFMI signed the PSI of UNEP FI (United Nations Environment Programme Financial Initiative) and announced its commitment to promoting sustainability in the insurance industry, together with global insurers. As a global non-life insurance company, SFMI fulfills our social responsibilities and carries out sustainable management activities considering the environment, society and governance. In this regard, SFMI reports its ESG-related activities annually according to PSI's four principles.

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

Operating the ESG Committee I SFMI has established the ESG Committee on 2021 under the Board of Directors. The ESG Committee, comprised of the CEO as well as two non-executive directors, serves as the highest decision-making body that establishes ESG strategies and deliberates and decides on ESG activities.

Operating the Sustainability Management Committee I In 2012, SFMI established the Sustainability Management Committee, in which executives participate, to build a sustainability management system that fits global top-tier insurers and accelerates sustainability activities. The committee is composed of a total of 7 members; the CEO, CFO, Head of Corporate Planning Division, Head of Long-Term Insurance Division, Head of HR Team, Chief Compliance Officer, and Head of Planning Team 1. The main agenda items include sustainability management status and performances, recent sustainability management trends, and future directions and tasks. We also operate the ESG working group that consists of the heads and managers of ESG-related departments to oversee and respond to sustainability management goals of each sector.

Social Responsibility Management Regulation I In 2013, SFMI established the social responsibility management regulation, which has been implemented to reflect the ESG initiative in all decision-making processes and activities. Since 2019, we have reflected ESG-related matters in the company's underwriting and asset management strategies, and in 2020, we added the 'Coal-free Principle' to suspend new investment, loans, and insurance contracts related to coal power when we revised the regulations containing our efforts to alleviate climate change and respond to it. Particularly in 2022, we have established and operated the 'Responsible Investment Principle' and the 'ESG Insurance Underwriting Policy' to practice the 'Coal-free Principle'.

Principle 2. We will work together with our clients and business partners to raise awareness of environmental, social, and governance issues, manage risk and develop solutions.

Environmental & Social Insurance Products and Services I SFMI provides a wide variety of insurance products and services that consider environmental impacts of activities such as climate change response and mitigation. We also engage in support activities in many fields so that the socially vulnerable and financially underprivileged such as low-income groups, persons with disabilities, and foreigners, can be prepared against various risks.

Paperless Insurance Contracts I Since 2012, SFMI has been pushing forward the user- and environment-friendly sales process innovation using mobile devices together with our sales partner, Risk Consultant (RC). We have been continuing our efforts to provide eco-friendly insurance contracts by going paperless and using digital counseling data and e-signatures.

Research on Climate Change Risks I SFMI's GLCC (Global Loss Control Center) supports customers and communities in managing climate change risks by conducting a diverse range of R&D in relation to climate change. We respond to various climate change risks, utilizing our Global Risk Map (GRM), the unique risk and estimated loss assessment model for different disaster types.

[GLCC](http://rm.samsungfire.com) I <http://rm.samsungfire.com>

Social Responsibility Code of Conduct for Employees and Partners I SFMI established the Social Responsibility Code of Conduct for each stakeholder to encourage employees and partners to practice socially responsible management and induce change. We are also strengthening risk monitoring and support activities in sustainability management regarding human rights, safety, environment, and ethics to secure sustainable competitiveness.

Principle 3. We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social, and governance issues.

Partnership with the Government and Civic Groups | SFMI engages in various social contribution activities in collaboration with the government and civic groups to resolve social issues.

Category	Activities	Partner organizations
Social safety	Support for traffic safety policy	Ministry of Land, Infrastructure and Transport Ministry of the interior and Safety, National Police Agency, Citizen’s Coalition for Safety
	Support for disaster relief	Korea Disaster Relief, Korean Red Cross
Social welfare	Support for the underprivileged	Community Chest of Korea, Save the Children, Korea Food for The Hungry International (KFHI)
	Raising disability awareness	Ministry of Education, Korea National Institute for Special Education, Disabled Persons First Campaign Center
Research and education	Educational donation, scholarship etc	Kids & Future Foundation, Lifeline Korea

Operating Samsung Traffic Safety Research Institute | Established in 2001, Samsung Traffic Research Institute is the country’s first private research organization specializing in traffic safety. Its goal is to establish an advanced traffic culture and creating a society with zero traffic accidents. As a drive to prevent traffic accidents, the Institute conducts scientific and systematic research on the traffic safety of roads, vehicles, and drivers, while offering press releases, policy proposals, and traffic safety campaigns.

[!\[\]\(7d1d6890825e83a6a4a51febe2dcc7f3_img.jpg\) Samsung Traffic Safety Research Institute Website
 | <http://sts.samsungfire.com/>](http://sts.samsungfire.com/)

Principle 4. We will demonstrate accountability and transparency through regular disclosure of our progress in implementing the Principles.

SFMI systematically manages issues related to the environment, society, and governance and discloses them transparently to the public by publishing the integrated report, annual report on corporate governance and remuneration, and business report each year.

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Statement of Use	We have published the '2023 SFMI Integrated Report,' which encompasses ESG performance from January 1, 2022, to December 31, 2022, in accordance with the GRI Standards. This report also includes certain achievements from before 2022 and in the first half of 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of June 2023 , the publication date of the SFMI integrated report, there are no applicable GRI Sector Standards.

