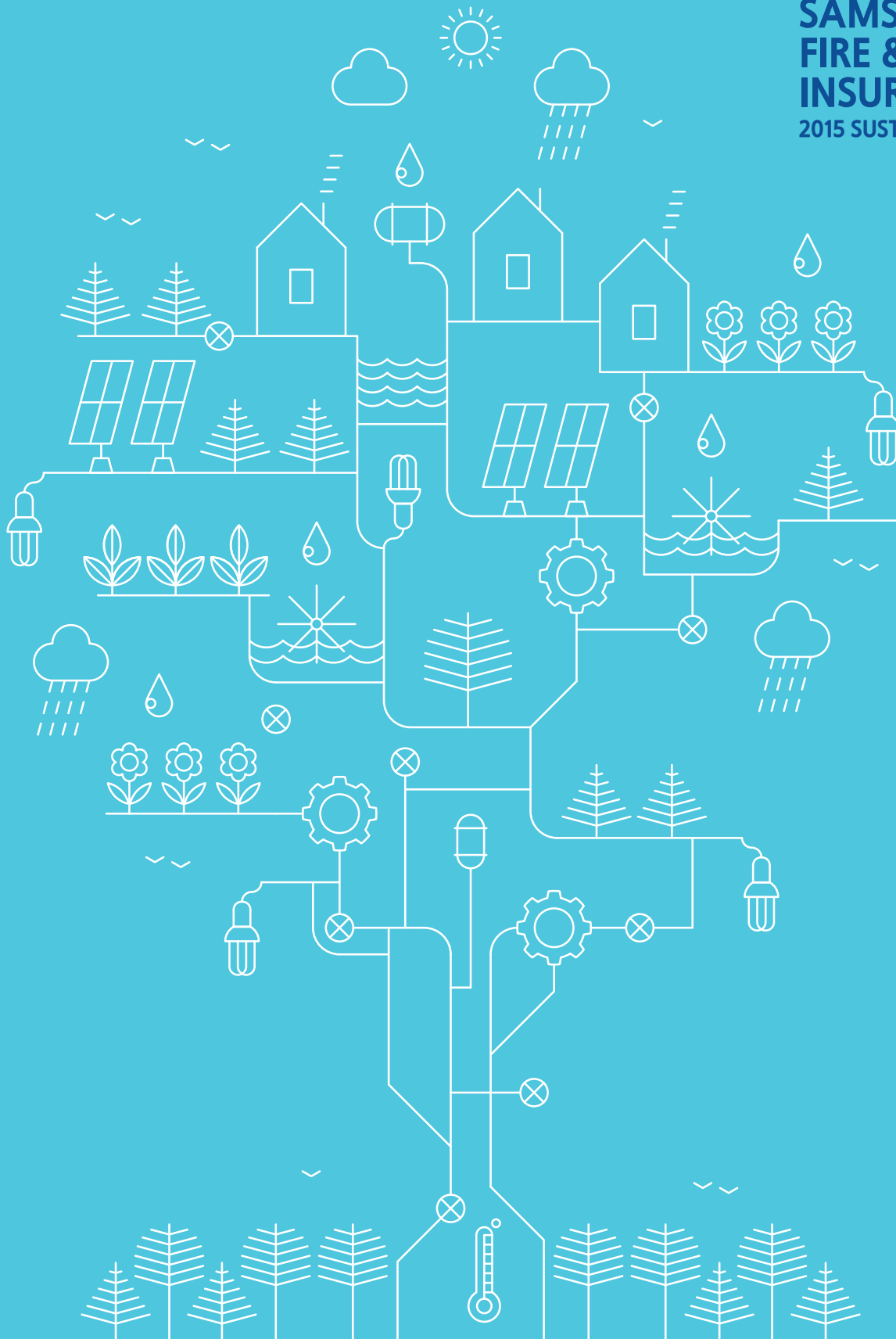


**SAMSUNG
FIRE & MARINE
INSURANCE**
2015 SUSTAINABILITY REPORT



Always Caring Always Covering

SAMSUNG FIRE & MARINE INSURANCE



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ABOUT THIS REPORT

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

| | |
|-----------------------------------|--|
| Reporting period: | From Jan. 1 to Dec. 31, 2014(Partly including the activities in the first half of 2015) |
| Scope of reporting: | Head office, local branches, overseas subsidiaries/branches/offices |
| Indexes of reporting: | GRI (Global Reporting Initiative) G4 Guideline 'In accordance' - Core <ul style="list-style-type: none"> • GRI G4 Index ☞ • Assessment of materiality of the report ☞ |
| Verification of reporting: | In-house review by the management (approval by the Sustainability Management Committee) Independent verification by Sam-il PricewaterhouseCoopers PwC ☞ |
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SAMSUNG
FIRE & MARINE INSURANCE
2015 SUSTAINABILITY REPORT

Always Caring Always Covering

SAMSUNG FIRE & MARINE INSURANCE





In 2015, based on our business principle to “establish sound management through change, innovation and action”, we will lay a strong foundation to make a new leap forward to become a global insurer.

Dear stakeholders,

First of all, I would like to express my sincere appreciation for your kind interest and cordial support rendered to us during the years to date. This Sustainability Report includes trustworthy information regarding our general business status in accordance with the Global Reporting Initiative G4 Guideline. It has been five years since we first published our Sustainability Report, and through this fifth Sustainability Report, I am delighted to share with you our company's updates on overall business status during last year.

Looking back on 2014, Korean economy underwent uneasy situation due to economic slowdown in developed countries, with the exception of the US market, on top of the increasing economic uncertainties stemming from emerging markets such as China and Russia. Despite these hardships, SFMI achieved net profit of KRW 838.2 billion based on our management principle of 'profitable growth' that we believe is to enhance overall corporate value and hence beneficial to our stakeholders as well. Also, we consistently maintained our RBC (Risk-based Capital) ratio, a key measure for financial stability of insurance companies, up to 375% - the highest level in the industry.

Reflecting sound evaluation from investors and financial communities, our share price marked its highest record, and A.M. Best Company, a world-renowned credit rating agency for insurance companies, rated our company the highest rating, A++, for four consecutive years. At the same time SFMI has become a valued member of the leading sustainability indices across the globe such as DJSI World and FTSE4Good of the London Stock Exchange.

In 2015, we will devote us to lay a solid foundation to jump up to be a global insurance company, based on the management philosophy of "Change; Innovation; and Implementation."

In order for us to reach this goal, our immediate next steps are as follows:

First, we will further strengthen our customer-oriented business and expand our customer base.

Second, we will continue our efforts toward efficient work processes and consolidate the company's profitability.

Third, we will explore future growth opportunities in Korean health insurance market, and gradually expand into overseas markets as a way of securing our new future growth engines.

I look forward to your continued interest in our company and in our journey to leap forward as a global insurance company in the near future, and I hope all the best wishes for you and your families.

Thank you very much.

Sincerely yours,

June 2015

Minsoo Ahn
President and CEO



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OVERVIEW

- Company Profile
- Stakeholder Engagement
- Materiality Matters



Company Profile

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

Company Overview

As of Dec. 31, 2014

| | |
|---------------------|--|
| Company Name | Samsung Fire & Marine Insurance Co., Ltd. |
| Business Type | Non-life insurance |
| Establish Date | January 26, 1952 |
| CEO | Ahn, Minsoo |
| Headquarter | 29, Euljiro, Jung-gu, Seoul, Korea(87, Euljiro 1-ga, Samsung Fire & Marine Insurance building) |
| Total Assets | KRW 58,183.6 billion |
| Total Equity | KRW 9,538.8 billion |
| Total Sales | Direct Premium Written: KRW 17,594.1 billion Net profit: KRW 838.2 billion |
| Number of Employees | 5,555 |
| Company Website | www.samsungfire.com |

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

Subsidiaries

As of Dec. 31, 2014

[G4-17]

| Name | Location | Main business | Share ownership |
|--|----------------------------|--------------------------|-----------------|
| P.T.Asuransi Samsung Tugu | Jakarta, Indonesia | Non-life insurance | 70% |
| Samsung Vina Insurance Co., Ltd. | Mochimin, Vietnam | Non-life insurance | 75% |
| Samsung Property & Casualty Insurance Company(China), LTD. | Shanghai, China | Non-life insurance | 100% |
| Samsung Fire & Marine Insurance Co. of Europe | London, UK | Non-life insurance | 100% |
| Samsung Reinsurance PTE. LTD. | Singapore New Jersey, U.S. | Non-life insurance | 100% |
| Samsung Fire & Marine Consultoriaem Seguros Ltda | Sao Paulo, Brazil | Non-life insurance | 100% |
| Samsung Fire & Marine management Corporation | New Jersey, U.S. | Non-life insurance | 100% |
| Samsung Fire & Marine Insurance Service Co., Ltd. | Seoul, Korea | Customer service | 100% |
| Samsung Claim Adjustment Service Co.,Ltd. | Seoul, Korea | Claim adjustment service | 99.86% |

*1) Overseas operations: 7 subsidiaries, 7 branches, 7 representative offices in 11 countries.

*2) As of Jan. 17, 2014, SFMI's ownership of SAMSUNG VINA INSURANCE CO., LTD increased to 75% from 50%

*3) As of June 16, 2014, SFMI Claim Adjustment Service Co., Ltd. changed company name to SFMI Any Car Claim Adjustment Service Co., Ltd.

As of As of June 19, 2014, Any Car Auto Claim Adjustment Service Co., Ltd. changed company name to SFMI Claim Adjustment Service Co., Ltd.

Organizational Chart

As of Feb. 28, 2015

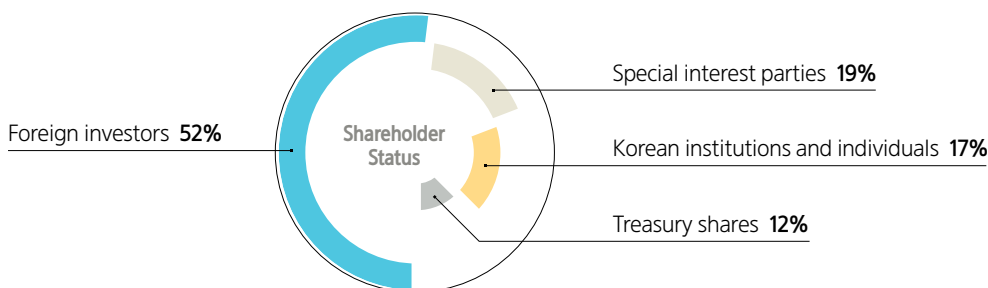


Individual Sales HQ, General Insurance HQ, Auto Insurance HQ, Asset Management HQ, Strategic Sales HQ, Corporate Planning Dept., Corporate Management Support Dept., Overseas Business Office, CPC Strategy Dept., HR Team, Audit Committee, Chief Compliance Officer

* CPC : Customer-Product-Channel

Shareholder Status

As of Dec. 31, 2014



Key Products & Services

SFMI products are developed based on the core essence of the insurance business. We are devoted to providing our customers with security and comfort in daily life and promising tomorrow.

| Products and Services | | Key Products |
|-----------------------|----------------------------------|--|
| General Insurance | Fire | House, building, factory, general fire insurance |
| | Marine, Aviation | Ship, airplane, freight insurance |
| | Casualty, Specialty, Engineering | Technology, Casualty, Liabilities Insurance |
| Long-term Insurance | Disease/casualty | New Generation Health Insurance, Cancer Insurance, Medical Cost Insurance |
| | Driver's | My Partner, Happy Drive |
| | Bundled | 'Super Plus' (Bundled type health insurance) |
| | Property | Everyday Life Insurance, Household property insurance |
| | Saving/Annuity | 'Super Save', 'Wonderful life' |
| Auto Insurance | | Anycar, Anycar Direct |
| Loan | | Mortgage loans, Policy holder loans, Credit loans |
| Other services | | Anycar Service (emergency roadside assistance, vehicle inspection), Additional service for members |

Samsung Value System

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

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

Core Values



People



Excellence



Change



Integrity



Co-prosperity

Business Principles

1. We will comply with the laws and ethics.
2. We will maintain a clean organizational culture.
3. We will respect customers, shareholders and employees.
4. We will care for the environment, health and safety.
5. We are a socially responsibility as a corporate citizen.

* Full Text of Samsung Business Principles [🔗](#)

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

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

Four PSI

- Principle 1:** We will embed in decision-making, environmental, social and governance issues relevant to our insurance business.
- Principle 2:** We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.
- Principle 3:** We will work together with governments, and other key stakeholders to promote widespread action across society on environmental, social and governance issues.
- Principle 4:** We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Stakeholder Engagement

[G4-24]
[G4-25]
[G4-26]

SFMI adopts an open communication system to encourage stakeholder engagement in our initiative to promote sustainability. We encourage our stakeholders to voice their opinion through various communication systems that are designed to meet individual needs. The suggestions are collected and regularly disclosed in our sustainability report and the company website.

| VISION >> Global No.1 non-life insurance company | | | |
|--|--------------------------|---|---|
| Strategy for Sustainability Management | | | Major Communication Channels |
| MISSION | Customers | Provide security with leading insurance services and excellent network | Customer panel system, Satisfaction survey, Voice of Customer (customer feedback channel), SNS |
| | Employees | Offer opportunities to develop into global financial experts | Employee Council, Satisfaction survey, Employee distress assistance program, Counseling center, Internal broadcasting, Exciting TalkTalk (company intranet) |
| | Shareholders & Investors | Protect shareholder interest through sustained growth in corporate value | General Meeting of Shareholders, Earnings results announcement, Conference, Non-deal Roadshow, Regular investor meetings, IR mailing service |
| | Business Partners | Promote mutual prosperity based on mutual trust | Discussion meetings, Satisfaction surveys, Exciting TalkTalk, Internal suggestion blog, SNS, Partner's Day events |
| | Communities | Fulfill social and environmental responsibilities as a global corporate citizen | NGO meetings, Satisfaction survey, Key social contribution performance report, Anycar Social Contribution Committee |

Through an open communication system with our stakeholders, we have identified and addressed the following issues:

[G4-27]

[Stakeholder Communication Results]

| Stakeholder | Major issue | Result |
|--------------------------|---|--|
| Customers | - Provide customer-oriented products/services | - Launch of new products: Legal & Living Expense Insurance (March 2014), Business Owner’s Property Insurance (May), Senior Cancer Insurance (June), Accident Insurance (August), Senior Medical Insurance (August) |
| | - Strengthen customer protection activity | - Launched 24 hour Emergency Fire Service (February) - Newly established “Customer Protection Committee” and expanded Customer Protection Centers in five new regions across the country |
| Employees | - Assist work-life balance | - Implemented Vacation Pre-planning and pre-inputting system |
| | - Strengthen health & safety education | - Conducted preventive safety education sessions and safety drills |
| | - Strengthen communication with employees | - Increase communication activities such as CEO sales site visits and group meetings |
| Shareholders & Investors | - Increase shareholder value | - Shares repurchase (KRW 415.5 billion) |
| | - Strengthen communication | - Regular communication through Fiscal Year End Earnings Results Announcement, regular IR meetings (430 sessions) |
| Business Partners | - Support to enhance competitiveness | - Sponsored conference: “Establishment of Guideline for Standardization of Repair Costs” (May) |
| | - Strengthen communication | - Increased communication activities: CEO communication session with RCs, Customer Satisfaction Award Ceremony, Recruitment concerts |
| Communities | - Establish advanced traffic safety culture | - Participated in public hearing to promote traffic safety through speed limit control (September) |
| | - Increase activities to assist the underprivileged | - Promote social contribution activities (Celebrating 20th anniversary of Guide Dog Donation, 200th run of ‘Gift of Hope with 500 won’) |

Operation of Sustainability Management Committee

Sustainability Management Committee, headed by our CEO, was established in 2012 to reinforce the foundation of sustainability management. In 2014, the committee discussed various issues relating to socially responsible management policies such as environment management and also approved the Sustainability Report.

