

SAMSUNG FIRE & MARINE INSURANCE

Sustainability Report 2011-2012



think **Next**

**SAMSUNG FIRE & MARINE
INSURANCE**

SAMSUNG

Summary of Reporting

This is the second of our sustainability reports at Samsung Fire & Marine Insurance(hereafter referred to as, 'SF&MI').

It is an eco-friendly, paperless report that is disclosed on our website with no printed copies. We will continue to improve our online reporting so that stakeholders can easily access real-time SF&MI sustainability information and engage in two-way communication with SF&MI.

Characteristics

Smart

A new concept of reporting that uses only online activities and sustainability management to reduce the impact of 'paper reporting' on the environment.

Value

Share the disclosure of activities with stakeholders to communicate performance, expectations and the mutual benefits of sustainability management.

Sustainability

Disclosing the implementation of international standards on social responsibility including GRI, ISO26000, etc., and the guidelines on social responsibility in the insurance industry.

Reporting Scope and Period

-Scope

Covers SF&MI and the company building. Some contents extend to subsidiaries and overseas establishments

-Period

January 1, 2010 to December 31, 2011.

-Data information

The financial information is based on the fiscal year(Form April to March of the next year). To show trends and shifts in activities, quantitative data is presented along with 3-year performance data. The qualitative data also includes some 2012 performance data.

Preparation Guidelines

-Preparation Guidelines and References

GRI(Global Reporting Initiative) G3.1 Guideline - GRI Financial Services Sector Supplement(FSSS)

-References Guideline

International Guideline on Social Responsibility(ISO26000) and Guideline on Social Responsibility of the Domestic Insurance Industry.

-Stakeholder participation criteria

the details of stakeholders' participation in accordance with AA1000SES should be disclosed.

-Third party verification

the third party verification based on the three principles of AA1000AS(2008) should be performed.

-GRI Application Level Check

A Statement that confirms an A+ level of reporting should be obtained from GRI.

Reporting Contacts

Samsung Insurance Bldg., 29 Euljiro (87 Euljiro-1ga), Jung-gu, Seoul, 100-782, Korea

Tel 02-758-4036

Fax 0505-161-3164

e-mail csr@samsungfire.com

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CEO Message

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Dear Stakeholders,

As SF&MI endeavors to become a company that gives comfort to customers and conveys love to society, I am very pleased to engage in our company's sustainability management activities together with our stakeholders.

Last year, in the midst of frequent natural disasters in various parts of the world, including the massive earthquake in Japan and flooding in Thailand, the financial crisis of some countries including Greece and Italy spread throughout the Euro zone, amplifying uncertainty in the world's economy. Domestic non-life insurance markets experienced a difficult and busy year due to increased competition in the marketplace, especially among large insurance companies, due to the rapid diversification of products and channels.

Even under these tough management conditions, Samsung Fire & Marine Insurance, with the help of our stakeholders' interest and support, achieved an excellent sales performance. Our profits and losses for the current term included attaining the world's best credit rating and a best domestic CS evaluation. Samsung also established the reinsurance market in Singapore and we have built the foundation for the full-fledged expansion of our overseas business.

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From this point forward, we will concentrate our efforts on maintaining and growing a successful and profitable domestic market by marketing new products and strategies. We will also concentrate on overseas businesses to create future growth engines.

The market and our clients are demanding strict business ethics and compliance. Even small violations can result in severe crises to company management. We are increasing 'prevention' by education and routine monitoring, enabling right path management and encouraging client privacy to become the norm.

We are further increasing our efforts in eco-friendly activities and tending to the financially neglected class of people. We will systematically create sustainability management, in consideration of all stakeholders including Shareholders, clients, executives, partners and communities. We will openly share details of both our activities and performance to solidify our stakeholders' trust and support.

Samsung Fire & Marine Insurance celebrated its 60th anniversary this year. Since ancient times in the Orient, a 60th anniversary has meant completion and also meant the beginning of a new cycle. We promise that, with the addition of numerous innovations and challenges, we will continue to build on the strong foundation that has stood in place for 60 years. We will grow into a Global Top 10 insurance company capable of sustainable growth.

Thank you,

June, 2012.

CEO & President, Chang-Soo Kim

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Corporate Status

Established as Korea Anbo Fire and Marine Insurance Co., Ltd. on Jan. 26, 1952, we were renamed Samsung Fire & Marine Insurance Co., Ltd.(SF&MI) in December of 1993. Regarded as Korea's leading non-life insurance company based upon excellent distribution channels and claim settlement network, and distinguished risk management and financial soundness, we operate our business in various regions including the U.S., Europe, China, Indonesia, Vietnam and Korea. We are continuously leaping forward, becoming one of the world's leading financial service companies. SF&MI will conduct sustainable growth together with all our stakeholders, by securing global competitiveness through introducing advanced financial techniques, enhanced product development capabilities, innovative insurance marketing, advanced underwriting techniques, fostering employee competencies, and establishing an efficient compensation service system.

[Corporate Profile]

(As of Mar. 31, 2012)

Company Name	Samsung Fire & Marine Insurance Co., Ltd.
Headquarters	29, Eulji-ro(Eulji-ro 1-ga), Jung-gu, Seoul, Korea
President	Kim, Chang Soo
Business Type	Non-life Insurance
Established	Jan. 26, 1952
No. of Employees	5,341
Total Assets	KRW 38,621.2 billion
Capital Stock	KRW 26.5 billion
Revenue	Direct Premiums Written: KRW 14,584.6 billion Net Income : KRW 784.5 billion(non-consolidated)
Credit Ratings	A.M Best: Upgraded to the best A++(Nov. 2011) S&P : A+ for 9 consecutive years(Dec. 2011)
Telephone No.	1588-5114
Homepage	http://www.samsungfire.com

※ On Feb. 7, 2012, Kim Changsoo was appointed as a CEO

※ Financial data: As of FY'11 / K-IFRS

Subsidiaries

(As of Dec. 31, 2012)

	Name	Location	Established	Capital Stock	Share
Over-seas	P.T. Asuransi Samsung Tugu	Jakarta, Indonesia	1996.11	KRW 1.91 bil. (Rp 15.0 bil.)	70%
	Samsung Vina Insurance Co., Ltd.	Samsung Vina Insurance Co., Ltd.	2002.11	KRW 21.75 bil. (USD17,598,000)	50%
	Samsung Property & Casualty Insurance Company(China) , LTD.	Shanghai, China	2005.04	KRW 46.15 bil. (USD40,653,000)	100%
	Samsung Fire & Marine Consultoria em Seguros Ltda	San Paulo, Brazil	2009.09	KRW 0.5 bil. (USD400,000)	100%
	Samsung Fire & Marine Insurance Company of Europe. LTD.	London, U.K.	2011.03	KRW 18.98 bil. (USD17,053,000)	100%
	Samsung Fire & Marine Management Corporation	New Jersey, U.S.A.	2011.06	KRW 4.4 bil. (USD4,000,000)	100%
Dom-estic	Samsung Reinsurance Pte. LTD	Singapore	2011.12	KRW 60.48 bil. (USD52,312,000)	100%
	anycar Auto Claim Adjustment Service Co., Ltd	Seoul, Korea	1996.01	KRW 500 mil.	100%
	SF&MI Claim Adjustment Service Co., Ltd.	Seoul, Korea	1998.10	KRW 1.1 bil.	99.86%

※ Capital stock is based upon paid-in capital, and the equity method is not applied.

Other Organizations

Other affiliated organizations	Samsung Traffic Safety Research Institute, Samsung Loss Control Center, Samsung Research Institute of Insurance and Finance, Automotive Repair Research Center, Samsung Transportation Museum, Samsung Guide Dog School, etc.
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Management Principles

Samsung Fire & Marine Insurance(SF&MI) aspires to become one of the 'Leading Top 10 Global Insurance Companies in The World' and one of the Most Respected Leading Global Insurance Companies by offering the finest products and services backed by top-notch talent and technologies. To achieve this, we are committed to 'People,' 'Excellence,' 'Change,' 'Integrity,' and 'Co-Prosperity.' Furthermore, we have established five management principles to comply with the laws and ethics and to fulfill our corporate social responsibilities. We have also established action guidelines for these principles.

[Management Principles]

Principle 1	Principle 2	Principle 3	Principle 4	Principle 5
We comply with laws and ethics.	We maintain a culture of organizational ethics	We respect our customers, shareholders and employees	We value the environment, safety and health.	We fulfill our social responsibility as a global corporate citizen.
<ul style="list-style-type: none"> - Value individual dignity and diversity - Compete fairly in accordance with laws and trade ethics - Maintain transparency through accurate accounting records - Maintain neutrality while avoiding involvement in politics 	<ul style="list-style-type: none"> - Clearly divide public and private matters in all business activities. - Protect and respect the intellectual property of other companies and other parties - Form a sound corporate culture 	<ul style="list-style-type: none"> - Prioritize management activities that guarantee customer satisfaction - Pursue shareholder-oriented management - Strive to improve our employees' quality of life 	<ul style="list-style-type: none"> - Strive to practice eco-friendly management - Prioritize the safety and health of mankind 	<ul style="list-style-type: none"> - Fulfill fundamental obligations as a corporate citizen - Pursue co-prosperity with local communities while valuing their social and cultural characteristics - Establish mutually beneficial and prosperous business partnerships

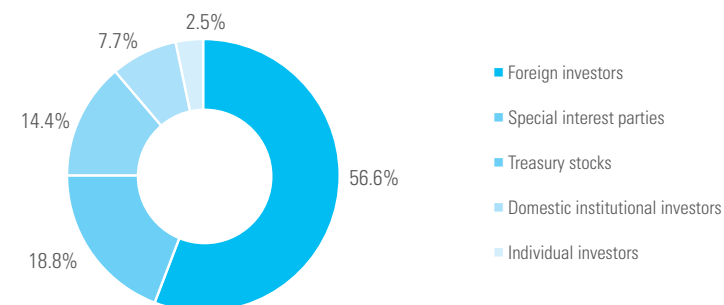
Shareholder Status

Shareholders of SF&MI are composed of foreigners 56.6%, domestic institutions 18.8%, special interest parties 14.4%, treasury stocks 7.7%, and other individual shareholders.

Major shareholders with 5% or more include Samsung Life Insurance Co., Ltd.(10.4 %) and First State Management(UK) Ltd.(8.5%).

[SF&MI Shareholder Status]

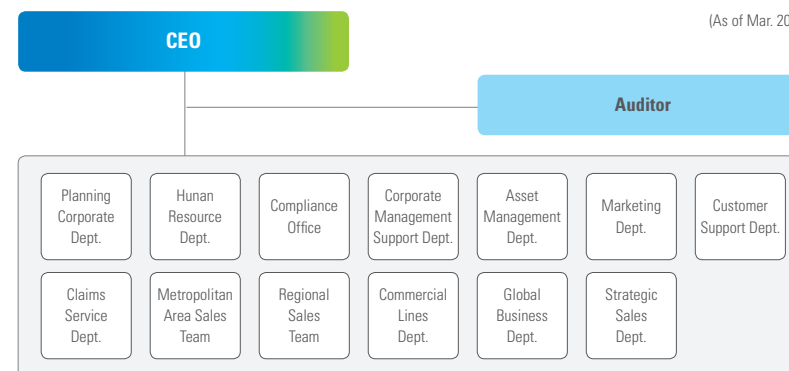
(As of Mar. 31. 2012)



Organizational Chart

SF&MI has a flexible organizational structure that allows quick decision-making and easy authorization. Our company is comprised of 8 offices, 20 departments and 19 teams under 6 chief officers and 6 divisions.

(As of Mar. 2012)



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SF&MI Mid- to Long-Term Vision and Strategies

SF&MI has been striving for sustainable growth by setting the Global Top 10 Roadmap of becoming a 'Global Top-level Non-life Insurance Company with an insurance revenue of KRW 3.4 trillion and assets of KRW 34 trillion by 2020'. Looking at the business from our customers' perspectives, we redefined it as a 'Risk Solution Business Giving Comfort to Customers' in 2012. We have laid the foundation for robust growth in the future by expanding overseas business beyond the domestic insurance market which is entered a matured stage.



[Goals by Stage]

	Stage1(~2012) Expand Foundation for Further Growth	Stage2(~2015) Promote Active Growth	Stage3(~2020) Achieve Global Standard
Target	<ul style="list-style-type: none"> - Revenue KRW 15 trillion - Enhance domestic sales - Overseas business proportion 4% 	<ul style="list-style-type: none"> - Revenue KRW 22 trillion - Actively expand new financial services business - Overseas business proportion 5% 	<ul style="list-style-type: none"> - Revenue KRW 34 trillion - Transform to insurance service company - Overseas business proportion 18%
Customer-Market	<ul style="list-style-type: none"> - Innovate domestic business(Channel, products, services) - Create successful experiences in overseas markets 	<ul style="list-style-type: none"> - Differentiate health, loss control, automobile service capabilities - Overseas M&A mainly in emerging countries 	<ul style="list-style-type: none"> - Provide service-oriented products - Advance to niche market in advanced countries - Enhance market position in emerging countries
Core Competency	<ul style="list-style-type: none"> - Secure capabilities for overseas transplantation - Establish global management system - Secure personnel specialized in overseas business 	<ul style="list-style-type: none"> - Secure local insurance business capabilities (Localization) - Apply global management infrastructure at local level 	<ul style="list-style-type: none"> - Complete global top-level business capabilities and management infrastructure

**2020
GLOBAL
TOP 10**

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Products and Services

Non-life insurance is a financial product which compensates the actual amount of damages sustained in property and injuries caused by accidents. With a target of securing all the risks that can occur in various industries and with individuals, we have developed and provided a variety of products, which include general, auto, long-term non-life insurance, personal pension and retirement pension. Under the motto, 'Customers are always right,' Samsung Fire & Marine Insurance strives to offer a wide array of optimum products and services tailored to meet individual needs. Furthermore, Samsung Fire & Marine Insurance practices customer satisfaction sales through a specialized consulting organization of RCs(risk consultants).

[Samsung Fire & Marine Insurance Products and Service Portfolio]

Products & Services	Major Products		Description
Commercial Non-life Insurance	Fire	House, General, Factory fire insurance	Covers damages on property caused by fire, explosion, etc.
	Marine, Aviation	Ship, airplane, freight insurance	Covers losses caused by marine and aviation / aerospace businesses
	Special	Technology, Casualty, Liabilities Insurance	Covers various losses that can occur in industrial processes such as industrial, construction, distribution, product manufacturing, etc.
Long-term Non-life Insurance	Casualty / Disease	Health Insurance S Care, New Hope Insurance	Covers medical expenses for casualty / disease, liability in everyday life, expenses for recovering scars from casualty, diagnosis of cancers, etc. until 100 years old
	Driver's	My Own Partner	Covers medical expenses, loss of income and other fees resulting from traffic accident related casualties.
	Integrated	Integrated Insurance Super VI	Free to add coverage for different coverage stage in life and comprehensive coverage for all family members. One insurance policy, which includes casualty, cancer, disease and liability.
	Property	Tantan Daero	Covers house fires, theft loss, liabilities in everyday life of family members
	Savings	Super Save	Consisting of lump-sum seed money savings, life pension plan, etc. Customers can choose reception type, insurance period and payment period. Able to cover casualty medical expenses, daily wages while hospitalized and liabilities, Tax exempt when paying for 10 years or more.
	Personal Pension	Beautiful Life	Tax deduction up to KRW 4 million, pension with tax benefit which guarantees casualty / death from disease, minimum guaranteed interest rates
Auto Insurance	anycar, anycar Lady, myanycar		Covers bodily injury, property damage, physical damage, personal injury coverage, un-insured car coverage, and bodily damage riders for nursing expenses, children's educational expenses, cosmetic surgery and dental prosthetics. Additional riders for rental car damage coverage damage, new-car price guarantee and expenses for registering a new car also available.
Loan / Finance	Loan Products		Insurance policyholder loans, apartment mortgage loans, credit loans
	Fund Products		Samsung For You Korea Leading Group Fund No. 1 [Equity], Korea Investment Samsung Group Installment-type Trust No. 1 105 types except [equity]
Service	Products / Affiliated Services		Funeral costs support, dental scaling, medical welfare, safe parking, medical check-up reservations, golf reservations, VIP car management, SERI CEO, home cleaning, car cleaning. Discounts for cars, doctors, house cleaning, pest prevention, language camp and travel support
	anycar Services		Emergency road side assistance, auto check-ups, inspections, car scraping, car cleaning services
	Claims Appraisal Services		Property claims appraisal, commercial / long-term insurance appraisal
	Membership Affiliated Services		Honey bean point, virus vaccine, book digest service, money tech / tax information

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Samsung Fire & Marine Insurance will become a world-class insurance company that achieves robust financial results while faithfully fulfilling social responsibilities through transparent communication with stakeholders.

Sustainability Management at SF&MI

Samsung Fire & Marine Insurance has striven to become a global leader among insurance companies known for practicing sustainability Management for mutual growth and development with stakeholders through open and transparent communication. As a result, we have been evaluated highly by leading insurance rating agencies for our performance in growth, risk management capabilities and overseas business despite chaotic macho environment caused by a series of recent global financial crises.

Going forward, SM&FI will become a distinguished insurance company through ceaseless innovation and challenge, with management focused on the fundamentals and principles. As such, we will become an exemplary enterprise in all areas of the economy, society, and the environment and eventually gain the trust of all our stakeholders.

Mid- to Long-Term Sustainability Management Strategy Roadmap

To fulfill our genuine social responsibilities not only to financial industry but also in non-financial areas such as in the environmental and social areas, SF&MI has established the foundation for sustainability management including the establishment of sustainability management and environment & energy management policies, and publication of our sustainability management report. Going forward, we will establish ourselves as a company growing along with our society by faithfully fulfilling our social responsibilities and by ensuring the sustainability management to take root in our corporate culture.

[Sustainability Vision]

Vision	TO RATE IN THE GLOBAL TOP 10 CATEGORY BY 2020 – THE MOST RESPECTED GLOBAL LEADER AMONG INSURANCE COMPANIES				
Mission	To pursue sustainable growth by creating stakeholder values				
Strategic Directions	Trust Management	Ethical Management	Innovation Management	Future Management	Sharing Management
Strategy Tasks	<ul style="list-style-type: none"> - Provide customer-oriented products and services - Enhance customer communications - Protect customer information 	<ul style="list-style-type: none"> - Reinforce corporate governance & transparency - Incorporate ethical management - Global-standard risk management 	<ul style="list-style-type: none"> - Expand market dominance - Establish advanced corporate culture - Provide innovative products and services 	<ul style="list-style-type: none"> - Explore new growth engines (R&D Committee) - Enhance climate change adaptation and mitigation activities 	<ul style="list-style-type: none"> - Continue volunteer activities focused on the nature of business (Traffic culture campaign, sponsorship of disabled people, etc.) - Expand support for children-youth, the environment and the financially neglected classes of people

[Sustainability Management Strategy Roadmap]

1st Stage(~2012) Laying the foundation for sustainability management	2nd Stage(~2015) Establishing sustainability management	3rd Stage(~2020) Ensuring sustainability management leadership
<ul style="list-style-type: none"> - Publish sustainability report - Establish R&D foundation - Reinforce a creative, innovative corporate culture - Enhance external communications 	<ul style="list-style-type: none"> - Lead climate change initiatives - Commercialize R&D results - Establish ERM(Enterprise Risk Management systems) - Participate in global initiatives 	<ul style="list-style-type: none"> - Augment global social contribution activities - Expand sustainable insurance products and services - Complete global management capabilities

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Sustainability Management Organization

In order to accelerate effective sustainability management, Samsung Fire & Marine Insurance established the CSR Office. SF&MI has also developed a CSR Committee and has executed strategic tasks centered on related departments. Furthermore, we operate an R&D Committee attended by the CEO to secure the sustainability of business and reinforce our sustainability management R&D focused on 4 core tasks (market dominance expansion, robust growth of overseas business, activation of communications and establishment of challengeable corporate culture).

[Sustainability Management Organization]



[Sustainability management R&D Results and 2012 Plan]

	2010-2011 Key Results	2012 Plan
Environment / Safety	<ul style="list-style-type: none"> - Hosted 'Safe Seoul Hanmadang Event' with Seoul(2009-2012, 4 times) : Activities to improve citizens' safety awareness - BCM(Business Continuity Management) Acquired certification(July 2010) : Form a sustainable environment where customer service and core work can be maintained amid disasters, and catastrophes. - Established an energy management system and ISO50001(May 2012) 	Forecast and minimize business risk in advance by establishing the Global accumulative risk system
Transportation	<ul style="list-style-type: none"> - Technological training in advanced companies and held insurance companies and repair companies' co-prosperity cooperation in international seminar invited by RCAR(2011) - Consulted safe driving for companies(4), individual customers(1,580) - Provided safe driving education(2011 70 companies, 36 times, 3,003 people) - Campaigned online about reducing traffic accidents(5 million people) - Distribute a participatory safe driving program 'My safe driving App.'(April 2012) 	Reduce loss ratio and contribute to local communities by improvements in areas causing frequent traffic accidents.
Health	<ul style="list-style-type: none"> - Established a product R&D center and developed an integrated Health Care service 	Secure future profit sources by developing insurance products reflecting aging, early retirement, etc.
Customer Insight / Market Intelligence	<ul style="list-style-type: none"> - Developed our service identity 'Moments of the Sure'(Nae-ill Che rum(as if it were my problem)) - Launched 'Moving Neighbor Love'(Visited 39 sites June ~ October 2011) - Forecasted the 2012 non-life insurance market, researched mobile online use strategies of insurance companies, etc. - Held an invitation seminar for a professor from Waseda university, Japan(Nov. 2011) 	Enhance market dominance by setting the mid-to-long-term business directions through customer and market survey

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We are not satisfied with being the domestic number 1 non-life insurance company. We endeavor to soar and become a leading sustainable global company through distinguished value management centered on our valued stakeholders.

Stakeholders of SF&MI

SF&MI has close relationships with its clients, Shareholders / investors, employees, local communities and partners. We value our stakeholders as owners, users and controllers and share all our important sustainability management issues with them. We echo our stakeholders' desires in corporate management and sustainability reporting.

Stakeholder	Communication channel	
Shareholder / Investors	<ul style="list-style-type: none"> • General Meeting Of Shareholder • Board Of Directors • Credit Rating • Explanation Meet • Annual Report • IR Mailing Service 	<ul style="list-style-type: none"> • Board Of Directors • Management Evaluation • Settlement • EV Explanation Meet • Homepage • Sustainability Report
Customers	<ul style="list-style-type: none"> • Management Disclosure System • Annual Report • 'Nae-ill Che rum' • Customer Satisfaction Survey • SNS(I am a beginner, hot topics,etc.) 	<ul style="list-style-type: none"> • Homepage • Sustainability Report • Customer Panel System • VOC
Employees	<ul style="list-style-type: none"> • Ordinary Employees Council • Grievance System • Whistle Blowing • Employees • Sustainability Report 	<ul style="list-style-type: none"> • Exciting Talk Talk • Maeumnoori Counseling Office • Intranet • Satisfaction Survey
Partners	<ul style="list-style-type: none"> • RC Knowledge Center • RC Job • Good Partner Awards', Partner's Day Event • Sales Parts Meeting 	<ul style="list-style-type: none"> • Information Ocean • Satisfaction Survey • Best Partners' President's Meeting • Sustainability Report
Local Community	<ul style="list-style-type: none"> • Samsung Traffic Safety Research Institute • Samsung <i>anycar</i> Voluntary Group • Junior • Smart & Green Eco Campaign 	<ul style="list-style-type: none"> • SF&MI Guide Dog School • Youth Financial Education • Global Leaders Forum • Sustainability Report

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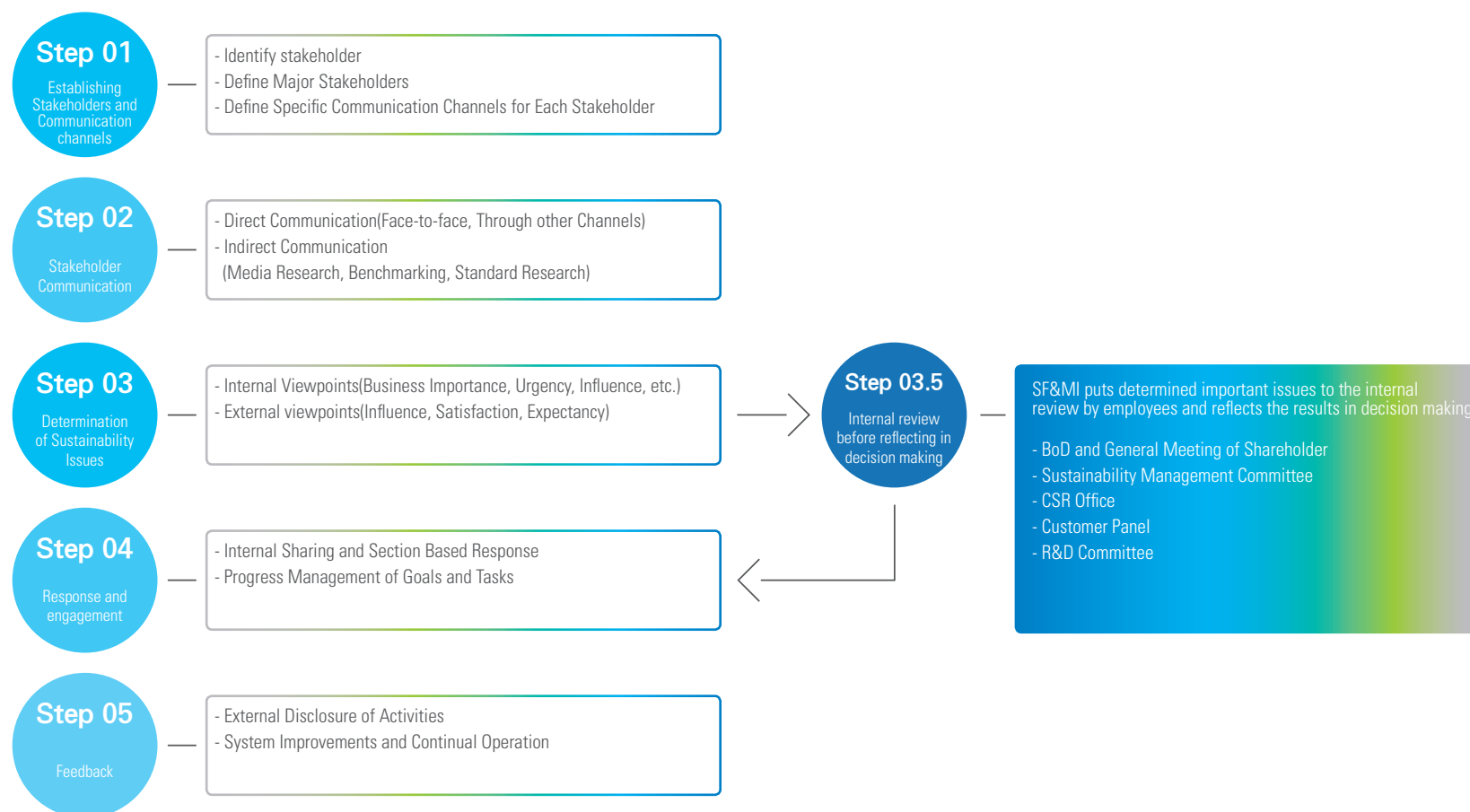
Stakeholder Engagement Process

SF&MI shares all principle issues with stakeholders through a process of continuous communication.

SF&MI uses a variety of communication channels to stay aware of stakeholder concerns and reflects

these concerns in the decision-making process.

[Stakeholder Engagement Process]



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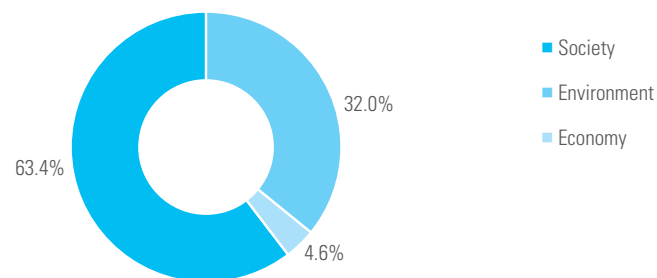
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Findings of 2010-2012 Media Research

Media research is an important tool in identifying stakeholder issues as well as social interest for both SF&MI and the insurance industry. Research is a valuable tool in identifying the opinions of stakeholders to make early determinations on risks and initiate swift responses. Based on 39,155 of press coverages in the two years between 2010 and 2011, SF&MI investigated 849 relating to sustainability management and derived important information about SF&MI.

The result of the media research using 11 keywords including SF&MI, *anycar*, and nonlife insurance showed that society accounts for 63.4% the largest, and economy 32.0%, environment 4.6%. We will perform balanced sustainability management activity and performance for economic, social, and environmental responsibilities.