Universal Standard

Topic	No.	Disclosure	Page
GRI 2 : General Disclosures 2021			
The organization and its reporting practices	2-1	Organization details	7
	2-2	Entitles included in the organization's sustainability reporting	1
	2-3	Reporting period, frequency and contact point	1
	2-4	Restatements of information	Additional comments
	2-5	External assurance	111
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	2-7	Employees	41
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	2-10	Nomination and selection of the highest governance body	69, 72
	2-11	Chair of the highest governance body	69
	2-12	Role of the highest governance body in overseeing the management of impacts	11, 71-72
	2-13	Delegation of responsibility for managing impacts	11, 71-72
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	2-15	Conflicts of interest	68, 72
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	2-17	Collective knowledge of the highest governance body	68-71
	2-18	Evaluation of the performance of the highest governance body	73
	2-19	Remuneration policies	73
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	2-21	Annual total compensation ratio	73
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	2-23	Policy commitments	33, 50, 52
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	2-25	Processes to remediate negative impacts	46, 52, 75, 96-100
	2-26	Mechanisms for seeking advice and raising concerns	75
	2-27	Compliance with laws and regulations	38, 76, 78
Stakeholder engagement	2-28	Membership associations	116
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GRI 3: Material Topics 2021			
Disclosures on material topics	3-1	Process to determine material topics	91
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Topic Standard

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GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64
Climate risk management	3-3	Management of material topics	35-36, 105-106
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	105-106
GRI 303: Water and Effluents	303-5	Water consumption	36
GRI 306: Waste	306-3	Waste generated	36
	306-4	Waste diverted from disposal	36
Customer-oriented management	3-3	Management of material topics	26-30, 56, 66
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	57, 77-78
	417-2	Incidents of non-compliance concerning product and service information and labeling	64, 78 AR p.502
	417-3	Incidents of non-compliance concerning marketing communications	78
ESG investment	3-3	Management of material topics	16-19, 81, 82
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	59, 81-82
	203-2	Significant indirect economic impacts	9, 81-82
Customer data protection	3-3	Management of material topics	30, 64-65
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64
GHG and energy mitigation	3-3	Management of material topics	18-19, 33-34
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Topic	No.	Disclosure	Page
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	305-2	Energy indirect (Scope 2) GHG emissions	34
	305-3	Other indirect (Scope 3) GHG emissions	34
	305-4	GHG emissions intensity	34
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GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	56, 78
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GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	41, 69
	405-2	Ratio of basic salary and remuneration of women to men	49
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	52-55
Employment and talent development	3-3	Management of material topics	42-48
GRI 401: Employment	401-1	New employee hires and employee turnover	42-43
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	47
	401-3	Parental leave	48
GRI 403: Occupational Health and Safety	403-6	Promotion of worker health	47
GRI 404: Training and Education	404-1	Average hours of training per year per employee	44
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TCFD

In 2015, the nations that joined the Paris Agreement set their target of mitigating GHG emissions and resolved to join hands to combat global warming. With the growing global interest and demand regarding climate change, the Financial Stability Board (FSB), a cooperative body of finance ministers from G20 countries and central bank governors, took the lead in establishing the Task Force on Climate-Related Financial Disclosures (TCFD) in 2015. The purpose of TCFD is to promote the disclosure of financial information related to climate change. Currently, TCFD has been joined by 37 countries and over 1,500 institutions. SFMI has adhered to the TCFD recommendations, which encourage companies to identify climate change-related risks and opportunities and disclose their subsequent financial impacts. This report provides an explanation of relevant information in accordance with the TCFD recommendations.

TCFD Recommendations	Activities at SFMI	CDP
Governance – The organization’s governance around climate-related risks and opportunities		
a) Describe the board’s oversight of climate-related risks and opportunities	In order to make comprehensive decisions on climate change, we have established an ESG Committee under the BOD, consisting of the CEO and two independent directors. As the top decision-making body, the committee is responsible for managing and supervising the implementation of strategies to address climate change. The ESG Committee meets biannually, but can also convene on an ad hoc basis to review climate change-related issues such as GHGs, energy usage, and water resources. The committee integrates these issues into the management strategy, key action plans, risk management policy, business plans, and annual budget in order to make informed decisions. Additionally, the committee assesses climate change-related risks and opportunities in areas such as insurance, underwriting, investments, and business operations. Based on these assessments, we establish targets, and monitor their execution and progress to manage the impact of climate change.	C1.1a, C1.1b
b) Describe management’ role in assessing and managing climate-related risks and opportunities	With the goal of effectively addressing the risks and opportunities posed by climate change, our management leadership has enhanced the internal decision-making process. As part of these efforts, we have established a Sustainability Management Committee, consisting of seven executives with the CEO serving as the Chair. This committee convenes every six months to discuss climate change-related risks that affect our investments, underwriting, and business operations. To ensure an integrated approach, we have implemented an organic response system where the ESG department and relevant departments collaborate closely to address and discuss climate change trends, future directions, and tasks. In this regard, the CFO plays a vital role as a member of the Sustainability Management Committee, evaluating and analyzing risks and opportunities from a financial perspective and incorporating sector-specific response measures to address the identified issues.	C1.2
Strategy – The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning		
a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term	SFMI identifies the risk and opportunity factors associated with climate change and assesses their potential impact on our finances. We have developed roadmaps for mitigating GHGs in the short, medium, and long terms, and categorized them into phases for effective management. The following are the climate change-related risks and opportunities we have identified.	C2.1a, C2.3, C2.3a, C2.4, C2.4a
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<p>Climate Change-related Risk Factors</p> <p>Transition Risk</p> <ul style="list-style-type: none">· Emerging Regulation (Short-term): Among our managed assets, consist of Climate Policy Relevant Sectors (CPRS) and high-carbon industries as determined by carbon intensity criteria. As a result, our assets under management are highly sensitive to changes in current carbon emission-related policies. The tightening of carbon emission-related policies, both domestically and internationally, will potentially affect our mid to long-term corporate management. In order to minimize risks related to climate change, it is important to proactively recognize and identify risks associated with assets in low-carbon industries and prioritize risk considerations when investing in them.· Legal Risk (Long-term): SFMI has announced the suspension of investments in companies operating in the coal mining and coal-fired power generation sectors if more than 30% of their total revenue is derived from these activities. This decision is in line with our Policy on Responsible Investment and ESG Insurance Underwriting Policy. Currently, no lawsuits have been filed, and the likelihood of immediate legal action is low. However, considering the global trend of growing opposition to funding and investing in coal and high-carbon industries, there is a potential for social organizations to file lawsuits against SFMI in the medium to long term. If legal proceedings are initiated from a long-term perspective, it could have a detrimental impact on our reputation. Therefore, it is imperative that we reevaluate investments that disregard climate-related risks.	C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4, C-FS3.7