Materiality Matters

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

[G4-18]

Process of Determining Issues

Step 1, Identifying: To identify material sustainability issues that may affect our business, we have conducted in depth analysis of domestic and international sustainability management trends and guidelines, (GRI G4 and ISO26000, etc.), changes in domestic policies and press releases associated with SFMI and the insurance industry. We have determined 22 issues as material.

Step 2, Prioritizing: Materiality Test is conducted for the identified issues based on the SFMI's significance of economic, environmental, and social impacts and influence on stakeholder assessment and decisions. Opinions of our employees and of external experts were reflected when assessing the significance of economic, environmental, and social impacts, and analyses of press releases and survey results were reflected in assessing social impacts and influence on stakeholder.

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

[G4-19]

| Issue Matrix of the 5th Sustainability Report |

| Stakeholder | High-level Issue (9) | Mid-level Issue (10) | Low-level Issue (3) |
|--------------------------|---|--|---|
| Customers | Customer-oriented activity ^(p.40) Customer protection ^(p.44) | Communication with customers ^(p.41) | |
| Employees | Human rights and labor ^(p.47) work-life balance ^(p.51) | Talents fostering ^(p.45) | Health & safety ^(p.49) |
| Shareholders / Investors | Business results ^(p.30) Ethics and Integrity ^(p.20) | Corporate governance ^(p.15) Risk management ^(p.26) | |
| Business Partners | Co-prosperity ^(p.59) | Risk management of business partners ^(p.60) Communication with business partners ^(p.61) | |
| Communities | Socially responsible investment and employee engagement ^(p.57) | Social contribution programs ^(p.54) Socially responsible insurance products and services ^(p.58) | Partnership & collaboration ^(p.57) |
| Environment | Minimizing of environmental impacts ^(p.64) | R&D on climate change ^(p.63) Environment-friendly insurance products and services ^(p.63) | Environmental performance ^(p.66) |

2

ECONOMY

- Corporate Governance
- Ethics and Integrity
- Risk Management
- Business Results

DIRECT PREMIUM WRITTEN

17.6 trillion

NET PROFIT

838.2 billion

TOTAL ASSET

58.2 trillion



S&P
A⁺

A.M.BEST
A⁺⁺

DJSI WORLD
FTSE4Good

Corporate Governance

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

Principle & Policy

Stable Governance: To maintain mutual checks and balances between the corporate bodies, roles of the Board of Directors and company executive are separated. The BOD is responsible for company management oversight, while the executives are responsible for managing operations. All operational results are announced and approved by the BOD. Additionally, to ensure appropriate checks and balances, BOD retains the right to the selection, succession and dismissal of the CEO as prescribed by relevant laws. As of December 2014, SFMI's Board of Directors consists of seven directors including three inside directors and four outside directors. The greater outside director representation ensures the balance of interest of the board.

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

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

- SFMI [☞]
- DART (Data Analysis, Retrieval & Transfer) system of Financial Supervisory Service [☞]
- General Insurance Association of Korea [☞]

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

Composition and Characteristics

BOD

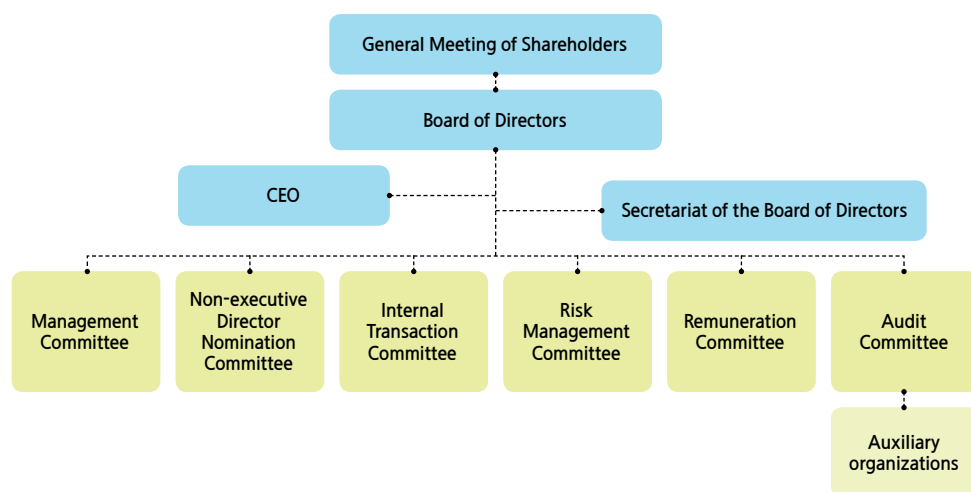
The Board of Directors fully supports the company executives to implement responsible management based on sound corporate governance. As such, the BOD helps to make importance management decision by addressing issues related to management operations, guidelines and process. The Board of Directors holds regular meetings based on its annual operation plans. Extraordinary meetings may be convened upon request of the Chairman or the BOD or at occurrence of special events associated with company management. Decisions are made after reviewing critical issues relating to the overall management and direction of the company or as defined by law and by corporate articles. All resolution of the BOD is adopted by the presence of more than one half of all directors. To prevent conflict of interest, directors with special interest in the Board decision cannot exercise his or her voting rights.

Committees within BOD: SFMI delegates authority to committees within the BOD to enhance efficiency and professionalism. There are currently 6 active committees within the BOD: Management Committee, Risk Management Committee, Internal Transaction Committee, Remuneration Committee, Audit Committee, and Non-executive Director Nomination Committee.

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

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

- **Internal Transaction Committee:** The Committee, entirely composed of non-executive directors, reviews, deliberates and addresses internal transaction issues to enhance corporate transparency and fair trade between the affiliated companies.
- **Risk Management Committee:** Risk Management Committee, established to formulate and revise risk management policies, defines tolerable risk levels and establishes risk management strategies.
- **Remuneration Committee:** The Remuneration Committee evaluates, operates and designs the remuneration system for the directors.
- **Audit Committee:** The Audit Committee performs internal audit function and assists management to make rational business decisions.



[BOD & Committees]

| Organization | Major role | Composition (No. of non-executive directors/total directors) | Name of chairman (internal/external, executive/non-executive) |
|-------------------------------------|--|---|--|
| Board of Directors | Top decision making body | 4/7 | Moon, Hyonam (External, Non-executive) |
| - Management | Decides on important company management matters | 0/2 | Ahn, Minsoo (Internal, Executive) |
| - Non-executive Director Nomination | Recommends non-executive directors | 3/5 | Ahn, Minsoo (Internal, Executive) |
| - Internal Transaction | Reviews and decides on inter-affiliate inside transactions | 3/3 | Moon, Hyonam (External, Non-executive) |
| - Risk Management | Reviews and decides on risk management issues | 1/3 | Ahn, Minsoo (Internal, Executive) |
| - Remuneration | Reviews adequacy of the executive management remuneration | 2/3 | Moon, Hyonam (External, Non-executive) |
| - Audit | Evaluates internal control system | 2/3 | Sohn, Byeongjo (External, Non-executive) |

Board of Directors: Composition and Operation

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

[Members of the BOD]

| Name/position | Role/major career | Term | Committee activity |
|--|---|---|---|
| Ahn, Minsoo CEO | CEO of Samsung Fire & Marine Insurance/Former) Vice President of Samsung Life Insurance | Jan 28, 2014 - Jan 27, 2017 | Chairman of Non-executive Director, Nomination Committee, Chairman of Risk Management Committee, Chairman of Management Committee |
| Jeon, Yongbae Executive director | Senior Vice President of Management Support Division/ Former) Vice President of Management Support Team of Samsung Electronics | Feb 7, 2012 - Feb 6, 2015 | Member of Non-executive Director, Nomination Committee, Member of Remuneration Committee, Member of Risk Management Committee, Member of Management Committee |
| Cho, Byeognjin Executive director | Full-time auditor/ Former) Head of Insurance Inspection Bureau at Financial Supervisory Service/ Former) Director of Korea Insurance Institute | Jun 7, 2013 - Jun 6, 2016 | Member of Audit Committee |
| Moon, Hyonam non-executive director | Chairman of the BOD/ Current) Head Prosecutor at Sanyong Law Firm/ Former) Chief Prosecutor at Busan Supreme Prosecutors' Office/ | Jun 5, 2012 - Jun 4, 2015 | Member of Non-executive Director, Nomination Committee, Member of Remuneration Committee, Chairman of Internal Transaction Committee |
| Sohn, Beyongjo Non-executive director | Chairman of Audit Committee/ Current) Non-executive director of Hyundai Information Technology/ Advisor to BKL Law Firm (Mar. 2014 - Mar. 2016)/ Former) Vice Commissioner at Korea Customs Service | Jun 5, 2012 - Jun 4, 2015 | Member of Non-executive Director, Nomination Committee, Member of Internal Transaction Committee, Chairman of Audit Committee |
| Yoon, Yeongcheol Non-executive director | Auditor/Current) Professor at School of Mass Communication at Yonsei University/ Former) Chairman of Korea Society for Journalism & Communication Studies | Jun 5, 2012 - Jun 4, 2015 | Member of Non-executive Director, Nomination Committee, Member of Internal Transaction Committee, Member of Audit Committee |
| Shin, Dongyeop Non-executive director | Non-executive director Current) Professor at School of Business, Yonsei University/ Non-executive director of Pacific Pharmacy (Mar. 2013 - Mar. 2017) | Mar 14, 2014 - Mar 13, 2015 (Consecutive terms) | Member of Remuneration Committee, Member of risk management Committee |

* As of Dec. 31, 2014

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

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

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

Evaluation and Remuneration Framework: Management's performance evaluation and remuneration criteria is set based on sustainability values such as long term performance, profitability and soundness. Majority of the total compensation payable to senior management is composed of variable payments and is determined based on performance evaluation. The variable compensation is paid over 3 years. Substantial portion of the variable remuneration is linked to long term performance and while the first year remuneration is paid in cash, 2nd-3rd year compensation is paid in form of equity linked products.

2014 Board of Director Activities: In 2014, a total of 7 Board of Directors Meetings were convened and 100% attendance of outside directors was recorded. Election of chairman of BOD, election of compliance officer and Issues relating to sustainability management such Smile Microcredit Bank were discussed. All resolution by the Board reflects company's commitment to minimize social and environmental impact.

[State of BODs held in 2014]

| Date | Major agenda | Attendance (No. of attendants / members) | Result |
|---------|---|---|----------|
| Jan 28 | 4 agenda including the election of CEO and contribution to Smile Microcredit Bank | 7/7 | Approved |
| Feb 13 | 2 including summon of regular general meeting of shareholders | 7/7 | Approved |
| Mar 14 | 3 including election of the chairman of BOD | 7/7 | Approved |
| May 9 | 2 including disposal of affiliated company stock | 7/7 | Approved |
| June 13 | 4 including trade of goods/services | 7/7 | Approved |
| Sep 17 | 2 including treasury share repurchase | 7/7 | Approved |
| Dec 16 | 6 including election of compliance officer and implementation of ERP system | 7/7 | Approved |

Regulations regarding CEO Succession

In February 2015, the Board of Directors established CEO succession regulations with the purpose of establishing a system that is in line with the interests of our stakeholders and the long-term vision of a financial company while minimizing the risk from the succession process. Matters discussed were: required qualification of CEO, objective of the new succession regulation, implementation time of the new process, procedure for candidate recommendation and succession as well as emergency contingency plans. Adequacy of the regulation will be reviewed more than once every year by the Board of Directors.

Ethics and Integrity

Samsung Fire and Marine insurance is committed to fulfilling social responsibilities and roles of a leading global company while establishing a clean organizational culture and putting into practice basic principles of ethical management.

Samsung Business Principles

SFMI strives to become a top global company which devotes talent and technology to create superior products and services that contribute to a better society based on our talents and expertise. Samsung Business Principles provides a framework of responsibilities a global company needs to comply with. It expresses our internal and external commitment to social responsibility.

Samsung Business Principles

Principle 1: We comply with laws and ethical standards

1-1 We respect the dignity and diversity of individuals

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

1-2 We compete fairly, complying with laws and business ethics

- We comply with the laws of the countries and communities in which we conduct business and we respect business competition standards and practices.
- We do not take any profits from unethical business practices
- We do not permit the exchange of gifts, entertainment or any other form of bribery as an inducement to engage in unfair business practices.

1-3 We maintain accounting transparency by keeping accurate records

- We accurately record and maintain all business transactions to provide objective information on business activities for all stakeholders.
- We abide by accounting rules of relevant countries and internationally accepted accounting standards.
- We disclose material business matters such as major financial changes and corporate information as prescribed by law.

1-4 We do not intervene in politics and we maintain a neutral stance on all political issues

- We respect the political rights and opinions of the individual. However, political activity should be kept outside of the workplace.
- We do not use company resources for political purposes.
- We do not provide illegal political donation.

Principle 2: We maintain a clean organizational culture

2-1 We draw a strict line between public and private affairs in all business activities

- When the interests of the company and the individual conflict, the legitimate interests of the company should take precedence.
- We do not use company assets or the position within the company for personal interests (including embezzlement and misappropriation of company assets)
- We do not allow securities transactions such as trading in the company shares and utilizing internal business information.

2-2 We protect and respect the intellectual property of the company and others

- We do not divulge internal intellectual property and classified information without prior permission or approval.
- We respect the intellectual property of others by avoiding acts of infringement such as copying, distribution, modification or use without permission.

2-3 We create a healthy organizational atmosphere

- We foster positive working relationships by prohibiting harmful practices such as sexual harassment, violence and inappropriate monetary transactions between colleagues.
- We do not allow favoritism or private groups based on external affiliations that is detrimental to the harmony within the company.
- We establish win-win labor-management relations based on mutual trust and open communication

Principle 3: We respect customers, shareholders and employees**3-1 We value customer satisfaction as the top priority in our business activities**

- We provide products and services that meet customer demands and expectations in a timely manner.
- We treat our customers with sincerity and kindness, and attend to their proposals and complaints.
- We respect and protect our customers' reputation and their personal and proprietary information.

3-2 We focus on shareholder value

- We strive to provide long-term benefits to shareholders through rational investment and efficient management.
- We strive to make stable profits and increase the market value of the company with robust business operations.
- We respect the rights, opinions and reasonable requests of shareholders.

3-3 We endeavor to improve employees' quality of life

- We provide equal opportunities to all employees, and treat them fairly based on their abilities and performance.
- We encourage all employees to pursue continuous self-development and we actively support the improvement of their capabilities for better business performance.
- We strive to provide a workplace environment that fosters personal initiative and creativity.

Principle 4: We care for the environment, health and safety**4-1 We engage in environmentally friendly management practices**

- We observe global standards, related laws and internal regulations related to the conservation of the environment.
- We endeavor to protect the environment in all business operations, including product development, manufacturing and sales.
- We strive to implement activities that use resources efficiently such as recycling.

4-2 We value human health and safety

- We observe global standards, related laws and internal regulations related to safety.
- We strive to prevent accidents by complying with safety regulations and fostering a pleasant work environment.
- We take every precaution not to supply products and services that could harm human health and safety.

Principle 5: We are a socially responsible corporate citizen**5-1 We actively perform our duty as a corporate citizen**

- We endeavor to raise public trust in our company by fulfilling our responsibilities and duties as a member of local communities.
- We strive to generate stable employment and fulfill our responsibility to pay taxes faithfully.

5-2 We respect the characteristics of local custom, culture and society, and strive to prosper together with local communities.

- We respect the laws, cultures and values of the countries in which we do business, and we contribute to the quality of life of local residents.
- We lead the improvement of societies through the support of public activities such as education, art, culture and sports.
- We actively participate in public services such as volunteer activities and disaster relief services.

5-3 We build win-win relationships with business partners

- We form reciprocal relationships on the basis of mutual trust with our suppliers, and treat them as strategic partners.
- We reinforce our suppliers' competitiveness with legitimate support in order to achieve co-prosperity.