[2010-2012 Media Research Findings]



Stakeholder Research

SF&MI carries out stakeholder research by means of standards and systems reviews. This includes benchmarking, media research and surveys to identify and analyze principle issues and concerns. We incorporate these results into sustainability reports and develop response systems. We also analyze the level of sustainability management from our stakeholder's point of view and derive sustainability management direction. We use our stakeholders' input as a tool for making preemptive responses to potential areas of concern.

Stakeholder Survey Through communication with stakeholders, we determine current levels of satisfaction, key issues and the future direction of SF&MI in three areas: economy, the environment and society.

Period of Survey	March 14 to March 31, 2012(18 days)
Target	Internal and External Stakeholders of SF&MI(300 persons in total)
Survey Type	Self Administered Survey via Printed Questionnaires Answering Questions through Emails
Findings	Degree of Satisfaction, Strengths and Areas of Concern.

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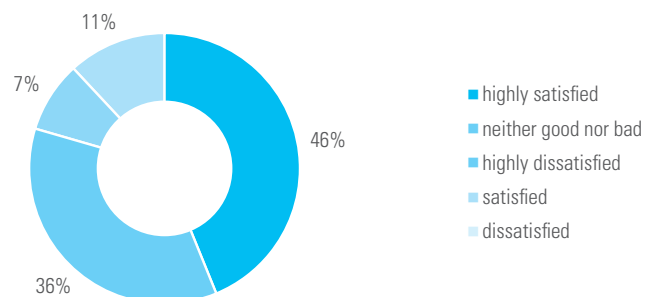
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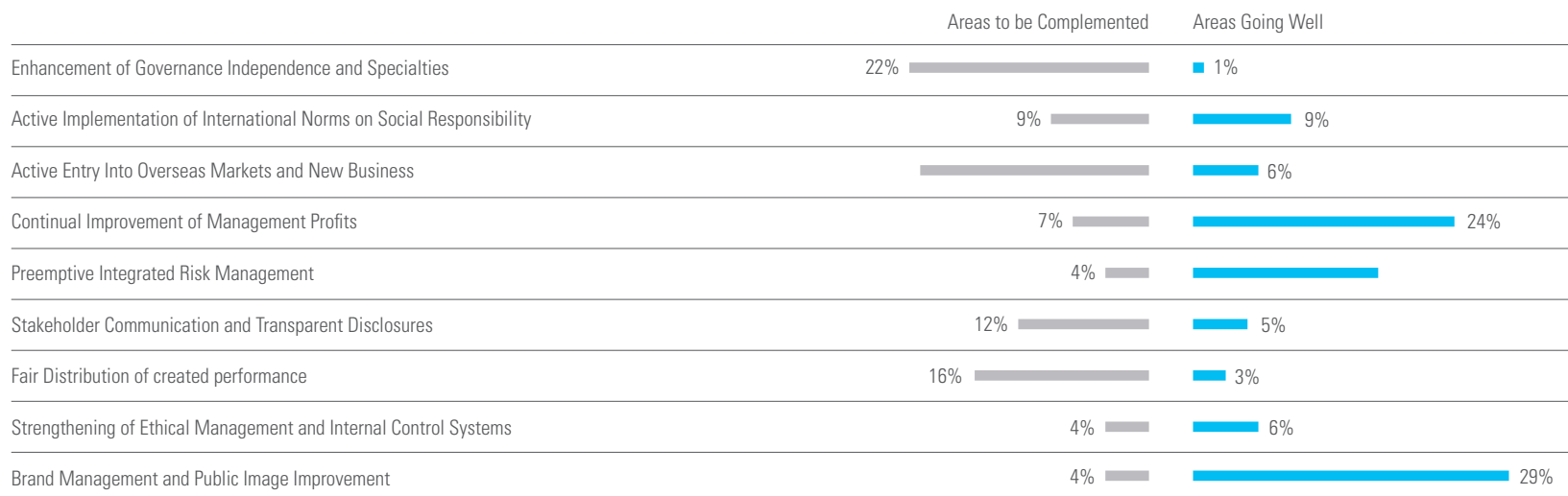
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Economic Responsibility: Do you Believe SF&MI Does its Utmost for Economic Responsibility?



Media research identifying current levels of SF&MI's economic responsibility revealed that 'Brand Management and Public Image Improvement' and 'Continual Improvement of Management Profits' are showing positive results. However, 'Enhancement of Governance Independence and Specialties' and 'Active Entry into Overseas Markets and New Business' needs improvement. SF&MI is making efforts to strengthen 'Governance Independence and Specialties' through Right Path Management and is actively making efforts abroad to build a global network and create new growth engines.



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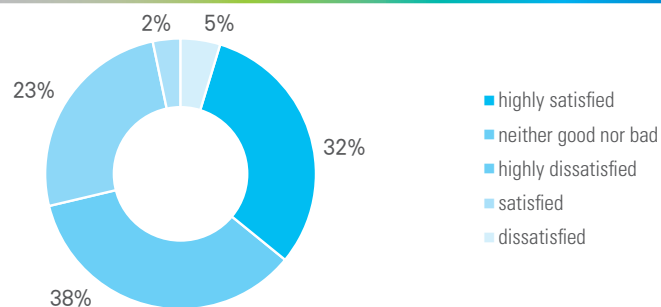
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Environmental Responsibility: Do you Believe SF&MI is Doing its Utmost for Environmental Responsibility?



In areas of environmental responsibility, research shows SF&MI is doing well in 'Energy Saving and Resource Efficiency Increase' and 'Eco-Friendly Insurance Products and Services.' However, the research shows that SF&MI needs to make enhancements in 'Active Practice of Eco-Friendly Activities' and 'Eco-Friendly Insurance Products and Services'. SF&MI is conducting eco-friendly management activities through environmental and energy management policies and energy management systems. SF&MI is also developing and offering eco-friendly products and services including Electronic Policy Services, Mileage Auto Insurance and Weather Insurance.

	Areas to be Complemented	Areas Going Well
Fundamental Control of Contaminants	9%	5%
Energy Savings and Resource Efficiency Increasing	8%	30%
Active Performance of Eco-Friendly Activities	22%	15%
Efforts to Reduce Greenhouse Gas Emissions and Response to Climate Change	13%	10%
Protection of the Environment, Biodiversity and Restoration of Natural Habitats	11%	7%
Release of Eco-Friendly Insurance and Services	20%	21%
Green Management System Construction and Performance Management	18%	12%

SF&MI's Sustainability

CEO Message

Company Overview

Sustainability management System

Stakeholder engagement >>

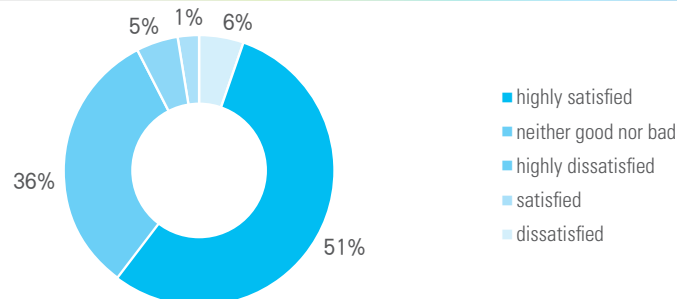
Materiality Test and Key Issues

Stakeholders

Performance Data

Appendix

Social Responsibility: Do you Believe SF&MI is Doing its Best for Social Responsibility?



SF&MI research reveals that 'Promotion of Education on Sustainable (Goods) Consumption' and 'Promotion of Small and Medium Enterprises Including Growth and Social Responsibility implementation' needs enhancement. SF&MI is expanding its efforts by delivering CS education and providing Win-Win Cooperation Programs to partners, including RCs (Risk Consultants) and repair shops.

	Areas to be Complemented	Areas Going Well
Active Response to Insurance Fraud	11%	15%
Fair Information Providing Marketing Activities	15%	19%
Promotion of Education on Sustainable(Goods) Consumption	24%	6%
Active Efforts to Settle Complaints and Disputes	17%	19%
Enhancement of Customer Privacy	11%	16%
Strengthening E-Communication and Information Accessibility	12%	18%
Providing Advanced Customer Impression Services	11%	8%
Responsible Implementation of Fair Competition	15%	10%
Promotion of Small and Medium Enterprises Including Growth and Social Responsibility Implementation	19%	5%
Increasing Win-Win Support For Insurance Planners	5%	22%
Active Resolution of Social Issues	11%	12%
Promotion of Specialized Outreach Related to Business		21%
Development of Socially Contributory Products and Services	19%	5%
Efforts for the Safety of Local Communities and for Preventive Responses to Disaster	8%	20%
Active Investment in Local Communities	13%	6%

SF&MI's Sustainability

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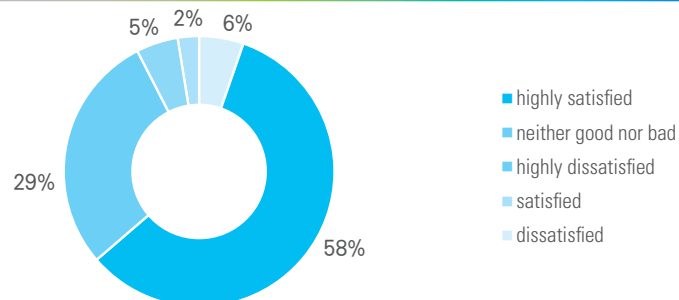
Materiality Test and Key Issues

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Performance Data

Appendix

Responsibility for Employees: Do you Believe SF&MI is Doing its Utmost for its Responsibility to Employees?



Research reveals SF&MI's responsibility to employees is doing well in 'Growth and Talent Nurturing Systems' and 'Stable Employment and Job Security'. However, SF&MI needs to enhance, 'Corporate Culture of Balance Between Work and Life' and 'Establishment of Sound Labor-Management Relations'. SF&MI is conducting 'making a good workplace' activities to create a corporate culture of balance between work and life. SF&MI is also operating expanded communication spaces for employees including the 'Employee Council' and 'Exciting Talk Talk'.

	Areas to be Complemented	Areas Going Well
Stable Employment and Job Security	14%	26%
Corporate Culture of Balance Between Work and Life	28%	17%
Establishment of Sound Labor-Management	26%	14%
Strengthening of Growth and Talent Nurturing System	15%	30%
Anti-Discrimination and Diversity Policies	17%	13%

Materiality Test and Key Issues

SF&MI's Sustainability

CEO Message

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Sustainability management System

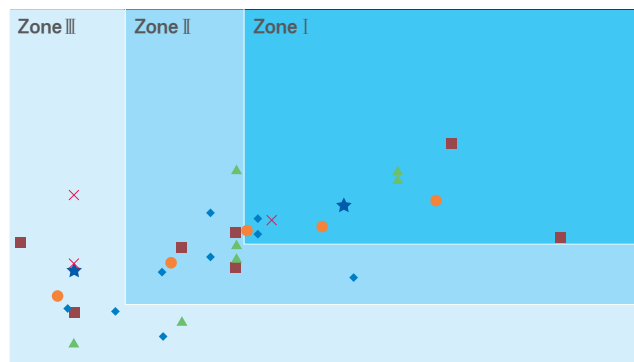
Stakeholder engagement

Materiality Test and Key Issues >>

Stakeholders

Performance Data

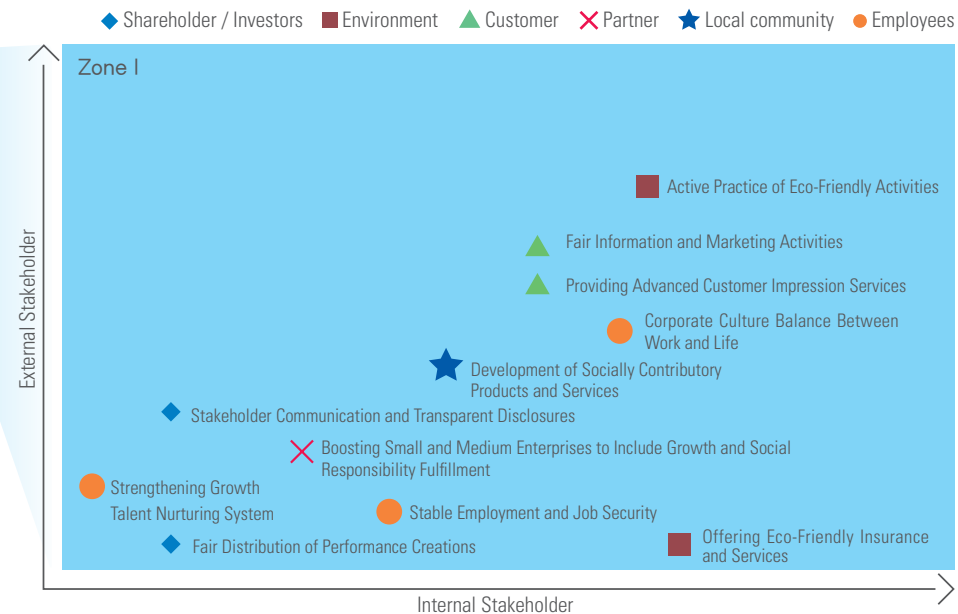
Appendix



Zone I : Strategic Issues(Above Average; Upper 30% in Internal and External Issues in the 'Results of the Materiality Test')

Zone II : Main Issues(Above Half the Average; Upper 70% in Internal and External Issues in the 'Results of the Materiality Test')

Zone III : Periodic Monitoring



[List of Key Issues]

Organization Name	Purpose of Establishment	Page
Shareholder / Investors	Stakeholder Communication and Transparent Disclosures	13-20
Shareholder / Investors	Fair Distribution of Performance Creations	40~41
Environment	Active Practice of Eco-Friendly Activities	77~78
Environment	Offering Eco-Friendly Insurance and Services	79
Customer	Fair Information and Marketing Activities	45~47, 50
Customer	Providing Advanced Customer Impression Services	43~44

Organization Name	Purpose of Establishment	Page
Partner	Boosting Small and Medium Enterprises to Include Growth and Social Responsibility Fulfillment	60~64
Local community	Development of Socially Contributory Products and Services	73
Employees	Stable Employment and Job Security	52~53
Employees	Corporate Culture Balance Between Work and Life	58~59
Employees	Strengthening Growth Talent Nurturing System	52~54



Stakeholders

Shareholders & Investors	22
Customers	42
Employees	51
Partners	60
Community	65
Environment	74

Shareholders & Investors

Our Approach

With the '2020 Global Top 10', long-term roadmap of SF&MI builds a foundation for 2020 'Total Risk Solution Partner' through ethical management, preemptive risk management and expansion of global business networks.

Transparent Governance

- Ensure Independent Board of Directors and Maximize Shareholder Value

Ethical Management to "Right Path"

- Promote a Culture of Lawful Compliance and Sound Business Practices

Preemptive Risk Management

- Respond to Changing Financial Markets and Secure Stability

Jump for Creativity and Management Innovation

- Creative Management Innovation and Knowledge Management
- Expand Overseas Markets and Strengthen Competitiveness
- Increase Brand Value 'Think NEXT'

Performance Highlights

Direct Premiums Written

KRW **14,584.6** Billion

Net Income

KRW **784.5** Billion
(non-consolidated)

Credit Rating A.M.Best **A++**, S&P **A+**
(The Highest) (9 Consecutive Years)



In 2011, SF&MI established Samsung Reinsurance Pte. Ltd in Singapore, the Financial Center of Asia.



We selected and awarded Best Practice of each field in the 2011 Innovation Olympiad.

Transparent Governance

SF&MI's Sustainability

Stakeholders

Shareholders & Investors

>>

Customers

Employees

Partners

Community

Environment

Performance Data

Appendix

Samsung Fire & Marine Insurance Co. Ltd.(hereafter referred to as, 'SF&MI') is solidifying transparent governance to gain the trust and support of stakeholders.

The Board of Directors

SF&MI has a management system centered around the Board of Directors. The Board is the central decision maker in the company and makes decisions that gain the trust and support of stakeholders, by securing independence from the management. The Board ensures SF&MI fulfills its social and environmental responsibilities and practices responsible management in accordance with the wishes of its stakeholders.

Enhancing the independence of the Board of Directors

SF&MI's Board of Directors is composed of seven directors, including three inside directors and four outside directors who have expertise in accounting and management, etc. With outside directors holding the majority of the Board, the Board can strengthen and raise the transparency of operations. Under Article 10 of the Outside Director Nomination Committee Rules, outside director candidates are screened based on their specialties, disinterest in SF&MI, etc., and then nominated, and finally appointed following approval by the general meeting of Shareholders.

In addition, Chairmanship of the Board cannot be held by a SI&MI CEO. Separate appointments of CEOs and the Board Chairmen helps to strengthen SF&MI's integrity, allowing for checks and balances in responsible, secure and transparent management.

Board of Directors

Management Committee	Risk Management Committee	Internal Transaction Committee	Reward Committee	Audit Committee	Outside Director Nomination Committee
Two Inside Directors	Two Inside Directors and One External Director	Three Outside Directors	One Inside Director and Two Outside Directors	One Inside Director and Two Outside Directors	Two Outside Directors and Two Inside Directors

[Board of Directors]

	Name	Sex	Position	Career
Inside Directors	Kim Changsoo	M	CEO and President	Head of Power & Plant Division, Samsung C&T Corp.
	Cheon Yongbae	M	Senior Vice President / Corporate Management Support	Manager of Management Support Section, Samsung Electronics Corp.
	Lee Jaesik	M	Audit Committee member	Head of Accounting Supervisory Office 1, Financial Supervisory Service.
Outside Directors	Kim Kangjeong	M	Chairman of the Board of Directors	President and CEO, Mokpo Munhwa Broadcasting Corp. Now Outside Director, Dongawon
	Lee Wonchang	M	Outside Director	Auditor, Board of Audit and Inspection . Currently a professor of the Management School, Yonsei University. Now Outside Director, Dongyang. Corp.
	Shin Heoncheol	M	Outside Director	Currently the Chairman of the Board of Directors, SK Smile Microcredit Bank.
	Shin Donghyeop	M	Outside Director	Currently a professor of the Management School, Yonsei University. Now Outside Director, Pacific Pharmaceuticals Co., Ltd.

Operation of the Board of Directors

The Board of Directors holds regular quarterly meetings according to its yearly operation plan. If important issues arise or there is a request from the Chairman of the Board, a temporary Board of directors meeting is held. The Board makes decisions required by law and upholds corporate articles and overall management and direction of the company. To prevent conflict of interest within the Board, Article 11 of the Board of Directors Rules states that a Director with special interests in the Board's decisions cannot exercise his or her voting rights. The Board met eight times in 2011. The Board reports on the direction of the company including sustainability management, reporting ethics, compliance monitoring, execution of contributions, evaluation of internal controls and subscription to retirement pension, etc.

Committees Within the Board

For improving governance and enhancing transparency in management, SF&MI has six committees within the Board: A Management Committee, Risk Management Committee, Internal Transaction Committee, Audit Committee, Outside Director Nomination Committee and Reward Committee.

[Committees]

Committee	Functions
Management Committee	Makes decisions on major managerial and sustainability management issues under the delegation of the Board to raise the efficiency of the Board's operations.
Risk Management Committee	Handles risk management, including effective management, supervision, policy making, evaluations, etc. of the risks that may be present in business management.
Internal Transactions Committee	Checks and manages inter-affiliate transactions and proposes corrective actions to raise the transparency of internal transactions.
Reward Committee	Manages the design, operation and payment decisions, etc., of the Management performance reward system.
Audit Committee	Evaluates and improves the adequacy and management performance of the internal control system independently from the BOD and execution body.
Outside Director Nomination Committee	Recommends outside director candidates to the Shareholders general meeting to secure fairness and independence of outside director nominations.

Performance Evaluation and Rewards

SF&MI has established a system to evaluate and reward the performance of CEOs and high-level executives. SF&MI selects evaluation KPIs that coincide with company goals and periodically provides feedback based on the KPIs. The common goals set for our company, allows for evaluation transparency and fairness. Our Inside Directors are compensated according to evaluation results, their position, their department and contributions to overall management. The criteria are set by the Rewards Committee.

Maintenance and Improvement of the Governance System

SF&MI has introduced Global Standards and Internal Control Guidelines for the alignment of risk management and internal controls. SF&MI has implemented Disclosure Controls and Procedures(DC&P) that address the policies used to record, review, summarize and certify business reports. We have also introduced SAP Financial Information Management to assist our finance departments in increasing productivity by improving access to disparate data sources and also allow for mapping and loading of relevant information for greater transparency and improved efficiency. SF&MI performs internal audits to verify internal control systems and increase its transparency. Our audits include both financial and non-financial aspects of the business to monitor for self-regulation, risk assessment and disclosure of pertinent company information to the public.

Protection of Shareholders Rights and Interests

SF&MI provides management information to Shareholders and stakeholders by immediately disclosing major managerial decisions. Despite increased financial market volatility including the European financial crisis, we have maintained adequate dividend levels. Since 1997, we have ensured the management's autonomous decision-making and ensured the execution of duties with executive liability insurance. Shareholder with certain criteria can call for a general meeting of Shareholders to answer questions and request information.

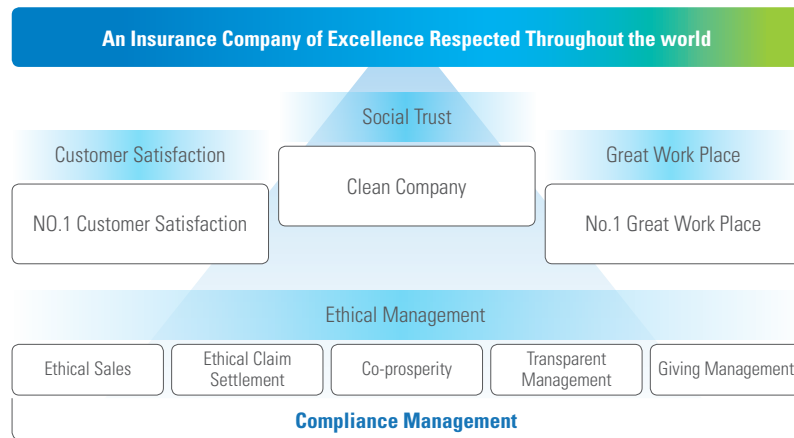
Ethical Management to Right Path

A right enterprise and transparent enterprise are the cornerstone of a sustainable enterprise. SF&MI will conduct ethical management to the right path.

Ethical Management

SF&MI is conducting a variety of activities and practices including appointments of compliance officer, revision of the ethics and behavior code and declaration of fair transactional self-compliance. We are committed to meeting customers' expectations for ethical management by becoming an honorable company for all stakeholders.

[Ethical Management Strategy]



Driving Ethical Management

SF&MI strengthened the basis for conducting ethical management through the appointment of compliance officer in 2000, and the declaration of our will to autonomously comply with fair trade.

We try to establish ethical management as a corporate culture by operating an internal reporting system and reflecting ethical management performance into performance evaluations. We will advance the ethical management system and culture to the level of global standards as our entry into overseas market is expanded.

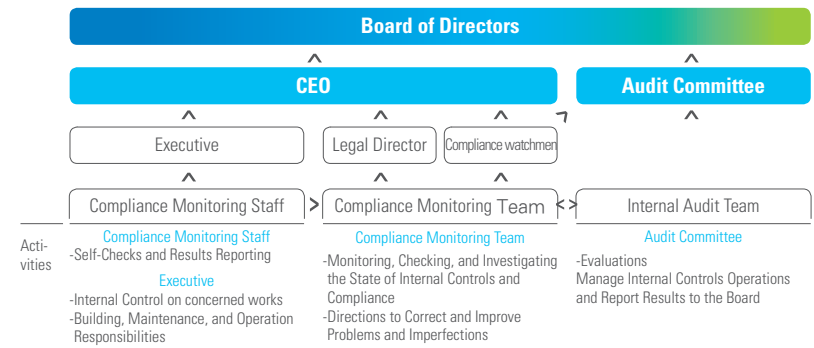
[Development of Ethical Management]

Phase 1: Introduction of Ethical Management (2000 ~ 2002)	Phase 2: Establishment of Ethical Management System (2003 ~ 2009)	Phase 3: Building of Ethical Management Culture (2010 ~ 2012)
Compliance Monitoring Team Organized(2000) -Compliance Monitoring Officer Designated -Internal Control Standards established Ethics Code and Behavioral Guidelines Revised(2001) -Ethics Management Website Opened -Cyber Education on Ethical Management Ethical Management Declared(2002) -Ethical Behavior Guidelines Revised -Internal Control Standards Revised -Ethics Committee Established -Written Pledge of Ethical Management	Ethics Code Revised(2003 ~ 2004) -Ethics Committee Restructured -Execution Office Initiated -Ethics Compliance Monitoring -Written Pledge of Ethical Management Management Principles Declared (2005 ~ 2009) -Management Principles and Core Values Established and Declared -Management Principles Execution Pledge -Management Principles Execution Committee Initiated	Ethical Management Execution Resolved -SF&MI Executives, Subsidiaries and Subcontractors Inclusive Self-Check System for each Function Created -Checklists for Nine Detailed Functions -Self-Check Screening Provided Two Times per Quarter Bribery / Rejection Reporting System (to be constructed) -Campaign of No Presents on Traditional Holidays -Standardization of Written Reporting Formats

Ethical Management Driving Organization

Our compliance monitoring team is conducting ethics education, routine monitoring and internal control activities, and correcting problems through continual monitoring and feedback. The Audit Committee is watching and supervising through checks and balances from an independent position so that the ethical management system can be operated more effectively.

[Ethical Management Driving Organizations and their Activities]



Ethical Management Activities

SF&MI encourages ethical management by conducting a variety of activities including ethics pledges, compliance education and internal transaction committees. We enhance ethical management activities by managing the process of practicing ethical management and the internal and external 'ethical management evaluation indicator'.

	Details	Major Activities
CEO	Will of Ethical Management CEO's Exemplary Conduct	- Extending to executives via new year's address, monthly meeting address, etc. - Evaluating CEO's and management's ethics
Shareholders / Investors	Soundness and independence of BOD and the specialty of committees Sound Financial Reporting	- Running the Internal Transactions Committee within the Board - Running the Management Principles Execution Committee - Monitoring and improving the adequacy of Disclosure System Operations - Adequacy analysis by auditor's external audit reports - Announcement of management index by IR - Internal accounting system - Routine monitoring and verification of the Unified Management Disclosure before posting on the homepage - TF to verify adequate preparation of business reporting before disclosing
Customers	Customer Protection System	- Customer complaint board on the homepage - Listening to customers' opinions through 'whistle'
Employees	Equal Employment, Human Resources Development, Safety and Hygiene, Labor and Management Relations	- Whistle blowing(internal report system) - Education on ethics and law-abiding spirits(for new and promoted employees) - GWP activities(creation of a pleasant workplace)
Supplier Partners	Ethics / fair trade system	- Exposing unfair transactions such as rebates - Electronic bidding via the internet - Adding an ethics item when assessing subcontractors

Incorporation of Ethical Management Performance Evaluations

To strengthen ethical management, SF&MI considers ethics an important component when evaluating performance of executives. An evaluation system was introduced in 2002 for ethical behavior of upper management. The ethics of ordinary employees are evaluated in personnel appraisals and screening.

[Ethical Management Evaluation Items]

2002	2003	2006	2010
- Monetary / corruption accident - Recruitment process violation - Fair transaction violation	- Monetary / corruption accident - Recruitment process violation - Fair transaction violation - Ethics education - Social contribution activities - Complaint index	- Monetary / corruption accident - Fair transaction violation - Ethics education - Social contribution activities - Complaint / Conflict Review Board index - Compliance Risk	- Executive's CR improvement - Law compliant activities - Complaint / Conflict Review Board index

Ethics and Law-Compliance Education

SF&MI provides ethics education to employees to enhance their ethics and the power of execution. Ethics education courses cover internal reporting and best practices. Education courses are provided to all employees regularly every year. In 2011, 53 courses(2 online and 51 offline) were provided and 12,881 individuals participated in online courses. An additional 1,819 executives and 7,997 RCs participated in offline courses. To prevent sexual harassment, the Think Next e-shared values course includes a course on, 'healthy enterprise culture without sexual harassment and sexual discrimination'.

[Ethics and Law-Compliance Education Course]

education	education contents	Education target	remarks
Think Next e-Shared Value	Internal control, anti-money laundering, privacy protection, fair trade, clean organization, sound corporate culture without sexual harassment / discrimination, internal reporting, etc.	All employees	Online
Compliance education	Ethical Management, Customer Satisfaction Sales, Corruption and Loophole Prevention, etc.	RCs	On- / Off-line

Internal Controls(Compliance)

SF&MI is striving to disseminate a fair trading culture through self-inspection and advance review by all its employees and also realize the transparency of internal transactions in response to the global standard requirements as well as domestic ones.

Internal Controls Management System

In SF&MI, various internal control related issues occurring in company operation are controlled under the jurisdiction of the Audit Committee and Internal Transaction Committee. Every quarter, the compliance officer reports an interim evaluation based on the 9 internal control evaluation items of general aspects and work aspects to the Audit Committee. Then, the audit committee evaluates the adequacy and validation of the results and reports the results to the Board. In this way, internal control is kept monitored.