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TCFD Recommendations	Activities at SFMI	CDP
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<div><div>· Market Risk (Long-term): The increasing frequency of natural disasters such as typhoons, floods, and earthquakes worldwide, may result in a decline in the asset value of our investments and subsequent losses. Furthermore, according to the stress test results based on the scenarios of the Network for Greening the Financial System (NGFS), it is anticipated that a potential decline in the value of the assets it invests in due to carbon emission regulations. It is necessary to continuously analyze and manage market risk-exposed assets such as stocks and real estate values, as well as payment capacity ratios, and incorporate the market risks associated with climate change and their impacts when conducting investment reviews.</div><div>Physical Risk</div><div>· Acute Physical Risks (Short-term): Amid the rising frequency and intensity of natural disasters caused by climate change, the analysis of SFMI’s claim data and information from various domestic institutions indicates that higher insurance payouts will impact the overall company. In fact, the widespread flooding resulting from a record-breaking typhoon in 2022 led to a significant rise in automobile insurance loss ratio compared to the previous year (6.4% increase in August and 6.7% increase in September). Furthermore, in the case of general insurance, there is a high possibility of incurring losses due to natural disasters occurring not only domestically but also internationally. Considering that approximately one-third of our total premium revenue comes from automobile and general insurance, the financial impact of climate change is expected to be significant, starting from the next year (short-term). To minimize the negative impacts of natural disasters in the short, medium, and long term, it is crucial to offer insurance products and services that align with the opportunities presented by climate change in emerging areas of demand.</div><div>· Chronic Physical Risks (Long-term): With the aging society taking shape and the severe impacts of climate change stemming from the rising global temperatures, various diseases leading to mortality are predicted. As there is a possibility of reduced profitability of long-term insurance products at Samsung Fire & Marine Insurance due to climate change, it is crucial to mitigate these risks, enhance profitability, and analyze the opportunities arising from climate change to tailor new insurance products and services accordingly.</div></div>	C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4, C-FS3.7
	<div>Climate Change-related Opportunity Factors</div> <div>· Product and Service (Mid-term): SFMI recorded a total revenue increase of 5.03% in 2022 for its eco-friendly disaster insurance products, compared to the previous year. This growth can be attributed to the heightened risk awareness among customers regarding climate change, resulting in increased demand for related insurance products. It is predicted that as global temperatures continue to rise, the demand for disaster-related insurance products will increase, leading to a corresponding increase in revenue. With our estimated loss assessment model called GRM at the forefront, we will develop products and services that respond to the changing climate. Our goal is to achieve a total revenue of KRW 5 trillion for eco-friendly and socially responsible insurance products by 2030.</div> <div>· Market Opportunity (Mid-term): The development of technologies and the growing attention to eco-friendly mobility are driving the sales of environment-friendly vehicles, such as hydrogen-fueled cars or EVs, as well as increasing the demand for related insurance products. Recognizing the changes in the mobility landscape resulting from climate change, SFMI sees an opportunity to establish market dominance by developing exclusive products for emerging markets, including autonomous vehicles, shared vehicles, and EVs. We currently provide a variety of environmental insurance products related to climate change, such as daily auto insurance, eco-mileage auto insurance, wind and flood damage insurance, and environmental pollution liability insurance. And we plan to further expand eco-friendly insurance products. We have plans to further expand our portfolio of eco-friendly insurance products to strengthen our presence in the market.</div>	