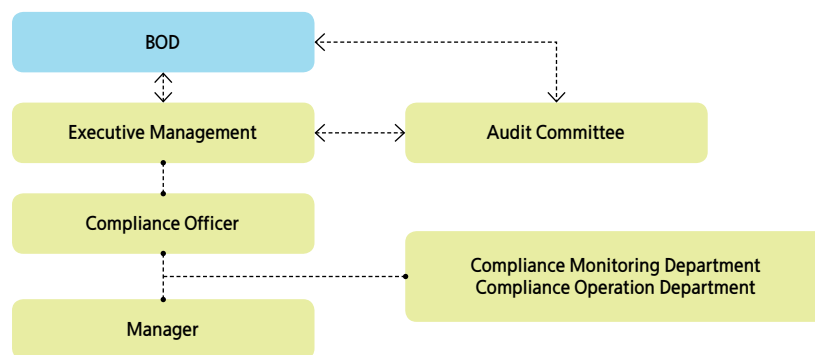
Major Activities

Setting/Assessment of Internal Control Criteria

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

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

[Operating Structure]



Compliance Education & Inspection

SFMI conducts regular education to employees to reinforce the principle of ethics. Shared Value program, which is a mandatory training course for all domestic and overseas employees, offers education on prevention of corruption, fair trade, personal information protection, prevention of gender discrimination and sexual harassment and protection of human rights. Furthermore 'Compliance and Ethics Self-Assessment' is completed by all employees to increase understanding of compliance management. As of February 2015, corruption risk assessment was conducted in all 687 business divisions (including 7 overseas subsidiaries, 7 branches, 7 representative offices).

[Mandatory Education]

| Type | | 2012 | 2013 | 2014 |
|------------------------|---------------------------|-------|-------|-------|
| Shared value education | Training hours per person | 20 | 20 | 20 |
| | No. of attendees | 5,373 | 5,528 | 5,671 |

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

Operation of Compliance Support System

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

[Major Compliance Support System]

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

Anti-Money Laundering System

As set forth by laws against money laundering and public financing, SFMI operates CDD (Customer Due Diligence) system for the purpose of preventing act of crime and promoting transparent transaction with our customers. Furthermore, EDD (Enhanced Due Diligence) is performed on customers who have been categorized as higher in risk based on money-laundering risk assessment. Money laundering preventive system inspects doubtful, large cash transactions and provides regular preventive education to the employees.

Assessment of Anti-Money Laundering System: In 2014, SFMI was given the highest "Excellent" rating by KoFIU, an action task force unit on money laundering operated by the Financial Services Commission in the area of 'system and Operation of anti-money laundering program'.

Disciplinary Actions by External Authorities

SFMI applies strict actions and implements prevention measures in response to the disciplinary actions initiated by supervisory authorities. Penalties imposed by external authorities in 2014 are listed below.

[Disciplinary Actions]

| Date | Body | Reason | Punishment |
|---------------|------|---|---------------------------|
| Feb. 19, 2014 | FSC | Violation of closing or recruitment of insurance contract | Fined KRW 40 million |
| May 20, 2014 | FSC | Violation of closing or recruitment of insurance contract | Employee reprimanding (3) |

* FSC : Financial Services Commission

Internal Reporting System

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

[Internal Reporting Channel]

| | |
|-----------------|--|
| Whistle blowing | The Office of Management Practice Principles (Compliance Department) Tel: 02-758-7112 / Fax: 02-758-4310 / e-mail: ethics@samsungfire.com |
| Fraud Reporting | Audit Team Tel: 02-758-7829 / Fax: 02-758-7796 / e-mail: auditing@samsungfire.com |

[Report Status]

| Type | 2012 | 2013 | 2014 |
|-------------------|------|------|------|
| Processed Reports | 91 | 99 | 53 |
| - Alleged Offence | 11 | 10 | 9 |
| - Civil Complaint | 60 | 73 | 23 |
| - Others | 19 | 16 | 21 |
| Disciplinary | 0 | 1 | 0 |

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

Risk Management

In order to maximize shareholder and customer value, our risk management organization implements various risk management strategies against any risk factor that may impact the value and profitability of the company business.

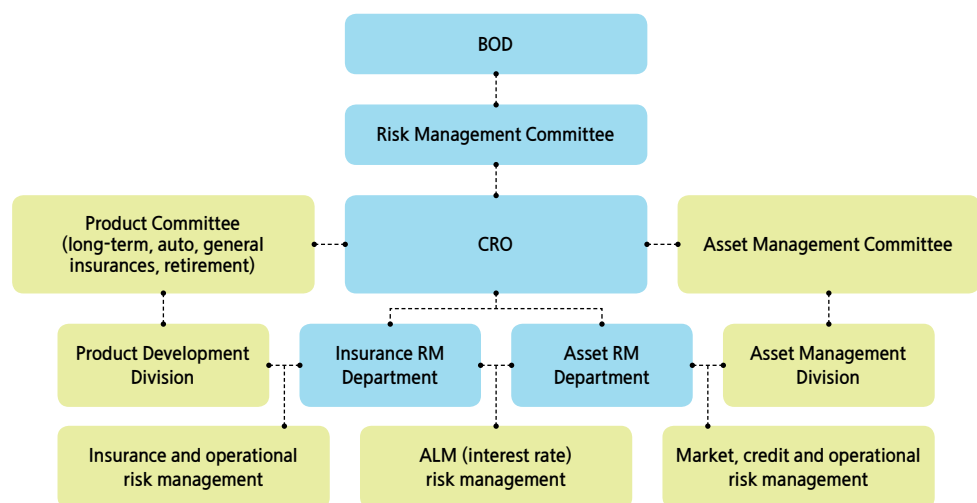
Risk Management Overview

Risk Management Organizations

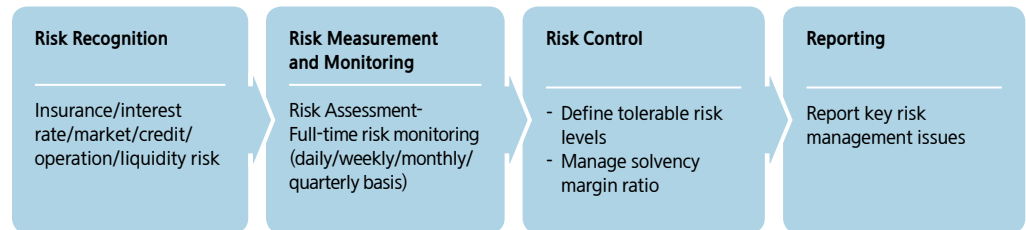
Risk Management Committee: As a sub-committee within the BOD, the Risk Management Committee defines tolerable risk levels for both underwriting and asset management operations and establishes risk management guidelines that are reflected in companywide business decision making. The committee also promotes the importance of risk management to executive managements.

CRO (Chief Risk Officer): The CRO operates the Risk Management Committee and attends the Product Committee and the Asset Management Committee to oversee risk management across company business.

Risk Management Department: Insurance Risk Management Division and the Asset Risk Management Division operate under the CRO and are in charge of assessing, monitoring and controlling risk. The divisions are separate from each other to ensure their independence.



Risk Management Process



Definition of Risks by the Type and How to Manage

| Risk | Definition | Methods to manage |
|--------------------|--|---|
| Insurance risk | Risk from loss led by higher actual claim payment rate over assumed claim payment rate | <ul style="list-style-type: none"> - Set risk tolerance limit based on changes in loss ratio, policy termination rate and regularly monitor related risk - Establish reinsurance strategy |
| Interest rate risk | Risk from drop in adjusted net worth led by asset and liability duration and ALM mismatch under fluctuation in interest rate | <ul style="list-style-type: none"> - Establish guideline to formulate expected rate and minimal guaranteed rate - Set asset duration target based on cash flow of liability taking into consideration liability structure and interest rate environment |
| Market risk | Risk from drop in market value of asset led by negative market fluctuations such as interest rate, stock prices and exchange rates | <ul style="list-style-type: none"> - Set reference investment criteria for marketable securities and loans - Establish loss criteria to prevent high losses |
| Credit risk | Risk from loss led by counterpart default or drop in credit rate | <ul style="list-style-type: none"> - Set investment limit pre industry, diversify risk and monitor status of exposure limit |
| Operation risk | Risk from loss due to lack in internal control, employee led errors and system errors | <ul style="list-style-type: none"> - Establish standard for internal control, conduct periodical monitoring |
| Liquidity risk | Risk from loss led by discrepancy between supply and demand of capital or sudden capital outflow | <ul style="list-style-type: none"> - Monitor daily monetary transaction - Establish monthly asset management strategy - Monitor quarterly liquidity ratio |

Management of Capital Adequacy

SFMI maintains the highest capital adequacy within Korean non-life insurance industry. We have formulated an internal capital solvency calculation method based on global Solvency II standard, to determine our capital adequacy and set internal risk tolerance level.

Regulatory capital solvency requirements: Solvency ratio of an insurance company refers to capital available in addition to capital required for insurance companies to pay back to policyholders (required capital). As of December 2014, SFMI's RBC ratio stood at 375%, well exceeding the 100% level required by the Financial Supervisory Services.

Internal capital solvency requirements and risk tolerance limit: To implement a more effective risk management framework, we measure our internal solvency ratio based on Solvency II standards. Our Risk Management Committee monitors risk tolerance level and adequacy of the limit on a regular basis.

Stress test and sensitivity analysis: SFMI conducts annual stress test based on the IMF bailout and 2008 global financial crisis scenarios, as set by the regulators. The results of the test are reported to the Risk Management Committee. Based on our recent stress test, our solvency ratio was at 200%, an adequate level even when applied the economic crisis scenario. We also perform market fluctuation sensitivity analysis to measure risks that may lead to profit and asset losses.

* IMF crisis scenario: 30% increase in interest rate, 40% decline in stock prices, 50% decline in exchange rates, 100% increase in bankruptcy rate, etc.

Business Continuity Managements

In preparation for potential business interruptions arising from by disasters such as fire, gas explosion, rainstorm or war crisis, SFMI established a business continuity plan to ensure quick recovery of our business and to mitigate risks for our stakeholders. SFMI was first in the non-life industry to acquire BS25999 certification in 2010 and ISO22301 certification in 2013.



Business Results

Despite challenging business environment, SFMI has achieved strong sales and steady profit growth through superior channel network, differentiated risk management and stable asset management. We will continue to concentrate on maximizing corporate value through solid management structure.

Business Results

Overview

In FY 2014, uncertainties over the global financial markets have continued owing to delayed economic recovery of developing countries and concern with drop of oil price. While the local economy, entering into a new-normal period marked with low growth and low interest rate, continued to experience weak domestic demand. Despite this challenging environment, SFMI achieved solid business results by promoting high profit and solid growth. Direct premiums written rose to KRW 17.4 trillion, 1.8% more than the previous year, while net profit rose to KRW 796.6 billion, 12.4% more by dint of improved portfolio mix and differentiated profit management throughout all business lines. RBC ratio which shows the financial soundness of an insurer recorded the industry's highest level of 375.1%. SFMI also received an "A+ Positive" rating from global credit rating agency S&P and an "A++ (Superior)" from A.M.Best, demonstrating its high creditability and world's top class financial soundness.

Profit & Loss Summary

Direct premiums written and net premiums earned rose 1.8% and 2.0% respectively compared to the previous year recording KRW 17.3 trillion and 16.6 trillion each.

Underwriting profit posted a loss of KRW 592.5 billion due to concentrated large amount incidents of commercial insurance and a deteriorated loss ratio of auto insurance and higher risk loss ratio of long-term insurance from additional IBNR reserves. Despite decline of yield on interest-bearing assets such as bonds and loans because of low interest rate environment, investment profit rose by 12.4% to KRW 1,682.8 billion as a result of stable growth in invested asset.

Net profit in FY 2014 increased by 12.4% to KRW 796.6 billion, with cash dividends standing at KRW 4,500 per share. Based on the industry's leading capital position, SFMI plans to concentrate on maintaining the stability and efficiency of capital and enhancing shareholder value in the long term.

[Income Statement (Summary)]

| | Unit: KRW 100 million, % | | |
|-------------------------|--------------------------|---------|-------------|
| | 2013 | 2014 | Growth rate |
| Direct premiums written | 170,436 | 173,581 | 1.8 |
| Net premiums earned | 162,353 | 165,557 | 2.0 |
| Underwriting profit | -5,152 | -5,925 | N/A |
| Investment profit | 14,965 | 16,828 | 12.4 |
| Operating profit | 9,813 | 10,903 | 11.1 |
| Non-operating profit | -551 | -394 | N/A |
| Pre-tax profit | 9,262 | 10,508 | 13.5 |
| Net profit | 7,090 | 7,966 | 12.4 |

*Above figures are based on K-IFRS separate financial statements. Figures in 2013 are based on the calendar year instead of the fiscal year for proper comparison with 2014. (hereinafter to be applied in a same way)

Results by Business Line

Overall direct premiums written rose 1.8% to KRW 17.4 trillion.

Commercial insurance premium rose 1.0% to KRW 1,543.6 billion. This was the result of strengthened underwriting for low margin contracts according to strategic change towards profit-driven growth. On the other hand, net premiums earned, which is the actual base of income, showed stable growth of 12.2% since the company improved its retention rate for profitable accounts.

Long-term insurance premium rose 1.1% to KRW 12,018.2 billion. Overall growth rate of long-term insurance has been decreased compared to the past year's numbers. This is because new contracts for savings-type products including lump-sum premium sharply dropped following the company's strategy pursuing substantial growth on protection-type products since 2013. However, the company's portfolio of new premium and recurring premium, focused on highly profitable protection-type products significantly improved resulting in steady growth of the new business EV margin.

Auto insurance premium rose 4.6% to KRW 3,796.3 billion despite the company's underwriting policy centered on good contracts, and an increase of online contracts with low premiums. This was the result of premium hike for certain types of automobiles as well as increased sales of new vehicles.

[Direct Premiums Written by Business Line]

Unit: KRW 100 million, %

| | 2013 | | 2014 | | Growth rate |
|----------------------|----------------|--------------|----------------|--------------|-------------|
| | Amount | % | Amount | % | |
| Commercial | 15,288 | 9.0 | 15,436 | 8.9 | 1.0 |
| Long-term | 118,863 | 69.7 | 120,182 | 69.2 | 1.1 |
| - New premiums* | 2,463 | 1.4 | 1,999 | 1.2 | -18.8 |
| - Recurring premiums | 111,807 | 65.6 | 114,842 | 66.2 | 2.7 |
| Auto | 36,285 | 21.3 | 37,963 | 21.9 | 4.6 |
| Total | 170,436 | 100.0 | 173,581 | 100.0 | 1.8 |

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

Despite improved expense ratio, total combined ratio rose by 0.3%p to 103.4% as the loss ratio worsened compared to the previous year.

Loss ratio of commercial insurance recorded 62.9%, up by 3.5%p year on year as there occurred a number of large amount incidents such as the sinking of the Sewol ferry, airplane crashes and a number of fires.

Overall loss ratio of long-term insurance recorded 88.4%, up 0.6%p from the previous year. Risk loss ratio, which is an effective underwriting indicator, rose by 4.1%p to 77.9%. This was mainly due to additional reserves from the regulation changes in IBNR.