[Internal Control Management Process]



Internal monitoring of fair transactions

To eliminate the compliance risks from undue transactions and to raise transparency, we are operating the Internal Transaction Committee as an internal monitoring body on fair transactions. Composed of 3 external individuals, the Committee receives and reviews the reports on the internal transactions involving the affiliates, makes decisions, and recommends corrective actions. A large internal transaction is put to review following the Board's decision if the transaction is over KRW 5 billion for inter-affiliate transactions and over KRW 1 billion for transactions with a major stockholder who is restricted by Insurance Law. Other transactions that the secretary considers important are also put

to the Board's resolution. An employee whose corruption conduct is uncovered is investigated and punished according to the fair and proper disciplinary regulations and procedures.

Anti-money Laundering System

We have an anti-money laundering system in place to cope with domestic regulations and the requirements of the compliance related global standards. We conduct, for example, 'restraint of trade with an individual who is restrained in financial transaction' and 'risk assessment and monitoring of money laundering', to ensure advance prevention of the potential risks that the company's insurance transactions can be used in money laundering and also to raise the transparency of asset management.

[State of the Fair Trade Commission's reviews]

Year	No. of Reviews	Review Results
2009	5	5 including acquitted, review closed, etc.
2010	5	5 including acquitted, review not started, etc.
2011	3	3 including acquitted, review closed, etc.



(Compliance Declaration Ceremony)

Fair Transactions Self-Compliance Program

In accordance with a culture of compliance, SF&MI runs the 'Fair Transaction Self-Compliance Program', which is managed by the designated Self-Compliance Manager. The first in the domestic financial circle in 2001, the 'Fair Transaction Self-Compliance Program' contains fair transaction ethics codes, behavior rules, treatment rules, checklists and internal tip-offs and shows SF&MI's will toward fair transaction. The Fair Transaction Self-Compliance handbooks are being distributed to our executives to enhance a culture of compliance. We will spread a culture of fair transaction through self-checks and a variety of educational programs. The law also prohibits inadequate advertising and marketing. We use internal regulations to comply with the law and enhance our corporate integrity across the globe.

Enhancement of Lawful Compliance Activities and Execution Powers

To strengthen the execution of management compliance powers, SF&MI executes self-checks and routine monitoring advance reviews. One hundred ninety-six(196) departments submit to internal self-check controls and activity reports each month. This allows executives to increase their understanding of compliance management and settles a culture of right path business. Our executives also make ethics and compliance pledges to build an ethical organizational culture. With theme activities such as, 'company-wide simultaneous checks to prevent financial incidents' and 'company-wide simultaneous maintenance of customer information in PCs', our executives solidify their awareness and compliance of execution powers.

Self-Checks All our executives conduct management compliance self-checks. This self-check covers an executive's work and major risks by areas. The self-check is conducted online. SF&MI elevates an employees' understanding of compliance management via self-checks to create the Right Path business culture through increased awareness.

Advance Reviews for Routine Monitoring Under Article 9 of the Internal Control Standard, executives are to comply with related laws, regulations, company regulations and ethics management when conducting their work. An authorized compliance Officer conducts advance reviews on executives' compliance with the laws and aspects of internal control.

Items for Routine Monitoring and Advance Review

1. Establishment, revision, and abolishment of internal regulations
2. Issues referred to the Board(including all committees other than the Audit Committee) and all other important committees
3. Development and implementation of new work and systems
4. Internal transactions with an executive or major stockholder
5. Insurance clauses and guidance material for customers
6. All managerial disclosures
7. Important materials or documents submitted to audit institutions
8. Issues related to large insurance payments above a set amount
9. Other matters that the CEO defines as necessary

Public Interest Tip-Off Channel

The company will fortify an ethical management culture by running public interest report channels so that it can respond to unethical activities or corruptions against public interest in advance.

Internal Tip-Off Channel 'Whistle-blowing'

SF&MI is running 'Whistle-blowing'(formerly the 'Right Path Keeper') to solidify the ethics of executives and to translate ethical management into an organizational management culture. 'Whistle-blowing' is a system to report inside members' misconduct or unethical behavior thus preventing risks that otherwise might occur. 'Whistle-blowing' is a direct channel that the informant can use via telephone, fax, email, or the internet. This system can be used to report the following violations: A violation of an executive's ethics code, corruption, violation of the fair transaction self-compliance program, violation of insurance recruitment orders and any other suggestions you might wish to provide. If you wish to remain anonymous, you will not be identified and you will not incur any disadvantages. In 2011, 73 reports were processed. We will expand internal reporting further to execute our ethical management.

Reportable

- Executive's Non-Compliance with the law
- Sales organization's Non-Compliance with the law
- Violation of the Monopoly Regulation and Fair Trade Act, such as unfair transactions
- Executive's unjustified work
- Sales Organization's unjustified work
- Violation of recruitment orders
- Other recommendations and suggestions

Reporting channels	Tel	02-758-7112
	Fax	02-758-4310
	Written	Management Principles Execution Office
	E-mail	ethics@samsungfire.com

Channel for Corruption Tip-Offs

This is a channel for customers to tip off an executive's or sales organization's unethical or corrupt conduct to the audit team. This includes, 'Pocketing or receiving of public money', 'dual employment', 'undue share participation with unlisted clients', 'requesting or providing money or entertainment' and any other violations of executive guidelines. Informants and the information provided will be kept confidential under the internal reporting system operational guidelines and the informant will not suffer any disadvantages.

Reportable

- Pocketing or Receiving Public Money
- Undue Share Participation with Unlisted Client
- Violation of Executive Guidelines
- Dual Employment
- Requesting or Providing Money or Entertainment

Reporting channels	Fax	02-758-7796
	Written	Audit team
	E-mail	auditing@samsung.com

(Whistle-blowing Website)

Proactive Risk Management

Samsung Fire & Marine Insurance is making efforts to secure sustainability by checking in advance and preventing risk factors that exist throughout the management activities like securing corporate growth and profitability.

Risk Management Committee

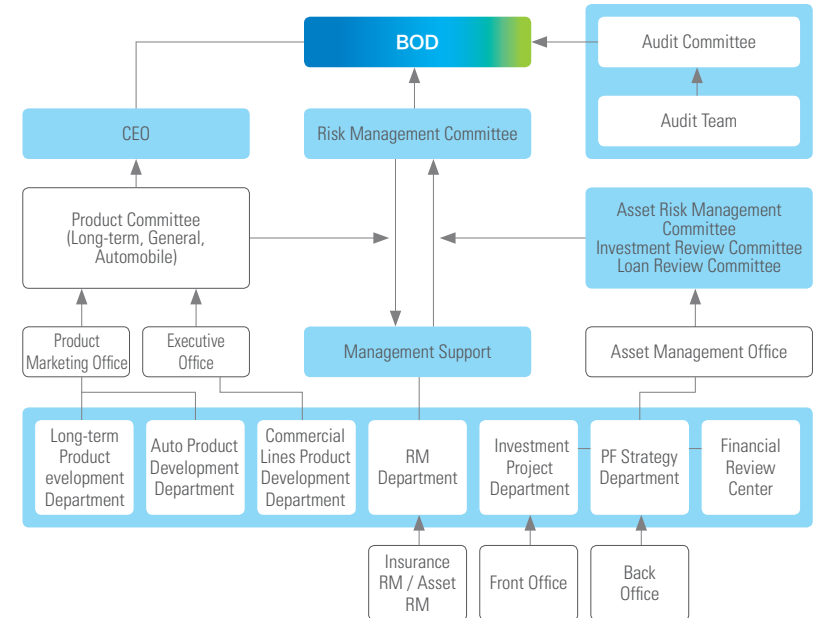
To cope with changing financial markets and perform efficient risk management activities, in 1999 we instituted internal risk management regulations and established a Risk Management Committee. For more active risk management, we hold risk management committee meetings more than 5 times annually. As a subcommittee in the BOD, the Risk Management Committee formulates and amends risk management regulations and decides tolerable risk levels such as setting the appropriate investment levels and loss limits. The committee monitors risk on an on-going basis and enacts appropriate countermeasures. RM Department is established as a dedicated risk management organization to support the Risk Management Committee and establish systematic risk management processes by setting risk management guidelines and standards. Furthermore, it offers support and serves a role in providing related systems and securing risk management specialists so the company's risk management culture can take root. We actively promote various activities to share the risk management culture including operation of the risk management council body.

Enterprise Risk Management

With drastic changes in both Korea's and overseas business environments and the increase of accompanying uncertainties, the importance of risk management is being emphasized. Thus, SF&MI has introduced the Enterprise Risk Management(ERM) system that can manage risk at an enterprise-wide level, a step up from departmental levels.

Furthermore, we have prepared ourselves in protecting the assets of our customers and shareholders in times of crisis through a Business Continuity Management(BCM) system certified by the British Standards Association. At SF&MI, the risk management culture has been stabilized in asset management sector and insurance business sector. In the future, we plan to establish an integrated risk management system for all business sectors.

[Risk Management Committee Organization Chart]

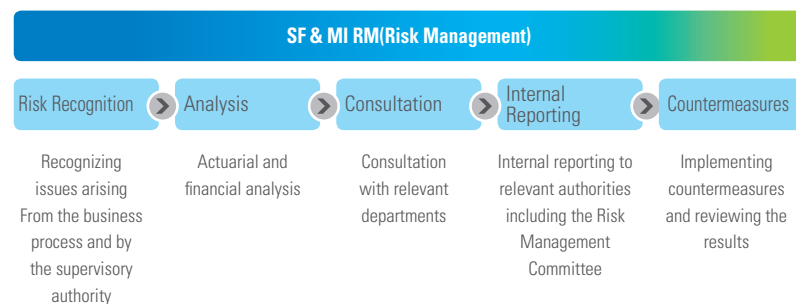


(BCM fire drill)

Risk Management Process SF&MI's risk management process encompasses five steps: recognizing, measuring, consulting with related departments, internal reporting and instituting countermeasures. Following these steps, the risk management department detects and determines the level of risk arising during the course of the company's normal business processes, including product development, underwriting, marketing, and asset management. The department quantifies risks and evaluates profitability during review of product development. Financial, ethical and legal risks are managed in advance. Risk management strategies are formulated for the measured risk results through consulting with related departments. Each department executes risk management measures. The management departments monitor the results of strategy execution and provide feedback.

Risk Analysis and Management SF&MI manages market risk, credit risk, asset liability management(ARM), and insurance risk based on leading IT infrastructure a risk measurement system first to be established in the domestic non-life insurance industry. Through the risk measurement system, the company analyzes scenarios and the effects on the company's profit structure and the results of risk analysis are used in the pricing of new products, guidelines of insurance product profitability, investment product risk & loss analysis, and duration management.

[Risk Management Five Process]



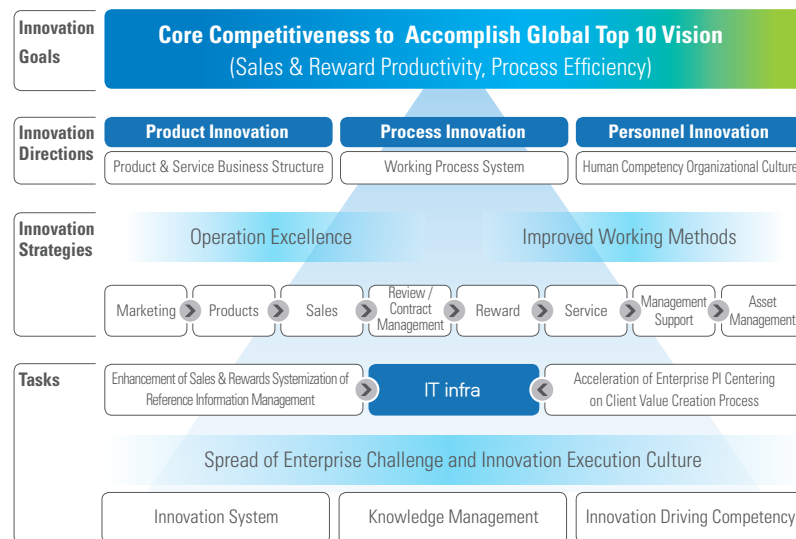
Jump to Creativity and Innovation

Samsung Fire & Marine Insurance(hereafter referred to as 'SF&MI') is committed to short-term, domestic competitiveness through the differentiation of products and services. We are practicing innovation of working methods and organizational cultures. In the long-term, we plan to leap into a global super enterprise through the advancement of all working processes and systems.

Creative management Innovation and knowledge management

SF&MI supports Enterprise driven innovation activities that include our CEO and all employees. Our management team is working for service reform and improved competition. We are using a variety of methods to achieve our goals. We began with the three core goals of process innovation: product, service and organizational structure innovation. We are also improving our IT infrastructure and knowledge management. With our increased abilities, we will accomplish our Global Top 10 vision.

[Management Innovation Driving Framework]



*PI: Process Innovation

Product & Service Innovation

SF&MI is developing different levels of services and innovations to provide our clients with the best possible products and services. Our product & service innovations are driven to satisfy our customers.

Working Process Innovation

We are accelerating our process innovations to include improved processes and operational competency. We are adding Electronic Data Interchange(EDI) to improve our hospital billing system. We are also using Enterprise Resource Planning(ERP) to enhance innovation. These and other systems will be introduced into our company from 2011 to 2016.

[Working Process Innovation Activities and Performance]

	2001~2008	2005~2008	2011~2013
Innovation Activities	Construction of E-BIZ System Execution of 6-Sigma Project	Construction of Next Generation System	Mobilization of Biz Sales & Compensation
Main Performance	<ul style="list-style-type: none"> - Financial Performance with use of 6-Sigma(KRW 215.6 billion) - Shortened Time of Online Work in Related Firms 	<ul style="list-style-type: none"> - Financial Performance(Annual KRW 34.9 billion) - Increased Productivity of IT Operations - RC / Compensation Through System Improvement - Enhancement of Staff Field Activities - Working Process Innovation From Product / Services Viewpoint 	<ul style="list-style-type: none"> - Realization of Mobile & Smart RCs - Construction of Mobile Sales Environment for Field Conclusions - Lead time Shortened by 20% - Construction of User Friendly Support System - Construction of System Based Coaching

Main Points of Process Innovation Activities in 2010~2011

[Enterprise Innovation Activities]

- Streamlining of Field Work(2010) : Eliminate / Reduce Non-Related Work for Client Value Creation
- Enterprise Process Innovation(2011. 9-), PLM construction, and Advanced Statistics(2011~2012)

[Partial Unit Innovation Activities]

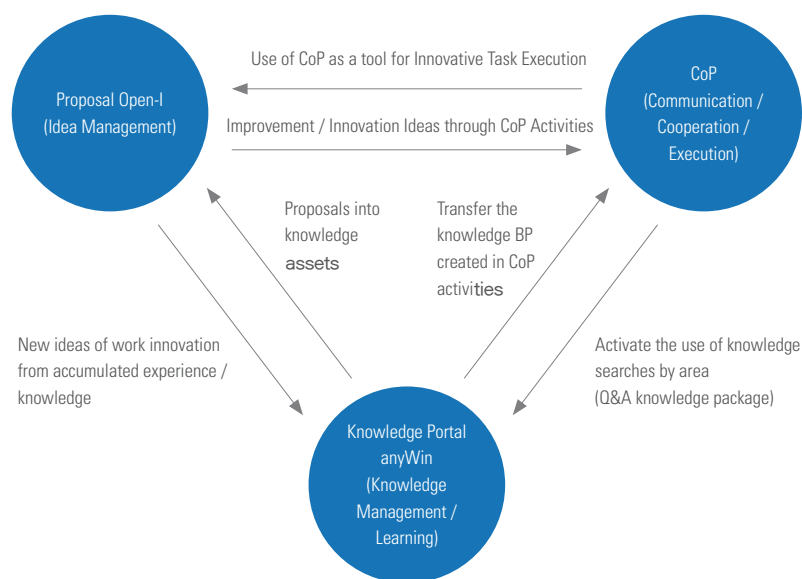
- Automobile Compensation Process Innovation(2008~2010) : Specialization According to the Properties of Core Damage Reduction Works
- Resizing of Compensation and Sales Field Works(2010) : Streamlining and Efficiency of Low Added-Value Field Works
- Construction of Bodily Injury Medical Bill EDI and Automatic Review System(2010~2011)
- Introduction / Cultivation Process Innovation for RC sales Power Enhancement(2011.9~10)

Organizational Culture Innovation

SF&MI's innovation efforts begin with the CEO and top executives. Through communication channels between the CEO and employees, such as 'Exciting Toktok – CEO', we share management policies and major issues. We also spread messages about change and innovation. We are increasing the spread of an innovative culture by providing rewards and incentives for innovative performance.

Knowledge Management for Enhancing Execution Power

SF&MI is unifying our work through a variety of innovative processes. We have established Open-I to investigate innovative tasks. We are also using CoP(Community of Practice) to execute our innovations. Finally, we are using anyWin to spread innovative knowhow throughout our company. We are using 'Innovation Broadcasting Operation' and the 'BP(Best Practice) Center', which opened in 2011, as new communication channels to spread innovation execution competency.



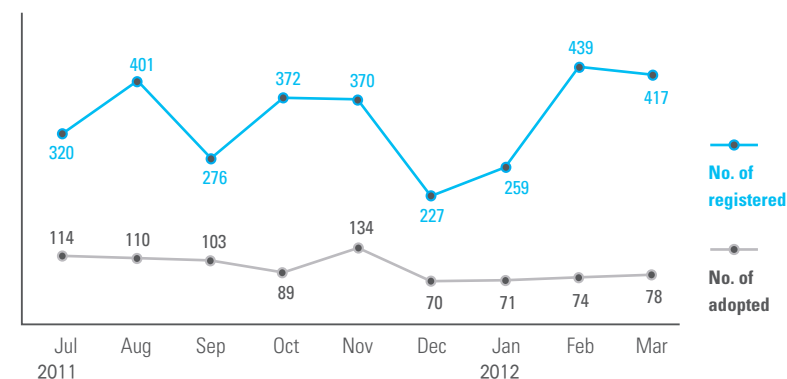
Idea Communication Space Proposal System: Open-I

Open-I is an 'open communication space' where executives can freely present ideas about work improvements, pending issues, new value creations, etc. while related sections adopt and execute these ideas.

[Open-I System]

	Description
Work Proposal	A space where executives propose ideas about improvements or new work projects
Theme Proposal	A space for employee ideas as certain themes collected for a limited duration. It is available to any organization(office, department, team, TF, etc.).
Imagination Plus	Idea plaza is a place where ideas come together with the opinions of others. It is a discussion room to put forth ideas and hear the opinions of others.

[Monthly Work Proposals]



Open-I averaged 342 registered work proposals from July 2011 to March 2012 and 94 proposals were adopted. Participation is analyzed by proposal types and requirements are approved in consideration of collected field opinions.

A place of Strategy Execution and Innovation Activity: 'CoP'

SF&MI is unifying our work, our learning and our innovation through ideas and knowledge management. By use of the following processes: Discovering of Innovation Tasks through Open-I, Innovation Execution through CoP(Community of Practice) and Spread of Innovation Knowhow Through anyWin, we control the quality of knowledge. In particular, the 'Innovation Broadcasting Operation' and 'BP(Best Practice) Center', which started in 2011, are being used as new knowledge communication channels to increase our innovation execution competency.

[Number of CoPs in operation]

(Unit : Numbers)

	2009	2010	2011	2012
CoP	216	303	296	202

Knowledge Management System: 'anyWin'

Improved productivity arises from the standardization and classification of document systems. We are working to interconnect our system and provide high levels of security to prevent loss of information on services, assets or customer information.

[anyWin Knowledge Management Activation Performance]

(Unit: Cases)

	2009	2010	2011
Number of nowledge registrations	7,539	4,661	3,135
Number of Knowledge inquiries	167,639	165,158	114,283

[Number of Intellectual Rights Registrations and Applications]

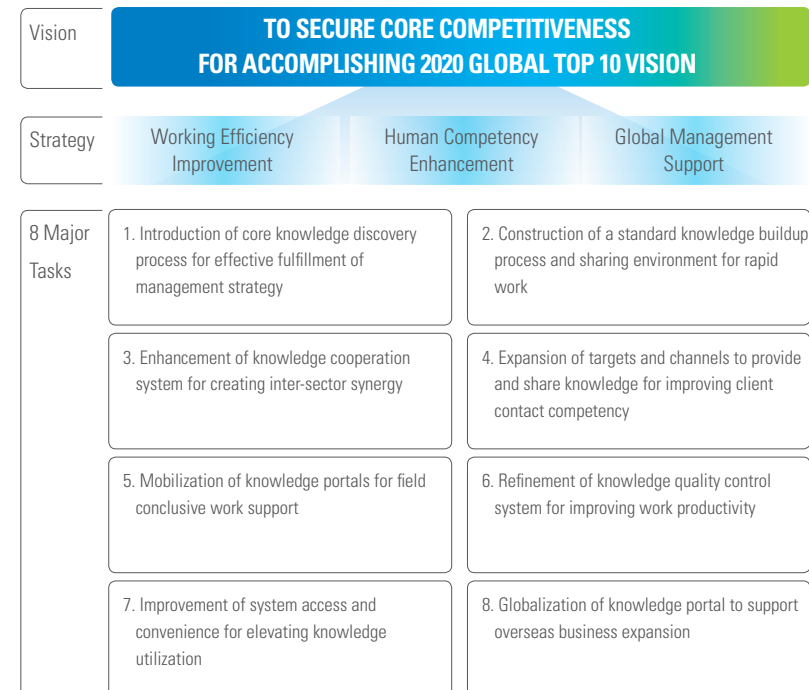
(Unit: Cases)

	2009	2010	2011
Intellectual Rights Registrations and Applications	89	98	102

*The intellectual rights include trademarks, service marks, BM patents, and copyrights. The years are fiscal years.

Advancement of knowledge management infrastructure

Beginning in January 2012, SF&MI began a 'knowledge management infrastructure drive' to enhance competency and build cooperation. The idea is to support management performance and allow executives to create and share knowledge at any time. This knowledge includes work installation, global business expansion and Enterprise Contents Management(ECM).

[Direction and Tasks of Knowledge Management Infra Advancement]

Knowledge Management, Performance Management

Reward programs for increasing executive knowledge and Innovation include the following programs: Olympiad, Best Practice Award, Knowledge Expert selection, Best CoP Award, etc.

Venture Ideas When proposing a venture idea such as a new business, an executive is provided with infrastructure costs and processes through the Venture Idea Committee. This enables him or her to proceed with the business idea. Employees are given incentives for presenting ideas and those selected come with a reward of KRW 1,000,000 per idea. In the event the business is created, the originator will receive 5% of financial proceeds after investment costs.

Innovation Olympiad SF&MI hosts a unique innovation festival to share the best creative ideas. The event creates an environment where upper and middle managers can come together and share important ideas and innovation activities. The event is also an opportunity to distribute awards and rewards to the best thinkers and innovators in the company.

Innovation Incentives Innovation incentives promote challenges from executives in generating new ideas and rethinking old ones. Innovation incentives are given for developing existing services and tapping into new markets.



(Innovation Olympiad)

Overseas Market Expansion and Enhanced Competitiveness

Active expansion of global business into advanced financial market and emerging markets will secure further profit and sustainability.

Active Advancement into Overseas Markets

To prepare for the maturing domestic market environment, secure future profitability, and accomplish the '2020 Global Top 10' vision, Samsung Fire & Marine Insurance has been actively pursuing expansion of global businesses, including expansion of global networks and engagement in overseas markets. We are also expanding our market share in Korea. Currently, SF&MI has established a mid-to- long-term overseas business plan for market advancement in major business areas, including acquiring the necessary capabilities for systematic implementation.

Overseas Market Adaptations for Change

Although there are many business opportunities in the overseas market, thanks to the liberal competition, we need to prepare in advance for possible problems. Various problems are anticipated, including strict laws, regulations and compliance risks, etc. SF&MI has been fortifying our capabilities in order to leap forward and become a major global company.

In 2013, the European insurance market will introduce SOLVENCY II, applying a new insurance supervision system to promote fair competition, enhanced financial soundness and sufficient reserves in proportion to risk. Against this backdrop, SF&MI has been doing its best to strengthen our base for sustainable growth as we prepare to deal with market changes and new regulations including required for financial soundness when establishing corporations and evaluating the credit ratings of insured assets.

[Overseas Business Mid- to Long-term Business Plan]

	Stage1(~2012)	Stage2(~2015)	Stage3(~2020)
	Domestic KRW 15.0 trillion Overseas : 4%	Domestic: KRW 22.0 trillion Overseas: 5%	Domestic: KRW 34.0 trillion Overseas: 18.0%
Strategies	- Create successful models in major countries - China, U.S.A. Singapore	- Expand local markets in earnest - Expand successful models in new markets	- Successfully globalize business portfolios and overseas core business competencies
Major Initiatives	- Launch direct auto insurance in China - Create successful commercial insurance model in the U.S.A. - Early stabilization of reinsurance businesses	- Expand auto insurance in China - M&A of local U.S. companies - M&A in Asia's emerging markets	- China, 2nd domestic market(incl. M&A) - Expand U.S. Business lines - Become Top 5 reinsurance company in Singapore
Required Competencies	- Overseas Business RM system - Global IT system - Overseas Business Personnel	- M&A capabilities - Continue to expand local infrastructure	- Global Business capabilities - Complete Local infrastructure
Bases	- 6 Corp., 7 branches, 6 offices	- 11 Corp., 11 branches, 10 offices	- 14 Corp., 15 branches, 10 offices

Performances of Overseas Business Expansion

SF&MI established a US management company for our branches in 2011, completing a global network of the world's 8 strategic regions including the U.S.A., China, Europe and so on. SF&MI opened corporations in Europe, the U.S.A. and Singapore as well as sales branches in Tianjin, China. Currently, SF&MI operates 19 bases(6 corporations, 6 branches and 7 offices) in 10 countries. In 2011, we earned KRW 383.3 billion(USD350 million) from overseas business. These results are up by 26.1% from 2010. By 2020, SF&MI plans on expanding the overseas revenue contribution to 18%, by further expanding local business overseas.

Expansion of Business in Advanced Financial Markets To enhance future growth and maintain current growth trends, SF&MI is expanding development into advanced global financial markets. We have laid the groundwork for exploring advanced global financial markets as we have established corporations in markets such as Europe, Singapore and the U.S.A. With establishment of the management companies in the U.S.A., the world's financial hub, we have been able to operate independently, laying a foundation for healthy competition with global insurance companies. Going forward, we will continue to generate profits by exploring growth engines through our global network and share these strategies while enhancing our global bases in the future

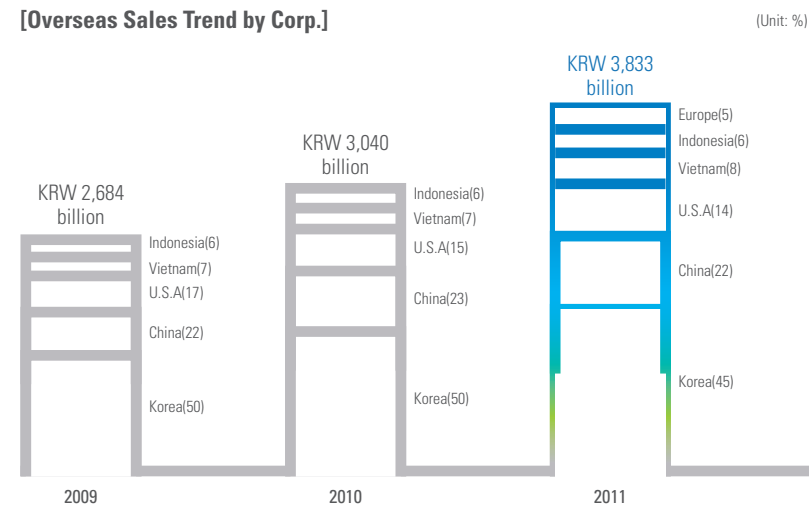
Advancing to Newly Emerging Countries The world's insurance market has shown a high growth trend backed by the economic and population growth of emerging countries. Therefore, our advancement in emerging nations will work as future growth engines of SF&MI. As a result of our efforts to advance into emerging countries such as China, Dubai, Indonesia, Vietnam, and Brazil we have opened the Dubai Middle Asia office in Jan. 2011 for the first time as an original insurance company. This has strengthened our partnership with local No. 1 and 2 insurance companies in the United Arab Emirates. In addition, in October 2011, SF&MI opened a Tianjin branch, the 5th branch in China following our offices in Beijing, Shenzhen, Suzhou and Qingdao. We are actively expanding our businesses in the emerging markets.

SF&MI will continue to expand our global network through strengthen partnerships and active

localization strategies. As we advance into these emerging countries, by transferring our advanced insurance techniques to respective countries and providing excellent and specialized insurance services, we are exercising our corporate social responsibilities, acting as a comprehensive global insurance company.