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TCFD Recommendations	Activities at SFMI	CDP
c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	SFMI is analyzing climate risks based on the Korean government's 40% reduction target scenario (NDCs) compared to the 2018 Business as Usual (BAU) scenario. We have conducted risk analysis for transition risks and physical risks using scenarios of 1.5°C, 2°C, and 3°C. Transition risks (based on NGFS scenarios) were analyzed for assets such as corporate bonds, unlisted stocks, corporate loans (credit), listed stocks, commercial real estate, as well as liabilities such as life insurance and general insurance. We applied the NZE 2050 (1.5°C), DT (Delayed Transition, 2°C), and CP (Current Policy) scenarios. Physical risks (based on RCP scenarios) were analyzed using the RCP1.9 (1.5°C), RCP4.5 (2°C), and RCP8.5 (3°C) scenarios. As a result, we anticipate significant impacts from transition and physical risks under the DT (2°C scenario) and CP (3°C scenario) by 2050. To address these risks in company-wide business strategies, we are committed to applying the principles of carbon-neutral investments to all asset classes starting from 2025. Additionally, we strive to achieve the goal of realizing 'zero' net internal carbon emissions and a 100% reduction in financed emissions from our asset management by 2050. We calculate an internal carbon price by applying the average price of KAU21 (KRW 23,402) to the company's business activities. We also measure the total financed emissions (Scope 3) for seven asset categories through an environmental measurement company, which serves as an internal indicator for management purposes.	C3.2, C3.2a, C3.2b
Risk Management - The methods and processes used by the organization to identify, assess, and manage climate-related risks		
a) Describe the organization's processes for identifying and assessing climate-related risks	Recognizing the crisis posed by climate change, we diligently identify and manage associated risks. The ESG Committee, working under the BOD, plays a key role in identifying risks and conducting monitoring. We proactively respond to climate change risks through comprehensive reviews of major agenda items, including the integrated management of climate change issues, establishment of a risk management system, implementation reviews, and the approval of non-financial (ESG) risks. Twice a year, we analyze potential crises under financial scenarios, and the results are reported to the Risk Management Committee. In 2022, we collaborated with the Financial Supervisory Service (FSS) to conduct climate stress tests aimed at assessing the financial stability implications of climate change. At the working-group level, we provide ESG training to employees responsible for ESG matters to enhance their expertise. At the board level, we engage in comprehensive discussions and reach consensus on various climate risk analysis and evaluation outcomes to ensure the integration of climate risks into our corporate strategy. To further address climate change risks, our Global Loss Control Center (GLCC) conducts climate change risk analysis, risk diagnosis, and consulting services for companies. We have developed the Global Risk Map (GRM), which assesses the risks associated with each natural disaster and estimates potential losses. We also operate assessment simulations to evaluate the impact of climate change.	C2.1, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e
b) Describe the organization's processes for managing climate-related risks	We continuously monitor regulations, policies, and the current state of the industry to identify climate change risks and respond to environmental issues. Through such evaluations, we identify and select climate change risks, and the selected risks are analyzed for their significance through annual materiality assessments targeting internal and external stakeholders. We analyze the major risk factors and opportunities and prioritize them to share with the various business units within the organization, enabling them to consider them in their operations. To manage market risk related to expected transition risks, we have implemented the 'coal phase-out finance' declaration and announced an ESG Insurance Underwriting Policy that restricts new investments in coal-related industry and excludes insurance underwriting in those sectors. In addition, we have established a Policy on Responsible Investment to proactively limit investments and loans to companies and industries with a negative impact on the environment and society. This policy aligns with our responsible investment principles that consider environmental issues alongside qualitative information such as environmental impact assessments, social impact assessments, and corporate governance in making investment or initiating the loan. The ESG Committee under the BOD has implemented a systematic management process at the company level to address climate change-related risks and also developed plans to quantify climate risks based on individual climate risk factors and implementing a management system accordingly.	C2.1, C2.2, C-FS2.2d, C-FS2.2e
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	To ensure sustainable management, SFMI has integrated climate change risks into its company-wide risk management system. These risks are recognized as potential threats that can affect business activities. The proactive identification and evaluation of climate change risks are primarily carried out at the working group level. The ESG Committee and the Sustainability Management Committee take the lead in effectively responding to climate change by conducting deliberations, making resolutions, and providing oversight on related matters.	C2.1, C2.2

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TCFD Recommendations		Activities at SFMI	CDP																
Metrics and Targets - The metrics and targets used to assess and manage climate-related risks and opportunities																			
a)	Disclose the metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process	To effectively manage the risks and opportunities associated with climate change, we utilize a range of indicators. These indicators include the internal carbon price, GHGs, energy consumption, revenue from eco-friendly insurance products, the number of eco-friendly investments, and climate change stress tests across different scenarios (1.5°C, 2°C, 3°C). Furthermore, we are committed to regular disclosure of this information, as it is crucial for maintaining transparency in our management practices.	C4.2, C4.2a, C4.2b																
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<table><tr><th>Category</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Scope 1</td><td>3,233 tCO₂eq</td><td>3,016 tCO₂eq</td><td>3,039 tCO₂eq</td></tr><tr><td>Scope 2</td><td>11,920 tCO₂eq</td><td>11,691 tCO₂eq</td><td>11,718 tCO₂eq</td></tr><tr><td>Scope 3</td><td>4,081 tCO₂eq</td><td>3,208 tCO₂eq</td><td>3,708 tCO₂eq</td></tr></table>	Category	2020	2021	2022	Scope 1	3,233 tCO ₂ eq	3,016 tCO ₂ eq	3,039 tCO ₂ eq	Scope 2	11,920 tCO ₂ eq	11,691 tCO ₂ eq	11,718 tCO ₂ eq	Scope 3	4,081 tCO ₂ eq	3,208 tCO ₂ eq	3,708 tCO ₂ eq	C6.1, C6.3, C6.5, C-FS14.0, C-FS14.1, C-FS14.1a
		Category	2020	2021	2022														
		Scope 1	3,233 tCO ₂ eq	3,016 tCO ₂ eq	3,039 tCO ₂ eq														
		Scope 2	11,920 tCO ₂ eq	11,691 tCO ₂ eq	11,718 tCO ₂ eq														
Scope 3	4,081 tCO ₂ eq	3,208 tCO ₂ eq	3,708 tCO ₂ eq																
c)	Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets	We are actively working towards achieving carbon neutrality in our operations and investment assets by 2050. Our efforts include setting annual GHG reduction targets based on absolute quantity, evaluating progress, and managing intensity and financed emissions by asset category at the company-wide level. Since 2017, we have established a mid- to long-term target of reducing emissions by 50% compared to the base year by 2030, and as of 2022, we have already achieved a reduction of 30.1% compared to the base year. Our commitment to addressing climate change is shared by the CEO, executive management, and all employees. The CEO serves as the Chairman of the Sustainability Management Committee, which operates under the ESG Committee, and actively promotes ESG management throughout the organization. The executive management team, excluding the CEO, places significant emphasis on climate change risks and issues, setting goals to ensure the seamless implementation of ESG management initiatives. Furthermore, our employees actively participate in various environmentally friendly campaigns, such as the 'Zero Standby Power Campaign,' 'Paperless Campaign,' and 'Waste Separation Well Campaign.' Additionally, we have provided employees with the 'Nudge for Green' guidelines to encourage eco-friendly behaviors. Through their active involvement in these campaigns and adherence to the guidelines, our employees directly contribute to carbon reduction efforts and foster a greener workplace environment.	C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b																