Loss ratio of auto insurance recorded 83.0%, down 3.5%p from the previous year. Despite the fact that premium per policy has decreased due to growth in discounted online, the accident rate also declined mainly backed by strengthened underwriting in offline and rising inflow of low risk customers.

| [Underwriting Efficiency (IFRS)] | | | Unit: %, %p |
|------------------------------------|--------------|--------------|-------------|
| | 2013 | 2014 | Change |
| Loss ratio | 85.1 | 85.5 | 0.4 |
| - Commercial | 59.4 | 62.9 | 3.5 |
| - Long-term ^{*1)} | 87.8 | 88.4 | 0.6 |
| - Auto | 83.5 | 83.0 | -0.5 |
| Expense ratio ^{*2)} | 18.0 | 17.9 | -0.1 |
| - Commercial | 16.9 | 20.0 | 3.1 |
| - Long-term | 17.3 | 17.0 | -0.3 |
| - Auto | 20.5 | 20.3 | -0.2 |
| Combined ratio | 103.1 | 103.4 | 0.3 |

*1) Long-term loss ratio = (Incurred losses + Savings reserve)/Net premium earned

*2) (Actual expenses - Deferred acquisition fee cost - Reinsurance commission)/Net premium written

Expense ratio in FY 2014 recorded 17.9%, down 0.1%p year on year. This is mainly because distribution costs improved by 0.8%p since there was no additional amortization of acquisition cost which was incurred in FY2013. On the other hand, wage & severance benefits and administration costs increased by 0.2%p, 0.4%p respectively as a result of expanding investment on key personnel and infrastructure aiming to strengthen the company's global capabilities.

[Expense Ratio Breakdown (IFRS)]

| | Unit: %, %p | | |
|---------------------------|-------------|-------------|-------------|
| | 2013 | 2014 | Change |
| Wage & Severance Benefits | 3.3 | 3.5 | 0.2 |
| Distribution costs *1) | 11.0 | 10.2 | -0.8 |
| Administration costs | 4.9 | 5.3 | 0.4 |
| Expenses recovered *2) | -1.2 | -1.1 | 0.1 |
| Total | 18.0 | 17.9 | -0.1 |

*1) Acquisition costs, agent commissions, and amortization of acquisition costs

*2) Reinsurance commission and reinsurance profit commissions

Investment Income

Investment income rose 12.4% year on year to KRW 1,682.8 billion. This rise is mainly attributable to an increase of interest income from bonds and loans, which accounts for 78% of the invested assets, by KRW 96.3 billion and 35.7 billion respectively. Investment profit from equities also showed a sizable improvement of KRW 76.5 billion, as there were less impairment losses and more dividend income incurred this year. Investment yield fell by 0.1%p to 3.8% due to fall in yield on interest-bearing assets affected by the continued low interest rate environment.

[Investment Income]

| | Unit: KRW 100 million, %, %p | | | | | |
|----------------------|------------------------------|------------|---------------|------------|-------------|-------------|
| | 2013 | | 2014 | | Change | |
| | Profit | Yield | Profit | Yield | Profit | Yield |
| Cash & deposit | 215 | 2.0 | 245 | 1.8 | 14.0 | -0.2 |
| Stocks | 151 | 0.3 | 916 | 2.0 | 506.6 | 1.7 |
| Bonds | 8,733 | 4.4 | 9,696 | 4.2 | 11.0 | -0.2 |
| Loans | 4,992 | 5.3 | 5,349 | 4.6 | 7.2 | -0.7 |
| Overseas | 1,553 | 5.8 | 1,553 | 5.4 | 0.0 | -0.4 |
| Real estate | 184 | 1.4 | 133 | 1.0 | -27.7 | -0.4 |
| Administration costs | -863 | | -1,064 | | 23.3 | |
| Total | 14,965 | 3.9 | 16,828 | 3.8 | 12.4 | -0.1 |

Financial Position

Overview

As of Dec. 31, 2014, invested assets stood at KRW 49,748 billion, 19.5% up compared to the end of the previous fiscal year. Under its ALM principles, SFMI concentrates on stable asset management and invests 84% of its total invested assets in interest-bearing assets such as bonds, loans and overseas securities. Under the low interest rate environment in Korea, SFMI focuses on not only strengthening duration matching between assets and liabilities by incorporating long-term bonds, but also preempting drop in yield through high yield corporate loans.

[Statement of Financial Position Summary]

Unit: KRW 100 million, %

| | Dec 2013 | Dec 2014 | Change |
|---|----------------|----------------|-------------|
| Invested assets | 416,222 | 497,480 | 19.5 |
| - Cash & deposit | 11,551 | 16,463 | 42.5 |
| - Stocks | 42,777 | 47,811 | 11.8 |
| - Bonds | 217,111 | 253,911 | 16.9 |
| - Loans | 103,890 | 134,658 | 29.6 |
| - Overseas securities | 27,911 | 31,296 | 12.1 |
| - Real estate | 12,982 | 13,341 | 2.8 |
| Non-invested assets | 71,636 | 78,839 | 10.1 |
| Total assets | 487,858 | 576,319 | 18.1 |
| Policy reserves | 365,733 | 414,831 | 13.4 |
| Other liabilities | 20,884 | 26,504 | 26.9 |
| Special account liabilities | 22,856 | 40,488 | 77.1 |
| Total liabilities | 409,473 | 481,823 | 17.7 |
| Shareholder's equity | 78,385 | 94,495 | 20.6 |
| - Catastrophe reserves | 14,672 | 15,787 | 7.6 |
| Total liabilities & shareholders' equity | 487,858 | 576,319 | 18.1 |

Securities

As of the end of FY 2014, total securities assets including bonds and overseas securities increased by 15.7% compared to a year ago to KRW 33,301.8 billion. In spite of slight decline in valuation gain, stock holdings increased by 11.8% to KRW 4,781.1 billion due to new investment in affiliate stocks.

Bond holdings rose by 16.9% to KRW 25,391.1 billion due to the increase of the volume of available-for-sale securities including mainly government, public bonds and special bonds. Overseas securities also rose by 12.1% to KRW 3,129.6 billion.

[Details of Securities]

| | Unit: KRW 100 million % | | |
|--------------------------------------|-------------------------|----------------|-------------|
| | Dec 2013 | Dec 2014 | Change |
| Stocks | 42,777 | 47,811 | 11.8 |
| - Equity method | 1,921 | 2,029 | 5.6 |
| - Trading | 1,284 | 505 | -60.6 |
| - Available-for-sale | 37,149 | 42,952 | 15.6 |
| - Affiliates and subsidiaries stocks | 2,423 | 2,325 | -4.0 |
| Bonds | 217,112 | 253,911 | 16.9 |
| - Trading | 5,892 | 6,833 | 16.0 |
| - Available-for-sale | 209,523 | 245,479 | 17.2 |
| - Held-to-maturity | 1,696 | 1,599 | -5.7 |
| Overseas securities | 27,911 | 31,296 | 12.1 |
| - Trading | 2,459 | 2,282 | -7.2 |
| - Available-for-sale | 25,452 | 29,014 | 14.0 |
| - Held-to-maturity | - | - | N/A |
| Total | 287,799 | 333,018 | 15.7 |

Loans and Asset Quality

Loan assets amounted to KRW 11,975.8 billion, a year on year increase of 18.2%. Retail loans rose 6.3% mainly thanks to growth of mortgage loans, while policyholder loans maintained the similar level of the previous year. Corporate loans recorded remarkably high growth of 54.5% by dint of new loans to the renewable energy projects and prime office buildings.

SFMI has maintained the best asset quality in the financial sector with 0.1% of loan delinquency ratio and 0.1% of non-performing loans (NPL) ratio.

| [Loans] | Unit: KRW 100 million, % | | | | |
|--------------------|--------------------------|--------------|----------------|--------------|-------------|
| | Dec 2013 | | Dec 2014 | | Change |
| | Amount | % | Amount | % | |
| Retail loans | 76,192 | 75.2 | 81,008 | 67.6 | 6.3 |
| - Mortgages | 43,764 | 43.2 | 48,818 | 40.8 | 11.5 |
| - Policy holders | 31,196 | 30.8 | 31,105 | 26.0 | -0.3 |
| - Non-secured | 1,232 | 1.2 | 1,090 | 0.9 | -11.5 |
| Corporate loans | 25,087 | 24.8 | 38,750 | 32.4 | 54.5 |
| - Secured | 25,087 | 24.8 | 38,750 | 32.4 | 54.5 |
| - Non-secured | - | - | - | - | N/A |
| Non-secured | 101,279 | 100.0 | 119,758 | 100.0 | 18.2 |

* Excluding call loans, prior to subtracting loan provision and deferred loan origination fees

| [Loan Quality] | Unit: KRW 100 million, % | | |
|--|--------------------------|----------|--------|
| | Dec 2013 | Dec 2014 | Change |
| Total Loans | 101,580 | 121,465 | 19.6 |
| - Normal | 101,369 | 121,299 | 19.7 |
| - Precautionary | 65 | 37 | -43.1 |
| - Substandard | 134 | 106 | -20.9 |
| - Doubtful | 7 | 14 | 100.0 |
| - Estimated loss | 5 | 9 | 80.0 |
| NPL (Non-performing loans) | 145 | 129 | -11.0 |
| - NPL ratio | 0.1 | 0.1 | 0.0 |
| - Loan loss provisions to substandard & below (NPL Coverage ratio) | 647.4 | 826.7 | 179 |
| Delinquency ratio | 0.2 | 0.1 | -0.1 |
| - Retail | 0.3 | 0.2 | -0.1 |
| - Corporate | 0.0 | 0.0 | 0.0 |

* Including loans from severance benefit accounts

ALM (Asset Liability Management)

The asset-liability spread margin as of the end of FY 2014 stood at 44 basis points. The return on matching assets declined 36 basis points to 4.19% over the previous year, while liability crediting rate which lags behind changes in market interest rate fell 29 basis points to 3.75%. SFMI continues to focus on managing its spread margin by increasing the portion of floating rate products and actively adjusting liability crediting rate. In addition, duration matching ratio between assets and liabilities recorded 112% as the company concentrates on generating stable profits regardless of the volatility of market interest rates.

[ALM on Long-term Insurance]

Unit: KRW 100 million %, %p

| | Dec 2013 | | | Dec 2014 | | | Change | | |
|---------------------------|----------|-------|----------|----------|-------|----------|--------|-------|----------|
| | Amount | Yield | Duration | Amount | Yield | Duration | Amount | Yield | Duration |
| Assets ¹⁾ | 285,959 | 4.55 | 4.57 | 351,742 | 4.19 | 4.90 | 23.0 | -0.36 | 0.32 |
| Liabilities ²⁾ | 281,159 | 4.04 | 5.12 | 325,335 | 3.75 | 4.36 | 15.7 | -0.29 | -0.76 |
| Spread ³⁾ | 4,800 | 0.51 | 89.4 | 26,407 | 0.44 | 112.4 | 450.1 | -0.07 | 23.0 |

*1) The sum of invested assets and unamortized deferred asset

*2) The sum of reserves for savings, unearned policy reserves, and reserves for lapsed policies

*3) The spread in the column of duration refers to the matching ratio of assets and liability duration.

Maximizing Shareholder Value

Fair Disclosure Policy

SFMI is committed to fair disclosure of material information concerning the company's management and operations through periodic and autonomous reporting. Key information regarding the company's future business plan, earnings outlook and monthly earnings results are disclosed through the Electronic Corporation Disclosure system. In addition, overall insurance business information is disclosed quarterly through the Public Disclosure system of General Insurance Association.

Communication with Shareholders and Investors

SFMI aims to enhance the understanding and trust of shareholders and investors through active one-on-one meetings, conferences and Non-Deal Roadshows (NDRs). Additionally, SFMI provides financial information and performance results promptly via its website and DART (Data Analysis, Retrieval & Transfer) system of Financial Supervisory Service. Communication with the shareholders and investors also helps us to receive valuable feedback that is shared with the company's management and effectively be reflected in our business.

Global Credit Ratings

SFMI received the highest rating of 「A++」 from A.M. Best for four consecutive years. A.M. Best is the world's leading credit rating agency specialized in insurance companies. SFMI also rated 「A+, Positive」 by global rating agency S&P, the highest credit rating given to a private company in Korea. These ratings were given in recognition of the company's outstanding capital strength, robust business performance and strong risk management capabilities.

Value Creation & Distribution

Economic Value Creation by Stakeholders

In 2014, SFMI distributed economic value of KRW 18,238.5 billion in total to various stakeholders.

| Unit: KRW billion | | |
|----------------------------------|----------|---|
| Stakeholder | Amount | Content |
| Customers | 14,157.1 | Insurance benefit payment |
| Employees | 584.2 | Wages, severance, benefits |
| Shareholders | 198.8 | Dividends |
| Business partners | 2,407 | Insurance sales commission |
| Government /local communities | 277 | Corporate tax, donations for communities |
| Others | 614.5 | Internal reserves for investment on future growth |

Sales of Environmental & Social Products

| Unit: KRW 100 million | |
|---|-------|
| [Sales of Environment-friendly & Socially Responsible Products] | |
| 2014 | |
| Sales of environment-friendly insurance products ^② | 5,369 |
| Sales of socially responsible insurance products ^② | 3,010 |

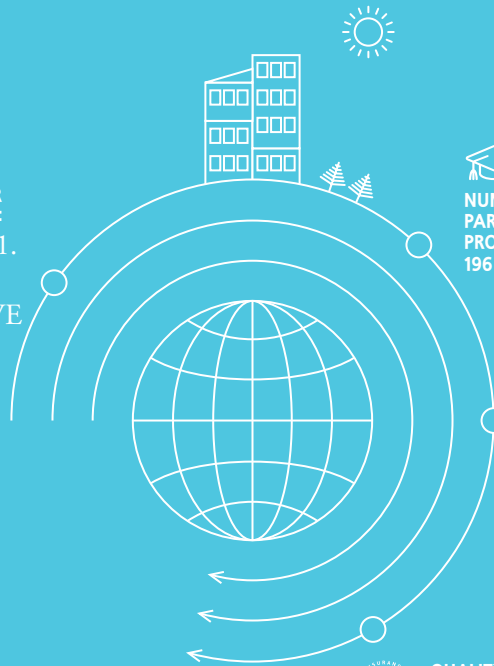
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SOCIETY

- Customer-oriented Management
- Human Capital Development
- Corporate Citizenship
- Co-prosperity



NATIONAL CUSTOMER
SATISFACTION INDEX :
RANKED NO.1.
FOR THE 14TH
CONSECUTIVE
YEAR



NUMBER OF EMPLOYEES
PARTICIPATING AS INTERNAL
PROFESSOR FOR SFMI UNIVERSITY
196 PERSONS (2015.2)



SOCIAL
CONTRIBUTION

33.7 billion



QUALITY SERVICE
CERTIFIED SALES AGENTS

4,675 persons

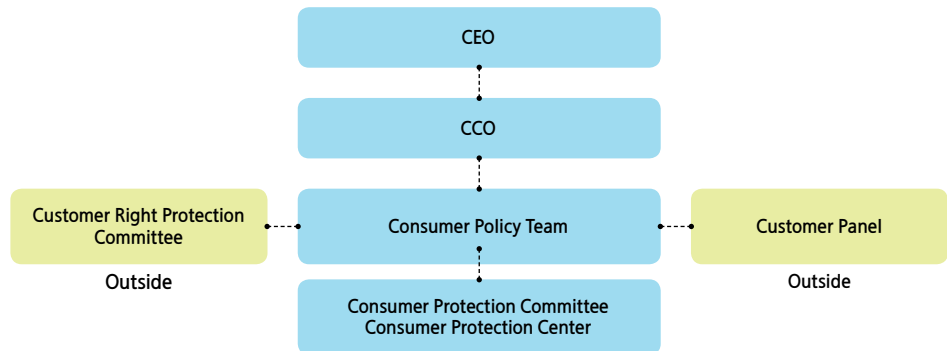
Customer-oriented Management

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

Customer-oriented Activities

Customer-oriented Products and Services

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



Promoting and Educating Customer Oriented Service to Our Partners

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

Service Academy: In January 2014, SFMI established the Service Academy under the Consumer Policy Team to reinforce consumer protection. The Service Academy is designed to promote customer focused service and minimize customer dissatisfaction through collective training sessions, individual sessions tailored to different lines of operations as well as consulting programs. As of Dec. 31, 2014, 4,239 employees and 10,982 partners completed education at the Academy across 341 sessions.