Adopting International Financial Reporting Standards(IFRS) As globalization of the capital market is in full swing, it requires uniformity in accounting standards. SF&MI formed a separate TFT in 2008 in preparation for IFRS and executed a project introducing K-IFRS. From 2010, SF&MI has calculated financial information and matters for disclosures based on quarterly, half-year and full-year accounting in accordance with K-IFRS. With the introduction of IFRS, SF&MI has improved its external corporate image and enhanced shareholder value through improved transparency. Internally, we have improved the efficiency of accounting and prevented repetitious accounting expenses by effective integration of reporting units.

[Overseas Sales Trend by Corp.]



※ Europe Corp. was established in 2011.

SF&MI's Sustainability

Stakeholders

Shareholders & Investors >>

Customers

Employees

Partners

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Performance Data

Appendix



Received the World's Highest Credit Rating

Highly recognized for its growth, efficiency, profitability, risk management and overseas business, SF&MI received in 2011 A++(Superior), the highest credit rating, from A.M. Best, the world's largest and most renowned insurance company credit rating agency. Only 0.8% of insurance companies throughout the world received an A++ ratings from A.M. Best. Tokyo Marine Insurance and SF&MI are the only insurance company to have received such ratings.

SF&MI was also granted the A+(stable) grade for 9 consecutive years by S&P(Standard & Poor), one of the largest credit rating agencies in the world. We were highly recognized for our capital base, stable profitability and risk management ability. As SF&MI acquires high grades from global credit rating agencies, we create further trust and faith from our shareholders and customers.

A.M. Best Credit Rating



The World's Highest Creating Rating A++

S&P Credit Rating



9 Consecutive Years, A+

Brand Value Enhancement: "think NEXT"

As our corporate brand grows, it passes through three stages of customer satisfaction: rational, emotional and value satisfaction. To enhance the brand value, companies must continuously reinforce fundamental capabilities, communications with customers, and socially friendly activities. SF&MI's brand management is based upon the principle that coincides with business beyond mere advertising and communications issues. SF&MI strives to position itself as an advanced total risk solution partner that gives comfort to the lives of all customers through brand management based upon differentiation, consistency, and efficiency.

[Brand Management Vision]



Brand Management

SF&MI promotes brand management to increase the value of intangible assets. We manage brands strategically to clearly specify relationships and roles among brands and to create new values.

The corporate slogan is, 'think NEXT'; our auto insurance brand is, 'anycar' and our consulting sales organization is, 'SF&MI RC'. Our internet auto insurance brand is, 'myanycar' and our service brand is, 'Nae-ill Che rum(As if it were my problem)'. These brands enable us to flexibly cope with market conditions, maximizing the synergistic effects created by branding.

'think NEXT'

SF&MI's corporate brand, 'think NEXT' incorporates the spirit of 'Innovation' which is SF&MI's corporate Brand Identity. This means we proactively proposes new ideas for our customers and preemptirely put them into practice. We continuously make effort to keep a high visual horizon for our customers and our products. With our vision '2020 Global Top 10', we will always look ahead and become Korea's best insurance / financial company, as well as a major global company.

Corporate Brand



Individual Brand

Auto



RC Brand



Service Brand



Sub Brand

Internet Auto Insurance Brand



Brand Value Enhancement

SF&MI evaluates and upgrades our on brand images semiannually. Based upon survey results, we enhance our brand value by introducing improvements and promotional plans to our customer contact departments. Due to brand management efforts, we have been highly recognized for our competitiveness and have received a variety of awards. These include No. 1 in the non-life insurance category of National Brand Competitiveness Index(NBCI); No. 1 in non-life insurance of Korea Standard Premium Brand Index(KS-PBI); and No. 1 in Korea Brand Power Index(KBPI). Going forward, we will create sustainable values with sophisticated policies and processes for brand management through strict monitoring.

Value Creation and Distribution

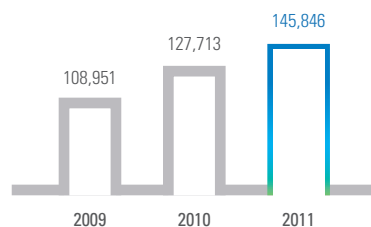
The worldwide global financial instability and recession, resulted from a combination of events including the European financial crises and natural disasters such as the Japanese earthquakes and flooding in Thailand. Despite this precarious environment, SF&MI achieved tangible performance enhancement in many areas including sales, profit and investment businesses. This was accomplished by superior distribution network, risk management and sound asset operations.

Growth

SF&MI's original premium sales showed an average annual growth rate of 15.9% for the past two years. Backed by long-term insurance, which maintained two-digit growth in recent years. In 2011, long-term insurance showed an 18.6% growth due to high growth in new contracts and continuous inflow of recurring premiums. General insurance and automobile insurance also grew 12.5% and 5.7% respectively, maintaining a balance in sales portfolios. Total assets increased to KRW 38.6 trillion, a 19.7% growth, backed by the stable growth of long term insurance.

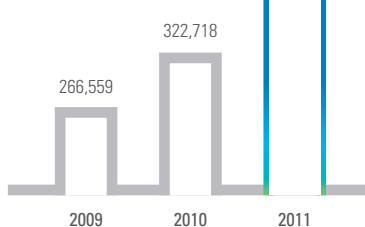
[Direct Premiums Written]

Unit : KRW 100 million



[Total Assets]

Unit : KRW 100 million



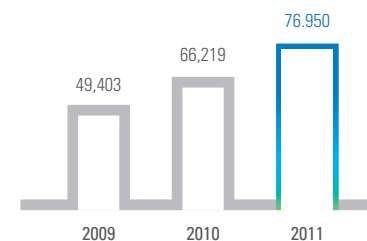
Stability

Despite unpredictability in financial markets over the past few years, SF&MI's shareholders equity recorded a high growth of 19.4%. SF&MI's RBC ratio, stands at 450.7%. This number measures the capital adequacy of an insurance company and SF&MI holds the highest solvency margin in the industry.

Recognized for its superior capital strength, stable management performance and sound risk decision-making, SF&MI holds the highest ratings from credit rating agencies(S&P, A.M. Best).

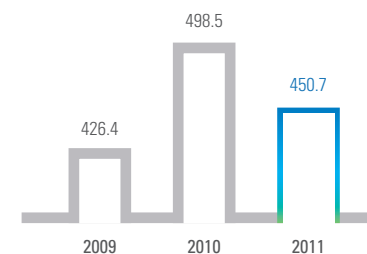
[Shareholder equity]

Unit : KRW 100 million



[RBC Ratio]

Unit : %



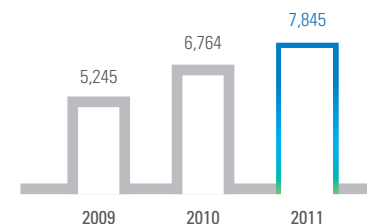
* FY 2009: based on solvency margin ratio

Profitability

SF&MI's net profit during the term was KRW 784.9 billion, up 16.1% from last year. This increase was due to improved loss ratios in automobile and long-term insurance and increased profits from investments. Specifically, the loss ratio in automobile and long-term insurance shows improvement from the previous year and shows an enlarged gap with the second ranking companies. This is the result of our differentiated underwriting policy and effective claim settlement process.

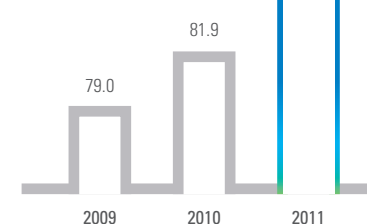
[Net Income]

Unit : KRW 100 million



[Loss Ratio]

Unit : %



Distribution of Economic Value

The economic value generated from management activities are shared with all SF&MI stakeholders. From the economic value generated in 2011, a total of KRW 98.58 billion was returned to our clients, employees, Shareholders, investors, the government and local communities. SF&MI will continue to generate economic value and contribute to society as a social enterprise.

[Distribution of Economic Value in 2011]

(Unit: KRW 100 million)

To	Item	Amount in 2011
Shareholder	Dividend	1,749
Government / Local government	National Tax / Local Tax	2,138
Local Community	Social Contribution Costs	253.9
Creditors	Interest Costs	47
Employees	Wages and Benefit Costs	5,649



(Music concert for disabled youth, "Poco a Poco")

Preservation of Future Asset Value Non-life insurance compensates our clients for damages from unanticipated incidents and enables them to preserve assets for an uncertain future. This improves our clients' 'quality of life' and our firms' management stability. This ultimately becomes the driving force to elevate national competitiveness. SF&MI will faithfully fulfill its role as a social safety net even when faced with large disasters such as the recent typhoons, tsunamis and earthquakes and will contribute to sustainability management.

Traffic Safety and Accident Prevention SF&MI conducts a variety of activities to spread safety awareness and safety culture. We operate the 'Samsung Traffic Safety Research Institute' to carry out systematic and scientific investigations and studies on traffic safety. We publish 'traffic safety prevention materials' and operate the 'Samsung *anycar* Kyotongnara', etc. We are committed to providing improvements in awareness of traffic safety, living safely and the establishment of a culture of safety throughout our society.

Improving Awareness of Disabled People SF&MI is trying to create a world without any prejudice or discrimination against the disabled. In addition to our direct support such as the guide dog program and the 'disabled person's social adaptation support program', SF&MI also conducts a 'disabled persons awareness improvement program' to increase awareness that disabled people are valued and productive members of society leading independent lives.



(SF&MI Firehouse at KidZania)

Customers

Our Approach

SF&MI provides sincere, rapid and accurate service for customer satisfaction. We refine customer oriented service systems to provide premier customer satisfaction.

CS Service System

- Strengthen Customer Service Competency through our CS Operations System and SI

Development of CS Products

- Run Processes to Identify Customers' Needs and Reflect them in new Product Development

Providing Delightful Customer Service

- Implement Customer Contact Point Monitoring and Service

Strengthening Customer Safety

- Enhance Customer Privacy Protection and Prevent Insurance Fraud.



In 2011, 'Nae-ill Che rum' (it means 'as if it were my problem') was chosen as a Service Identity. This statement prepares the foundation for CS Management Style.

Performance Highlights

CS Education

423 Sessions **18,760** People

Customer Panel **11th**

Customer Satisfaction

No. 1
Accomplished the "Grand Slam"



In March of 2011, the SF&MI Customer Reception Room, 'lootsarang' No.3, opened in Mok-dong.

Customer Satisfaction Service System

SF&MI strives to elevate brand value and become a trusted company by providing customers with systemized customer service.

Customer Satisfaction Management

SF&MI has worked to become a life-long partner company to our customers by always understanding our customer's point of view and by providing easy and accurate services. SF&MI provides employees with practice guidelines to ensure we are a company that provides trust and comfort to our customers.

Base of Customer Satisfaction, 'Nae-ill Che rum(As if it were my problem)'

In Jan. 2012, we announced our service identity(SI), which contained the service principles of SF&MI. We will always place the concerns of customers first. 'Nae-ill Che rum(As if it were my problem)' is SF&MI's directional compass promising to provide customers with differentiated products and services by embodying the CS culture for all of its customers

Service Identity – Nae-ill Che rum(As if it were my problem)



SF&MI's New Service Identity –
'Nae-ill Che rum'



Service Identity

Moments of assured trust and comfort

SI Slogan

Pledge to Serve Customers with Sincerity

Core Value

Simple – Caring – Sincere

CS Operation System

SF&MI operates the CS Improvement Committee to support company-wide customer satisfaction. CS workers from across the nation work closely together in four CS related areas(Improvement of the quality of customer service, Protection of customer rights, Autonomous adjustment and Dispute resolution) to understand customer-related issues. We also check the status of CS through qualitative and quantitative evaluation of CS activities to advance our capacities for improvement.

CS Capabilities Enhancement

SF&MI accumulates knowledge about the constantly changing financial industry through continuous CS education and provides competitive customer service. Capabilities are diagnosed and analyzed by job type and the education programs are operated to suit the characteristics of each job so that appropriate service can be provided depending upon the needs of customers. Employees and RCs are required to take online and offline education courses on basic customer service. This includes dealing with customer complaints, consulting, teamwork and CS leadership courses. SF&MI offers educational courses on the improvement of customer consciousness and enhancement of service competitiveness through various media. This includes inviting external lecturers, CS education broadcasting and the distribution of CS manuals.

[2011 CS Education Major Content]

Subject	Education Content
Marketing	Importance of Customer Management, Introduction of Excellent CS Activities
Compensation	Civil Complaints, VOC Collection, Importance of CS Activities, Role Playing
Damage Adjustment	Analysis and Coaching of Recorded Calls, Role Playing
Customer Window	Mystery Shopping, 1:1 Video Shooting and Coaching, Role Playing



(Customer First Campaign)



(CS Campaign)

Development of Products that Satisfy Customers

SF&MI provides insurance products and services from a customer's point of view and strives to provide our customers with the highest value and satisfaction.

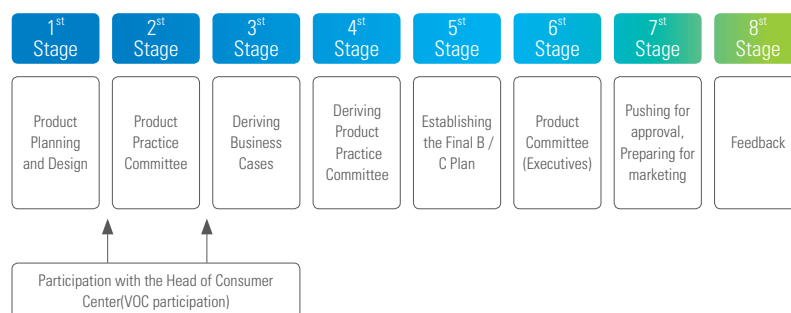
Sustainable Products

SF&MI provides sustainable products and services by monitoring market trends, customer analysis and products. Products are designed to satisfy the desires of our customers. We offer products to prepare for aging, children, travel and leisure and other vital insurance needs. We listen to our customer's ideas on improvements and incorporate these into our product designs. The Product Practice Committee takes and reviews business cases. SF&MI has increased its specialty insurance products by understanding the customer's point of view and by using research and development to provide for our customer's safety and assets.

Sound Insurance Contract Culture

SF&MI applies fair and equal contract terms for all customers at the time of insurance issuance and underwriting. When reviewing disabled people, the underwriting of physical or mental disabilities shall be based upon fair medical and statistical principles as regulated by insurance contract guidelines.

[Product Development Process]



Brand Name System Improvement

We have tried to engrave 'SF&MI,' as our corporate brand by improving our brand naming system so that customers can remember our products more easily. We facilitate communication with customers by attracting attention to products so customers can easily understand the service with just the product's name.

Providing Touching Customer Service

We elevate customer value by providing service with sincerity while listening closely to the voices of our customers.

Service at Customer Contact Points

The customer is SF&MI's core value and the center of our corporate activities. SF&MI provides customer service through its various channels with speed, one-stop service and 24 / 7 networks. We deal with our customers from their point of view, providing sincere service at customer contact points.

Mobile Customer Service

SF&MI provides a variety of insurance services using diverse mobile devices. These mobile devices allow for review of information about products, compensation and additional services through our mobile homepage(m.smasungfire.com). You may also use your mobile device for insurance inquiries on the status of your claim, contract inquiries / changes, accident reports and for printing loans and certificates.

myanycar M Through smart phone applications, you can easily check accident reports, check with repair shops, calculate automobile insurance premiums and locate products. You can also use this convenient service to find the location of your car.

'Call to Web' Service Customers can report accidents and request emergency response from smart phones on the web. The customer can also use application menus to send car accident photos and loan service and certificate printouts. Going forward, we will enhance customer service by linking mobile and call services.

Driving Tendencies Check-up Service As part of our safe driving campaign, we offer a service to critique driving behaviors via the smart phone. Through the, 'My Safe Driving' application, customers can check the driving scores of drivers and safe zones nationwide. They can also check the ranking of participants.

Ceaseless Service '24 HOURS'

'24HOURS' provides round the clock service for customers 24 / 7(twenty-four hours a day, seven days a week) and was opened in November 2010. '24HOURS' is located in the situation room at headquarters and manages civil complaints and on-site emergency responses. It also handles inquiries on contracts, customer consultations and accident reporting. Employees are stationed every hour to provide immediate response.

CAFÉ-style Customer Space 'Eewoo-sirang'

'Eewoo-sirang' is a space very much like a guest room for local people. It is SF&MI's lounge - highly recognized by people in the local community and by housewives. We provide comfortable café and cultural lecture programs to residents in apartments, making it a customer-friendly space. We also operate a 'new-concept' insurance shop called, 'Moving Eewoo-sirang' that moves the Eewoo-sirang infrastructure in a large bus. SF&MI tries to get closer to customers through different services and diverse customer-friendly programs such as preparing spaces for local communities.



(Eewoo-sirang)

SF&MI's Sustainability

Stakeholders

Shareholders & Investors

Customers

Employees

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Community

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Appendix

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Investment in Future Customers

SF&MI performs a variety of marketing activities to gain the attention of our future customers. In the direct business department, they are marketing to the younger generation. SF&MI is targeting people in their 20's and 30's through cooperation with universities and academic institutions. We select university students and 'myanycar' supporters to facilitate and promote product information at 'myanycar' homepage. We also operate linked online- offline programs and strive to expand product development that reflects the interests and ideas of our younger generation.

Direct Zone

As more young people in their 20s and 30s sign up for auto insurance, SF&MI established the SF&MI Direct Zone. This is a new concept that utilizes unmanned, small sized booths to attract young customers. Anybody who is interested in auto insurance can easily access the attractive space similar to cultural spaces in universities and movie theaters. All a customer has to do is input his or her personal automobile information into a computer and the insurance premiums are calculated. This service is fast and very convenient for young people on the move.

Customer Communication

SF&MI has initiated our nationwide 'customer 1st campaign' to renew our consciousness towards customers and remain faithful to the basics of customer service. Through such a campaign, we reinforce our CS competitiveness by checking the basic attitudes of employees in responding to customers and by pushing for the four major tasks of CS innovation with detailed practice plans. Practicing CS will be an ongoing project to keep customer service at the forefront of our minds.

'Into Customers' Campaign

Through our 'Into Customers' campaign, executives at headquarters and departmental heads experience a variety of on-site roles including work performed at accident sites, processing windows and customer assistance, etc. Since April of 2011, headquarters staff performed two months of street campaigns encouraging safe driving by picketing and offering leaflets on roadways and crossroads near headquarters. We have also initiated a, 'Thank U' letter campaign, giving thanks to customers with beautifully hand written cards.

Marketing and Compensation Sector Customer Service

We interact socially with our customers and have giveaway events for loyal customers who have held contracts more than two years. We have initiated a system of 'Mystery Shoppers' who bring back real information about the level of our company's customer service. We have daily self-check programs to ensure the highest level of quality and we investigate all complaints in detail.

Customer Communication Channels

SF&MI increases company recognition as it improves customer understanding of insurance and financial products. We provide information on traffic, safety, health, the environment and insurance via SNS for better communication with all our customers. Opened in 2008, the novice driver community, 'naver café' includes the, 'I am a novice' blog, and 'topic issues' are welcome as content for the '2030' generation. We communicate with approximately 20,000 customers via our SF&MI twitter account . We also communicate with our customers through Facebook.

Customer Satisfaction Grand Award

The Customer Satisfaction Grand Award event is held every year allowing SF&MI to praise the efforts of its finest workers. The 18th annual event was held in 2012. The gathering included RCs, customers, and CEOs of partner companies and prizes were awarded by department. There were prizes for 'excellent marketing team leader', RC prizes, 'excellent CS workers' and appreciation plaques to our best partner companies. The Customer Satisfaction Grand Award encourages employees and RCs who have worked hard and put forth their best efforts by providing recognition for their efforts.

Customer Panel Program

Through 'Customer Panel' activities held each year, SF&MI's customers can share improvement ideas for products and services and aide in developing new directions for the company. Subjects include home shopping, pension installment savings, home insurance and marketing campaigns. Customers may also act as consultants for marketing analysis for a limited time. The results of these 'four-month research periods' are shared with SF&MI employees through presentations of customer panels. Employees use this information to improve products and services and create new systems and policies for the future. 11 rounds of customer panels in total has worked from June, 2005 to December, 2011, and provided analysis for improvement of products and services.

[Major Performances of Customer Panel Program]

Subject	Major Initiatives
1 st Auto Insurance	- Correction & Completion of the Customer Tailored Consulting System - Improved Homepage Design and Content
2 nd Customer Information	- Made and Distributed the Easy Compensation Case Book - Improved Quality of Customer Notice - Leaflets
3 rd RC Competitiveness	- Established Practice Guidelines for CS sales - Offered Education on Improvement for Marketing Mangers and RC Work Attitudes
4 th Customer Contact Service	- Improved Explanation Process for Accident Treatment Stages - Made CS manual for partner companies and distributed it
5 th New-Channel Competitiveness Improvement	- Reinforced Marketing Education, Improved Product Explanation Materials - Launched Revised Product for 'Bancassurance' Collateral Complement
6 th Auto Insurance	- Launched the <i>anycar</i> 'Lady', Developed New Provisions - Opened the Mobile Emergency Response Control System
7 th Long-Term Insurance Satisfaction	- Established Additional Service Management Systems - Improved the pre-inquiry process of actual-loss medical expenses
8 th 2030 Generation Auto Insurance	- Launched a Membership Card. Offered Driving Schools - Reduced the ARS Application Stage for Emergency Response Service
9 th 30's Female Long-term Insurance	- Expanded the Scope of Insurance Coverage for Children - Created a Corporate Blog
10 th 24 / 7 System Contact Service Points	- CS Education for Emergency Service Workers. Implemented Three Major Tasks - Initiated the Active SNS channel(blog / twitter, café)
11 th Enhanced home Shopping Pension / Savings Home insurance marketing	- Increased the Interest of Home Shopping Pension / Savings. Enhanced House Insurance Coverage - Reflected Marketing Campaign Ideas

Service Monitoring

SF&MI has implemented CS surveys and VOC collection activities to understand our customer's desires for products and services. These customer opinions are shared with RCs, related departments and partner companies to enhance customer satisfaction.

VOC Collection and Complaint Treatment

anycar customer call center provides customer service by collecting and analyzing customer complaints. Consultants always listen intently to customer complaints, 24 hours a day, 365 days a year. These complaints range from auto accident service to emergency response reporting. We also hold 'Customer Inconvenience Improvement Theme Suggestions' where employees, RCs and employees at partner companies make suggestions for improved customer service. We implement these suggestions to improve performance in processes, systems and policies.

[Customer Complaint Types]

Ranking	Types of Received Customer Complaints	Composition(%)
01	Complaints about accident treatment	5.8
02	Request for RC change due to poor contract management	5.6
03	Complaints about 'after service' customer management	4.9
04	Lack of product explanation	4.1
05	Unkindness of employees at branches, offices or RCs	3.2
06	Dissatisfaction regarding compensation treatment	2.9
07	Complaints about lack of cancellation refunds	2.9
08	Poor product explanation	2.9
09	Offset of profits and losses	2.1
10	Consultation and treatment on changes / revisions	2.0

※ The above ranking 1~10 accounts for approximately 40% of all customer complaints.

Customer Satisfaction Survey

In 2011, SF&MI was highly recognized as a leading 'Customer Satisfaction Company' in the insurance industry. We ranked at the top of the non-life insurance category of the National Customer Satisfaction Index(NCSI) for the eleventh consecutive year. We have topped the Korea Service Quality Index(KS-SQI) for ten years in a row. Other awards include the Korea Customers Satisfaction Index(KCSI) for fourteen consecutive years and the Customer Satisfaction Management Awards. We have also received the Korea Service Awards and were ranked as the best Good Insurance Company selected by the Insurance Consumer Union. We regard such recognitions as a requirement for customer service. SF&MI is always moving ahead, beyond its current abilities, and practicing CS management with even greater sincerity.



Customer Safety Enhancement

We are well aware that gaining the trust of our customers by delivering comfort, while securing customers' assets and safety, is the best customer satisfaction value.

Customer Information Protection

To secure customer information and financial transactions, SF&MI protects valuable data by using network security for both wired and wireless systems in accordance with the Electronic Financial Transaction Act. By reinforcing security systems in preparation for threats against internal core information and network security, SF&MI is equipped with highly sophisticated protection systems in accordance with SF&MI's internal regulations. These include a web firewall, security tools for the prevention of hacking, dual firewalls and intrusion detection systems. SF&MI also maintains global-level security through the encryption of its customer database to prevent leakage of customer information. SF&MI employs network encryption and 24 / 7 cyber control.

Individual's Information Security Strengthened

SF&MI has publicized its policies on individual information protection and legal regulations. We also specify the security information of customer's electronic financial transactions and publicize the internal regulations on customers' credit information. We scrap information in accordance with the period specified of customer information acquired during the consultation process and insurance contracts process.

Insurance Fraud Prevention Campaign

SF&MI operates a reporting center for insurance crimes to prevent crimes and protect the interests of our honest customers. We have improved the insurance crime-reporting program with enhanced public advertising, public relations awareness and by awarding prizes since 2010. We have diversified access with both mobile and internet reporting and upgraded the quality of our rewards. We have an 'Excellent RC Program' that expands the incentives to responding agents.

Employees

Our Approach

SF&MI cultivates talent, activates communication and builds dynamic organizational culture in order to sustain growth of both employees and the company.

Increase of Employee Value

- Increase Corporate Competitiveness by Selecting and Training Talent

Spread of Communication Management

- Active Communication Between Employees, Departments and Labor and Management

Balance Between Work and Life

- Realize the Balance Between Work and Life through Improved Working Environments and Smart Work.

Performance Highlights

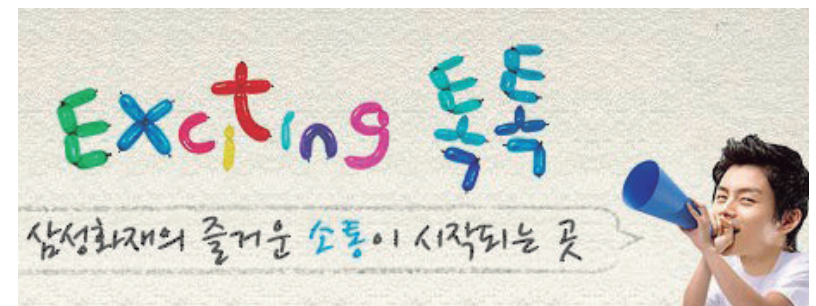
Employees **5,341**

Average Amount of Education per Employee **113**hours

Employee Satisfaction Score **80**



A big run of 'Konggamdonghang 2020' (Accompany in Compassion 2020) started to increase employee engagement for accomplishing our '2020 Global Top 10'



SF&MI's 'Exciting Talk Talk' is the communication space its employees love to join.

Enhancing Employee Value

Nurturing talents at Samsung Fire & Marine Insurance is accomplished by a systemized process from employment, education to performance reward.

SF&MI's Ideal Employee

The core factor behind Samsung Fire & Marine Insurance's continuous growth and success are our employees. Their ownership of our customer's success, our team's success and their passion for exerting individual talents are the core factors ideal employees must possess. SF&MI's employees, selected through a strict and fair process based upon a system, will be groomed to become passionate and responsible global financial pioneers.

「Global Financial Pioneers」 with Passion and Ownership

Speed & Agility

React speedily and act agilely
to lead the future

Ownership for
Client Success

Act dedicatedly
with responsibility
for all clients'
success

Ownership for
Team Success

Cooperate with
colleagues and
share performance
for team success

Passion for
Professionalism

Ceaselessly challenge
oneself and not be
satisfied with
the status quo

Passion for
Integrity

Maintain integrity
and consistency for
the genuine success
of clients, company
and oneself

Recruiting Diverse Talents

Samsung Fire & Marine Insurance recruits the most talented individuals to enhance our global competitiveness. Recruiting interns contributes to promoting employment in Korea as well as securing superb talent in advance. As the global market is further expanded, Samsung Fire & Marine Insurance has actively employed local people while also making efforts to recruit global talent. We actively participate in employing individuals of national merit and disabled people to ensure a diversified workplace. We also grant equal opportunity without gender discrimination.

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「Global Financial Pioneers」 with Passion and Ownership

Samsung Insurance Leaders

Fostering Global-Level Leaders for Organizational Leadership

Samsung Insurance Experts

Fostering Specialists Equipped with Knowledge, Skills for Performing Duties

Samsung Insurance Value

Cultivating Common Values Employees shall possess for New Capabilities

Educational Training System

SF&MI strives to establish a unique and dynamic corporate culture based on employee educational systems that foster core values and strategic talent. Executives and employees will be clear about the tasks necessary for individualized growth in preparation for global competition. Education and training are composed of three areas: cultivating values, enhancing specialties and enhancing leadership.

Individual Development Plan(IDP)

The Individual Development Plan(IDP) for employees is a program that allows employees to expand their area of expertise by providing a variety of resources. This program is designed so that individuals can explore his or her job capacity and fulfill missing abilities. The job requirements are determined by each job and the individual development plans are established by each individual. Based on the plan, each employee can be coached by his or her department head.