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Table 1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Unit of Measure	Pages and Content
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance productrelated information to new and returning customers	KRW	–
	FN-IN-270a.2	Complaints-to-claims ratio	%	16 cases According to the '2022 Financial Consumer Complaints and Counseling Trends' report conducted by the Financial Supervisory Service, SFMI had complaint cases of 16 per 100,000 contracts among non-life insurance companies.
	FN-IN-270a.3	Customer retention rate	%	The contract retention rate for the 13th term: 87.55% / the 25th term: 69.67% According to the Disclosure Standard for Non-life Insurance Operations, the ratio of insurance contracts that maintained premium payments for over one year is in line with the aforementioned figures.
	FN-IN-270a.4	Description of approach to informing customers about products	N/A	SFMI takes the lead in customer satisfaction sales activities to prevent consumer harm caused by incomplete sales practices. As part of customer-centric management activities, we have implemented a customer panel system since 2005, which has culminated in us being the first in the non-life insurance industry. As a result, we have obtained a 'good' rating in the Financial Consumer Protection Assessment conducted by the Financial Supervisory Service. This rating reflects our adherence to the standards and procedures to be followed during the financial product sales stage, complaint management, provision information to financial consumer, and protection measures for vulnerable groups.
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	KRW	–
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	N/A	p.81 SFMI has made a public commitment to practicing responsible investing, which embraces environmental, social, and governance factors in our asset management. We actively evaluate and limit investments and loans to companies and industries that have adverse environmental and social impacts. Specifically, we restrict investments and business transactions with companies involved in activities such as coal power generation and mining, tobacco, and gambling.
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	KRW	–
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	N/A	p.81

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Topic	Code	Accounting Metric	Unit of Measure	Pages and Content
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	KRW	–
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	KRW	–
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	N/A	p.82 SFMI has expressed our commitment to incorporating ESG factors into the underwriting process for general insurance, reinsurance. As part of this commitment, we proactively review and restrict insurance coverage for companies and industries that have a negative impact on the environment. Specifically, we have prohibited underwriting for Coal mining facilities, new coal-fired power plants, and new coal infrastructure, oil sands/arctic oil fields and resource development that has a significant impact on the environment.
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrallycleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	KRW	–
	FN-IN-550a.2	Total fair value of securities lending collateral assets	KRW	Annual Report p.146
				End of the 73rd Fiscal Year
	FN-IN-550a.3	Description of approach to managing capitaland liquidity-related risks associated with systemic noninsurance activities	N/A	p.96-100

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Independent Assurance Statement

To: The Stakeholders of Samsung Fire & Marine Insurance

Introduction and objectives of work

BSI Group Korea (hereinafter "the Assurer") was asked to verify Samsung Fire & Marine Insurance 2023 ESG Report (hereinafter "the Report"). This assurance statement applies only to the relevant information contained in the scope of the assurance. Samsung Fire & Marine Insurance is solely responsible for all information and assertion contained in the report. The responsibility of the assurance is to provide independent assurance statement with expert opinions to Samsung Fire & Marine Insurance by applying the verification methodology and to provide this information to all stakeholders of Samsung Fire & Marine Insurance.

Assurance Standards and Levels

This assurance was based on the AA1000AS v3 (2020) Assurance Standard and confirmed that the report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. The assurance level was based on the Type 2 that confirmed compliance with the four principles of AA1000 AP (2018) in accordance with the AA1000 AS. The Type 2 verification type is based on data and information provided by the reporting organization, and limited verification was performed for the Energy consumption, waste, direct greenhouse gas emissions (Scope1), indirect greenhouse gas emissions (Scope2), and other indirect greenhouse gas emissions (scope 3), employee status, gender ratio balance, turnover status, education status, and equal pay. etc.

Scope of Assurance

The scope of assurance applied to this report is as follows.