Best Customer Satisfaction Practice Award: SFMI operates various reward programs to further encourage and motivate employees and partners who were outstanding in the area of customer service. Reward programs include: Company Foundation Day Award (annual), SFMI Person Award (3 times a year), the CEO Special Award (4 times a year) and CS Achievement Award (monthly). Examples of outstanding customer service practices are aired on company broadcast and intranet as a way to promote and raise customer satisfaction awareness to our employees and partners.

Customer-oriented Products & Services

SFMI proactively reflects needs and opinions of our customers throughout the development process of our products. As such, product name and policy terms can also be flexibly modified to improve customers’ understanding of the policies. We also offer wide range of products and services to meet customer’s specific needs and also needs that may develop in different stages of life such as for older age, infant care or traveling and even refinancing services.

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

Customer Communication

Consumer Satisfaction Survey

We regularly conduct customer satisfaction surveys to assess and improve the level of customer service. In 2014, we ranked No.1 for 14 consecutive years for NSCI (National Customer Satisfaction Index) in non-life insurance category.

| Type | 2012 | 2013 | 2014 |
|---|------|------|------|
| National Customer Satisfaction Index (NSCI) | 73 | 74 | 74 |

[Major Awards]

NCSI
No.1 for 14 consecutive years



Korean Customer Satisfaction Index
No.1 for 17 consecutive years



Korean Standard-Service Quality Index
No.1 for 13 consecutive years



Korean Net Promoter Score
No. 1 for 5 consecutive years



National Productivity Award
Presidential Citation (2012)



Customer Satisfaction Management Award
Hall of Fame (2011)



Korea Service Grand Prix
Hall of Fame (2011)



The Best Financial Company
at Financial Supervisory Service Evaluation of Complaints Filed (2014)



Voice of Customer (VOC)

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

| Type | 2012 | 2013 | 2014 |
|--|------|------|------|
| Rate of VOC processed within 24 hours(%) | 80 | 85 | 86 |

Evaluation by Financial Supervisory Service: Regulators encourage all financial institutions to mitigate consumer complaints and to provide consumers with reliable and protected financial services. As part of the initiative, Financial Supervisory Service rates customer service level of financial institutions based on the number of customer complaints that were processed, together with the efforts and measures taken by the company to resolve the issues. The Service's evaluation in 2014 placed SFMI in the first class among 14 non-life insurance companies and SFMI maintained excellent grade for three consecutive years (2012 - 2014).

Customer Panel

Since the establishment of the 'Customer Panel' in 2005, which was first of its kind in Korean non-life insurance sector, SFMI continues to actively operate the system with the purpose of offering products and services that meet the needs and demands of customers. CEO and key management executives participate in the Customer Panel and the outcomes are then actively reflected in improvement strategy of business management.

Customer Panel

Customer Panel is a team of amateurs dedicated to monitoring the market from the customer's perspective. Focused on specific topics, the Panel explores and defines issues and problems and provides solutions through information research, field experience and customer interviews. SFMI Customer Panel which is selected through document screening and interviews is composed of 8 to 10 general individuals, including housewives and must be covered by insurance. Since 2005, up to 17 rounds of panels were operated. The results from the Panel's 4-month task activity is shared with the company through presentation and significantly contributes to implementing customer-oriented management.

SNS for Online Communication

SFMI operates diverse online Social Networking Services (SNS) to increase communication with our customers. As of December 2014, SFMI communicated with approximately 600,000 customers on a daily average, through 11 online SNS channels including blog, facebook and twitter. For our online communication efforts, we were awarded the Grand Prize in the social communication section of the Korea Social Media Awards in 2014. SFMI's 'The Blooming Issues', a blog for people in their 20s and 30s, was awarded the Grand Prize in the non-life insurance sector for the Blog Awards of Korea.

[Major Official SNS Channels]

| | | | |
|--|---|--|---|
| | Blog http://blog.samsungfire.com | | Facebook https://www.facebook.com/samsungfiretalk |
| | Twitter https://twitter.com/samsungfiretalk | | Youtube https://www.youtube.com/user/SamsungfireTalk |
| | I am chobo Cafe http://cafe.naver.com/iamchobo | | Good Daddy Blog http://gooddaddy.samsungfire.com |

Publishment of 'Yeon'

SFMI first published 'Yeon' in January 2015, a collection of heartfelt customer service stories. The casebook was published as to awake the importance of customers and firmly establish customer-centered culture. 15 stories were presented in the first publication including the story of a Risk Consultant who went out her way to get laughter therapy certification in order to spread happiness to her customers.

Customer Protection

Customer Information Protection

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

Information Protection Activities: To protect customers from personal information leakage, SFMI is equipped with highly sophisticated security system including encrypted customer database, operation of a security task force, information protection system 24-7 cyber monitoring and regular safety prevention activities. The system is designed to maximize internal control of customer information processing such as collection, usage, storage, and destruction. We only collect minimal customer information that we consider essential for our business and other information is encrypted and viewing is limited. The number of employees in charge of customer information is limited to the bare minimum. Information security training is regularly conducted to raise awareness of security among employees, and business partners and more stricter disciplinary actions for violations of laws and corporate rules were formulated. No violation of customer information protection has yet been reported, and personal information of customers will be treated with utmost care and kept safe in accordance with applicable laws.

Prevention and Detection of Insurance Fraud

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

Insurance Crime Reporting Center

- Division with primary responsibility: Insurance Inspection Division
- Tel: 02-7573-112
- SFMI's website: Insurance Crime Reporting Center

http://www.samsungfire.com/customer/center/crime/center_crime_01.html

Fair Trade for Consumers

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

Human Capital Development

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

Talent Management

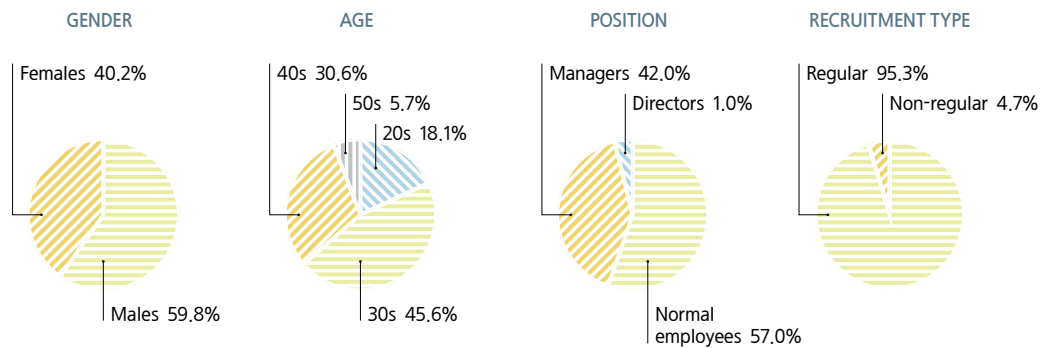
Open Recruitment

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

Talent Retention

As of December 2014, SFMI employed a total of 5,555 people, with male and female ratio standing at 59.8% and 40.2% respectively. We are committed to developing our employees into global financial experts through diverse HR programs including: employment status transfer program from temporary to full time status, reward and early promotion programs for outstanding performers and internal job transfer programs. Additionally, to promote balance and diversity of our employee body, we continue to open recruitment opportunities and out of total employee, percentage of employee with disabilities accounts for 2.1% and employees with national merits 1.7%. Also, percentage of women in management position has reached 11.1% and we continue to encourage women employees to participate in various development and training programs. In February 2014, in recognition for these efforts, SFMI was awarded by the Minister of Employment and Labor, within the division of development of talented women employees.

[Employee Status in 2014]



Performance and Compensation Management

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

[MBO(Management by Objectives)]



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

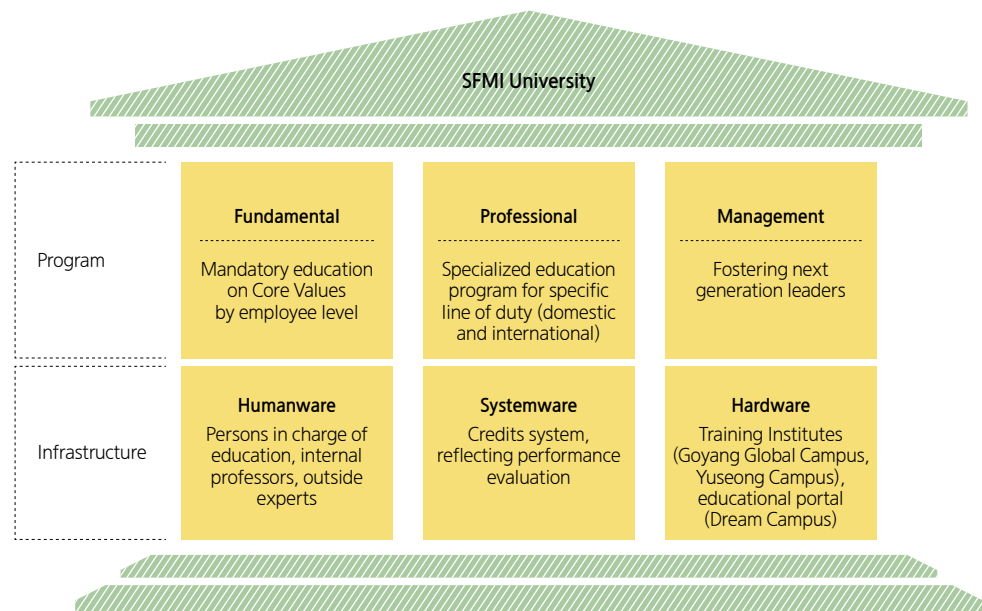
Awarding system: At SFMI, we strive to instill ownership and pride in our employees, so that their goals are aligned with the company’s business strategy. We regularly reward our employees Through diverse programs: Annual Reward Ceremony on Company Foundation Day, quarterly SFMI Person Award, BP of the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

Individual Development

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

SFMI University: In March 2015, SFMI newly established “SFMI University”, an employee development program aimed to foster global financial and insurance experts. In addition to the diverse customized curriculum (110 courses by level of job function, 350 educational contents), the program also offers online and mobile version of the education system (Dream Campus). We have also implemented credit completion system which is reflected in employee performance assessment and also required for promotions.

[SFMI Talent Fostering System]



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

[Employee Education Data]

| Type | 2012 | 2013 | 2014 |
|---|------|------|------|
| IDP participation (%) | 98.8 | 99.2 | 98.9 |
| Education cost per employee (Annual average, KRW million) | 2.05 | 2.06 | 1.91 |
| Education hours per employee (Annual average) | 135 | 134 | 116 |

Human Right & Labor

Protect Human Rights

SFMI fully adheres to the basic principles of protection and respect for human rights contained in the United Nations Universal Declaration of Human Rights and United Nations Guiding Principles on Business and Human Rights. Samsung Business Principles also stipulates that the company should adopt protection of human rights, respect diversity, prohibit forced and child labor and eliminate discrimination. Sexual harassment prevention education and human rights awareness education is conducted more than once every year to promote a sound culture free from any forms of harassment and discrimination.

[Samsung Business Principles]

Principle 1: We comply with laws and ethical standards

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

*Full Text of Samsung Business Principles [🔗](#)

Employee Council

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

[Key Activities by Employee Council]

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

[Employees represented by Employee Council]

| Item | 2012 | 2013 | 2014 |
|---|------|------|------|
| Percentage of Employees represented by Employee Council | 57.6 | 62.9 | 64.0 |

Distress Assistance and Support System

SFMI operates various counseling and assistance system to maintain an open and constructive dialogue with employees. The complaints and suggestions are guaranteed confidentiality. Also, to encourage communication relating to sexual harassment, cases involving women employees are processed by designated female counselors. In 2014, 21 cases were resolved through our distress assistance system.

[Complaint Support and Processing System]

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

Strengthening Employee Communication

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

Exciting Talk Talk: Exciting Talk Talk is a company intranet online communication platform open to employees. The platform provides 5 main communication platforms: 'CEO Live Talk Talk'- communicates CEO's business philosophy and activities, 'Media'- contains updated news about sales and claim settlement field activities and educational VODs, 'Exciting Story' - a community where employees share best practice stories as well as personal family stories, 'News Plus' - contains updated company news and 'Event'. Close to 4,100 employees access 'Exciting Talk Talk' daily to discuss and communicate.

Health & Safety

Health & Safety Management System

To manage and address health and safety issues we have established a dedicated Employee Welfare team under the HR department. The team promotes employees' health through various activities such as administration of medical examinations, health campaigns and mind counseling services. In addition, the Employee council discusses safety management issues during the quarterly meeting with the management to create a safer and healthier work environment.

[Agenda for Clause 18 of Labor Management Council Regulation]

- Improvement of safety, health and other working environments
- Matters related with worker's health promotion

Promoting Healthy Life

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

Promoting Mental Health

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

Check and Education on Health & Safety

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

[Safety Management Rule: 7 safety and emergency procedures]

Fire evacuation procedure/blackout evacuation procedure/ elevator accident evacuation procedure/
Fire extinguisher and hydrant user guide/ First aid administration in care of bleeding, bone fracture
and burn/ Earthquake and building emergency procedure/ cardiopulmonary resuscitation procedure
and automated external defibrillator user guide

Key 2014 Health & Safety Activities -

SFMI implemented various activities to strengthen health and safety environment at work. We have adopted global standards to revise and establish internal safety rules and also evaluated the level of compliance to safety regulations. The Employee Council operated diverse programs such as the "Online Distress Processing System", a mind counseling "Healing program", for employees in the fieldwork and expanded counseling services across the country. We continue to cooperate with stakeholders, business partners, communities and institutes to establish and expand safety culture, such as building of safe environment in Nam-dong National Industrial Complex. We also campaign for safety education such as Safe Kids, and Happy School.

Work & Life Balance

Work & Life Balance

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

Employee Satisfaction Survey: SFMI conducts annually the Samsung Economic Research Institute's Samsung Culture Index (SCI) survey to promote happiness at workplace for our employees. In the 2014 SCI survey, which consisted of 50 questions in 15 categories, SFMI scored 79 points (average of 15 categories), maintaining the same high level as last year.

Running Hobby Clubs: To encourage active interaction among employees and to increase work & life balance, the company supports over 200 hobby club activities including mountaineering, baseball, football, tennis, bowling, photography and meditation.

Promotion Celebration: Employee survey results show that one of the most exciting moments for SFMI employees is when promoted to a manager position. Since 1995, in order to celebrate this important moment, SFMI invites newly promoted employees and their families to the Leadership Conference for New Executives. However, in 2014, the scale of the annual ceremony was reduced and the proceeds from voluntary fund-raising by employees who were newly promoted was used to assist children from low-income families suffering from first degree burn injuries.

Family-friendly Management

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

Parents Appreciation Festival: In September 2014, the Employee Council organized a 4-day group trip for 202 of our employees' parents to Shanghai, China - the hub of SFMI's global operations. The trip was jointly organized by the company and our employees to express appreciation to our parents by offering a memorable experience and also to inform them of SFMI's high position within the industry.