Specialized Qualifications Support System Employee skills can be upgraded through various learning resources, both inside and outside the company. This includes E-learning, CoP, conferences and testing for licenses or certificates. SF&MI provides a selection of educational tools for self-motivated learning. In addition, SF&MI also operates specialized qualification support systems to enhance training. Currently, 36 special qualifications are supported(17 in Korea, 19 overseas). They include fees for textbooks, tests, and allowances, etc.

Career Development Center(CDC): Retirement Support Program

SF&MI actively supports the lives of employees by operating a retirement program. We provide a retirement program suitable for the financial industry and have launched the integrated Career Development Center(CDC). The CDC offers employees who want career changes the opportunity to confer with specialized consultants and provides support for business start-ups or opportunities for education and training. By providing specialized information to applicants regarding retirement and transfer to specialized jobs, the program reduces the psychological burden of reemployment and start-ups.

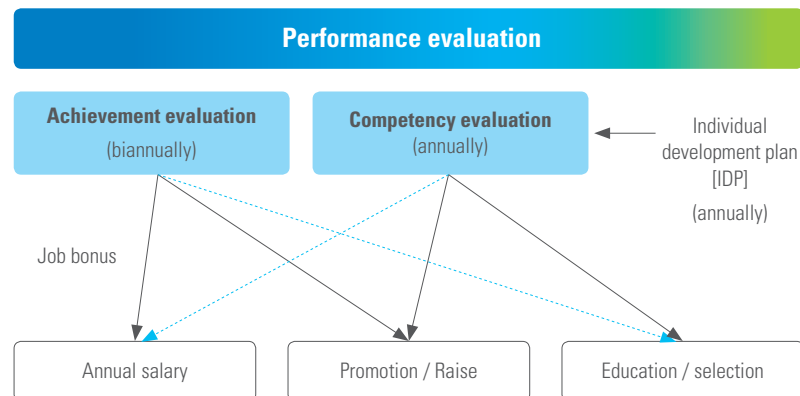
Beautiful Aging Education In order to ensure a beautiful and happy time while aging, SF&MI is offering 'Beautiful Aging' education to employees aged 50 and over beginning May 2012. Through courses and consultation with external specialists, SF&MI will support employees so they can gradually prepare for the latter half of their life and spend a happy life, aging.

Performance Management and Compensation

SF&MI makes efforts for all employees to receive systematic evaluations and reasonable compensation in accordance with their performance evaluation criteria. SF&MI evaluates performance and capabilities through evaluations. We operate a compensation system in accordance with the performance and capability level of each individual employee. In addition, SF&MI ensures individual performances are evaluated fairly with transparent, multi-dimensional evaluations. There is an appeals system for evaluation results and a systematic interview process.

Employee performance evaluations System

Employee performance evaluations are divided into the achievements and capabilities categories. The achievements are evaluated through process management by setting half-year KPI and goals. The capabilities are evaluated based on achievement levels compared with capabilities required by each individual in line with the individual development plan. Furthermore, we have been enhancing differentiated compensation systems depending upon achievements. This includes the operation of various incentive systems provided to superior departments or individuals linked with the challenged goal system.



Facilitating Communications

SF&MI realizes a creative and dynamic corporate culture by forming trusting labor-management relationships. We also actively promote a communications network among employees.

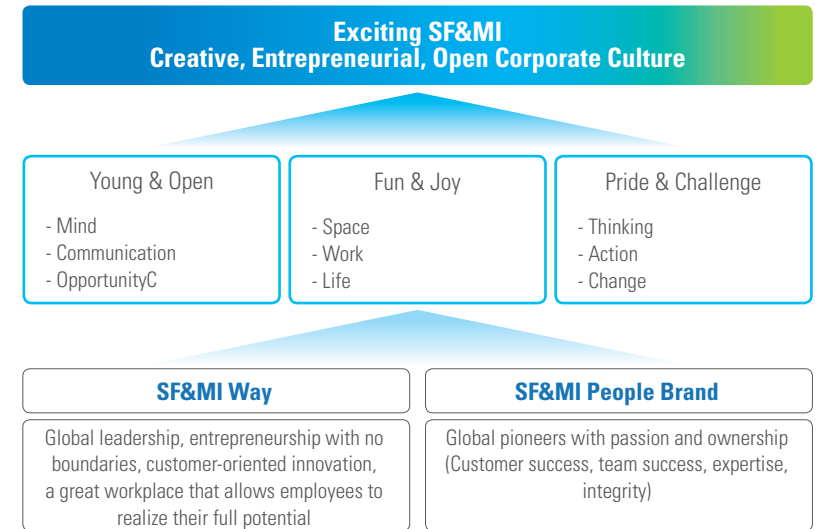
Creating Exciting of Corporate Culture

SF&MI has been operating Great Work Place(GWP) initiatives since 2002 to establish company trust and to realize employees' full potential and making the corporate culture more active and dynamic under the slogans 「Exciting SF&MI」 with the motifs of 「Pride & Challenge」, 「Young & Open」 and 「Fun & Joy」 since 2011. In addition, through the Samsung Culture Index(SCI) survey, we look for work satisfaction among our employees. Through survey feedback, we have implemented employee satisfaction programs. We have created programs for promoting employee morale as we acquire objective data regarding our personnel system, corporate culture and teamwork, communications and work environment, and learn and share enhancement ideas with leaders of each department.

Operation of Exciting Supporters

To realize 'Exciting SF&MI,' we operate the 'Exciting Supporters' organization as a change agent that will lead corporate culture innovations tailored to each departmental unit. One supporter from each nationwide department(250 supporters) is selected for these roles. The excited supporters have high spirits and contribute to the corporate culture at departmental levels. To be selected you must have worked in your department for over six months and be willing to continue in the role for one year.

[GWP Promotion Strategies]



Employee Satisfaction SCI(Samsung Culture Index) Improvement

The SCI Survey is conducted by the Samsung Economic Research Institute(SERI), to improve the level of employee satisfaction for all employees excluding executives and departmental heads. The annual survey has approximately 70 questions regarding workload and fatigue, self-confidence, job satisfaction, mutual trust, teamwork, pride and engagement in the organization. The survey results are shared among departmental heads and 'exciting leaders' by department as well as exciting supporters.

In 2011, 3,864 of 4,643 employees(83.4%) completed the survey and the results were above 80 points of satisfaction. Going forward, we will further activate emotional communications through the participation and compassion of employees.

Establishing Trust with labor Union

Regarding human rights and labor issues: SF&MI bans forced labor and child labor in accordance with the Labor Standards Act and ILO conventions. For changes in the company's major businesses, SF&MI makes it a rule to notify employees in advance through official channels such as the Employee Council or an internal portal site. To form a culture of respect towards our employees, we always listen to complaints and suggestions made through a secure online system to resolve problems. These include the distress counseling office, sexual harassment counseling office and the "language violence" counseling office.

Employee Council operations

The Employee Council has been operating since 1988. It acts for the protection of employees' rights, to enhance status and to further corporate development. As the representative organization of employees at SF&MI, the Employee Council performs its role as a channel for periodic dialogs between labor and management and collects opinions of employees through General Member Meetings. The Council understands major issues through collecting opinions and hearing complaints. The Council works to improve employee issues through visits to sites, meetings and telephone calls. The Council also communicates with employees through periodic journals. In addition, through quarterly labor-management meetings, labor collective agreements are made regarding wages, and other working conditions. The Council continuously maintains and develops labor-management co-prosperity by actively participating in major internal management issues.

Major Activities of the Employee Council	2011~2012 Major Agendas
- Employee ombudsman	- Wage raise
- Labor-Management Council Meetings(quarterly)	- Working condition improvements
- Wage and collective agreements	- Fringe benefits improvements
- Labor-management joint, working-level workshops(4~5 times per year)	- Retirement program enhancements
- CEO-Labor representatives' quarterly gatherings	- Supporting employees' family programs
- Participation in the company's strategy meetings as employee representatives	
- Quarterly meetings	

Communication with CEO

SF&MI's CEO encourages employees and listens to their voices through on-site visits. Through direct communication with employees at each branch, the CEO listens to major issues and has lively discussions of measures that might enhance products, services and competitiveness. The CEO also uses an open space of 'CEO' in 'Exciting Tok Tok,' an online community space, to communicate with employees and share both innovative ideas and corporate issues.

Internal Communication Activities among Employees

SF&MI provides internal communication channels to lower barriers between departments and to resolve difficulties in communicating between sites and headquarters. On the 'Exciting Tok Tok,' employee communication space, we share major corporate issues and common interests among departments and employees, improving work efficiencies and forming a corporate culture of improved communication and trust.

Being Project

Employees with various talents and interests have the opportunity to share their interests through our internal 'Being Project'. This project creates new energy in the work environment by allowing employees to upload their activities onto the 'Exciting Tok Tok' space. This allows for sharing of interests with colleagues, juniors and seniors within the company. 'Being project' also participates with employees in partner companies and has taken root in the company as a dynamic corporate culture respecting diversity of employees in areas such as sports, music, literature, and art.

Communication Volleyball Contest

Communication volleyball contest is SF&MI's unique cultural program that provides corporate communication opportunities naturally through volleyball contests. These contests enhance teamwork through competition. Participation is by unit organization in each region. The competition goes through preliminaries all the way up to the finals. Employees have an opportunity to meet and exchange views with colleagues they might not ordinarily meet in the course of their work. This expands communication throughout the company.

Hanmaum Choir Contest

As a choir creates harmony in the sound of each note, we hold a choir contest to create harmony among employees. Regardless of departmental division, we select one team per region as well as partner companies and our RCs for participation. The Hanmaum Choir Contest is a cultural program, where employees voluntarily give of their talents and voices. It is an opportunity to meet with employees from other areas within our company's network.

Compassion Accompanying 2020

SF&MI holds 'Compassion Accompanying 2020' to improve employees' spirit of challenge and to actively support communication between onsite locations and headquarters. 'Compassion Accompanying 2020' is a relay walking program and includes employees at all levels within the organization. The program is voluntary and employees walk each course through the two-day and one-night route. By these efforts, participants reaffirm their desire to achieve SF&MI's mid-to long-term vision of '2020 Global TOP 10.' The event includes foreign executives and employees as well as RCs.

Family-Friendly Management

SF&MI holds a variety of events every May that includes employees' family members. The goal is to promote family harmony and family bonds. We strive to encourage our employees and their family members who support them both inside and outside the workplace. This is our way of thanking the families of our employees.

Employees' Children English Camp and Economic Volunteer Camp

SF&MI offers English camps to children of employees twice a year. In these English camps, we also offer humanities classes such as art and history so that the children of employees can increase their knowledge in humanities as well as language skills. For the children of RCs, we offer economic volunteer camps for Korean-Chinese elementary· middle· high school students so that they can accumulate knowledge on the overall economy through various games. They will allow mingling with children in local welfare facilities.

Exciting Family Hanmadang

As we enter the Month of Family, SF&MI holds the Exciting 'Family Hanmadang' with the participation of employees' family members at the SF&MI Yuseong Training Center. The 'Family Hanmadang' is held each year on May 5. The occasion is popular with employees and their families and the event is comprised of various cultural events and programs.

Filial Big Party Event

The 'Filial Big Party,' organized by the Employee Council, is a program where employees and their parents go sightseeing to many tourist attractions in Beijing for four days and three nights. The Employee Council has held twelve events since 2011 with 2,200 parents. The parents of employees are able to enjoy time with their children and share pride in SF&MI.

Work and Life Balance

SF&MI strives to create a great workplace and actively supports and encourages employees to trust their company and realize themselves.

Making A Great Workplace

SF&MI provides a number of activities to create a corporate culture that increases work satisfaction, raises creativity and fosters innovation through a balance of work and life.

Working Condition Improvements at Call Centers

As part of our efforts to improve the work environment, our call Gwanju *anycar* Call Center has established a team of pregnant woman to allow female telemarketers a more stable work schedule. The pregnant woman's team is operating with fixed schedules. They are given adequate time for rest and breast-feeding. We have also elevated the morale of our employees by offering policies to create solutions through caring female consultants twice a month.

Increasing Work Efficiency

SF&MI distributed Smart Phones and Tablets to employees so they can deal with work through mobile systems anytime and anywhere. At the claims and marketing sites, work procedures have been streamlined to save time. This creates better service for both our customers and our partner companies. SF&MI is constantly working to streamline work processes using IT.

Fringe Benefits for Employees

SF&MI provides fringe benefits, including four legally stipulated types of insurance, so that our employees can lead a balanced work and home life. Since 2011, we have offered selective fringe benefits where we give welfare points to employees. We plan to expand our welfare system to provide for the needs of our employees.

[Fringe Welfare Benefits]

Category	Details
Leisure Life	Operating resorts, in-house fitness center Caribbean Bay, long working holidays and subsidies for holidays
Birth / Maternity Support	Operating 2 in-house daycare centers, female / maternity protection rest areas Giving birth support, gifts at birth, flexible working hours for pregnant employees
Housing / Stable Life	Company dormitories for employees with long distance commutes, congratulations and condolences, housing loans, household loans, and subsidies for individual pension
Medical / Health	Group insurance(employee, spouse, children), health check-ups
Education	Children's educational fees(middle, high, university), Summer *Winter English camp for children of employees
Selective fringe benefits	Providing annual welfare points(Support for various leisure activities, educational fees, medical expenses, etc.)
Others	Opening Exciting Zone in the company, Presents for birthday / Wedding anniversary / and 70's birthday of parents, for a child entering an elementary school, Marriage counseling office, and Psychological counseling center

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Support for Childcare, Parental Leave SF&MI actively fulfills our social responsibility to resolve the low-birth problem in Korea. We support pregnant women by adopting flexible working hours and improving working conditions before and after birth. We provide parental leave for both male and female employees. We also provide childcare. As of this date, 100% of both male and female workers have returned to work after parental leave. Over 94% of our employees remain at work for over one year after parental leave.

Daycare Centers at the Workplace SF&MI Corporate headquarters, and our site at Dongtan, Gyeonggi-do, operate in-house daycare centers. Children of both employees and RCs are cared for during working hours. This reduces the worries of working mothers and provides a feeling of security by having their children in the same location. It also enables mothers to better focus on their work. SF&MI provides rest areas that allow for breast-feeding and has always taken great efforts to encourage childbirth in Korea.

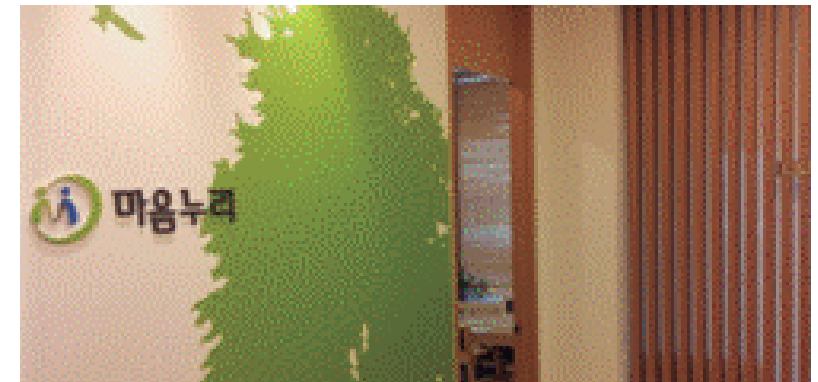
Retirement Pension Plans We operate retirement pension plans to create stability while aging: defined benefit(DB) and defined contribution(DC). SF&MI abides by legal requirements regarding severance pay as we deposit reserves at external financial institutions.

Safety and Health

SF&MI provides various programs for the safety and health of employees while following the Industrial Safety & Health Act and internal collective agreements. We support health check-ups as well as the subscription of collective insurance for employees. We also check for safe working environments and strive to create clean and pleasant working spaces. In addition, we support check-ups for employees' family members as well as themselves, widening the scope of our welfare benefits and ensuring a healthy work life through employee health campaigns.

Maumnuri Counseling Center

The Maumnuri Counseling Center has operated since 2010, providing psychological counseling and testing through specialized psychological counselors. Employees can seek counseling through a variety of methods including meetings, telephone counseling, chatting or e-mails. Employees can resolve mental problems and reduce stress within short periods to regain a stable life and a strong willingness to work.



(Maumnuri counseling center)

Partners

Our Approach

SF&MI practices "Win-Win" management through close partnerships with RCs, suppliers and repair shops. We seek to grow together through sincere communication and various support activities.

Happiness Partner RC

- Grow as a Professional Finance consultant Providing Customized Consulting at Customer's Points of Contact.

"Win-Win" Management with Suppliers

- Build Trust with Suppliers By "Win-Win" Activities, Advances in Repair Culture and Fair Trading.

Performance Highlights

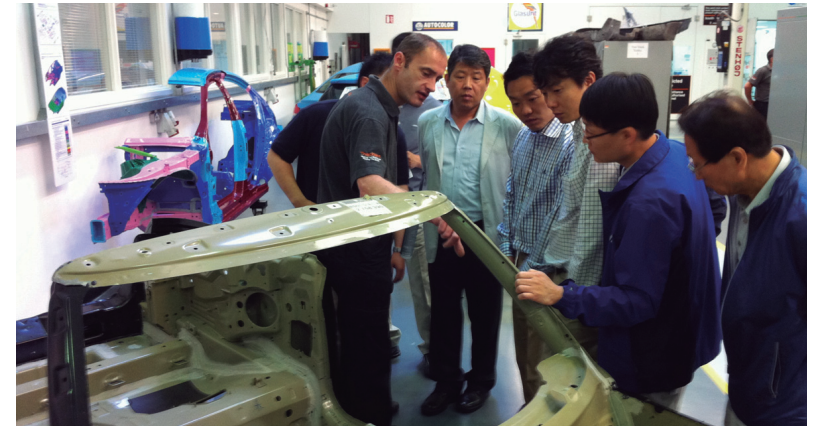
RC **33,105** People

Training Cost Per RC KRW **153,000**

CS Training for Repair Shops **18** Sessions, **432** People
(For Field Service Personnel and Repair Shop Representatives)



The 18th Customer Satisfaction Award at KINTEX in April 2012.



SF&MI visited Tatcham Co. in UK for Overseas Training in Combination with the Seoul Repair Association.

Happiness Partner RC

SF&MI RC will become a valued partner to consult assets and risks from the customer's position.

RC Support System

SF&MI RCs are well-rounded financial specialists who manage customers' assets and risks. Our valued partners ensure success and prosperity to both SF&MI and to our customers. Our RCs is valued partner to provide customer-tailored consulting with their passion and excellence.

Fostering RCs

SF&MI fosters insurance specialists through its systematic RC educational and marketing support systems. RCs with less than one year's experience are expected to learn specialized knowledge and marketing through the RC Junior Course. Specialized RC Fostering Courses enable the best RCs to grow as top level industry consultants by offering them SF&MI MBA, and SSU(Samsung Sales University) programs. These programs are on par with global standards in marketing, finance and accounting. SF&MI also increases the capabilities of RCs by systematic support programs such as qualification support and cyber education courses.

RC Knowledge Center SF&MI operates the RC Knowledge Center to instill specialized financial knowledge that includes sales skills, product knowledge and work practices of RCs. The RC Knowledge Center enables RCs to access content at any time by placing the information on the web. RCs can effectively learn basic knowledge on how to deal with customers, sales techniques and more. We also provide content through in-house broadcasting for RCs to listen to live education on products

while acquiring practical knowledge.

Marketing Support

SF&MI also has a support system to facilitate RCs' marketing activities. We have established smart-work systems so that RCs working on marketing in the field, can swiftly deal with customers' needs. This system supports RCs, allowing them to provide customers with premium service.

Big Ocean Information Database The 'Big Ocean Information Database' is an internet based customer management system containing product and service information. The database contains a variety of features including marketing support, PR programs and cell phone text messaging systems. The system can instantly provide the information customers require. The 'Big Ocean Information Database' helps to simplify the work of RCs.

Use of Smart Devices The marketing system uses smart devices, which allow RCs to provide premier service to our customers. Information about marketing and compensation can be easily accessed at any time, any place. RCs create customer interest using multimedia data to improve the understanding of products using simulation-based presentations. Furthermore, all processes, from design to contract signing and e-signatures improve customer satisfaction.

RC Compensation and Communication

SF&MI provides the industry's highest level of welfare and benefits and various compensations so that RCs can feel a sense of belonging and concentrate on customer management and business. The company also regularly conducts RC meeting, job satisfaction surveys, and social contribution activities to stay in communication and maintain close partnerships.

RC Compensation System

In addition to fringe benefits, SF&MI provides subsidies for licenses and other benefits to RCs depending upon performance. Based upon the qualification levels of SF&MI's RCs, we offer a variety of benefits from childcare support to fees for university education of children. We also offer selective fringe benefits and fees for the use of refresh packages. SF&MI's enhanced compensation for RCs elevates work satisfaction as well as promotes motivation. We also fulfill our social responsibility by creating employment as we offer new RCs subsidies for their marketing results.

RC Encouragement Activities The Customer Satisfaction Grand Award is a festival where all customers, RCs, partner companies and employees participate. We bestow various awards to those who made efforts for customer satisfaction throughout the year. At the Customer Satisfaction Grand Award in 2012, 386 RCs were awarded and praised for their efforts. In addition, we also host the 'happiness accompanying' concert with performance and a talk show of fun and impressions. Through such events, RCs are able to relieve work stress and form common bonds, making the event a good opportunity to feel a sense of belonging and pride in the company.

RC Communication Activities

SF&MI regularly surveys RC work satisfaction including their sense of belonging to the company and the level of the company's support system. Furthermore, we hold meetings that allow for the sharing of problems confronted while working directly with customers. We arrange it so that they can work in pride by participating in the social contribution activities of the company.

Communication with Customers SF&MI RCs work to facilitate a reduction in accidents and to promote the SF&MI 'Zero-accident Promise Campaign.' We have received positive responses from customers about programs such as our pledges for zero-accident driving and by providing zero-accident safety stickers.

Samsung Fire & Marine Insurance Happy Dream Voluntary Corps: RC engagement voluntary activity

SF&MI RC voluntary service organization 'Samsung Fire & Marine Insurance Happy Dream Voluntary Corps' received the Commendation of the Minister of Ministry of Health and Welfare on April 20, 2012, the Day of the Disabled. Since 2005, SF&MI's 17,000 RCs have saved a fund of KRW 3.4 billion and participated in a residential environment improvement program 'hope gift of 500 won' and child safety accident prevention campaign 'Happy School Campaign'. In these activities, 146 families and organizations of disabled persons were improved, and 13 elementary schools were delivered various traffic safety supplies and educational facilities. SF&MI RCs will go on with these valued partner activities to share our warm insurance spirit.

Co-Prosperity Management with RCs

SF&MI RCs makes every effort to instill trust in our customers. SF&MI regulates practices to ensure accurate product explanations including terms and conditions and by fulfilling all the provisions of contracts. SF&MI RCs are making efforts to increase the trust of our customers with a sales culture that obeys the rules of ethical and legal behavior in the marketplace, and to settle a culture of a sound insurance business. Due to our policies of integrity, no sanctions of civil complaints have occurred for the past three years.

Co-prosperity Management with Partner suppliers

SF&MI's partner suppliers cooperate with each other and observe co-prosperity through fair and transparent business practices

Selection and Evaluation of Partner Suppliers

SF&MI works to establish a win-win system of cooperation by promoting good faith competition and fair transactions between partner suppliers. The selection of partner suppliers is made through systemized standards and strict reviews. As the importance of social contributions and environmental management has emerged recently, the ethical and environmental management levels of partner suppliers have been an important basis for review evaluations. SF&MI's principles of abiding by sustainability management and environmental · energy management shall be applied to partner suppliers. We also support partner suppliers by applying standards and guidelines to guide them so they possess competitiveness while being conscious of social responsibilities.

Co-prosperity Support for Partner Suppliers

In March 2012, SF&MI participated in Samsung Group's Treaty for Fair Trade and Co-prosperity Ceremony to lay the groundwork for mutual growth with first and second phase partners. SF&MI makes cash payments to first and second phase partner companies and we are banned from issuing notes due over 60 days no matter what the situation. SF&MI objectively evaluates and manages partner suppliers and establishes co-prosperity culture at a group level by reinforcing co-prosperity measures.

Cooperation with Repair Shops

SF&MI practices 24-hour customer service through approximately 600 service repair networks, nationwide. *anycar* service is a company that manages the entire lifecycle of an automobile from registration at purchase to the scraping of cars. It is equipped with a swift compensation system for automobile diagnosis, emergency calls and other needs of car owners.

Fast Compensation System

Through a web-based emergency call service, *anycar* instantly deals with accidents and emergency calls efficiently and provides communication with SF&MI's claims team in real-time.

Repair Shop Evaluation

SF&MI has improved the evaluation system for *anycar* Family Center(AFC) partner repair shops since 2012. We have focused on quality evaluations of repair shops and evaluation of customer satisfaction. We have also supported environmentally-friendly repairs and introduced the AFC's specialty and environmental evaluation service. In addition, we have emphasized the importance of practicing co-prosperity management. We include a partner company's co-prosperity index and ethical management index in their evaluation.

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Co-prosperity Cooperation Activities

SF&MI offers systematic and rational compensation services through campaigns to eradicate insurance crimes. SF&MI leads co-prosperity cooperation through faithful customer service while establishing a fair trade culture in our society. This is achieved through transparent transaction practices with repair shops and by abiding with the ethical sales principles of SF&MI.

MOU with Seoul Auto Repair Business Cooperatives SF&MI entered with an MOU with Seoul Automobile Repair Association for a culture of improved auto repairs. We cooperate with auto repair shops to improve both auto repairs and the quality of service. We are diminishing waste factors in auto repairs, introducing eco-friendly substances and improving repair techniques. We are also researching work hours by auto type, evaluating our services in comparison to advanced companies and co-training on repair technology.

Education for Repair Shops SF&MI continuously provides customer service education and evaluations to improve customer service at repair shops. We actively support education and infrastructure to enhance the competitiveness of repair shops. We support repair shops through several methods. One is by holding the international seminar of Research Council for Automobile Repairs(RCAR). Another is by selecting the best repair shops by each department. We also create overseas training programs.

Overseas Training By offering overseas training programs to repair shops each year, we improve their technological abilities. In July 2011, we held a U.K. 'Thatcham Auto Repair Technology Training' together with the Seoul Auto Repair Business Cooperative. We learned important skills including damage evaluation techniques in car accidents, repair technology of eco-friendly cars, external metal plating and painting techniques for lightweight cars.

On-site Practice to Repair Shops Team leaders in property compensation sometimes practice at repair shops. Through hands-on experience, they repair damaged parts or perform painting. This allows leaders to consider the insurance process along with on-site workers. SF&MI also holds meetings with workers at repair shops to exchange opinions on insurance-related systems and co-prosperity measures with great gratitude for our repair shops.

Industry – academy collaboration and maintenance association co-prosperity explanation meet In May, 2012, Samsung Claim Adjustment Service entered into a MOU with Pusan Automotive High school for nurturing specialists in auto insurance property damage. Samsung Claim Adjustment Service plans to support the curriculum needed for human resource nurturing and employing excellent students after course completion. Back in April, we hosted the Gyeonggi first maintenance association co-prosperity explanation meet in the education hall of the Ilsan office, and shared co-prosperity measures, the portal system, and the standard repair guide with the 29 representatives from the repair shops of the association.

Communication Activities

Samsung Claim Adjustment Service hosts the AFC management innovation festival each year and select the best repair shop and awards overseas training and prize money in order to enhance co-prosperity partnerships. *anycar* Service promotes a pleasant working culture with communication and harmony through physical activities like 'Hanmaeum Athletic Meet'.

[2011 Repair shops education support]

Education Contents	Period
Education on Expansion of Eco-friendly Car New Technology to AFC(<i>anycar</i> Family Center) insurance centers nationwide	February ~ March
Held Insurance & Repair Shop Co-prosperity Cooperation International Seminar invited by RCAR	April
Made Co-prosperity, Cooperation MOU of Seoul Auto Repair Business Cooperatives (443 companies)	April
On-site Technology Education for the New Technology Expansion of Foreign Car Repair Shops	March ~ May
Training for Repair Technology of Advanced Companies' Technical Research Center Commonly Held by Repair Shops	July, September

Community

Our Approach

SF&MI makes an effort to return interest and love we received from society back to as many stakeholders as possible through social contribution activities. We hope to grow together with the local community through continuous and systematic social contribution activities.

Insurance Related Social Contribution Activities

- Activities for transportation safety, life safety and the disabled person supporting

Local community participation

- Supporting activities of local community, culture and art, and sports promotion

Employees' sharing

- Activities of Samsung *anycar* Volunteers

Social insurance product and service

- Providing product and service contributing to society



SF&MI guide dog school has parceled out a total of 149 dogs from 1995 to now comprising 8 guide dogs during 2011.

Performance Highlights

Social contribution expenses **3.2%**
(compared with net profit during the term)

Social contribution activities per each employee
11.1 hours

Number of employees participating in social contribution activities
22,452
(Cumulated number in 2011)



Samsung *anycar* volunteers operated 16 centers and 180 volunteering teams all over the country in 2011, and performed activity of farm village relationship and mentor activity for bereaved children due to traffic accident.