- Based on the period from January 1st to December 31st 2022 included in the report, some data included 2023.
- Major assertion included in the report, such as sustainability management policies and strategies, goals, projects, and performance, and the report contents related to material issues determined as a result of materiality assessment.
- Conformity, appropriateness and consistency of internal processes and systems for information, data collection, analysis and review.

The following contents were not included in the scope of assurance.

- Financial information presented in the report.
- Disclosures in the international standards and initiatives index excluding GRI presented in the report.
- Other related additional information such as the website, business annual report.

Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities;

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and verification of the result to determine verification priorities,
- Review of the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

Limitation

The assurer performed limited verification over a limited period based on the data provided by the reporting organization. This means that no significant errors are found during the verification process, and that there are limitations associated with the inevitable risks that may exist. The assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the report are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinion on the four principles presented by the AA1000 AP (2018) is as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

Samsung Fire & Marine Insurance defined customers, employees, external stakeholders, and experts as key stakeholders' groups, and operates communication channels for each group for stakeholder engagement. Samsung Fire & Marine Insurance reflected key issues drawn through stakeholder channels in sustainability management decisions and disclosed the process in the report.

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Independent Assurance Statement

- Materiality: Identification and reporting of material sustainability topics**
 Samsung Fire & Marine Insurance established a strategy related to sustainable management and applied a double materiality test process to derive reporting issues and evaluate economic, social and environmental impact materiality and financial materiality across 12 major issues to determine the importance of the issue, select 10 critical issues and publish the process in the report.
- Responsiveness: Responding to material sustainability topics and related impacts**
 Samsung Fire & Marine Insurance established the management process for key reporting issues determined by the materiality assessment. In order to respond appropriately to the expectations of stakeholders, Samsung Fire & Marine Insurance disclosed the process including policy, indicator, activity and response performance on key reporting issues in the report.
- Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders**
 Samsung Fire & Marine Insurance established the process to identify and evaluate the impact on organizations and stakeholders related to key reporting issues. Samsung Fire & Marine Insurance used impacts, risk and opportunity factor analysis results for key reporting issues to make decisions to develop response strategies for each issue and disclosed the process in the report.

Key areas for ongoing development

- Samsung Fire & Marine Insurance can help to continue to operate its current ESG management system to achieve ESG vision (Beyond Insurance to a Sustainable Future) through advancing ESG.
- The report describes Samsung Fire & Marine Insurance's key sustainability performance in 2022 and expresses its efforts to advance its activities. At the same time, deriving underperforming sustainability issues and specifying related mid-to long-term strategies and goals can help ensure a balanced reporting.

Statement of independence and competence

The assurer is an independent professional institution that specializes in quality, environment, safety and health, energy and anti-bribery, compliance related ESG management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with Samsung Fire & Marine Insurance. The assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurer, have a lot of assurance experience, and understand the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The assurer confirmed that this report is prepared in accordance with the GRI Standards, and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by Samsung Fire & Marine Insurance, the sector standard was not applied.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-21 (Governance), 2-22 to 2-28 (Strategy), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-2, 203-1~2, 205-2, 206-1, 302-1,302-3~4, 303-5, 305-1~5, 306-3~4, 401-1~3, 403-6, 404-1~3, 405-1~2, 406-1, 407-1~3, 418-1

GHG Assurance Statement

Verification Target

Korean Foundation for Quality (hereinafter " has conducted the verification of 2022 Report on Quantity of emitted Greenhouse gas Consumption (hereinafter 'Inventory Report") for Samsung Fire Marine Insurance Co., Ltd. (hereinafter "Company")

Verification Scope

GHG emission facilities in domestic business sites (excluding leased business sites and subsidiaries) under the company's operational control were targeted, and the total GHG emissions were targeted for Scope 1 and Scope 2.

Verification of other indirect emissions (Scope 3) was conducted in the category range selected by the company based on the following criteria targeting company owned office buildings.

- Category: Purchased products & services (water, land), Waste generated in the course of operation, Business trips

Verification Criteria

The verification criteria were applied as follows.

- Scope 1~2: Guidelines for reporting and certification of greenhouse gas Emissions Trading Scheme (Ministry of Environment Notice No. 2022 279), ISO 14064 1,3:2006
- Scope 3: Technical Guidance for Calculating, Scope 3 Emissions, Environmental Product Declaration Carbon emission factor, WRI (World Resource Institute), GHG Emissions Calculating tool emission factor, national LCI database information network and overseas information network, etc.), Self set standards

Level of Assurance

Verification was conducted in accordance with the procedures stipulated in ISO 14064-3, and through verification and cross verification of the emission calculation results, we have limited confidence that the data applied to the emission calculation are accurate and that the emissions have been appropriately calculated according to the above verification criteria. Planned and performed verification to obtain.

Verification Limitation

The accuracy and completeness of the emission data presented in the GHG inventory has inherent limitations that may arise depending on the nature of the data and the method of determining, calculating, and estimating the figures. Scope3 emissions verification is not aimed at verifying the validity of the calculation standard itself set by the company. The verification results contain inherent limitations of uncertainty inherent in the company's own calculation standards. Depending on our own calculation standards, significant differences may occur in the emission calculation results, which may affect comparability.

Verification Opinions

Through the verification process according to the 'ISO 14064-3:2006' KFQ could obtain reasonable basis to express following conclusion on the Greenhouse Gas Emission Report.