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

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

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

Maternity and Child Care Benefit

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

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

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

[Child Birth & Care Leave Usage Statistics]

| Section | 2012 | 2013 | 2014 |
|--|---------|---------|--------|
| Number of female employees on maternity leave | 220 | 236 | 225 |
| Female employees returning to work after child-birth leave (%) | 95.9 | 99.6 | 99.1 |
| Number of employees (female vs. male) using child-care leave | 109 / 5 | 241 / 5 | 267/12 |
| Employees returning to work after child-care leave (%) | 100.0 | 99.2 | 83.5 |

Employee Benefits

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

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

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

[Main Employee Benefits]

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

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

Corporate Citizenship

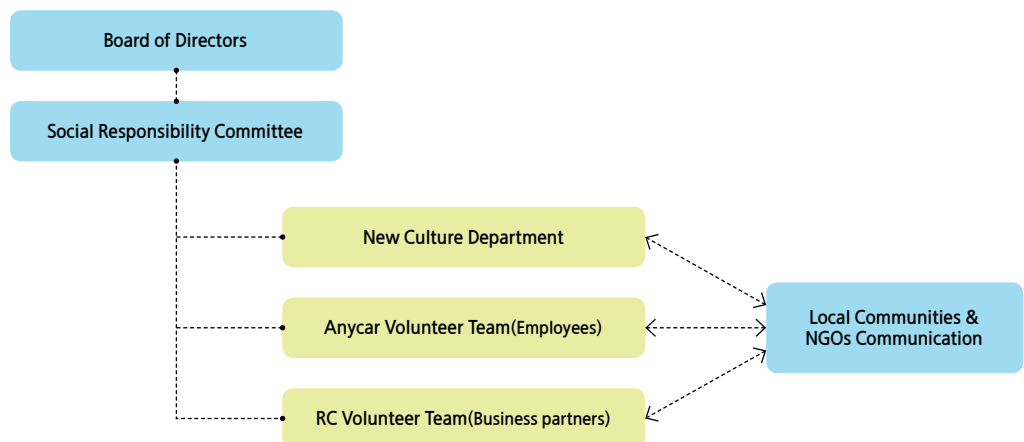
As a responsible corporate citizen, SFMI is committed to fulfilling our public responsibilities and to serving the needs of the people in the communities. We will strengthen social responsibility engagement by applying the essential characteristics of non-life insurance business to support the underprivileged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

Social Responsibility Principles and Organizational Structure

[Principles of Social Responsibility]



[Organizational Structure of Social Responsibility]



Social Responsibility Practices: Integrating Properties and Organizational Capabilities of Insurance Business

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

Traffic Safety Culture

Samsung Traffic Research Institute: Established in July 2001, Samsung Traffic Research Institute is a specialized center for traffic safety research. Its mission is to establish advanced traffic culture and to raise driver safety awareness, ultimately to eliminate traffic related accidents. The institute conducts scientific and systematic research on safety of roads, vehicles and drivers to investigate traffic accident prevention measures. Additionally, it also issues press releases, makes policy proposals and stages traffic safety campaigns. The institute also offers special safety education and information programs to members of the society who are exposed to greater safety risks, such as children, inexperienced and elderly drivers. ⁸

Samsung Transportation Museum: Samsung Transportation Museum opened in May 1998 as Korea's first automobile museum. The museum offers various exploration and educational programs such as the kid-friendly 'Children's Traffic World' to promote awareness and prevention of child related traffic accidents. ⁸

Supporting Persons with Disabilities

Guide Dog Support System for the Visually Impaired: Guide dogs are assistance dogs trained to safely lead blind people around obstacles. A well-established guide dog support system reflects a society's level of awareness of persons with disabilities. As such, societies with high accommodation for guide dogs are widely recognized as advanced welfare societies. SFMI has trained and donated guide dogs to the visually impaired since 1993 and as of 2014 174 dogs (11 dogs in 2014 alone) were donated to the blind people, offering them opportunities for new and improved lives. The past recipients of SFMI's guide dogs are now productive members of the society, standing as college students, teachers, public officials and pianists. ⁸

Support for Gifted Youths with Disabilities: 'Poco a Poco' is an annual concert organized by SFMI and performed by musically talented children with disabilities. The event was conceived to offer gifted youths with disabilities various stage experiences and opportunities to communicate music to the world. Poco-a-Poco, which means 'step-by-step' in Italian, gives children hope to achieve their dreams towards becoming talented musicians.

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

Promoting Daily Life Safety

Dream Playground Project: Dream Playground is a playground renovation project for underprivileged children that SFMI started with the purpose to provide them with safer playing environment. In 2014, 6 playgrounds in different establishments around the country has been renovated into environment-friendly areas, promoting health and positive emotional development of children.

Supporting the Underprivileged Citizens and Local Communities

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

Supporting the Underprivileged Citizens

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

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

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

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

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

Supporting the Local Communities

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

Social Responsibility Overseas: With SFMI's growing presence in the global markets, the company is expanding social responsibility to the international community. In 2014, SFMI China subsidiary participated in donation to earthquake victims, offered support programs to the people with disabilities in China. SFMI's Indonesia subsidiary supports children at the National Orphanage and college students from low-income families and also donates to local schools. Europe subsidiary donated to the building of war veteran memorial, and our Vietnam subsidiary contributed to the renovation of school in impoverished regions. SFMI's overseas social responsibility activities focus on regional issues in an aim to provide local residents with security and hope.

Expanding Volunteer and Donations Activities

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

Volunteer Services

Samsung Anycar Volunteer Team: Samsung Anycar Volunteers Team which is composed of SFMI executives and employees is the heart of SFMI's social responsibility practice. In 2014, 263 volunteer teams across the nation participated in blood donation campaigns, year end charity donations and 'hope sharing' activities on New Year's Day and Chuseok (Korean Thanksgiving Day). Company executives, employees and their families together with business partners (RCs) and customers participated in the activities to further promote neighborly love.

Employee Talent Donation: Each year, SFMI participates in "Finance Education for Youths", a program hosted by the Financial Supervisory Service to help children, future financial customers, to expand their understanding on sound financial transaction and services. Also, in addition to the company sponsored hobby clubs, we offer number of community sharing activities such as talent donation and visit to workplace for underprivileged children.

Donations by Executives and Employees

Dream Fund: Conceived in 2001 by SFMI employees in an effort to 'share dreams and hope with neighbors and communities', the Dream Fund (which also means 'sharing' in Korean) is a voluntary donation fund from contributions from employees' monthly wage and fully matched by the company. As of December 2014, 98.9% of the employees joined the Fund, and 92.0% have donated 1% of their wages. To date, around KRW 7.9 billion has been contributed to the Dream Fund and is used to fund projects such as school forest development, 'one department, one child sponsor' program and cultural asset preservation.

School Forest Development: To promote a better learning environment and emotional balance for school children, SFMI joined hands with Korea Forest Service and Forest for Life to develop green forests around elementary, middle and high schools. The new forest lands provide students and the community an environment to learn about the nature and enjoy outdoor activities. Since 2012, donation funds were used to develop 6 forests around school zones which were selected by organizations or employees. In 2015, SFMI plans to develop six more school zone forests.

One Department for One Child Support Program: SFMI sponsors underprivileged children from low-income families, single parent household, or under the care of elderly grandparents and who are in need of social support. SFMI's 257 volunteer teams across the nation have established ties with elementary school children to offer monthly financial aids. The volunteer program also sponsors children at different periods of their scholar years by donating school uniforms and other school supplies. In 2014, SFMI's Dream Project sent our sponsor children safety kids put together by our employees, organized "Family Culture Experience" activity for the Children's day and "Make a Wish" program at year end.

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

Social Responsibility Activities along with Partners

[Social Responsibility Activity Participation with Business Partners]

| | FY2012 (2012.04~2013.03) | FY2013 (2013.04~2013.12) | FY2014 (2014.01~2014.12) |
|--|-----------------------------|-----------------------------|-----------------------------|
| Social Contribution Fund(KRW Billions) | 26.7 | 29.7 | 33.7 |
| Number of volunteer participant(persons) | 12,636 | 19,504 | 31,385 |
| Participated hours per person (hours) | 8.4 | 10.7 | 17.5 |

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

Partnership with Government and Civil Organizations

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

[Major Cooperators by Social Responsibility Categories]

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

[Major Awards]



Insurance Products and Services for Social Responsibility

SFMI supports underprivileged and financially neglected people to cope with risks in life by offering various insurance products.

[Socially Responsible Insurance Products and Services]

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

Co-prosperity

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

Sustainability Management with Business Partners

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

Major Partners

Sales Partner: SFMI's risk consultants (RCs) are financial specialists who provide our customers with top class insurance consulting and services. RCs are valued partners and essential assets to our business.

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

[Major Partners]

| Partner | | Current number |
|------------------------|---|----------------|
| Sales partner | RC (Risk Consultants) | 40,033 |
| | Insurance agency (independent, corporate) | 4,982 |
| | Insurance agency (financial institutions) | 41 |
| Claim Service Partners | Roadside assistance companies | 1,628 |
| | Maintenance shops | 1,331 |
| | Claim adjustment company | 83 |

* Sales partner: As of Feb. 28, 2015
 Claim Service partner: As of Dec. 31, 2014
 RCs include cross selling agents

[Social Responsibility Code of Conduct for Business Partners]

| | |
|---|--|
|  <p>Ethics</p> <ul style="list-style-type: none"> - Anti-corruption - Compliance with regulations |  <p>Human rights</p> <ul style="list-style-type: none"> - Prohibition of child labor - Prohibition of discrimination |
|  <p>Safety</p> <ul style="list-style-type: none"> - Accident Prevention - Disease control |  <p>Environment</p> <ul style="list-style-type: none"> - Minimizing of pollution - Conservation of environment |

[Identifying and Inspecting Material Sustainability Issues]

- **Monitoring of ethical sales:** Conduct mystery shopping
- **Protection of personal information:** Conduct security education and check at the scene
- **Compliance with regulations:** Educate ethical management, run reporting channels

Certificate of Excellence and Blue Ribbon

In order to increase professionalism of risk consultants and encourage reliable sales ethics, the General Insurance Association of Korea selects RCs (or sales branches) who displayed outstanding performance with high contract retention rate and compliance with sales procedures. The selected RCs are rewarded with Certificate of Excellence and the Blue Ribbon. The Blue Ribbon is awarded to RCs who have received Certificate of Excellence for 4 consecutive years. In 2014, 4,675 of SFMI's RCs (41.8% of all recipients of the Certificate of Excellence) and 57 of its RCs (24.7% of all recipients) were awarded the Certificate of Excellence and the Blue Ribbon respectively, exceeding that of all other domestic non-life insurance company.



Supporting Our Partners

Sales Partner: We aim to foster our RCs into insurance and financial specialists through systematic training and support system. We support our RCs to conduct business with strong ethics and professionalism, ultimately providing our customers and their families with complete confidence and satisfaction. To support the sales activities we provide our RCs with top welfare and benefits group insurance, individual annuity insurance, education support for children and child care, and health examinations.

| | |
|---------------------------|--|
| Education Programs | Course for professional RC (Non-life Insurance University SSU (Samsung Sales University)), SFMI MBA (expert course for insurance marketing), basic education course (for RCs with career of less than one year). |
| Support System | Mobile sales support system, activity support system, knowledge and information database (Big Ocean of Information), learning materials (RC Knowledge Plaza, online learning contents). |

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

Communicating with Partners

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

[RC SNS Channel]



Blog
<http://rcblog.samsungfire.com>



Facebook
<https://www.facebook.com/samsungfiretalk>



Twitter
<https://twitter.com/samsungfiretalk>

Social Responsibility Activities

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

[Major Volunteer Service Activities by RCs]

Gift of Hope with 500 Won RCs voluntarily set aside KRW 500 per long-term insurance contract in a fund and use this fund to improve housing facilities of persons with disabilities such as kitchen, bathroom and study room.

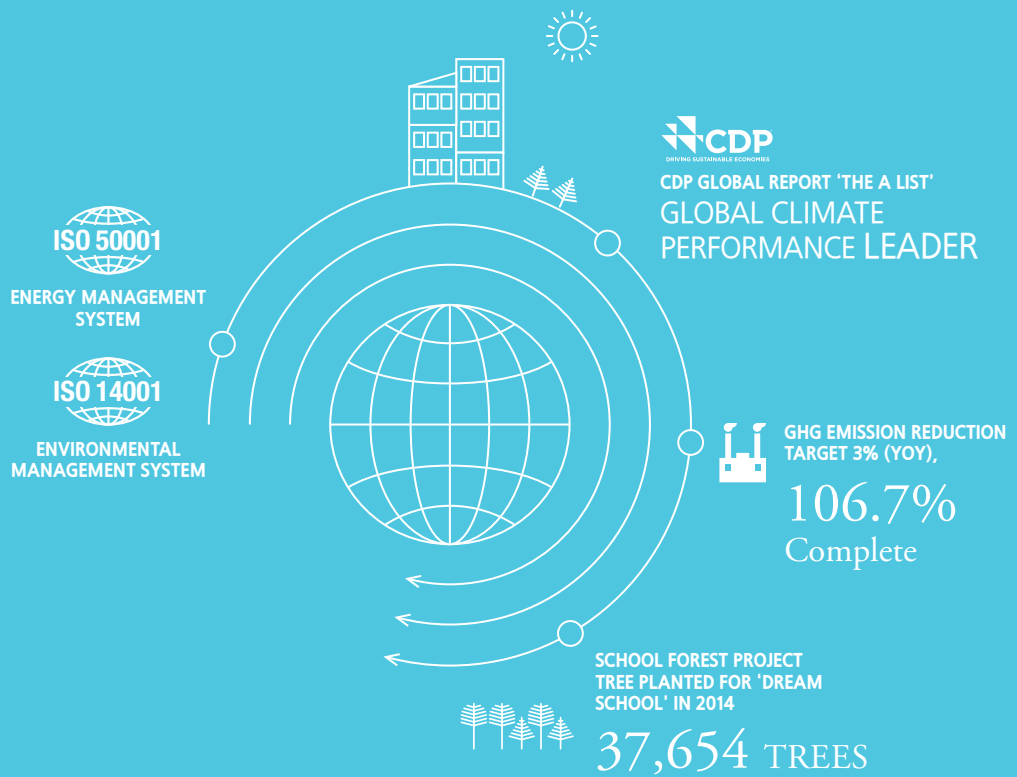
Happy School Campaign RCs voluntarily set aside KRW 500 per auto insurance contract through a fund and use this fund to install facilities (fences to prevent jaywalking, etc.) to prevent traffic accidents of children, give safety packs (umbrellas in vivid colors to help children stand out clearly on rainy days), and provide preventive education.

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

4

ENVIRONMENT

- Environmental Management



Environmental Management

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

Research on Climate Change Risks

SFMI operates the Samsung Global Loss Control Center, a team of experts that investigates and analyzes the global climate change trends to predict future environmental impacts and provide preventive risk solutions to our personal and corporate customers. In October 2013, the team published a book 'Carbon Management' that highlights the importance of efficient carbon management system. GLCC is also conducting research on management of major environmental pollution risks in collaboration with the Ministry of Environment, Korea Environmental Industry & Technology Institute and Korea Insurance Development Institute.

GLCC Proposal | '5 Guidelines for Carbon Management Practice for Sustainable Growth'

- 1: Assess climate change risk and impact on business operations.
- 2: Identify new business growth opportunities from carbon management.
- 3: Select and promote carbon management related strategies.
- 4: Establish corporate culture for low carbon.
- 5: Establish communication with the government and actively participate in regulatory strategies.

Provision of Environment-friendly Insurance Products & Services

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

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

Socially Responsible Investment

SFMI adopts social responsibility by integrating ESG criteria in our asset management. In 2014, the company approved investment of KRW 145 billion and approved loan of KRW 364.8 billion for new renewable energy facility projects and investment of KRW 25.7 billion and loans of KRW 333.8 billion for water processing environment projects including the sewage management project.

Environment and Energy Management System

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

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

Emissions Management during Business Trips: We have taken number of measures to minimize business travel in an effort to mitigate greenhouse gas emission (scope3). SFMI encourages the use of public transportation and encourage use of video conferencing and conference calls to limit traveling. In 2014, 1,560 tons of Greenhouse gas emitted from business.

Efficiency of Resources

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

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

Use of Recyclable Paper: Since 2014, 130 types of environment-friendly recyclable paper are being used for insurance policy contracts and clauses, educational material, notices to the customers. As a result, out of total printable paper that was used in 2014, 63% was environment-friendly recyclable papers.

Use and Treatment of Water Resources: We have installed water treatment system in all of the office buildings across the country (30 in total). Used water is treated by sewage disposal plants, eliminating danger of toxic materials that may impact the surrounding environment.

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

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

Green Purchasing: To promote purchase of eco-friendly products, in December 2006, Samsung established guidelines that states the purchase of environment-friendly products as first priority. The guideline mandates the purchase of Environment Mark Authorized and energy efficient products. We also encourage employees to purchase environment-friendly goods in their daily life through education on environmental management. In 2014, purchase amount of goods that was Environment Mark Authorized and is high energy efficiency was KRW 3.8 billion in total.