Insurance Related Social Contribution Activities

SF&MI will continue outreach activities for the purposes of safe driving.

Supporting Traffic & Life Safety

SF&MI supports car accident victims and their families. In an effort to reduce accidents our company first began the 'Car Accident Bereaved Children Support Program' in 1993. We have been conducting 'traffic safety education programs', traffic campaigns and safe living campaigns. These programs are provided through the 'Samsung Traffic Safety Research Institution' and the "Samsung Disaster Prevention Research Institute". We attempt to increase public awareness on traffic safety issues and methods for safe living to reduce the pain and suffering caused by accidents.

Car Accident Bereaved Children's Support Program

Since 1993, we have expanded support activities for minors who have lost their parents in car accidents and suffer hardship due to this loss. Since May 2012, in combination with the 'Children and Future' program, we select bereaved children at elementary, middle, and high schools and support them with living expenses, school uniforms, anniversary gifts, and traditional holiday gifts. We also provide emotional support with a 'one on one' relationship with employees.

Samsung Traffic Safety Research Institute

Established in July of 2001, the Institute conducts accident prevention activities through specific traffic safety programs. Based on research and investigation, the Institute creates press releases, policy recommendations and traffic safety campaigns. The Institute also provides safe driving consultations to transportation firms in need of professional intervention. The Institute also provides specific safety education to children and the aged, occupational drivers and traffic offenders. This contributes to a reduction of traffic accidents.

Major Activities for the Prevention of Traffic Accidents In 2011, we produced seven types of traffic safety publications, including research reports, safe driving leaflets and a 'traffic safety information webzine', etc. We distributed approximately 3 million copies to corporate safety managers, drivers and government and research institutes. The publications are provided via e-mail every month. We also cultivated 19,000 Green Mother Traffic Safety Honorary Teachers and used them to support children's traffic safety education along with the National Green Mother Association and the Citizen's Coalition for Safety. SF&MI saved KRW 500 per auto insurance contract and created a fund for use in children's automobile accident prevention programs including 'Happy School Campaign' and 'Safe Kids Korea.' Additional activities for accident prevention include the car accident reporting campaign, the commuting traffic safety campaign, and 'Angel Wings.' This is a protective device attached to school buses to protect children getting in and out of buses.

Samsung *anycar* Kyotongnara

SF&MI's Transportation Museum is conducting the Samsung *anycar* Kyotongnara and providing traffic safety education to kindergarten children and lower grades in elementary schools. The intention is to instill traffic safety knowledge into children at a young age.

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Living Safely Campaign

Due to the numbers of people suffering from fire or safety accidents, we are conducting local community safety checks and 'living safety campaigns', to alert people to the dangers in everyday life.

Safe Seoul Hanmadang

Since 2007, 'Safe Seoul Hanmadang' has focused on alerting children to the importance of safety and increasing their ability to cope with everyday hazards in life. This comprehensive safety program is meant to increase the safety awareness of the citizens of Seoul and is held jointly by the City of Seoul, SF&MI, Safety NGO's and public organizations. The Hanmadang takes the form of a festival and in 2011 attracted 140,000 visitors with 10 programs including earthquake safety education and the use of guide dogs.

[Traffic Safety and Living Safely Support]

(Units: KRW million)

	2009	2010	2011
Car Accident Bereaved Children's Support	291	188	189
Traffic Prevention Activity	3,288	3,128	3,246
Living Safely Campaign	335	1,762	1,159

Support for Disabled People

SF&MI is working to support those with physical and economic hardships. Through disabled support programs, we are committed to creating a society where disabled people can pursue their dreams. SF&MI supports efforts enabling disabled people to lead independent lives as equal, contributing members of society.

Guide Dog Program for the Blind

Since 1995, we have conducted guide dog programs to give eyes to blind people. We distribute ten free guide dogs to blind people each year. We provide guide dog training as well as assist guide dog trainers at Daekyeong University and National PINGTUN University of Science & Technology in Taiwan. By forming the Asia Guide Dog School Association, we help cultivate training beyond the borders our SF&MI Guide Dog School. We have formed the Asia Guide Dog School Association with Japan and China to share our knowledge and act as a leading guide dog training institute. We also promote the Welfare of Disabled Persons Act of 2001, which ensures that guide dogs have access to public places so that blind people may lead full and active lives. Currently, we are promoting a revision in the law that protects the rights of volunteers who are training dogs in combination with the Ministry of Health, Welfare and Family Affairs and the National Human Rights Commission.

[Number of Guide Dogs Distributed by Years]

	2009	2010	2011
Guide Dogs(Cumulative)	129	141	149

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Disabled Person's Social Adaptation Support Programs

SF&MI is working to create a society where disabled people can follow their dreams just as ordinary people do. Through the disabled person's social adaptation support program, we instill dreams into disabled people. With disabled youth music camps such as, 'POCO A POCO', we create inspiration for them to grow into musicians. SF&MI RCs save KRW 500 per long term insurance contract and use the proceeds towards the '500 Won Hope Present Project' used for improving the lives of economically disadvantaged families and residential facilities. Each year we provide scholarships to the best students at the Seoul National School for the Blind.

Disabled Persons' Awareness Improvement Program

The Disabled People Social Adaptation Support Program is direct support for disabled people. The Disabled People Awareness Improvement Program helps non-disabled people understand the differences in disabled people to reduce bias and prejudice. In order to assist young people in developing attitudes about the disabled, SF&MI has produced several films since 2008 in combination with the Ministry of Education, Science and Technology. In 2012, we produced 'Superman Flies in the Sky', the fourth disability awareness film and showed it to students in middle and high schools across the nation on the Day for the Disabled. In 2011, we participated in the 'Disabled Person First, a Beautiful Communication!' campaign, which awarded the best 20 classes of disabled students in elementary and middle schools. We have also held writing contests and since 2002, our 'Bluefangs Volleyball Team' has acted as ambassadors of the Disabled Person First Campaign Center. We take part in awareness improvement efforts through outdoor activities with disabled children and through publicity activities.

[Disabled Person's Support Fund]

(Units: KRW million)

	2009	2010	2011
Disabled Person's Social Adaptation and Awareness Improvement Program	3,858	3,369	3,161



(KRW500 Gift of Hope)



(Disability-themed drama, "Good Friends")

Local Community Participation

SF&MI will Grow Along with Local Communities in Continual Outreach Activities.

Local Community Support

SF&MI makes a practice of sharing our resources and fulfilling our social responsibilities as a corporate citizen. We support scholarship programs for students experiencing hardship and for neglected classes of people. We also support agricultural sponsorship programs to support farmers having trouble due to import competition with agricultural products and labor shortages.

SF&MI Scholarship Program

SF&MI is committed to providing an environment where students can nurture their talents. Since entering the 'Support Agreement for the Bereaved Children of Policeman who Died on Duty' with the National Police Agency in September 2011, we have provided scholarships for these children. In 2012, we entered into agreement for the 'Bereaved Families of Firefighters who Died on Duty' with the National Emergency Management and provide scholarships to the Bereaved Children of Firefighters who Died in the Line of Duty. Each week we hold a 'SF&MI Junior Global Leaders Forum' to help youth acquire the qualities necessary to become global leaders. We also provide various scholarship programs including the University Development Fund and High School Scholarship, etc.

Neglected Class Support Program

SF&MI is attempting to bring stability to local communities by preparing a foundation for the neglected classes to strengthen their resolve for succeeding in life. Since 1994, the Child Breadwinner Support Program has supported approximately 150 students by providing operating costs and supplies, etc. to social welfare bodies including Korea Children's Foundation and Korea Helping Tel. We also support the Disabled Person First Campaign Center, etc., and sponsor all types of events.

Micro-Credit With support from the Micro-Credit Foundation and through dormant insurance finances, we provide support to financially neglected classes with self-support funds including startup funds, operating funds, etc. without security and guarantees. Initiated in 2008, Micro-Credit has provided this service for five years and provides support to small businesses with low credit and low incomes to help prepare a foundation for self-support.

One Dept.- One Village Affiliation Program

SF&MI supports agricultural areas suffering from economic hardships due to labor shortages, weather conditions and the impact of imports. We offer support via the 'One Section to One Village Affiliation Program'. We offer helping hands to agricultural villages includes farms stays and we have 'Standing Voluntary Service Offices' in each region to identify and provide necessary supplies to affiliated villages. In 2011, we entered into an affiliation relationship with Pado-ri in Taejeon-gun, Chungcheongnam-do, which had been severely damaged due to an oil spill. We purchased agricultural products and provided employee voluntary services to show support for our cherished farms.

[Support Amounts in the Affiliation with Rural Villages]

(Units: KRW million)

	2009	2010	2011
Agricultural Affiliation Program	87	51	696



(Affiliation with Rural Villages)

Support for Culture and Sports

By supporting culture, art and sports activities, SF&MI is preserving Korean traditional culture. We support health and leisure activities for a balanced and good life.

Cultural Property Custodian

To protect Korean traditional culture, the Volunteer Work Center at the head office entered into an affiliation program with the Cultural Heritage Administration in June 2005, creating, 'One Cultural Property One Custodian'. The Volunteer Center has been conducting Kyeongbok-gung cultural and support activities. We conduct environmental cleaning and cultural safety checks every month so that citizens can observe Keongbok-gung for a long time in a clean and safe environment. Since May 2007, we have supported Kim Daekyun, a tightrope-walking heritage.

SF&MI Traffic Museum

The SF&MI Traffic Museum was founded to introduce the history and culture of automobiles throughout the world. The Museum also contributes to the development of a domestic automobile culture. The museum plays a role in transmitting the heritage in original form and by planning 'traffic safety education programs'. We also hold cultural heritage exhibitions. The Museum introduces automobiles from foreign cultures and provides related information. This helps prepare the groundwork for a sustainable automobile culture in our nation.



(Bluefangs Volleyball Team)

Sports Promotion Activities

Since 1987, the sports support program has worked to create a healthy society through sports promotion and the expansion of athletic events. To help promote amateur sports, we support the Korea Athletics Federation and the Korea Amateur Skating Union, etc. The Kkumnamu cultivation program discovers and supports superior athletes. Since 1997 we have given special attention to the Skating Union with gifts of KRW 0.8 to 1 billion every year. We work to create youth competitions, support athletes' overseas training and scout for top coaches. We also support the popularization of Baduk through the 'World Baduk Masters' where anyone can participate regardless of pro, amateur status or nationality. Additional efforts to cultivate superior preliminary Baduk players are being made. For example, in 2011 the Korean Baduk players provided a scholarship of KRW 7,960,000 to the winners of the Korea Baduk Association Yeongsang League.

Bluefangs Volleyball Team The Bluefangs volleyball team was created in 1995 by SF&MI. It has placed at the top, six times since the beginning of Korea professional volleyball in 2005. The Bluefangs accomplished five successive victories since the 2007-08 season. The team also acts as Publicity Ambassadors for the 'Disabled Person First Campaign Center'. They have conducted 'Love Sharing' events in Daejeon, which is the team's hometown. They also actively participate in SF&MI's outreach activities.

Local Community Communication Enhancement

SF&MI thinks first of its communities. We conduct a variety of programs to show our commitment and support for the efforts of our local neighbors. These activities include the Children Traffic Safety Association, the Seoul National School for the Blind and the Disabled Person First Campaign Center.

Employee Contribution

SF&MI will spread the value and meaning of voluntary activities through employees' outreach activities.

Samsung *anycar* Volunteer Group

"Samsung *anycar* Volunteer Group" takes a primary, core role in SF&MI employees' outreach activities. Each year we provide education on the importance of corporate outreach and voluntary activities to all employees to enhance the true meaning and value of voluntary activities.

[Employees' Voluntary Activities]

(Unit : Person, hour)

	2009	2010	2011
Employee participants (cumulative)	27,259	20,937	22,452
Social contribution activity hours per person	13.2	12.2	11.1

Major Activities of the Samsung *anycar* Volunteer Group

In 2011, 16 volunteer centers, and 180 volunteer teams across the nation participated in the Samsung *anycar* Volunteer Group. Through family volunteer groups where families and relatives of employees' participate, we spread the meaning and value of voluntary activities and contribute to family harmony. Each year, we participate in the four major events of the Samsung Group: the Blood Donation Campaign, the Foundation Commemorative Volunteer Work Festival, the Employees' Volunteer Festival and the Year End Neighborhood Loving Campaign. We select the best volunteer leader of the year. We also carry out a program where we invite blind elders, organize 1:1 groups and go sightseeing at Jeju-do. In addition, we operate volunteer camps for the children of our employees, RCs and clients to instill the spirit of volunteering in our younger generation.



[Samsung *anycar* Volunteer Group Structure]

Building A Social Base for '2020 Global Top 10'

Elevate Employees' Pride / Corporate Image

Samsung *anycar* Volunteer Group Provides All Employees with Participation and Pleasure

Dream Fund 100%

16 Hours of Voluntary Work

Standing Voluntary Service Office 100%

Volunteer Team Level up 80%

Enhancement of Volunteer Center Competency

- Program operation at center base
- Promotion of team quality improvement
- Efficient and constitutional volunteer activities through a system of supplementation and education

Development / Application of Specialized Program

- Linking with representative outreach activities
- Suitable activities for the characteristics of the business
- Specialization program support

Synergy Generation through Operation of Various Participation Channels

- Various participating channels for clients and employees' families
- Enhancement of internal and external publicity activities
- Strengthening of affiliate partnerships

Overseas Social Contribution Activities

SF&MI is operating a variety of businesses in overseas countries and expanding its outreach to the entire world. In our overseas locations, we conduct outreach according to the characteristics of the country and region to help resolve local problems and difficulties. In 2011, we participated in the worldwide 'Samsung Outreach Month' that occurred for the first time in 17 years. We also participated in the Outreach Week held by Samsung China.

Samsung Gift Sharing Campaign 'Gift for You'

The 'Gift for You' is the enterprise campaign conducted throughout the Samsung Group. The theme is employees' gift sharing. The Samsung Group's gift sharing is composed of five categories; Job mentoring; Culture and Arts; Sports; Education and Learning; and Living and Health. SF&MI's employees choose the category they prefer and share their experiences and knowledge with those who wish to receive gift sharing. There is also a shared emotional communion with the recipient.

Youth Finance Education

We participate in the Youth Finance Education organized by the Finance Supervisory Service. For securing future clients and as an outreach linked to our main business, we designated an exclusive section for using our employees as teachers.

[Number of Youth Participants in Youth Finance Education]

(Unit : persons)

	2009	2010	2011
Youth Participants	-	2,172	1,019

※ 2009 participate data not available

Dream Fund

The 'Dream Fund' means 'Sharing Dreams and Hopes with our Neighbors and Local Communities'. The Dream Fund plays a core role in our employees' outreach activities along with the 'Samsung anycar Outreach Group'. The fund is created by matching funds automatically deducted from the monthly salaries of volunteer employees with money matched by the company. The Dream fund accumulates for a year(minus expenses), and is used as a donation to local community and volunteer groups. At the end of 2011, 99.3% of employees had volunteered and every month approximately KRW 39 million is saved into the fund and used for SF&MI outreach activities.



(Anycar Volunteer Group)

Social Insurance Products and Services

SF&MI provides insurance products and services to support socially and financially neglected classes of people in order to create a socially responsible enterprise.

Contributing Social Products and Services

We are committed to creating a society without discrimination. We continually release new products and services to support the disabled, the disadvantaged and financially neglected groups of people.

Auto insurance special clause for sharing and commoner friendly

Our 'Auto insurance special clause for sharing and commoner friendly' service offers reduced premiums to beneficiaries living on national basic living subsidies. For those with low incomes who own small, used automobiles, we offer a preferred automobile insurance product with a 17% reduction in premiums.

'Disabled People Welfare Facility Preferred Comprehensive Insurance'

Our 'Disabled People Welfare Facility Preferred Comprehensive Insurance' provides comprehensive coverage for fire, liability and injury for those living in welfare facilities for the disabled. This insurance product helps those with low income and disabilities.

"Happy Elderly Life" Insurance

In response to an aging society, SF&MI has launched a Non-Participating SF&MI Health Insurance "Happy Elderly Life" for the silver class to support preparations for old age. These products are suitable for today's middle-aged people and for the elderly. This insurance helps older people reduce the burden of increased medical expenditures and the entry age has been extended to 70. This product offers opportunities for more people to enjoy insurance benefits.

Micro-Donation Insurance

With its planned introduction in 2012, Micro-donation insurance is intended to spread a culture of compassion to supply our weakest and most vulnerable citizens with insurance. Policyholders donate a small portion of their insurance premium and SF&MI matches their donation. This money will be used to help children of low-income families to receive free medical insurance.

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Our Approach

SF&MI performs Green Management according to Environmental and Energy Management Policies. We also perform our corporate environmental responsibilities through active engagement of all employees and through Eco-Friendly Products and Services to fit the Characteristics of our Business.

Green Management System

- Revised Environmental & Energy Management Policies. Specified Energy Saving Efforts

Mitigation and Adaptation to Climate Change

- Conduct climate change research and locate business opportunities with the Samsung Disaster Prevention Research Institute

Eco-Friendly Insurance Products and Services

- Release Eco-Friendly Insurance Products and Services to fit the Characteristics of our Business



Paper costs saved from the Smart & Green Campaign are used for green environmental projects such as the 'School Forest Growing' of Korea Forest.

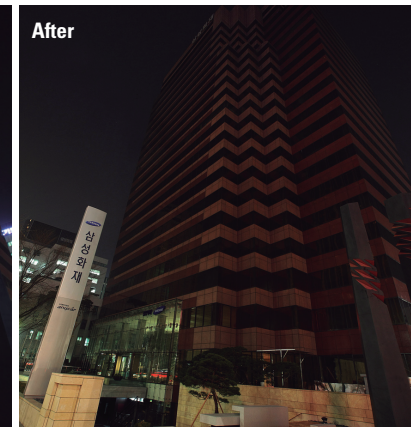
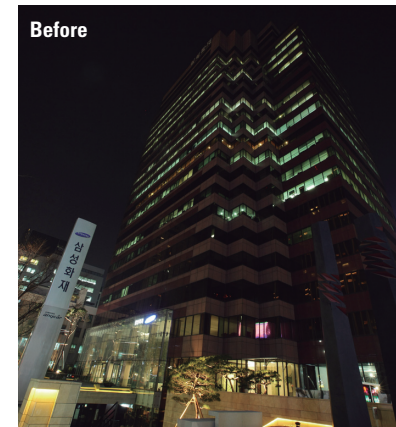
Performance Highlights

Energy Consumption **791_{TJ}**

Holders of Electronic Policies **186,715**

Participants in Eco Point Donation **212,570**

(Honeybean Points on The Homepage)



In March 2012, the Head Office turned off all lights for 1 hour on 'Earth Hours,' a Global Environmental Campaign.

Green Management System

SF&MI is systemizing green management to protect the global environment based on climate response strategies and employee engagement.

Establishment of the Green Management System

SF&MI is actively practicing global environmental protection through climate response strategies. We continue to enhance eco-friendly management by building an enterprise committed to eco-friendly management and increasing the environmental awareness of our employees.

Development of Environmental and Energy Management Policies

We are operating enhanced environmental management systems to create foundations for green management systems. We have revised the environmental management policy published in 2011. It is now the environmental and energy management policy of April 2012. We have a CSR Office dedicated to environmental management, which handles everything relating to climate change response and regularly evaluates environmental management performance. We transparently disclose evaluation results in sustainability reports to stakeholders both inside and outside the company. SF&MI is deeply committed to environmental responsibility.

Compliance with International Norms

By participating in global initiatives, SF&MI actively joins the global movement for climate response and adaptation. We follow the principles of the United Nations Global Compact on the Environment. As a member of The United Nations Environment Programme Finance Initiative(UNEP FI), we back the sustainability statements of the global initiative. We actively participate in international activities and are members of the 'Carbon Disclosure Project' and the 'Water Disclosure Project'. In 2011, the Carbon Disclosure Project(CDP) Korea selected SF&MI as a 'Carbon Management Global Leader'.

Enhancement of Employee Environmental Awareness

SF&MI actively encourages enhancement of eco-friendly awareness programs and employee eco-friendly practices through a variety of environmental campaigns. We follow the policies of 'Low Carbon Green Growth'. At the 'Miracle of 3 Days' event in October 2011, we donated the cost of employee lunches to World Food Day to support relief for poor children and for anti-contamination efforts. We also conducted a program where employees participated and viewed films relating to environmental protection. We collect cellular phones and used batteries. In addition, through Samsung Group education, the energy officers of affiliates gather and exchange domestic response trends for climate change and tasks for greenhouse gas and energy target management systems. Recently, we conducted education on the energy management systems to cultivate inside examiners and tighten in-house energy policies for participation by key employees.

Climate Change Mitigation and Adaptation

SF&MI conducts programs to reduce greenhouse gas emissions and maximize energy efficiency to fulfill our social responsibility for protecting the global environment.

Efforts to Reduce Greenhouse Gas Emissions

Our environmental and energy management policies apply to both SF&MI and partner companies. Our Corporate Social Responsibility(CSR) office sets detailed energy management standards and handles all environmental information including energy consumption and green house gas emissions. In 2012, energy management set a reduction target of 3% and conducts company-wide reduction activities including the efficiency of energy use facilities and energy savings.

Greenhouse Gas Emissions Management and Disclosure

Unlike manufacturers, SF&MI does not have a wide range of energy and resource use but makes a voluntary practice of thoroughly managing greenhouse gases and resources for optimal environmental management. Since we joined CDP in 2010, we have disclosed carbon related information including greenhouse gas emissions for all SF&MI buildings. These emissions are verified by a third party to increase the reliability of environmental information.

[Greenhouse Gas Emissions]

(Unit : tCO₂e, tCO₂e / m²)

	2009	2010	2011
total greenhouse gas emissions	38,638	40,393	41,584
greenhouse gas emissions per unit area	0.090	0.094	0.093

Efforts For Energy Savings and Efficiency

The facilities at SF&MI buildings are operated with flexibility to save energy under our energy efficiency policy. During the summer and winter months, when cooling and heating demands rise, offices maintain proper indoor temperatures and automatically turn off lighting. Older buildings are remodeled in eco-friendly ways and equipped with energy efficient facilities to create eco-friendly working environments. In the Disaster Recovery Center, replacing older equipment systems with new,

virtual based ones, results in faster business response as it reduces electricity consumption. We have reduced CO₂ emissions by 130,000 kg a year, the same effect as planting 1,175 pine trees.

Indirect Reduction of Greenhouse Gases

SF&MI operates shuttle buses and encourages use of public transportation, rather than cars, to travel back and forth to work. To encourage business trips by public transportation, SF&MI supports fare discounts in connection with KTX, and requires use of cars to be approved by section heads and the HR team.

[Activities to Reduce Greenhouse Gases]

	Activities
Electricity	<ul style="list-style-type: none"> - Automatic Lights-Out During Lunch and Off-Office Hours - Observance of Recommended Indoor Temperatures - Switch off of PCs and Electrical Devices when Leaving the Office
Fuel	<ul style="list-style-type: none"> - Operation of Group Company Shuttle Buses - Recommendation of the Use of Public Transportation when Getting to and from Work and Business Trips
Paper	<ul style="list-style-type: none"> - Introduction of the Electronic Approval System - Promotion of Electronic Policies and Internet Insurance
Oils	<ul style="list-style-type: none"> - Maintaining the Legal Temperature - Education on Smart Driving
Others	<ul style="list-style-type: none"> - Replacement of Aging Equipment and Installation of Energy Efficient Equipment - Demand Management Monitoring - Power Saving Campaign - Encouragement of the Use of Mugs(rather than disposable cups)

Participation in Environmental Activities

SF&MI encourages employee interest in the environment and voluntary participation through our eco-friendly activities policy. The eco-friendly activities of SF&MI are offered to employees and customers by the use of products and services that induce active participation.

Eco Office Activity: Employee Participation Activity

The practice of Employee Green Life increases work efficiency as well as environmental improvements and contributes to the green management of SF&MI. Since the Electronic Approval System was introduced in 2009 for saving energy, the Electronic Document Use Campaign has reduced paper usage. We have increased our use of recycled paper and reduced overall paper consumption. We have the decreased use of disposable supplies in our offices, such as paper cups and encouraged the use of mugs. Use of products from recycled materials and eco-friendly products are gradually being expanded. All of these small practices have increased our employees' eco index.

Smart & Green Campaign: Customer Participation Activity

Since April of 2010, SF&MI has been conducting the 'Smart & Green' campaign to provide environmentally-friendly insurance products and services to reduce the use of paper. Policyholders receive insurance materials and the saved paper costs are used for the Green Environment Practice Program. This program donates money to environmental improvement programs such as the School Forest Movement of the Korea Forest Service.

'myanycar' is an online insurance program that allows policyholders to receive online insurance policies and is sought after as an eco-friendly insurance product.

Safe Driving: Eco-Friendly Safe Driving Promotion

We distributed 'Eco-Friendly Safe Driving Guide Leaflets' to inform drivers about traffic safety and to spread information on low carbon, eco-friendly driving. Eco-Friendly Driving means that drivers understand the characteristics of their cars and drive properly to save energy and reduce carbon dioxide emissions. SF&MI provides leaflets containing twenty-eight tips on car management and safe driving to drivers after they have had car accidents or trouble with their cars. The SF&MI website, 'My Safe Driving' allows users to measure their eco-friendly driving scores.

Environmental Protection Activity: Tree Planting Program

SF&MI conducts an Environmental Donation Campaign in combination with UNEP Korea throughout the year. Those who join SF&MI's homepage are automatically given Honey Bean points whenever they visit the homepage or open SF&MI emails. The accumulated points can be donated to an environmental program called, 'Plant a Tree! For Earth'. In 2011, more than 67% of SF&MI homepage member customers generated donations of approximately KRW 7.70 million.



(Tree Planting Program)

Eco-Friendly Campaign Activity

SF&MI makes efforts to share its eco-friendly activities with diverse stakeholders by encouraging 'eco-friendly' practices not only in working space but also in daily life. By active conduction of eco campaigns, we will keep developing environment management that goes with employees and stakeholders.

Environmental Campaign With Employees Earth Hour is a global environmental campaign designed to turn off as many lights as possible for one hour. The event is scheduled on the last Saturday in March at 8:30 in the evening and is intended to reduce global warming. It is also designed to encourage the people of Earth to participate in eco-friendly activities. SF&MI joined this campaign in 2010. On March 31, 2012, SF&MI turned off all interior and exterior lightings at the head office and all company buildings. We also sent out SMS messages to all employees to remind them of the meaning of the global 'lights out' event. Emails were also sent to online customers to remind them of the 'lights out' campaign and to encourage them to contribute to environmental protection.

Green Practice Events with Citizens SF&MI participated in the '2012 Earth Day' event at Cheonggye Kwangjang and Kwanhwamoon in Seoul. The Earth Day event included the slogan. 'Movement for the Earth' and provided a variety of attractions such as a flash mob and environment musicals and campaigns for resource recycling to reduce greenhouse gases. Green Life Practice programs such as Mug cup use, Eco Mom Shop, Environment Education Experience, etc. helped citizens consider the use of our earth and our environment.

Climate Change Risk Management

Samsung Disaster Prevention Research was established in 1979 and was the first domestic non-life insurance company dedicated to the organization of risk management. The Institute works to reduce and prevent accidents. The Institute recently investigated climate change risk factors in response to the increased importance of risk management from climate changes. The Institute also carries out reviews on the Business Value of Emission Trading. The Clean Development Mechanism (CDM) supports Greenhouse and Energy target management consulting. To take advantage of the environmental crisis that may prove a calamity to non-life insurance businesses, the Institute monitors environmental risk factors from climate change, develops preventative actions and accident response systems, and publishes disaster prevention related publications.

Natural Disaster Prevention Program

To prepare for natural disasters, SF&MI developed meteorological systems and provides daily weather information and risk indices through weather data from the Korea Meteorological Agency. We create real-time updates on climate change and seasonal weather prospects. Our experts provide information on natural disasters such as floods, earthquakes, storms, tidal waves and heavy snow. We carry out consulting on natural disasters and in 2011, we completed forty-four consulting cases for national manufacturing and construction sites.

Eco-Friendly Insurance Products and Services

SF&MI will grow into a leading eco-friendly company with eco-friendly insurance products and services.

Eco-Friendly Insurance Products and Services

SF&MI releases eco-friendly products and services in the non-life insurance industry to take the lead in coping with climate changes by developing 'Weather Insurance' to compensate for sales losses due to sudden weather changes. We also offer 'Eco Mileage Auto Insurance' to apply premiums based on contracted mileage. We are constantly creating new products to meet the challenges of changes in our global environment.