- 2022 Samsung Fire & Marine Insurance Co., Ltd., Greenhouse Gas Emission Report was prepared against company, Greenhouse Gas Inventory Guideline' developed based on the 'Guidelines for GHG emission reporting and certification of GHG emission trading scheme', 'ISO 14064 1:2006'
- As a result of the materiality test on the company's Scope 1~2 GHG emissions in 2022, it satisfies the standard of less than 5% (total emissions less than 500,000 tCO₂ eq), a requirement of the 'Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading
- For Scope 3 emissions, no significant errors or omissions were found, except for emissions information not considered within the selected category range. In the process of estimating emissions, a conservative principle was applied to the estimation of some activity data to prevent underestimation of emissions. In addition, the standards set, estimated/assumed, and the relevant process when calculating emissions were transparently reflected in the internal calculation process.

GHG Emission verification results

(Period: 2022. 1. 1. - 12. 31.)

Category		GHG emission (tCO ₂ eq)
Scope 1, 2	Subtotal (Scope 1, 2)	14,757
	Direct Emissions (Scope 1)	3,039
	Indirect Emissions (Scope 2)	11,718
Scope3	Subtotal (Scope3)	3,708
	Water use	47
	Paper use	2,034
	Waste treatment	486
	Business trip	1,141

* Total emissions and the sum of Scope1 and 2 emissions may differ by ±1tCO₂eq due to decimal rounding.



May 2nd 2023
CEO Ji Young Song
Korean Foundation for Quality

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UN SDGs

SFMI has aligned our management strategies with the United Nations Sustainable Development Goals (SDGs), set up our four key targets, and made multifaceted efforts to attain them. Moving forward, we will continue to leverage our organizational strengths as a non-life insurance company to further accomplish the SDGs.

SDG 3. Ensuring healthy living and promoting well-being for all age groups

Business KPI : Auto insurance accident rate and loss ratio	Social & Environmental KPI : The number of traffic safety education trainings offered to children and the number of participants
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SFMI is researching a traffic safety culture for healthy lives of all age groups. Samsung Traffic Safety Research Institute is Korea's first research institute specializing in traffic safety. The institute contributes to the development of policies and system improvement to achieve the national target of reducing deaths from traffic accidents and prevent customers from being involved in accidents. It also provides safety training for those with limited mobility and residents in accident-prone areas and carries out guidance and educational activities by releasing press reports on seasonal accident risks. Meanwhile, the Samsung Transportation Museum - Korea's first museum specializing in automobiles - provides children with traffic safety training with easy explanations on frequent traffic accident types among children and preventative measures. In addition, the company encourages customers to improve their health by providing the "Anyfit PLUS" service, where customers can earn reward points by achieving exercise targets.

SDG 4. Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities

Target 4.4 By 2030, substantially increase the number of youth and adults equipped with skills for employment, decent jobs, and entrepreneurship.

Business KPI : The number of applicants for the life planning program, the number of reemployed workers	Social & Environmental KPI : Average per capita training expense and hours
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SFMI operates "SFMI University," a talent development system that helps all employees grow into the best finance and insurance specialists, as well as the "Individual Development Plan," a capacity development system aimed at enhancing employees' job expertise. We also provide various training programs to cultivate leaders equipped with global business competencies, such

as the local expert dispatch program, GFP, GEP, MBa/EMBa, and academies. For retirees and employees who are soon to retire, SFMI offers career change programs fit for those working in the financial industry and life planning courses that cater to the needs of each age group.

Target 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.

Business KPI : The number and ratio of office workers who have professional qualifications	Social & Environmental KPI : The result of projects aimed at improving disability awareness and the Kkumteo-Study Support Program
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SFMI has eliminated gender disparities in education within the company and offers programs that train female employees to become financial and insurance specialists. SFMI also carries out music education projects and disability awareness improvement projects for the youth with disabilities and provides various educational programs.

Target 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity.

Business KPI : The number of grievances handled	Social & Environmental KPI : The number of hours human rights protection and sexual harassment prevention education was given and the number of those who completed the education
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SFMI stipulated the principle of human rights protection, such as the prohibition of discrimination against employees, respect for diversity, and prohibition of child and forced labor in Samsung Business Principle, SFMI's Human Rights Principle, and Guidelines to the Code of Conduct for SFMI's Employees and Partners, which are observed by all SFMI employees and partners. SFMI also provides training for all employees at least once a year to protect human rights and prevent workplace sexual harassment and offers counseling services to deal with and prevent unfair treatment regarding personnel affairs, sexual harassment, verbal abuse, and forced alcohol drinking.

UN SDGs



SDG 8. Pursuing sustainable and inclusive economic growth and job creation

Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including greater access to financial services.

Business KPI : The amount of investment in start-ups and the return on investment	Social & Environmental KPI : The number of those who completed training programs designed for sales partners with varying work experience, the number of highperforming certified RCs
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SFMI actively pursues mutually beneficial partnerships with our business partners, aiming to promote coexistence and shared prosperity. We offer a diverse range of educational programs and support systems to our partners, and maintain regular channels for grievance consultation and communication through meetings. In addition, we established SVIC Fund No. 44, a Corporate Venture Capital (CVC) fund about KRW 40 billion, in January 2019, becoming the first in the domestic financial industry to do so. Following that, in March 2022, we established SVIC Fund No. 58, a KRW 58 billion CVC fund, in response to technological advancements and the rapidly changing market landscape, with the objective of forming strategic partnerships with startups. Through these two CVC funds, we have invested in a total of 14 startups and have successfully engaged in various business collaborations with these invested companies.