Environmental Protection

Eco-office Campaign

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

Earth Hour

Earth Hour campaign is an annual worldwide one hour light off event, by turning off internal and external lights in all office buildings at 8:30 PM on last Saturday of March. The global movement was organized by the WWF with an aim to protect the planet from global warming and to encourage global citizens to participate in environment-friendly activities. [🔗](#)

School Forest Project

To promote a better learning environment and emotional balance for school children, SFMI joined hands with Korea Forest Service and Forest for Life to develop green forests around elementary, middle and high schools. In 2014, Dream School Fund was used plant 37,654 trees in 8 forests around school zones.

Environmental Management Activities with Partners

Environmental Management Activities with Partners

Since April 2012, SFMI has been pursuing user- and environment-friendly sales processes by using tablet PCs together with RCs (Risk Consultants), leading to the saving of 25 pages of paper on average per contract. The rate of mobile insurance contracts from new long-term insurance contracts available for electronic signature continues to increase by the year: 9.6% in 2012, 25% in 2013 and 34% in 2014.

Environmental Assessment & Complaint Handling

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

Environmental Performance

Environmental Indicators

| Category | Detailed item | Unit | 2012 | 2013 | 2014 | Target | Achieved | Scope of verification | Target in 2015 |
|---------------------------|---|-----------------------------------|---------|---------|-----------|---------|----------|-----------------------|----------------|
| Energy | Total usage | TJ | 747 | 673 | 652 | 653 | ○ | 100% | 632 |
| | - Direct (Scope1) | TJ | 128 | 103 | 97 | | | | |
| | - Indirect (Scope2) | TJ | 619 | 570 | 555 | | | | |
| | Energy intensity (by area) | TJ/m ² | 0.0015 | 0.0015 | 0.0014 | 0.0015 | ○ | | 0.0015 |
| Greenhouse Gas (GHG) | Total emission amount | tCO ₂ e | 36,879 | 33,105 | 32,044 | 32,112 | ○ | 100% | 31,083 |
| | - Direct (Scope1) | tCO ₂ e | 6,851 | 5,550 | 5,316 | | | | |
| | - Indirect (Scope2) | tCO ₂ e | 30,028 | 27,555 | 26,728 | | | | |
| | GHG intensity (by area) | tCO ₂ e/m ² | 0.0734 | 0.0749 | 0.0699 | 0.07 | ○ | | 0.0679 |
| Waste | Total emission amount | Ton | 1,590 | 1,939 | 1,851 | 2,000 | ○ | 100% | 2,000 |
| | Rate of recycling | % | 39 | 41 | 42 | 50 | X | | 45 |
| Water | Total usage | m ³ | 371,731 | 380,126 | 340,237 | 380,000 | ○ | 100% | 380,000 |
| Paper | Purchase amount of copying paper | Ton | 1,372 | 1,430 | 1,368 | 1,200 | X | 100% | 1,200 |
| | Purchase amount of printing paper | Ton | 2,400 | 2,312 | 2,161 | 2,000 | X | 100% | 2,000 |
| | No. of electronic contracts (paperless) | Case | 394,172 | 613,769 | 1,152,566 | 700,000 | ○ | - | 1,300,000 |
| Employee's business trips | Travel mileage | 1,000km | 12,028 | 13,441 | 14,585 | 14,000 | X | 100% | 14,000 |
| Compliance of regulations | Violation of environmental regulations | Case | none | none | none | none | ○ | - | none |
| Social contribution | Tree planting (School Forest Project) | School | 2 | 4 | 8 | 8 | ○ | - | 6 |

* Domestic company buildings: 31 in 2012, 29 (2 sold) in 2013, 30 (1 newly bought) in 2014
 Employee's means of transport: Airplane (at home and abroad), train (at home), bus (at home)

Third-party Verification and ISO Certification

GHG



ISO14001



ISO50001



5

APPENDIX

- Independent Assurance Statement
- GRI G4 Index

Independent Assurance Report

To the management of Samsung Fire & Marine Insurance

We have been engaged by Samsung Fire & Marine Insurance (the "Company") to perform an independent assurance engagement in regard to the following aspects of Samsung Fire & Marine Insurance Sustainability Report 2015 (the "Report").

Scope and subject matter

The information for the year ended December 31, 2014 (hereinafter, collectively referred to as the "Sustainability Information") on which we provide limited assurance consists of:

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

We read the other information included in the Report and considered whether it was consistent with the Sustainability Information. We considered the implications for our report in the case that we became aware of any apparent misstatements or material inconsistencies with the Sustainability Information. Our responsibilities do not extend to any other information.

Assurance work performed

We conducted our engagement in accordance with ISAE 3000(1) and AA1000AS(2). The term 'moderate assurance' used in AA1000AS(2008) is designed to be consistent with 'limited assurance' as articulated in ISAE 3000. Our assurance is a Type II assurance engagement as defined in the AA1000AS(2008).

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

Our work involved the following activities:

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

Respective responsibilities of the management of the Company and Samil PricewaterhouseCoopers

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

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

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



Inherent limitations

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

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

In particular:

- We did not attend any stakeholder-engaged activities. Therefore our conclusion is based on our discussions with the management and the staff of the Company and our review of sampled documents provided to us by the Company.
- The scope of our work was restricted to 2014 performance only, as set out in the scope and subject matter section above. Information related to the year ended December 31, 2013 and earlier periods have not been subject to assurance by us.

Conclusion

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

- On the AA1000APS principles
 - **Inclusivity**
 - The Company has collected concerns and opinion through stakeholder communication channels that include those of Customers, Partners, Investors, Communities and Employees.
 - Nothing has come to our attention to suggest that material stakeholder groups were excluded from these channels.
 - **Materiality**
 - The Company has identified most relevant and significant sustainability issues through process for identifying material issues.
 - Nothing has come to our attention to suggest that material issues were omitted in this process.
 - **Responsiveness**
 - The Company has included in the Report its response to the material sustainability issues which are defined through process for identifying material issues.
 - Nothing has come to our attention to suggest that there were material deficiencies in the issue management system.
- Nothing has come to our attention that causes us to believe that the Sustainability Data for the year ended December 31, 2014 is not fairly stated, in all material respects, in accordance with the Company's internal reporting principles set out on GRI (Global Reporting Initiative) G4 guideline with core option.

Recommendations

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

- It is recommended to improve global data management process in accordance with G4 guideline, in order to collect and manage corporate-wide Sustainability Data.
- It is recommended to manage key performance indicators with wider scope which are aligned with performance evaluation of each part of the Company in order to effectively implement sustainability strategy and address sustainability issues corporate-wide.
- In order to ensure the consistency of disclosed data, it is necessary to improve the data collection and management process of internal control system.

June 4, 2015

Samil PricewaterhouseCoopers
Seoul, Korea

GRI G4 Index

| General Standard Disclosure | | Status | Page reference | External Assurance |
|---|---|--------|------------------------|--------------------|
| Strategy and analysis | | | | |
| G4-1 | Statement from the most senior decisionmaker of the organization (incl. strategy relates to sustainability, impacts of the activities in relation to the stakeholders) | ● | p.5 | Yes(p.68-69) |
| G4-2 | Description of key impacts, risks, and opportunities | ● | p.5 | Yes(p.68-69) |
| Organizational profile | | | | |
| G4-3 | Name of the organization | ● | p.7 | Yes(p.68-69) |
| G4-4 | Primary brands, products, and/or services | ● | p.8 | Yes(p.68-69) |
| G4-5 | Location of organization's headquarters | ● | p.7 | Yes(p.68-69) |
| G4-6 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report | ● | p.7 | Yes(p.68-69) |
| G4-7 | Nature of ownership and legal form | ● | p.7 | Yes(p.68-69) |
| G4-8 | Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries) | ● | p.7 | Yes(p.68-69) |
| G4-9 | Scale of the reporting organization | ● | p.7 | Yes(p.68-69) |
| G4-10 | The total workforce by employment type, gender, employment contract and region | ● | p.45 | Yes(p.68-69) |
| G4-11 | The percentage of total employees covered by collective bargaining agreements. | ● | p.48 | Yes(p.68-69) |
| G4-12 | Describe the organization's supply chain | ● | p.59 | Yes(p.68-69) |
| G4-13 | Significant changes during the reporting period relating to size, structure, or ownership or its supply chain | ● | p.66 | Yes(p.68-69) |
| G4-14 | Explanation of whether and how the precautionary approach or principle is addressed by the organization | ● | p.20-21 | Yes(p.68-69) |
| G4-15 | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses | ● | p.10 | Yes(p.68-69) |
| G4-16 | List memberships of associations (such as industry associations) | ● | p.10 | Yes(p.68-69) |
| Identified material aspects and boundaries | | | | |
| G4-17 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures (List all entities in the consolidated financial statements) | ● | p.7 | Yes(p.68-69) |
| G4-18 | Process for defining report content and the Aspect Boundaries and explain how the Reporting Principles has been implemented | ● | P.13 | Yes(p.68-69) |
| G4-19 | List all the material Aspects identified in the process for defining report content | ● | P.13 | Yes(p.68-69) |
| G4-20 | The Aspect Boundary within the organization: Whether the Aspect is material within the organization; The list of entities included in G4-17 for which the Aspect is or is not material; Specific limitation regarding the Aspect Boundary within the organization | ● | p.2 | Yes(p.68-69) |
| G4-21 | The Aspect Boundary outside the organization: Whether the Aspect is material outside the organization; The list of entities for which the Aspect is material, relate to geographical location; Specific limitation regarding the Aspect Boundary outside the organization | ● | p.2 | Yes(p.68-69) |
| G4-22 | Explanation the effect of any restatements of information provided in previous reports, and the reasons for such restatements. | ● | No significant changes | Yes(p.68-69) |
| G4-23 | Report significant changes from previous reporting periods in the Scope and Aspect Boundaries | ● | No significant changes | Yes(p.68-69) |
| Stakeholder engagement | | | | |
| G4-24 | The list of stakeholder groups engaged by the organization. | ● | p.11 | Yes(p.68-69) |
| G4-25 | The basis for identification and selection of stakeholders with whom to engage | ● | p.11 | Yes(p.68-69) |
| G4-26 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group | ● | p.11 | Yes(p.68-69) |
| G4-27 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting; Report the stakeholder groups that raised each of the key topics and concerns | ● | p.12 | Yes(p.68-69) |



| General Standard Disclosure | Status | Page reference | External Assurance |
|--|--------|-----------------|--------------------|
| Report profile | | | |
| G4-28 Reporting period (such as fiscal or calendar year) for information provided | ● | p.2 | Yes(p.68-69) |
| G4-29 Date of most recent previous report | ● | p.2 | Yes(p.68-69) |
| G4-30 Reporting cycle | ● | p.2 | Yes(p.68-69) |
| G4-31 Provide the contact point for questions regarding the report or its contents | ● | p.2 | Yes(p.68-69) |
| G4-32 Table identifying the location of the Standard Disclosures in the report | ● | Appendix | Yes(p.68-69) |
| G4-33 Policy and current practice with regard to seeking external assurance for the report | ● | p.2 | Yes(p.68-69) |
| Governance | | | |
| G4-34 The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts. | ● | p.15-16 | Yes(p.68-69) |
| G4-35 Process for delegating authority for economic, environmental and social topics | ● | p.15-16 | |
| G4-36 Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body. | ● | p.15-16 | |
| G4-37 Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body. | ● | p.15-16 | |
| G4-38 The composition of the highest governance body and its committees | ● | p.15-16 | Yes(p.68-69) |
| G4-39 Report whether the Chair of the highest governance body is also an executive officer | ● | p.16 | Yes(p.68-69) |
| G4-40 Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members. | ● | p.18 | Yes(p.68-69) |
| G4-41 Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. | ● | p.18 | |
| G4-42 Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts. | ● | p.15 | Yes(p.68-69) |
| G4-43 Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics. | ● | p.15 | |
| G4-44 Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. | ● | p.18 | |
| G4-45 Procedures of the highest governance body for overseeing the organization's identification and management of performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles | ● | p.18 | |
| G4-46 The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics. | ● | p.19 | |
| G4-47 The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities. | ● | p.19 | |
| G4-48 The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered | ● | p.13 | Yes(p.68-69) |
| G4-49 The process for communicating critical concerns to the highest governance body | ● | p.15-16 | Yes(p.68-69) |
| G4-50 The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them | ● | p.15-16 | Yes(p.68-69) |
| G4-51 The remuneration policies for the highest governance body and senior executives | ● | p.18, p.46 | Yes(p.68-69) |
| G4-52 The process for determining remuneration: Whether remuneration consultants are involved | ● | p.16 | Yes(p.68-69) |
| G4-53 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body | ● | p.16, p.18 | |
| G4-54 The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country | ● | Business Report | |
| G4-55 The ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country. | ● | Business Report | |
| Ethics and integrity | | | |
| G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics. | ● | p.9, p.20-21 | Yes(p.68-69) |
| G4-57 The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines | ● | p.22 | Yes(p.68-69) |
| G4-58 Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines. | ● | p.25 | Yes(p.68-69) |

* Please refer to the below web pages for further information(Korean only)

Business Report [↗](#)

Corporate Governance Annual Report [↗](#)

Business Results Disclosure [↗](#)