[Eco-Friendly Products and Services]

Products and Services	Features
Electronic Policy and Clauses (Eco-e Policy and Clauses)	Premium discount and donation to eco organizations when receiving insurance policies and materials via email.
Weekly 'No Driving Day' Auto Insurance	Reduced premium of 8.7% when joining 'Weekly No Driving Day'
Strom and Flood Insurance	Covers restoration expenses when your house, green house, pens, etc are damaged from typhoons, heavy rains, strong winds, heavy snows, etc.
Crop Insurance	Covers crops(fruits, rice, etc) damaged from natural disasters.
Environmental Impairment Liability Insurance	Supports finances for rapid restoration from, and prevention of, spread of contamination when the policyholder causes contamination and has civil liability for the damage.
Weather Insurance	Covers sales decrease or increased expenses due to abnormal weather
Bicycle Insurance	Covers policyholder bodily or property damage from bicycle use or bodily or property damage caused by bicycle use.
Eco Mileage Auto Insurance	Advance or delayed discounts in premiums according to contracted mileage after mileage calculations
Used Auto Part Special Contracts	Returns 20% of the cost of new parts when car accident repairs are made with used parts.

Extension of Electric Cars and Hybrid Vehicle Support

In response to the increasing presence of electric cars, we are carrying out a pilot project in concert with the Korea Electric Power Corporation to construct an electric car infrastructure including a service network.. SF&MI will provide compensation education and develop a damage assessment manual to expand support for electric cars and hybrid vehicles to participate in resolving global warming.

Investment in Consideration of the Environment

In asset management, we proactively respond and look for alternatives to solve environmental problems such as climate change. We consider active investments in domestic environmental support projects and make drastic investments in environmental improvements within SF&MI. We are working to become a global leader in the 'eco movement'.



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Economic Performance

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Elements		Unit	2009	2010	2011	Remarks
Value Creation						
Major economic value creation(At a glance)						
Growth	Direct Premiums Written		108,951	127,713	145,846	non-consolidated
	Total asset	100 Million KRW	266,559	322,718	386,212	
Stability	Shareholder equity		49,403	66,219	76,950	
	Solvency margin ratio(RBC ratio)	%	426.4	498.5	450.7	2009: Based on solvency margin ratio
Profitability	Net income	100 Million KRW	5,245	6,764	7,845	
	Loss ratio	%	79.0	81.9	81.3	
Credit Rating						
	S&P		A+	A+	A+	
	A.M. Best		A+	A+	A++	
Sustainability Performance						
	Sales of Eco-Friendly Insurance Products	100 Million KRW	32.9	213.3	1,004.5	
	Sales of Social Insurance Products		3.5	12.8	8,230.0	
Value Distribution						
Stakeholder Specific Value Distribution						
Creditor	Interest Costs		16	45	47	
Employee	Wages and Benefit Costs		5,673	5,754	5,649	
Government / Society	National Tax and Local Tax		1,934	2,494	2,138	
Shareholder	Dividend		1,397	1,747	1,749	
Community	Social Contribution Costs	100 Million KRW	253.69	255.90	253.92	
	Culture & Art		27.82	48.19	37.74	
	Social Welfare		147.87	151.19	165.55	
	Sports Promotion		31.03	52.83	33.87	
	Academic Education		46.97	3.54	16.14	
	Environmental Preservation		0.00	0.16	0.63	
	Social Contribution Costs compared to Net income	%	4.8	3.8	3.2	

* The data for FY'09 was prepared based on K-GAAP, while the one for FY'10 and FY'11 based on K-IFRS.

* 'Interest costs' is the one stated on the financial statement and from FY'10, the amount rose as IFRS was introduced.(Occurrence of present value discount amortization)

* Wages and benefit costs = wage + severance payment + welfare cost + property management cost

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Elements		Unit	2009	2010	2011	Remarks
Environmental Performance						
Energy						
Energy Consumption	Total Consumption		706	770	791	
	Direct Consumption(Scope1)	TJ	107	150	162	
	Indirect Consumption(Scope2)		599	620	629	
	Per unit Area	TJ / m ²	0.002	0.002	0.002	
Greenhouse Gases						
Greenhouse Gas Emissions	Total Emissions		38,638	40,393	41,584	
	Direct Emissions(Scope1)	tCO ₂ e	5,695	8,329	9,071	
	Indirect Emissions(Scope2)		30,943	32,064	32,513	
	Per Area	tCO ₂ e / m ²	0.090	0.094	0.093	
Waste						
	Generation	Ton	1,131	1,278	1,007	
	Recycling Ratio	%	37	39	30	
Water						
	Consumption	Ton	393,043	306,621	344,812	
Paper						
Paper Purchases	Copy Paper Purchases	Ton	10,952	9,324	10,478	
	Printing Paper Purchases		3,343	3,215	3,131	
	Number of Electronic Policy Holders (Paperless Activity)	Cases	54	78,292	186,715	
Environmental Low						
	Breach of Environmental Law	Cases	None	None	None	

*The subjects are the owned office buildings(32 in total) in Korea and the one in Yeongdeungpo was built in April, 2011,

Social Performance

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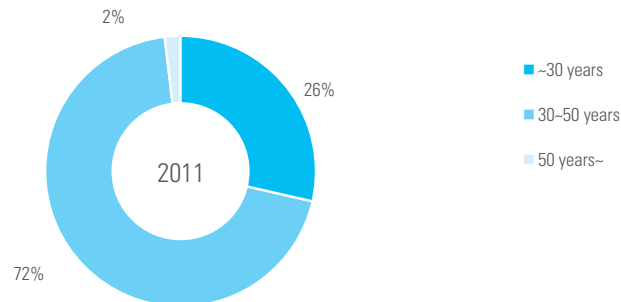
Social Performance

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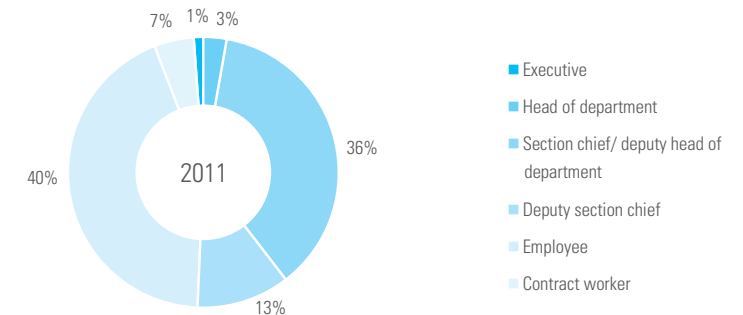
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Elements		Unit	2009	2010	2011	Remarks
Employees						
Employment and Performance Evaluations						
Employee status	Employee status		5,220	5,301	5,341	
	Regular(Including executives)		4,988	5,020	4,986	
	Regular(on Annual Salary)		86	89	110	
	Non-Regular		146	192	245	
New recruitment	Staff Employment		329	268	253	
	Experienced Staff	Persons	66	56	67	
Local recruitment	The Number of Employees Working in Overseas Operation		184	258	359	
	The Number of Employees Hired From the Local community		159	225	318	
	The Number of Senior Management Hired from the Local Community		24	29	45	
Wages	Employee Average Wages	Male	93.82	92.12	102.82	
		Female	50.70	50.11	55.87	
	Ratio of New Employees' Wages to Legal Minimum Wage	%	271	295	299	
	Number of Employees with Formal Performance Evaluations	Persons	5,074	5,109	5,096	All Regular
	Average Years of Services	Years	9.0	8.3	9.8	
Diversity						
Female	Female Workers Rate Employees(in Regular Positions)		41.7	41.1	41.2	
	Female Manager Rate(Section Manager and Above)	%	4.9	6.6	7.1	
Disabled Person	Disability Employment Rate		1.38	1.53	2.19	
National Veterans	Employment Rate of National Veterans		1.49	1.48	1.49	

[Age Structure of Employees]



[Position Structure]



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	Elements	Unit	2009	2010	2011	Remarks
Employees						
Employees' Competence Enhancements						
	Training Expenses per Capita	1 thousand KRW	1,394	1,588	2,165	
	Training Hours per Capita		112	97	113	
Ethics Management	Ethics and Compliance Education Time(Anti-Corruption Education)	Hours	34,662	32,426	41,990	
Customers Satisfaction	Number of CS Course Completed Employees		20	20	20	Online Courses
think NEXT e-Shared Value Courses	Education Time per Capita of Courses	Persons	4,672	4,890	4,884	
	Number of Course Members		16,023	13,043	18,760	
Welfare Benefits						
Welfare Benefit Costs	% of Employees who received regular medical examination	%	91.4	90.9	94.4	
	Medical Examinations(Including Spouses)	1 thousand KRW	1,164,604	1,793,018	3,696,904	
Hobby Club	Number of In-House Club Activities	Cases	36	35	39	
	In-house Club Participants	Persons	1,018	1,057	1,129	
Human Rights and Labor						
	Absence and Lost Work Days	Days	2,011 / 82	1,585 / 430	2,004 / 171	
	Turnover Rate	%	7.01	4.77	4.12	Including Executives
Labor Union	Percentage of Ordinary Employee Council Members	%	100	100	100	
	Number of Security Officers Trained in Formal Human Right Education	%	100	100	100	

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Elements		Unit	2009	2010	2011	Remarks
Customers						
	Breach of Customer Privacy Protection	Cases	None	None	None	
	Handling Rate within 24 Hours	%	68.2	83.0	81.0	
	National Customer Satisfaction Index	Points	72.0	72.0	73.0	
Partners						
RC	Number of RCs	Persons	33,178	33,570	33,105	Based on Active Standard RC
	Training Expenses per RC	1 thousand KRW	150	140	153	
Repair Shops	CS Training for Repair Shops	Sessions	18	21	18	For <i>Anycar</i> Field Service Providers and <i>anycar</i> Land Shops
	Participants of CS Training for Repair Shops	Persons	740	611	432	
Community						
Social Contribution	Employee Volunteer Hours (per Capita)	Hours	13.2	12.2	11.1	Accumulated
	Number of employees who participated in social contribution activities	Persons	27,251	20,937	22,452	
Investors						
	Number of IR(Investor Relations) meetings	Cases	453	482	407	
Corruption Risk Analysis and Law Violation						
	Establishments Analyzed for Corruption Risks	Establishments	950	947	992	All Departments
	Percentage of Establishments Analyzed for Corruption Risks	%	100	100	100	

*In 2010, a penalty of KRW 15 million was imposed by the Financial Services Commission for violation of a duty to report changes in insurance products. The processes including related documents were reorganized to prevent a reoccurrence. The details of the occurrence and corrective actions can be found in the 2010 annual report.

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Feedback from Stakeholders

SF&MI's Sustainability report 's owner is exactly all the stakeholders. SF&MI has heard stakeholders' comments on Sustainability-related activities and the matters being made public, and will continuously make an effort to become a company giving reliability and growing with stakeholders through active communication in the future.

Stockholder Investor

Jang, Hyo-seon
Team manager
Samsung Securities

Jumping into A Global Company Beyond Korea's Top!

SF&MI is showing outstanding performance as overwhelming No.1 company in the domestic indemnity insurance market. With its proclamation of Vision 2020, it is also expected that the company will grow up as a global company beyond Korea's top. I believe that the company will be recognized as a leading indemnity insurance company on the basis of its competitive business portfolio and management with internal stability not only in the country but also around the world in the future. With the recent global economic circumstances, a balance between corporate and community members is also emphasized as well as growth. I hope SF&MI to become a global company that receives positive reviews from both Shareholder and investors with its continuous efforts for sustainable management, such as transparent governance and decision-making, ethical management, and corporate social responsibility, in the future.

Customer

Lee, Yun-ju
12th Customer Panel

'Nae-ill Che rum(As if it were my problem)', Standard of Customer Satisfaction

Judging from the customer panel system and customer's participation in product development, and customer-centered communication, I think that SF&MI's Sustainability Report contains the company's authenticity for customers. I could find that SF&MI is not showing it off, but is thinking in customers' shoes and is considering customers' relief and safety as the first priority. I felt SF&MI deserves being ranked No.1 company in customer satisfaction. I hope SF&MI to become a company that always conducts management activities thinking in customers' shoes and provides satisfaction for customers.

Employees

Go, Gwan-song,
President of SF&MI
employee council

Exciting SF&MI!

With SF&MI's second sustainability report being shared through the company's website in real-time, I feel confident as a president of employee council, representing the employees of SF&MI, and have more responsibility for practical activities. I think the report fully contains the company's efforts such as fostering employees, operating personnel and benefits package for employees to encourage employees to feel a sense of belonging and pride on SF&MI, and communication with employees. Such efforts for employees are not the end, and this is just a start. The employee council will make more efforts to maintain and develop a win-win relationship between labor and management by empathizing together and reflecting the expectancy of an individual employee.

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Partner RC

Yim, Sang-su
Happy Branch of
Dunsan District, RC

Customers' Happiness Partner!

SF&MI RCs not only help customers prepare the insurance scheme on the basis of their financial knowledge but also understand the importance of sincere communication with customers. We RCs know SF&MI's diverse efforts, such as a system to support RC business and a well-structured education for RCs, and welfare benefits and compensation, to foster the industry's leading competitive financial consultants. I think customers' partner for happiness can be recognized at the spot. I hope SF&MI to listen to voices from the spot and to support and cooperate with RCs through periodic and diverse communication. SF&MI RCs will share everything related to sustainable growth of SF&MI with SF&MI and will grow together.

Local Community

Song, Ja.
Chairman of
Kids & Future Federation

Warm Insurance! Warm SF&MI!

Through this report, I found that SF&MI is a respectable company that conducts diverse and systematic social contributions with taking advantage of its characteristics as an indemnity insurance business and contributes to communities. Support for children in families with traffic accidents, preventive activities against traffic accidents, guide dogs for persons who are visually impaired, etc. are widely recognized as representative social contributions of SF&MI. I would like to ask you to make an effort to continue such social contributions so that more people can recognize them as 'SF&MI's specialized social contributions.' In addition, I hope SF&MI to be loved and respected continuously by developing products and services that make the socially neglected people feel confident of their future.

Environment

Kim Dongsoo Director
Sustainability
Management Center
Korea Productivity Center

Environmental Management, Best Insurance for the Future!

SF&MI has conducted systematic green management, such as establishment of a policy for environment and energy management, and the acquisition of ISO50001 certification for an energy management system, in order to more effectively promote environmental management. Providing green products, such as eco-mileage car insurance, and vitalizing electronic insurance terms are considered as representative activities to carry out the company's environmental responsibility faithfully. Particularly, eco-friendly activities on the basis of the participation of employees, customers, and citizens, are a good example of confirming SF&MI's will to conduct environmental management. As the environmental preservation and energy efficiency regulations are gradually spreading, it is required for all the stakeholders of SF&MI, including employees, to have continuous understanding of and interest in eco-friendly practices. We expect that SF&MI can continue to actively make public its environmental management activities and the performance and to put it into practice through the sustainability report.

Third Party Verification

Assurance Statement



Introduction

Det Norske Veritas Certification Ltd.(hereinafter referred to as 'DNV') has been commissioned to carry out assurance engagement on Samsung Fire and Marine Insurance Co., Ltd.(hereinafter referred to as 'SFMI') Sustainability Report 2010-2011(hereinafter referred to as 'the Report'). This engagement focused on the information provided in the Report and the underlying management and reporting processes.

This Assurance Statement is intended for the readers of the Report. SFMI is responsible for the collection, analysis, aggregation and presentation of all information within the Report. DNV's responsibility regarding this Assurance engagement is to the management of SFMI only, in accordance with terms of reference and scope of work agreed. DNV disclaims any liability or responsibility to a third-party for any decisions, whether investment or otherwise, based upon this Assurance Statement.

Scope of Assurance

This Assurance Engagement covered data from calendar year 2010-2011. The scope of DNV's Assurance Engagement, as agreed with SFMI included the verification of:

- Sustainability policy, goals, initiatives, practices and performance for calendar year 2010-2011, as described in the Report. These were verified at company level.
- Health & Safety, Social and Environmental data management systems, and associated processes and tools for collecting, analysing, aggregating and reporting quantitative and qualitative information provided in the Report.
- Processes for defining the boundaries, focus and content of the Report.
- Review of the extent to which the principles and requirements of the Global Reporting Initiative(GRI) Guidelines for Sustainability Reporting(GRI G3.1) and Financial Service Sector Supplement(FSSS) are reflected in the Report.
- The extent to which the principles of Materiality, Inclusivity and Responsiveness are adopted, in line with the requirements of the AccountAbility 1000 Assurance Standard(2008) (AA1000 AS(2008)) for a Type 1, Moderate level of assurance engagement. The reliability of the information within the Report was verified to a moderate level assurance.

SFMI's reporting boundaries include all operations over which SFMI's management exercises significant control

Limitations

The engagement excluded the sustainability management, performance and reporting practices of SFMI' suppliers, contractors and any third-parties mentioned in the Report. DNV did not interview external stakeholders as part of this Assurance Engagement. Economic performances including financial data were cross-checked at head-office with internal documents and the audited financial statements. This statement is only applicable to electronic version(PDF Version) of SFMI' Sustainability report 2010-2011.

Statement of Competence and Independence

DNV provides sustainability risk management services through specialists worldwide. This engagement was undertaken by a multi-disciplinary team of suitably qualified and experienced sustainability professionals. DNV was not involved in the preparation of any information presented in the Report. DNV did not provide any services to SFMI during 2010-2012 that could compromise the independence or impartiality of our work.

Verification Methodology

This Assurance Engagement was carried out in May 2012, and in accordance with the DNV Protocol for Verification of Sustainability Reporting and AA1000 AS(2008). In reaching our conclusion, we have undertaken the following work;

- Interviewed SFMI's management representatives and executive;
- Visited SFMI's Head office in Seoul, Republic of Korea;
- Examined relevant documents, data and other information requested by DNV and made available by SFMI;
- Reviewed the mechanisms implemented by SFMI to promote and oversee its sustainability-related policies as described in the Report;
- Reviewed a selection of internal communication and external media reports relating to SFMI' sustainability management approach, performance and adherence to its policies;
- Analysed sustainability data management systems, assessing specific data and information reported in accordance with the requirements of AA1000 AS(2008). The assessment of reliability of data and information was based on explicit assertions regarding sustainability performance on material issues and included a review of their completeness and accuracy. It included a review of the methods, practices and tools used in the collection, aggregation, analysis, internal quality control and reporting of the data and information. DNV's assessment also included; high-level trend analysis; the identification and significant changes in performance from the previous reporting; a review of data traceability; and record checks at different stages in the data flows.
- Verified against the content principles and quality principles of GRI G3.1

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Conclusions

In DNV's opinion, and based on the scope of this Assurance Engagement, the Report provides a reliable and fair representation of SFMI's sustainability strategy, policy, practices and performance in 2010-2011.

Based on the work undertaken as part of this Assurance Engagement, DNV believes that the Report generally meets the principles, content and quality requirements of GRI G3.1 and AA1000 AS(2008) for a Type 1 Moderate level of assurance. Further conclusions and observations on the adoption of reporting principles and specific performance information are made below;

Regarding the level of adherence to reporting principles, we conclude the following:

AA1000 Principles

Inclusivity and Responsiveness: SFMI has engaged with a wide range of stakeholders regarding sustainability issues via survey and interview. Stakeholder engagement process and survey result are disclosed in detail in the Report. 5 Stakeholder groups which are Shareholders / Investors, Customers, Employees, Business partners and Local community are identified with the reason of being selected and the communication processes for respective groups in the Report. Stakeholders' views, interests and expectations sought from the survey are considered in the preparation of the Report and in the formulation of SFMI's sustainability management approach. SFMI needs to establish more effective system responding to respective material issues with objectives and monitoring and measuring of performance.

Materiality: The Report generally provides an account of performance on the issues that are most significant to SFMI's activities and which are most relevant to its stakeholders. The material issues were identified and prioritised based upon the stakeholders' opinion sought by survey. However SFMI needs to integrate the sustainable issues proposed and / or identified by international peers, international initiatives of insurance industry, and GRI Financial Service Sector Supplement into the sustainable management.

<Additional principles>

Reliability: No material errors have been detected for data and information verified in accordance with AA1000 AS (2008). Information in the Report is presented so as to allow comparison of year-on-year performance. SFMI needs to report the performance with regards to the target set in the last report.

Completeness: The scope and boundary of the Report cover the issues and activities that are of most significance to SFMI and relevance to its stakeholders. No material omissions were identified in data or information verified. More efforts to improve reporting on the performance from international business operations need to be made.

Neutrality: In general the Report provides a fair and balanced representation of SFMI's approach and performance in 2010-2011.

Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported to SFMI's management. However, these do not affect our conclusions on the Report and are provided to encourage continual improvement.

- Manage systematically key process for producing the sustainability Report, from data gathering, analysis and reporting(for example documented procedures)
- Conduct internal audit on all data and information to be disclosed to ensure its accuracy and reliability.
- Undertake an assessment of sustainable management processes and practices of newly launched international business so that it is harmonized with SFMI's sustainability strategy.
- The management of sustainability performance data at head office level is reliable; consider working with subsidiaries and local sites, where appropriate, to enhance data collection and management practices.

Seoul, Korea June 2012

Seung Hyun Kwak
Lead Verifier



In Kyoon Ahn
Country Manager



Jayaram Santhosh
Engagement Reviewer



AA1000
Licensed Assurance Provider
000-10

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Certificate of Registration

ENERGY MANAGEMENT SYSTEM - ISO 50001:2011

This is to certify that:

Samsung Fire & Marine Insurance Co., Ltd
Samsung Insurance Building
29, Eulji-ro
Jung-gu
Seoul
100-782
Republic of Korea

Holds Certificate No: **ENMS 586305**

and operates a Energy Management System which complies with the requirements of ISO 50001:2011 for the following scope:

The provision of general, long-term and automobile insurance services.

For and on behalf of BSI:

J. K. Cheon

Managing Director Korea, J K Cheon

Originally registered: **25/05/2012**

Latest Issue: **25/05/2012**

Expiry Date: **24/05/2015**



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This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract. An electronic certificate can be authenticated [online](#). Printed copies can be validated at www.bsigroup.com/ClientDirectory or telephone +82 2 777 4123.

BSI Group Korea Limited, 21F, Jongno Tower Bldg #6, Jongno 2-ga, Jongno-gu, Seoul, 110-789, Korea.
A Member of the BSI Group of Companies.



Verification Statement



Samsung Fire & Marine Co., Ltd.

Scope:

The annual GHG emission for the period from 2009 to 2011.
The physical scope is the owned offices within the boundary of Samsung Fire & Marine Co., Ltd.
GHG emissions for SCOPE 1(Direct-emissions from the plant), SCOPE 2(Indirect-energy related) as defined in WBCSD/WRI GHG protocol Chapter 4 "Setting Operational Boundaries"

Data Verified:

The Scope 1 and Scope 2 GHG Emissions for the period from 2008 to 2011 are as follows.

Site	Emission Source	t CO ₂ e (2009Year)	t CO ₂ e (2010Year)	t CO ₂ e (2011Year)	Note
Owned offices	Scope 1 Direct Emission	5,695	8,329	9,071	
	Scope 2 In-direct Emission	30,943	32,064	32,513	
Total		36,638	40,393	41,584	

GHG Criteria & Protocols used for Verification:

The verification was carried out at the request of **Samsung Fire and Marine Insurance Co., Ltd.** using:

- The Kyoto Protocol to the United Nations Framework Convention on Climate Change-11 December 1997
- The GHG Protocol of the WBCSD/WRI - Revised March 2004
- IPCC Guideline for National Greenhouse Gas Inventories - Revised 2006
- ISO14064 Part 1 & 3 - Issued 2006
- BSI GHGEV Manual (KM007 R0) - Issued Jan. 2011
- GHG-Energy Target Management Operating Guideline (2011-29)

The BSI Group Korea's standard confidentiality principle is applied to the all verification activities.

Verification Opinion:

As a result of carrying out verification in accordance with the protocols and the best practice mentioned above, it is the opinion of BSI that:

- No material misstatement in the calculations was revealed, good record keeping was demonstrated and
- Data quality was considered acceptable in meeting the key international principles for greenhouse gas emissions verification.

Signed:

J. K. Cheon

J K Cheon / President, BSI Group Korea

Date: **May 24, 2012**

BSI Korea
21F, Jongno Tower Building
6 Jongno 2-ga, Jongno-gu, Seoul
Tel: +82-(0)2-777 4123

BSI Management Systems Global HQ
389 Chiswick High Road, London, W4 4AL, United Kingdom
Tel: +44 (0)20 8996 9000

0476-10401100-15264632

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Statement GRI Application Level Check

GRI hereby states that **Samsung Fire & Marine Insurance co., Ltd** has presented its report "Samsung Fire & Marine Insurance Sustainability Report 2011~2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 30 May 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Samsung Fire & Marine Insurance co., Ltd** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 15 May 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

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● : fully ● : Partially ○ : Not N/A : None applicable

GRI 3.1 & ISO 26000 Indicators				
GRI 3.1	ISO 26000	Page	Reported	Remarks
Vision and Strategy				
1.1	Declaration of Sustainable Management from the CEO and the executive committee.		●	
1.2	Descriptions of major risks and opportunities.	6.2	●	
Organizational Profile				
2.1	Organization name	7	●	
2.2	Main products and services	10	●	
2.3	Organizational structure	6.2	●	
2.4	Main business location(s)	7	●	
2.5	Overseas business location(s)	36-38	●	
2.6	Equity structure and legal status	8	●	
2.7	Active market(s)	7, 36-38	●	
2.8	Organizational size / scale	7	●	
2.9	Major change(s) in organizational and / or equity structure	22, 37	●	
2.10	Awards	98	●	
Reporting Variables				
3.1	Reporting periods	2	●	
3.2	Latest report publication date	2	●	
3.3	Reporting interval	2	●	
3.4	Contact information for queries and comments regarding reports	2	●	
3.5	Processes to determine contents of reports	14, 20	●	
3.6	Scope of reporting	2	●	
3.7	Restraints on the scope of reporting	2	●	
3.8	Criteria for comparison by period and / or by organization	2	●	
3.9	Criteria for data measurement and calculation, such as indicators of performance	2	●	
3.10	Effect of re-stating what has been previously reported	-	N/A	
3.11	Major changes from previous reports	2	●	
3.12	Table of a standard list of contents making up the report and included therein	93-96	●	
3.13	Policies and efforts to secure external check and verification of the reported contents	7.5.3	●	
Governance Structure, Responsibility, Participation				
4.1	Governance structure of the organization	23	●	
4.2	Whether the chair of the committee also holds a position on the Board of Directors	23	●	
4.3	The number of non-independent members on the Board of Directors	23	●	
4.4	Mechanisms for advising or making suggestions to the Board	23	●	
4.5	Remunerations for the members of the Board	24	●	
4.6	Processes to prevent conflicts of interests among the Board members	24	●	
4.7	Processes to determine levels of qualifications and skills required of the Board members	24	●	
4.8	Mission statement, core values, core principles	8-9	●	
4.9	Processes by which the Board identifies and manages economic, environmental, and social performances	6.2	●	
4.10	Processes by which the Board's own performance is evaluated.	23	●	
4.11	Principles and approaches to preventive actions	30-31	●	
4.12	External causes, sites of action, and / or initiatives in economic, social, environmental areas supported by the organization	98	●	
4.13	Membership within national and international councils and policy organizations	99	●	
4.14	List of participating stakeholders	13	●	
4.15	Criteria for selecting participating stakeholders	13-14	●	
4.16	Current state of participation by stakeholders(including types and frequency of participation by group)	13-15	●	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	16-20	●	