Target 8.8 Protect labor rights and promote safe and secure working environments for all workers.

Business KPI : The number of the Occupational Safety and Health Committee meetings held each quarter, the number of regular safety inspections	Social & Environmental KPI : The number of employees visiting the psychological counseling center, employee health checkup completion rate
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SFMI has developed a safety and health management system to provide a safe and pleasant working environment for all employees. For example, we prevent accidents and prepare ourselves for effective follow-up management by establishing the "Industrial accident Control Regulation" and "Emergency Preparation and Response Guidelines." Other activities include inspections on the safety of buildings, electrical facilities, firefighting devices, elevators, air and water quality check, as well as holding emergency drills and providing safety and health training and examinations for chemical substance handlers on a regular basis. SFMI also operates the "Maeumnuri Counseling Center," supports employees with health checkups, and runs fitness facilities and in-house doctor's offices.

Target 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services.

Business KPI : The revenue and sales volume of social contribution insurance	Social & Environmental KPI : Ratings received from the major customer satisfaction index, NCSI, in Korea
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As part of our customer-oriented management, SFMI strives to improve service quality by operating the Customer Panel, Consumer Protection Committee, and Customer Rights Protection Committee. In addition, our mobile app and website have been upgraded to make sure those who lack access to financial information, such as persons with disabilities, can use our financial services without trouble. Various social contribution insurance products and services, including auto insurance riders for low-income drivers, umbrella insurance preferential to welfare facilities for the disabled, and insurance services for foreigners, are being provided.



SDG 10. Reducing inequalities within the country and between countries

Target 10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status

Business KPI : The amount of investment in social contribution projects	Social & Environmental KPI : The number of employees who participate in volunteer activities and the time spent
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SFMI actively engages in social contribution projects with a focus on transportation, life safety, youth, people with disabilities, and the local community. In particular, we support the enrollment of low-income children in guaranteed small-scale insurance through the collaboration with the Korea Inclusive Finance Agency and the utilization of the dormant claims.

Association Membership & Contribution

Association Membership ¹⁾

General Insurance association of Korea	Korean Fire Protection association	Korea Insurance Development Institute
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1) SFMI strictly abides by the Political Funds Act of Korea that prohibits corporations or organizations from donating political funds and Improper Solicitation and Graft Act. Therefore, we do not provide any political funds

Contributions to Relevant Institutions

(Unit: KRW 100 million)

Institute			FY2022
General Insurance association of Korea	Roles	Research and suggestions regarding the improvement of systems related to non-life insurance, research on disaster prevention and loss reduction, protection of insurance policyholders, prevention of mishaps and leakage of insurance funds	47.4
	Purpose	Healthy development of non-life insurance businesses and the maintenance of business order	
Korean Fire Protection association	Roles	Safety inspection for fire prevention, insurance business, anti-disaster consulting, surveys and research, calculation of fire insurance merit discount rate, and selfinspection of firefighting facilities.	23.6
	Purpose	Prevention of loss of lives and property damage from fire through safety inspections, surveys, and research, and contribution to greater stability in people's lives through prompt disaster recovery and proper compensation for loss of lives	
Korea Insurance Development Institute	Roles	Insurance product development, insurance-related surveys and research, fair and reasonable calculation of insurance rates, protection of insurance policyholders' rights, efficient management and utilization of insurance-related information, and promotion of the healthy development of the insurance industry.	37.6
	Purpose	Provision of services aimed at protecting consumers and developing the insurance industry	
Total			108.6

Major Awards

2022. 05.	KSQI-certified Outstanding Call Center Service for 18 consecutive years	Korea Management Association Consulting
2022. 07.	No.1 Good Non-life Insurance Company for 20 consecutive years	Korea Finance Consumer Federation
2022. 10.	No.1 rating on the Korean Customer Satisfaction Index (KCSI) for 25 consecutive years in the auto insurance category and for 12 consecutive years in the long-term insurance category	Korea Management Association Consulting
2022. 11.	No.1 National Customer Satisfaction Index (NCSI) rating for 22 consecutive years in the non-life insurance category	Korea Productivity Center
2022 .12.	No.1 Korean Net Promoter Score (KNPS) rating for 13 consecutive years in the auto insurance category, and for 12 consecutive years in the long-term insurance category	Korea Management Association Consulting

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● **SFMI's Policy & Guideline**

SFMI's Policy & Guideline

SFMI Business Principles

SFMI has enacted the SFMI Business Principles to raise integrity and transparency in its operations.

[🔗 SFMI Business Principles](#)

ESG Policies/Guidelines

SFMI has established enterprise-wide ESG-related policies and reflected them in the practical process.

[🔗 ESG Policies/Guidelines](#)

Customer Rights Policy

SFMI develops and discloses privacy policies to protect the rights of customers.

[🔗 Customer Rights Policy](#)

SFMI Code of Conduct Guideline

SFMI executives and employees fulfill higher moral obligations and social responsibilities.

[🔗 SFMI Code of Conduct Guideline](#)

Environment-Energy Management Guidelines

SFMI holds policies to minimize and improve the environmental impact of corporate management activities.

[🔗 Environment-Energy Management Guidelines](#)

Privacy Protection Policy

SFMI has established and disclosed policies to protect the personal information and rights of its users and to facilitate the smooth handling of any user complaints.

[🔗 Privacy Protection Policy](#)

Samsung Fire & Marine Insurance