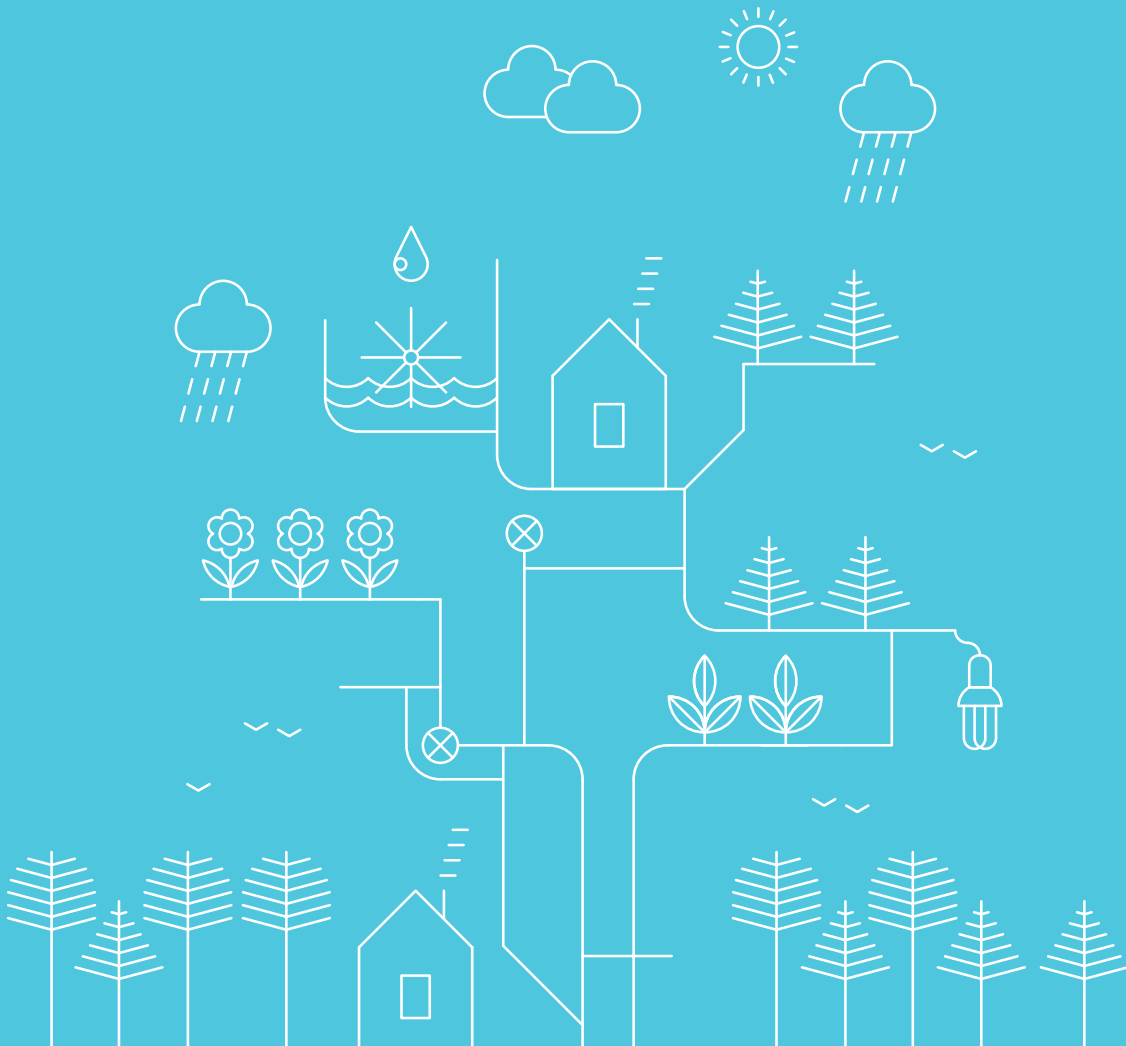
| Specific Standard Disclosure | Core | Status | Page reference | External Assurance |
|--|------|--------|---------------------|--------------------|
| Economic | | | | |
| Economic Performance - Disclosure on Management Approach | ● | ● | p.30 | |
| G4-EC1 Direct economic value generated and distributed | | ● | p.30, p.38 | Yes(p.68-69) |
| G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change | | ● | p.29, p.38, p.63 | |
| G4-EC3 Coverage of the organization's defined benefit plan obligations | | ● | p.52 | |
| G4-EC4 financial assistance received from government | | ● | None | |
| Market Presence - Disclosure on Management Approach | ● | ● | p.30 | |
| G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation | | ● | p.46 | |
| G4-EC6 Proportion of senior management hired from the local community at significant locations of operation | | ● | p.45 | Yes(p.68-69) |
| Indirect Economic Impacts - Disclosure on Management Approach | | ● | p.38, p.53 | |
| G4-EC7 Development and impact of infrastructure investments and services supported | | ● | p.38, p.54-57, p.64 | |
| G4-EC8 Significant indirect economic impacts, including the extent of impacts | | ● | p.38, p.54-57 | |
| Procurement Practices - Disclosure on Management Approach | | ● | p.59 | |
| G4-EC9 Proportion of spending on local suppliers at significant locations of operation | | ● | p.38, p.64 | |
| Environmental | | | | |
| Materials - Disclosure on Management Approach | | ● | p.64 | |
| G4-EN1 Materials used by weight or volume | | ● | p.66 | Yes(p.68-69) |
| G4-EN2 Percentage of materials used that are recycled input materials | | ● | p.66 | Yes(p.68-69) |
| Energy - Disclosure on Management Approach | ● | ● | p.66 | |
| G4-EN3 Energy consumption within the organization | | ● | p.66 | Yes(p.68-69) |
| G4-EN4 Energy consumption outside of the organization | | ● | p.66 | Yes(p.68-69) |
| G4-EN5 Energy intensity | | ● | p.66 | Yes(p.68-69) |
| G4-EN6 Reduction of energy consumption | | ● | p.66 | Yes(p.68-69) |
| G4-EN7 Reductions in energy requirements of products and services | | ● | p.66 | |
| Water - Disclosure on Management Approach | | ● | p.66 | |
| G4-EN8 Total water withdrawal by source | | ● | p.66 | Yes(p.68-69) |
| G4-EN9 Water sources significantly affected by withdrawal of water | | ● | Not applicable | Yes(p.68-69) |
| G4-EN10 Percentage and total volume of water recycled and reused | | ● | None | Yes(p.68-69) |
| Biodiversity - Disclosure on Management Approach | | ● | p.64 | |
| G4-EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | | ● | p.64 | Yes(p.68-69) |
| G4-EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas | | ● | p.64 | Yes(p.68-69) |
| G4-EN13 Habitats protected or restored | | ● | p.64 | Yes(p.68-69) |
| G4-EN14 Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk | | ● | p.64 | Yes(p.68-69) |
| Emissions - Disclosure on Management Approach | ● | ● | p.64 | |
| G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1) | | ● | p.66 | Yes(p.68-69) |
| G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2) | | ● | p.66 | Yes(p.68-69) |
| G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3) | | ● | p.66 | Yes(p.68-69) |
| G4-EN18 Greenhouse gas (GHG) emissions intensity | | ● | p.66 | Yes(p.68-69) |

| Specific Standard Disclosure | Core | Status | Page reference | External Assurance |
|---|------|--------|--|--------------------|
| G4-EN19 Reduction of greenhouse gas (GHG) emissions | ● | ● | p.66 | Yes(p.68-69) |
| G4-EN20 Emissions of ozone-depleting substances (ODS) | ● | ● | Not applicable | Yes(p.68-69) |
| G4-EN21 NOx, Sox, and other significant air emissions | ● | ● | Not applicable | Yes(p.68-69) |
| Effluents and Waste - Disclosure on Management Approach | ● | ● | p.64 | |
| G4-EN22 Total water discharge by quality and destination | ● | ● | p.66 | |
| G4-EN23 Total weight of waste by type and disposal method | ● | ● | p.66 | Yes(p.68-69) |
| G4-EN24 Total number and volume of significant spills | ● | ● | Not applicable | Yes(p.68-69) |
| G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally | ● | ● | Not applicable | Yes(p.68-69) |
| G4-EN26 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff | ● | ● | Not applicable | Yes(p.68-69) |
| Products and Services - Disclosure on Management Approach | ● | ● | p.65 | |
| G4-EN27 Extent of impact mitigation of environmental impacts of products and services | ● | ● | p.65 | Yes(p.68-69) |
| G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by category | ● | ● | p.65 | |
| Compliance - Disclosure on Management Approach | ● | ● | p.66 | |
| G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | ● | ● | None | Yes(p.68-69) |
| Transport - Disclosure on Management Approach | ● | ● | p.64 | |
| G4-EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce | ● | ● | p.64 | |
| Overall - Disclosure on Management Approach | ● | ● | p.64 | |
| G4-EN31 Total environmental protection expenditures and investments by type | ● | ● | p.64 | Yes(p.68-69) |
| Supplier environmental assessment - Disclosure on Management Approach | ● | ● | p.66 | |
| G4-EN32 Percentage of new suppliers that were screened using environmental criteria | ● | ● | 100% | Yes(p.68-69) |
| G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken | ● | ● | 0 | Yes(p.68-69) |
| Environmental grievance mechanisms - Disclosure on Management Approach | ● | ● | p.66 | |
| G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | ● | ● | None | Yes(p.68-69) |
| Social - Labor practices and decent work | | | | |
| Employment - Disclosure on Management Approach | ● | ● | p.45 | |
| G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region | ● | ● | Turnover rate 0.38% | Yes(p.68-69) |
| G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | ● | ● | p.52 | Yes(p.68-69) |
| G4-LA3 Return to work and retention rates after parental leave, by gender | ● | ● | p.52 | Yes(p.68-69) |
| Labor/Management Relations - Disclosure on Management Approach | ● | ● | p.48 | |
| G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements | ● | ● | Notifying via official channel such as the employee council (at least 30 days) | |
| Occupational Health and Safety - Disclosure on Management Approach | ● | ● | p.49-50 | |
| G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | ● | ● | p.48 | Yes(p.68-69) |
| G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender | ● | ● | 179 lost works days, 319 absence from work | Yes(p.68-69) |
| G4-LA7 Workers with high incidence or high risk of diseases related to their occupation | ● | ● | p.50 | |
| G4-LA8 Health and safety topics covered in formal agreements with trade unions | ● | ● | p.49 | Yes(p.68-69) |

| Specific Standard Disclosure | Core | Status | Page reference | External Assurance |
|---|------|--------|---------------------------|--------------------|
| Training and Education - Disclosure on Management Approach | | ● | p.46-47 | |
| G4-LA9 Average hours of training per year per employee by gender, and by employee category | | ● | p.47 | Yes(p.68-69) |
| G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | | ● | p.52 | Yes(p.68-69) |
| G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | | ● | Allregular employees 100% | Yes(p.68-69) |
| Diversity and Equal Opportunity - Disclosure on Management Approach | | ● | p.45 | |
| G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | | ● | p.45 | Yes(p.68-69) |
| Equal Remuneration for Women and Men - Disclosure on Management Approach | | ● | p.46 | |
| G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | | ● | p.46 | |
| Supplier Assessment for Labor Practices - Disclosure on Management Approach | ● | ● | p.59 | |
| G4-LA14 Percentage of new suppliers that were screened using labor practices criteria | | ● | 100% | Yes(p.68-69) |
| G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken | | ● | 0 | Yes(p.68-69) |
| Labor Practices Grievance Mechanisms - Disclosure on Management Approach | | ● | p.48 | |
| G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms | | ● | p.48 | Yes(p.68-69) |
| Social - Human rights | | | | |
| Investment - Disclosure on Management Approach | | ● | p.23, p.47 | |
| G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | | ● | p.64 | |
| G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | | ● | p.23, p.47 | Yes(p.68-69) |
| Non-discrimination - Disclosure on Management Approach | | ● | p.23, p.47 | |
| G4-HR3 Total number of incidents of discrimination and corrective actions taken | | ● | None | |
| Freedom of Association and Collective Bargaining - Disclosure on Management Approach | ● | ● | p.48 | |
| G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | | ● | p.48 | Yes(p.68-69) |
| Child Labor - Disclosure on Management Approach | | ● | p.47 | |
| G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | | ● | 0 | Yes(p.68-69) |
| Forced or Compulsory Labor - Disclosure on Management Approach | | ● | p.47 | |
| G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | | ● | 0 | Yes(p.68-69) |
| Security Practices - Disclosure on Management Approach | | ● | p.47 | |
| G4-HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations | | ● | 100% | Yes(p.68-69) |
| Indigenous Rights - Disclosure on Management Approach | | ● | p.47 | |
| G4-HR8 Total number of incidents of violations involving rights of indigenous peoples and actions taken | | ○ | Not applicable | |
| Assessment - Disclosure on Management Approach | | ● | p.47 | |
| G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments | | ● | p.23 (687sites) | Yes(p.68-69) |
| Supplier Human Rights Assessment - Disclosure on Management Approach | | ● | p.59 | |
| G4-HR10 Percentage of new suppliers that were screened using human rights criteria | | ● | 100% | Yes(p.68-69) |
| G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken | | ● | 0 | Yes(p.68-69) |
| HumanRights Grievance Mechanisms - Disclosure on Management Approach | ● | ● | p.48 | |
| G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms | | ● | p.48 | Yes(p.68-69) |

| Specific Standard Disclosure | Core | Status | Page reference | External Assurance |
|--|------|--------|--|--------------------|
| Social - Society | | | | |
| Local Communities - Disclosure on Management Approach | ● | ● | p.53 | |
| G4-S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs | ● | ● | p.56 | |
| G4-S02 Operations with significant actual or potential negative impacts on local communities | ● | ● | None | Yes(p.68-69) |
| Anti-corruption - Disclosure on Management Approach | ● | ● | p.20-21 | |
| G4-S03 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | ● | ● | 100% | Yes(p.68-69) |
| G4-S04 Communication and training on anti-corruption policies and procedures | ● | ● | p.23 | Yes(p.68-69) |
| G4-S05 Confirmed incidents of corruption and actions taken | ● | ● | p.25 | Yes(p.68-69) |
| Public Policy - Disclosure on Management Approach | ● | ● | p.20 | |
| G4-S06 Total value of political contributions by country and recipient/beneficiary | ● | ● | None (Prohibited by internal policies) | Yes(p.68-69) |
| Anti-competitive Behavior - Disclosure on Management Approach | ● | ● | p.23 | |
| G4-S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes | ● | ● | p.24 | Yes(p.68-69) |
| Compliance - Disclosure on Management Approach | ● | ● | p.23 | |
| G4-O8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | ● | ● | p.24 | Yes(p.68-69) |
| Supplier Assessment for Impacts on Society - Disclosure on Management Approach | ● | ● | p.59 | |
| G4-S09 Percentage of new suppliers that were screened using criteria for impacts on society | ● | ● | 100% | Yes(p.68-69) |
| G4-S010 Significant actual and potential negative impacts on society in the supply chain and actions taken | ● | ● | 0 | |
| Grievance Mechanisms for Impacts on Society - Disclosure on Management Approach | ● | ● | p.25 | |
| G4-S011 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms | ● | ● | p.25 | Yes(p.68-69) |
| Social - Product responsibility | | | | |
| Customer Health and Safety - Disclosure on Management Approach | ● | ● | p.44 | |
| G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement | ○ | ○ | Not Applicable | |
| G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | ● | ● | None | Yes(p.68-69) |
| Product and Service Labeling - Disclosure on Management Approach | ● | ● | p.44 | |
| G4-PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements | ○ | ○ | Not Applicable | |
| G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes | ● | ● | None | Yes(p.68-69) |
| G4-PR5 Results of surveys measuring customer satisfaction | ● | ● | p.41 | Yes(p.68-69) |
| Marketing Communications - Disclosure on Management Approach | ● | ● | p.44 | |
| G4-PR6 Sale of banned or disputed products | ● | ● | None | Yes(p.68-69) |
| G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes | ● | ● | None | Yes(p.68-69) |
| Customer Privacy - Disclosure on Management Approach | ● | ● | p.44 | |
| G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | ● | ● | None | Yes(p.68-69) |
| Compliance - Disclosure on Management Approach | ● | ● | p.23 | |
| G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | ● | ● | p.24 | Yes(p.68-69) |

| Specific standard disclosures for the financial services sector | | Status | Page reference | External Assurance |
|---|---|--------|----------------|--------------------|
| Economic | | | | |
| Economic Performance - Disclosures on management approach | | ● | p.30 | |
| G4-EC1 | Direct economic value generated and distributed | ● | p.38 | Yes(p.68-69) |
| Environmental | | | | |
| Emissions | | | | |
| G4-EC15 | Direct greenhouse gas (GHG) emissions (Scope 1) | ● | p.66 | Yes(p.68-69) |
| G4-EC16 | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | ● | p.66 | Yes(p.68-69) |
| G4-EC17 | Other indirect greenhouse gas (GHG) emissions (Scope 3) | ● | p.66 | Yes(p.68-69) |
| Effluents and Waste | | | | |
| G4-EC23 | Total weight of waste by type and disposal method | ● | p.66 | Yes(p.68-69) |
| Social - Labor practices and decent work / Human rights / Society / Product responsibility | | | | |
| Occupational Health and Safety - Disclosures on management approach | | ● | p.49-50 | |
| Investment | | | | |
| G4-HR1 | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | ● | p.64 | |
| Local Communities | | | | |
| FS13 | Access points in low-populated or economically disadvantaged areas by type | ● | p.55 | Yes(p.68-69) |
| FS14 | Initiatives to improve access to financial services for disadvantaged people | ● | p.41 | Yes(p.68-69) |
| Product and Service Labeling - Disclosures on management approach | | ● | p.44 | |
| Product Portfolio - Disclosures on management approach(Former FS1-5) | | ● | p.31 | |
| FS6 | Percentage of the portfolio for business lines by specific region, size and by sector | ● | p.31 | Yes(p.68-69) |
| FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose | ● | p.38 | Yes(p.68-69) |
| FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose | ● | p.38 | Yes(p.68-69) |
| Audit - Disclosures on management approach | | ● | p.22 | |
| Active Ownership - Disclosures on management approach | | ● | p.64 | |
| FS10 | Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues | ● | p.59 | |
| FS11 | Percentage of assets subject to positive and negative environmental or social screening | ● | p.64 | |



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