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GRI 3.1 & ISO 25000 Indicators					
GRI 3.1	ISO 25000	Page	Reported	Remarks	
Economic Performance					
EC1	Creation and distribution of direct, tangible economic values and benefits	6.8/ 6.8.3/ 6.8.7/ 6.8.9	40-41	●	
EC2	Impact of climate change on financial environment and risks / opportunities it presents for business environment	6.5.5	79	●	
EC3	Scope of pension support		59	●	
EC4	Record of benefitting from government subsidies		-	●	No case benefitting from government
EC5	Ratio of the legally mandated minimum wage applicable to the region of main business location to the wage level for new employees		83	●	
EC6	Policy, customs and proportion of local purchasing decisions made by the main location of business	6.3.7/ 6.4.4/ 6.8	-	●	No case of local purchasing
EC7	Preferential treatment for employment of the locals in the region of main location of business	6.8/ 6.8.5/ 6.8.7	52,83	●	
EC8	Investment in infrastructure and support for services in public interest	6.3.9/ 6.8/ 6.8.3/ 6.8.4/ 6.8.5/ 6.8.6/ 6.8.7/ 6.8.9	41,71-72	●	
EC9	Explanation of economic ripple effects	6.3.9/ 6.6.6/ 6.6.7/ 6.7.8/ 6.8/ 6.8.5/ 6.8.6/ 6.8.7/ 6.8.9	41	●	
Environmental Performance					
EN1	Amount of materials used, either in weight or in bulk		82	●	
EN2	Proportion of recycled materials used		75	●	SM&FI encourages the use of recycled paper
EN3	Amount of directly consumed energy from primary sources		82	●	
EN4	Amount of indirectly consumed energy from primary sources		82	●	
EN5	Amount of energy saved through active saving efforts and improvement in efficiency		82	●	
EN6	Efforts to provide products / services incorporating recyclable energy and the amount of energy saved by the given efforts	6.5/ 6.5.4	76, 77	●	SM&FI uses energy-efficient products. However, it is difficult to quantify the reduction.
EN7	Efforts for indirect energy conservation and performance		76	●	
EN8	Total amount of water gathered from each source		82	●	
EN9	Sources of water easily affected by water-gathering activities		-	N/A	
EN10	Total amounts and proportions of reused or recycled water		-	N/A	(No protected areas within the business premises)
EN11	Preserved zones, zones with highly valued ecological diversity, or the location and size of the area of land owned, rented or managed in the vicinity		-	N/A	(No protected areas within the business premises)
EN12	Activities, products, or services conducted in preserved areas or other areas with highly valued ecological diversity and the impact of such activities, products or services on ecological diversity	6.5/ 6.5.6	-	N/A	(No protected areas within the business premises)
EN13	Preserved or restored ecological habitats		-	N/A	(No protected areas within the business premises)
EN14	Strategies(current actions and future plants) to protect ecological diversity	6.5/ 6.5.6/ 6.8.3	-	N/A	(No protected areas within the business premises)
EN15	The number and types of species found on the Red List of the IUCN or the national list of endangered species found to inhabit the areas within the impact of project	6.5/ 6.5.6	-	N/A	(No protected areas within the business premises)
EN16	Total amount of direct and indirect greenhouse gas emissions		82	●	
EN17	Amount of other indirect greenhouse gas emissions		82	●	
EN18	Efforts for reducing greenhouse gas emissions and performance		76-78	●	(No protected areas within the business premises)
EN19	Amount of emissions of ozone-destroying substances		-	N/A	(No protected areas within the business premises)
EN20	Amount of emissions of major air pollutants, such as NOx and SOx.		-	N/A	(No protected areas within the business premises)
EN21	Total amount and quality of wastewater by final area of discharge	6.5/ 6.5.5	-	N/A	(No protected areas within the business premises)
EN22	Amount of wastewater by type and treatment method		-	N/A	(No protected areas within the business premises)
EN23	Amount of major harmful substances leaked		-	N/A	(No protected areas within the business premises)
EN24	Amount of waste materials listed on Appendixes I, II, III, and VIII of the Basel Agreement transported,, brought in, brought out, or processed		-	N/A	(No protected areas within the business premises)
EN25	Names of waters and related habitats affected by the discharge of wastewater by the reporting organization	6.5/ 6.5.3/ 6.5.4/ 6.5.6	-	N/A	(No protected areas within the business premises)
EN26	Efforts to reduce the environmental impact of products / services and performance	6.5/ 6.5.4/ 6.6.6/ 6.7.5	79	●	
EN27	Recycling rate for the packaging materials of sold or used products	6.5/ 6.5.3/ 6.5.4/ 6.7.5	-	N/A	(No protected areas within the business premises)
EN28	Amount of fines imposed and the number of sanctions issued for violations of environmental laws	6.5	-	●	(No protected areas within the business premises)
EN29	Environmental impact of transporting products, materials and employees	6.5/ 6.5.4/ 6.6.6	76	●	
EN30	Total cost and investment caused by environmental preservation	6.5	77-79	●	

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GRI 3.1 & ISO 25000 Indicators					
GRI 3.1	ISO 25000	Page	Reported	Remarks	
Labor					
LA1	Employee distribution by labor type, contract and region	6.4/ 6.4.3	83	●	
LA2	Employee turnover rate and demographic makeup (by age, gender and region)	6.4/ 6.4.3/ 6.4.4	84	●	
LA3	Benefits provided for full-time employees and not for contract (part-time) employees	6.4/ 6.4.3/ 6.4.4/ 6.4.5/ 6.3.10	57, 58	●	
LA4	Proportion of employees eligible for collective bargaining	6.4/ 6.4.3/ 6.4.4/ 6.4.5/ 6.3.10	56	●	
LA5	Minimum notice period for notification of employees regarding important changes in their situation	6.4/ 6.4.3/ 6.4.4/ 6.4.5	56	●	
LA6	Proportion of employees represented by the Labor-Management Joint Committee on Health and Safety	-	-	●	100% All employees excluding the executives are represented in the Employee Council
	6.4/ 6.4.6				
LA7	Number of incidents involving employees injured, contracting occupationally caused diseases, absent, or affected by other work-related accidents	6.4/ 6.4.6/ 6.8/ 6.8.3/ 6.8.4/ 6.8.8	84	●	
LA8	Educational, preventive and risk-management programs for employees, family members and the locals	6.4/ 6.4.6	84	●	
LA9	Health and safety policy for employees subject to official agreement with the labor union	6.4/ 6.4.7/ 6.8.5	58, 59	●	
LA10	Average number of hours of training per year per employee	6.4/ 6.4.7	84	●	
LA11	Job-related training and continuous learning programs for continuous employment and retirement	6.4/ 6.4.7/ 6.8.5	53	●	
LA12	Proportion of employees subject to regular performance evaluation and capacity-enhancing training and review	6.4/ 6.4.7	53, 54	●	
LA13	Demographic makeup of the Board and employees (by gender, age, ethnic or racial backgrounds or other indicators of diversity)	6.3.7/ 6.3.10/ 6.4/ 6.4.3	83	●	
LA14	Comparison of basic wage levels between men and women across ranks and positions	6.3.7/ 6.3.10/ 6.4/ 6.4.3/ 6.4.4	83	●	
LA15	Return to work and retention rates after parental leave, by gender.	6.4/ 6.4.4	59	●	
Human Rights					
HR1	Number and proportion of major investment agreements including provisions for human rights protection and / or review	6.3/ 6.3.3/ 6.3.5/ 6.6.6	25-27, 56	●	
HR2	Proportion of human rights reviews conducted regarding major business partners and contractors	6.3/ 6.3.3/ 6.3.5/ 6.4.3/ 6.6.6	25-27, 56	●	
HR3	Training for employees concerning human rights policy and processes at work (including proportion of employees who have completed the training)	6.3/ 6.3.5	27	●	
HR4	Total number of cases of discrimination reported and actions taken to remedy the situation	6.3/ 6.3.6/ 6.3.7/ 6.3.10/ 6.4.3	-	●	No case of discrimination
HR5	Areas of work with great risks for the violation of freedom of association and collective bargaining	6.3/ 6.3.3/ 6.3.4/ 6.3.5/ 6.3.8/ 6.3.10/ 6.4.3/ 6.4.5	-	●	Actions are taken through the Employee Council
HR6	Areas of work with great risks for the violation of freedom of association and collective bargaining	6.3/ 6.3.3/ 6.3.4/ 6.3.5/ 6.3.7/ 6.3.10/	56	●	
HR7	Areas of work with great risks for forced labor and actions taken to prevent forced labor	6.6.6	56	●	
HR8	Proportion of security agents who have completed training on human rights policy and processes at work	6.3/ 6.3.5/ 6.4.3/ 6.6.6	84	●	
HR9	Cases of infringing upon rights of the Native Peoples and actions taken to remedy the situation	6.3/ 6.3.6/ 6.3.7/ 6.3.8/ 6.6.7	-	N/A	
HR10	Percentage and total number of operations that have been subject to human rights reviews and / or impact assessments.	6.3/ 6.3.3/ 6.3.4/ 6.3.5	-	○	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	6.3/ 6.3.6	56, 59	●	
Society					
S01	Characteristics, scope and effectiveness of programs assessing impact on local communities	6.3.9/ 6.8/ 6.8.3/ 6.8.9	69, 70	●	
S02	Number and proportion of projects with risks for corruption		85	●	
S03	Proportion of employees trained in anti-corruption policy and processes	6.6/ 6.6.3	26	●	
S04	Actions remedying corruption		85	●	
S05	Record of winning awards for contribution to public policy, and / or participating in the development of or lobbying for public policy	6.6/ 6.6.4/ 6.8.3	-	●	Guide dogs training program
S06	Cash and other gifts for political parties, politicians and related national agencies		-	●	(Forbid-den by the internal law)
S07	Number of cases involving unfair practices of competition and monopoly and the outcomes of such cases	6.6/ 6.6.5/ 6.6.7	-	●	No case of unfair practices
S08	Fines imposed and non-monetary sanctions issued for violations of applicable laws and rules	6.6/ 6.6.3/ 6.6.7/ 6.8.7	85	●	
S09	Fines imposed and non-monetary sanctions issued for violations of applicable laws and rules		-	N/A	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	6.3.9/ 6.5.3/ 6.5.6/ 6.8	66-68	●	

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GRI 3.1 & ISO 26000 Indicators					
GRI 3.1		ISO 26000	Page	Reported	Remarks
Product Responsibility					
PR1	Proportion of lifecycle evaluations undertaken to assess the impact of products or services on health and safety for the purpose of improvement	6.3.9/ 6.6.6/ 6.7/ 6.7.4/ 6.7.5	45	●	
PR2	Number of cases involving violations of applicable laws or self-imposed rules protecting the health and safety of consumers during any period of the lifecycle of a given product or service		46	◐	No case of violations
PR3	Types of product or service information required by due process and the proportion of products or services meeting this criterion	6.7/ 6.7.3/ 6.7.4/ 6.7.5/ 6.7.6/ 6.7.9	7, 10	●	
PR4	Number of cases involving violations of applicable laws or self-imposed rules concerning product labeling		45	●	No case of violations
PR5	Customer satisfaction activities, including surveys	6.7/ 6.7.3/ 6.7.6/ 6.7.9	48, 49	●	
PR6	Applicable laws, standards and other self-imposed rules regarding advertising, promotion, sponsorship and other acts of marketing communications	6.7/ 6.7.3/ 6.7.6/ 6.7.9	45	●	
PR7	Number of cases involving violations of applicable laws, standards and other self-imposed rules regarding advertising, promotion, sponsorship and other acts of marketing communications		45	●	No case of violations
PR8	Number of cases involving infringement of customers' right to privacy and complaints raised concerning the loss of customer-related data	6.7/ 6.7.7	49	●	No breaches of customer privacy or loss of customer data
PR9	Amount of fines imposed for violations of applicable laws on product and service distribution	6.7/ 6.7.6	45	●	No case of fines imposed
Product Portfolio					
FS1	Policies with specific environmental and social components applied to business lines.		79	●	
FS2	Procedures for assessing and screening environmental and social risks in business lines.		45, 73	●	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.		45	●	
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.		44	●	
FS5	Interactions with clients / investees / business partners regarding environmental and social risks and opportunities.		79, 81	●	
FS6	Percentage of the portfolio for business lines by specific region, size(e.g. micro / SME / large) and by sector.		81, 36-38	●	
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.		73, 79	◐	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.		79	◐	
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.		30-31	◐	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.		-	○	SM&FI is considering to invest in social enterprises
FS11	Percentage of assets subject to positive and negative environmental or social screening.		-	○	No assets are subject to an assessment
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.		23-24	◐	
FS13	Access points in low-populated or economically disadvantaged areas by type.		73	◐	
FS14	Initiatives to improve access to financial services for disadvantaged people.		73	●	
FS15	Policies for the fair design and sale of financial products and services.		45	●	
FS16	Initiatives to enhance financial literacy by type of beneficiary.		72	●	

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SF&MI pursues stakeholders' trust and sustainable growth by disclosing non-financial performance in compliance with the 'corporate social responsibility guidelines' that took effect in August of 2011 and reflect characteristics of the financial industry.

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CSR Guidelines	SF&MI Application	Page
Paragraph 1. Operation of Organizational Governance		
- Principles of Organizational Governance	Management Principles, Mid and Long-Term Vision and Strategies	8
- Operation of Organizational Governance	Operation of the Board of Directors and Committees, Sustainability Management System	11-12, 23-24
Paragraph 2. Consumer Protection		
- Consumer Protection Principles	Strengthening of the customer service system, development and service of customer satisfaction product, guarantee of customer safety	43 45 50
- Fair Business Activities	Compliance with Complete Selling and Fulfillment of Ethical Management, Establishment of a culture of sound insurance contracts	25-26, 62
- Consumer Privacy	Compliance with the Electronic Financial Transaction Act, Wire and Wireless Network Security, Operation of Information Protection System Operations	50
- Settlement of Consumer Disputes	VOC Data Collection and Customer Satisfaction Evaluations, Customer Contact Point Service	47
- Consumer Education	Neighbor Caring, 24 / 7 System Check Service, RC Education, etc.	46
Paragraph 3. Fair Management		
- Principles of Fair Management	Strategy and Vision of Ethical Management	25-26
- Anti-Corruption	Operation of the Fair Trading Internal Monitoring Organization, Internal Control System, Fair Trade Self-Compliance Program	27-28
- Fair Competition		
- Respect of Property Rights	BCM(Business Continuity Management) System, Insurance Fraud Prevention Activity	26, 62
Paragraph 4. Improvement of Labor Quality		
- Principles for Improving Labor Quality	Selection And Nurturing Of Outstanding Talents, Spread Of Communication Management, Harmony Between Work And Life	52-54
- Sound Employment Relations	Compliance with Employment Rules, Fair Employment System, Collective Bargaining Rights and Collective Agreements	56
- Working Conditions and Social Protection	Operation of Employee Council, Communication Management	56
Paragraph 5. Human Rights Protection		
- Principles of Human Rights Protection	Employee Council, Buildup of Labor-Management Trust	56
- Due Care	Compliance with Employment Rules Including Anti-Discrimination, Anti-Child Labor	56
- Avoidance of Involvement in Human Rights Abuse	Guidelines on Disabled Persons, Insurance Contracts, and Employment	56
- Anti-Discrimination and Protection of the Vulnerable	Compliance with Employment Rules and the International Labor Organization(ILO), Family Friendly Management	56-57
Paragraph 6. Engagement in Local Communities and Contribution to their Development		
- Principles of Local Community Engagement	Social Contribution Activity and Employees' Sharing Activity fused with the Essence of the Business.	66-68
- Engagement in Local Communities	Services and <i>anycar</i> Voluntary Corps	71
- Promotion of Education and Culture	Scholarship Programs, Cultural Assets Guard Program, Amateur Sports Support Program, etc.	70
- Employment Creation and Talent Development	Talent Sharing	72
- Investment in Local Communities	Rural Community Sisterhood Program, Neglected Classes Sponsorships, Disabled Persons Sponsorships, etc.	67, 69
Paragraph 7. Eco-Friendly Management		
- Principles of Eco-Friendly Management	Establishment of Environmental and Energy Management Policies, Adaptation To And Mitigation Of Climate Change, Eco-Friendly Insurance Products And Services	74-76, 79
- Prevention of Environmental Contamination / Sustainable use of Resources	Environmental Education to Employees, Eco Office Activities	77
- Effort for Climate Change Mitigation and Response	Environmental Social Contribution Activities, Disaster Prevention Programs	78
- Operation of Green Management Policies	Eco-Friendly Insurance Products And Services	79

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Category	Awards and Recognitions	Organizer
Sustainability / CSR	Insurer – Most Progressive Insurer, ASriA Sustainable Finance Awards for Asia	Association for Sustainability & Responsible Investment in Asia
	Listed for 3 Consecutive years on DJSI(Dow Jones Sustainability Index)	Korea Productivity Center
	Carbon Management Industry Leader	CDP Korea
	Grand Prize for Korea Sustainability Awards	Citation of the Minister of Ministry of Strategy and Finance
	No. 1 for 3 Consecutive Years in the Sustainability Index in Non-Life Insurance Industry	Kyunghyang Shinmun ERISS
	Certified as the Best Family Friendly Company	Ministry of Gender Equality and Family
	‘Samsung Fire & Marine Insurance Happy Dream Voluntary Team’ received a Ministerial Citation from the Minister of Ministry of Health and Welfare	Citation of the Minister of Ministry of Health and Welfare
	Grand Prize of 2011 Happy Addition Social Contribution Awards	Korean Society of Consumer Studies/ Dongailbo
Management / Finance	Received the Highest Rating A++ from A.M Best	A.M. Best
	Received 9 years consecutive A++ from S&P	S&P
	Gold Prize at Annual Report Awards	Astrid Award
CS / Customer Satisfaction	No. 1 in National Customer Satisfaction Index(NCSI)	Korea Productivity Center
	The Hall of Fame of Korea Service Awards	Korean Standards Association
	No. 1 in Korean Standard Service Quality Index(KS-SQI)	
	No. 1 in Korea Customer Satisfaction Index(KCSI)	
	The Hall of Fame of Korea Management Awards	Korea Management Association
	No. 1 in Auto Insurance and Long Term Insurance Categories in Korean Net Promoter Score(KNPS)	
	No. 1 in Non-Life Insurance Category in Korea's Most Admired Companies	
	Selected as All Star of Korea's Most Admired Companies	
Brand	No. 1 in Non-Life Insurance Category in National Brand Competiveness Index(NBCI)	Korea Productivity Center
	No. 1 in Non-Life Insurance Category in Korea Standard- Premium Brand Index(KS-PBI)	Korean Standards Association
	No.1 in Auto Insurance Category in Korea Brand Power Index(KPBI)	Korea Management Association
Internet Service	2011 Grand Prize of Korea Internet Communication	Korea Internet Communication Association
	2012 WEBAWARDKOREA NOMINEE	Korea Internet Communication Association
	2012 WEBAWARDKOREA EXCELLENT	Web Awards Committee
	Grand Prize of Internet Service Awards	Korea Internet Communication Association
	Grand Prize of Korea Communication Awards(Electronic Sabo)	Korea Sabo Association
	ePRIVACY Excellence Website	Korea Online Privacy Association
	i-Safe Excellence Website	

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Organization	Objectives	Affiliation
Korea Financial Law Association	Research on financial laws	2005
The Federation of Korean Industries	Information exchange and network-building among Korea companies	1984
Korea Economic Research Institute	Research on economic and industrial trends	1984
Korea Actuarial Association	Research on insurance actuary	2010
World Futures Forum	Future knowledge, future management education & consulting	2010
Korea Non-Insurance Association	Response o the common issues of non-insurance industry	1952
BEST Forum Business Ethics and Sustainability Management for Top Performance	Sharing best practices of domestic business ethics and sustainability management researches	2003
Korea Competition Law Association	Research on fair competition laws	2009
Korea Fair Competition Federation	Propagating market competition theory, supporting fair transactions of companies and communication between the government and industry on fair trade policies	1995
Korea Insurance Law Association	Research on insurance act	2006
Korea Insurance Academic Society	Research on insurance science	1964
Korea Listed Companies Association	Exchange among listed companies and right protection	1975
Korean Association of Professional Safety Engineers	Reinforcing collaboration among professional safety agencies and developing safety engineering	2008
Korea Institute of Fire science & Engineering	Research and information exchange on fire and fire prevention	2001
Korea Fire Protection Association	Research and enlightenment of safety checking on the fire prevention and extinguishing facilities	1973
CDP	Carbon Disclosure Project	2010
UNEP FI	United Nations Environment Programme Finance Initiative	2010
RCAR	Research Council for Automobile RepairsTechnical collaboration and information exchange for improving vehicle safety and developing repair technologies	2010

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1950s	1952. 01. 26	Founded as Anbo Fire & Marine Insurance Co., Ltd.
1960s	1963. 01. 31	Acquired Ankuk Fire & Marine Insurance Co., Ltd.
	1963. 03. 02	Company Name Changed to Ankuk Fire & Marine Insurance Co., Ltd.
1970s	1975. 06. 01	Initial Public Offering
	1978. 05. 25	Opened Office in London(U.K.)
	1979. 02. 04	Established the Samsung Risk Management Research Institute
1980s	1983. 10. 01	Launched Auto Insurance Business
	1985. 09. 01	Opened Office in New York(U.S.)
	1987. 10. 17	Construction of Head Office Building Completed
	1988. 03. 14	Establishment of Employee Council
1990s	1990. 04. 01	Opened Branch in New York
	1993. 12. 06	Company Name Changed to Samsung Fire & Marine Insurance Co., Ltd.
	1994. 01. 10	Opened Office in Tokyo(Japan)
	1994. 05. 09	Launched Yuseong Training Center
	1994. 10. 20	Launched Social Community Relations Team of SF&MI
	1995. 04. 20	Opened Beijing office(China)
	1995. 07. 15	Opened Office in Ho Chi Minh City(Vietnam)
	1995. 11. 11	Launched the SF&MI Volleyball Team
	1996. 06. 17	Initiated the SF&MI Cup World Baduk Open Championships
	1996. 08. 27	Opened Office in Hanoi(Vietnam)
	1997. 02. 18	Established a Local Subsidiary in Indonesia
	1998. 10. 15	Established Samsung Fire & Marine Insurance Claim Adjustment Service Co., Ltd.
2000s~2005s	2001. 04. 26	Opened Branch in Shanghai(China)
	2001. 07. 24	Established Samsung Traffic Safety Research Institute
	2002. 01. 18	Declared 2002 as the First Year for "Samsung Fire & Marine Insurance Ethical Management"
	2002. 01. 26	Unveiled Time Capsule in Commemoration of the 50th Anniversary of the Company
	2002. 04. 02	Launched "Samsung <i>anycar</i> " Auto Insurance Brand
	2002. 05. 28	Established <i>anycar</i> Auto Claim Adjustment Service Co., Ltd.
	2003. 03. 26	Selected as the "Fairest Trader" by Korea Fair Trade Commission
	2003. 08. 27	Established the Vietnamese Joint Venture "Samsung Vina Insurance"
	2003. 09. 30	Opened Office in Qingdao(China)
	2003. 12. 30	Entered into an MOU with the China Pacific Life Insurance Company(CPIC)
	2005. 02. 03	Established the Samsung Loss Control Center
	2005. 06. 01	Adopted the "Customer Panels Program", a first among Korean Insurers
	2005. 06. 23	Established Samsung Fire & Marine Insurance(China), the First Local Subsidiary Established by a Foreign Insurer in China
	2005. 07. 01	Launched the "KRW 500 Gift of Hope" Campaign
	2005. 09. 30	Launched "Allife" as a Flagship Brand for Long-Term Insurance
2006-PRESENT	2006. 07. 27	Opened Beijing Office of China Subsidiary
	2006. 10. 20	Adopted the Consumer Complaints Management System(CCMS)
	2006. 11. 27	Unveiled the Metro Pole 50, a Neon Sculpture
	2006. 11. 29	Won "Presidential Award" at "Korea Brand Awards"
	2006. 12. 01	Won the "Disabled Rights Awards"
	2006. 12. 12	Received "Presidential Citation" at the First and Foremost Movement for Persons with Disabilities Awards
	2006. 12. 20	Won "Presidential Award" at the "Digital Knowledge Management Awards"
	2007. 01. 09	Samsung Traffic Safety Research Institute received "Samsung Award of Honor"
	2007. 01. 18	Selected as "Asia's fabulous 50 Companies" in the Asia Pacific Region by Forbes
	2007. 12. 21	Opened Shenzhen Office of China Subsidiary
	2008. 07. 10	Opened Suzhou Office of China Subsidiary
	2008. 11. 20	Opened the First Financial Planner Center in the Industry
	2008. 12. 12	Opened Office in Singapore
	2009. 01. 15	Opened Qingdao Office of China Subsidiary
	2009. 03. 03	Launched the Internet Auto Insurance Brand " <i>myanycar</i> "
	2009. 04. 23	Opened Office in India
	2009. 07. 01	Launched the Anyhome Homeowner's Insurance
	2009. 09. 15	Opened Office in Brazil
	2010. 04. 16	Celebrated the 100th Store of the "KRW 500 Gift of Hope"
	2010. 06. 21	Entered into a Comprehensive Business Partnership with Huatai Insurance of China
	2010. 06. 29	Received International Certification on Risk Management "BCM"
	2010. 07. 14	Donated the First SF&MI Happy School
	2010. 11. 17	Opened a '24HOURS Center'
	2010. 12. 19	Opened Central Office in Dubai
	2011. 03. 30	Established a Local Subsidiary in Europe
	2011. 06. 23	Dedicated to the Hall of Fame of Korea Service Awards
	2011. 06. 23	Established a Corporation in U.S.
	2011. 09. 26	Established Tianjin Office of China Subsidiary
	2011. 09. 28	Won Insurance Award at Sustainable Finance Awards in Asia from ASrIA
	2011. 11. 21	Received Credit Rating A++ from A.M. Best
	2011. 12. 09	Established a Local Subsidiary in Singapore
	2011. 12. 15	Authorized a Corporation in U.S.
	2011. 12. 23	Received 9th consecutive A++ Credit Rating from S&P for 9 Consecutive Years
	2012. 02. 07	Kim Changsoo became our CEO President

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Term	Definition
Customer Panel Program	A system to reflect customer ideas in building strategies. SF&MI was the first Korean non-life insurer to adopt this program as part of customer engagement by listening to the voice of its customers.
Mystery Shopping	This is a system where a researcher disguises himself or herself as a shopper and visits a store to review the quality of service. The researcher evaluates employee customer service or suggests service improvements from a customer's point of view.
Catastrophe Reserve	Amount accumulated to prepare for natural disasters or emergent risks that are difficult to cover with legal reserves. It is used to pay for insurance when an enormous insured event occurs beyond anticipated rates of occurrence.
Complete Selling	Compliance with the three basic principles of contracting procedures: signature on the subscription application form; delivery of a copy of the subscription form to the customer; and detailed explanation of the policy description.
Employee Council	A representative organization of SF&MI employees. It is operated to protect workers' rights and interests; improve their economic position; and develop the company. It is composed of employees up to 'ordinary employee' positions but was expanded to include executives in 2011.
Defined Benefit(DB) Pension Plan	A retirement pension system where an employee's retirement pay is based upon a pre-determined formula.
AA1000AS	A verification standard developed by Accountability, a non-profit organization located in the U.K., to assure sustainability performance and the reliability and quality of reports.
ALM(Asset Liability Management)	The practice of managing risks that can arise due to discrepancies between assets and liabilities.
BCM(Business Continuity Management)	A risk management system that ensures continuity of critical key business functions in the event of natural disasters or national emergencies. BCM maintains critical aspects of the company throughout all circumstances to ensure continuity of business.
CDC(Career Development Center)	The Career Development Center is for retirees who feel anxious about after life after retirement. The Career Center educates retirees on how to plan their retirement and provides active support re-employment or assistance for personal business start-ups.
CDP(Carbon Disclosure Project)	The Carbon Disclosure Project requests 500 global companies, representing more than USD 64 trillion in assets, to measure and report their annual emissions. The companies are also asked to assess how climate change will affect their future financial performance.
CoP(Community of Practice)	A group of people sharing an interest, craft or a profession. SF&MI supports and promotes CoP activities with various programs including career development. These voluntary study groups discover and spread business best practices.
DJSI(Dow Jones Sustainability Indexes)	The Dow Jones Sustainability index was developed by SAM(an investment group focused exclusively on Sustainability Investing). Dow Jones and SAM created the DJSI, which assesses the sustainability of companies by their corporate governance, social contributions and other factors. DJSI selects the best performers and releases the results by region, e.g., DJSI World, DJSI Asia Pacific, DJSI Korea, etc.
ERISS Sustainability Index	ERISS(Economic Research Institute for Sustainable Society) is a sustainability index that assesses the sustainability management performance of Korean companies against "quantification indicators" and "reputation indicators."

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Term	Definition
ERM(Enterprise Risk Management)	Risk management is a method to identify and manage both risk factors and opportunities related to the attainment of business objectives.
IDP(Individual Development Plan)	IDP assists in creating a career path for each employee by identifying new knowledge, skills and abilities they can pursue. IDP then establishes the learning activities required to meet the established goals.
IFRS(International Financial Reporting Standards)	International Financial Reporting Standards(IFRS) provides a central set of accounting standards for multinational financial companies. The IFRS provides international standards for reporting systems, supervisory laws, regulations and practices.
ISO26000	ISO26000 is the International Standard for Corporate Social Responsibility published by ISO on November 1, 2010. It is a corporate social responsibility guideline composed of seven categories: governance, human rights, labor, environment, fair practices, customer issues and local community engagement.
KPI(Key Performance Indicator)	Performance indicators of key factors used by an organization to evaluate its success.
KRX SRI Index(Korea Exchange Socially Responsible Investment Index)	Korea's first Socially Responsible Investment(SRI) Index that selects and lists 70 companies with outstanding performance in corporate social responsibilities based on evaluations by Korea Corporate Governance Service(KCGS).
RC(Risk Consultant)	Designation referring to SF&MI's insurance planners. RCs are financial specialists who provide specialized consulting for customer's insurance and financial needs. These financial specialists also consult on finances and taxes.
Solvency II	Solvency II will take effect in January 2013 for insurers located in Euro zone countries. Its purpose is to increase the solvency margin of insurers for financial soundness and protection of customers.
VOC(Voice of Customer)	VOC is a technique to understand customer's wants and needs. It is a market research technique.

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Samsung Insurance Bldg., 29 Euljiro (87 Euljiro-1ga), Jung-gu, Seoul, 100-782, Korea

www.samsungfire.com