At Samsung Life, we define our stakeholders as shareholders/investors, customers, communities, NGOs, employees, and financial consultants. We maintain a variety of communication channels with different stakeholders to gather their thoughts and opinions on the company’s sustainability management practices. As for the issues of highest concern to our stakeholders, we keep them up-to-date on a regular basis. In the future, we will continue to maintain open communication channels with stakeholders to further our stakeholder-oriented sustainability management practices.

Stakeholder Communication

Channels and Expectations

**Shareholders & Investors**
- Reliable dividend payout policy
- Sound corporate governance
- Global expansion and market expansion

General shareholders’ meetings, investment seminars, disclosures, business reports

**Customers**
- Continued development of new insurance products
- Dissemination of all relevant information
- Consistent service
- Protection of customer information

Corporate website, call center, customer service center, customer satisfaction surveys

**Communities**
- Community program support
- Social contribution activities
- Financial inclusion programs for the underprivileged and rural communities
- Environmental protection

Community service activities, sustainability reports

**Governmental bodies**
- Transparent disclosure of management performance
- Fair trade practices
- Compliance with all tax laws

Public hearings, press releases, interviews

**Employees**
- Compensation geared toward performance
- Self-development support
- Encouragement of healthy work-life balance

CEO message, hearings, surveys, blogs, corporate newsletters

**Financial consultants**
- Compensation geared toward performance
- Competency building programs
- Employee benefit programs

CEO message, meetings, blogs, corporate newsletters, Portal site for financial consultants
After the latest global financial crisis, shareholders and investors demand transparent and ethical business practices more than ever to ensure the stable, sustainable growth of a business. In light of this, Samsung Life upgraded its risk management system to meet the highest global standards, established a research institute dedicated to product development, and sought ways to expand globally. Samsung Life will continue to grow as a leading multinational insurance company by securing sustainable growth engines through relentless innovation.

Customer satisfaction lies at the heart of everything we do at Samsung Life. Dedicated to continuously providing services beyond customer expectations and the industry’s leading customer service programs, we are also consistently developing new products to reflect customer needs. In doing so, we believe we are promoting the value of insurance, while also increasing the company’s recognition among the public. At the same time, we take customer information protection extremely seriously, putting it at the top of our priority list in the day-to-day operation of the organization and training programs.

Samsung Life devotes much of its resources and energy to the mutual growth of the company and society. We offer our business acumen to help the underprivileged through various social contribution programs and company-sponsored microfinancing. We also provide socially responsible insurance products.

Samsung Life faithfully fulfills its legal obligations in terms of fair trade practices, right selling practices, and the transparent disclosure of all management activities. In answer to the Korean government’s green growth initiative, we continue to increase our investments in green businesses on an ongoing basis, while meeting all of our tax responsibilities. Furthermore, we proactively respond to the government’s microfinance programs as we make every effort to ensure the sustainable growth of society.

We believe that fostering competent employees and financial consultants is crucial to a company’s sustainable growth. As a result, Samsung Life has been developing and subsequently operating career development programs that are tailored to specific job positions and the competencies of our employees and financial consultants. In fact, Samsung Life goes so far as to support our financial consultants with related courses when they seek to attain a relevant certificate for their job through an Internet-based course on taxation that we offer. In addition, our generous employee benefit programs include several different maternity-related programs to better serve our female employees.

* Dividends, social contributions, corporate taxes: as of the end of March 2011
No. of customers, employees and financial consultants: as of the end of December 2010
Materiality Analysis

For this sustainability report, we came up with 29 issues that needed to be examined to address widely accepted sustainability management criteria such as the GRI G3.1 Guidelines, the DJSI indexes, and the Korean Insurers’ Corporate Social Responsibility Guidelines. From this list of 29 issues, we determined the relevant material issues by assessing the level of stakeholder concern and their impact on our business. This report details the company’s policies and activities as they relate to the material issues identified through this process.

STEP 1
Listing the issues

INDUSTRIAL TREND ANALYSIS We thoroughly reviewed and analyzed Korean and global sustainability management trends, related domestic regulations, the international financial industry’s sustainability management practices and reports, and media reports on Samsung Life and the Korean insurance industry.

REVIEW OF GLOBAL STANDARDS Samsung Life reviewed the standards related to sustainability management from around the world in order to ensure that our sustainability management practices met the highest global standards. We referred to the GRI G3.1 Guidelines (including the Financial Service Sector Supplement), the Dow Jones Sustainability Indexes (DJSI), the Korean Insurers’ Corporate Social Responsibility Guidelines and the Carbon Disclosure Project (CDP) to identify where improvements could be made and to complement our sustainability management practices.

* GRI (Global Reporting Initiative) G3.1. This is a nonprofit organization that promotes economic sustainability by providing a comprehensive sustainability reporting framework that is widely used around the world.

* DJSI (Dow Jones Sustainability Indexes). Launched jointly by the Dow Jones and SAM in 1999, Dow Jones Sustainability Indexes track the financial performance of the world’s leading companies and provide reliable and objective benchmarks to manage sustainability portfolios.

* CDP (Carbon Disclosure Project). Established in December 2000, this is an international nonprofit organization working to reduce greenhouse emissions and encourage sustainable water use by businesses and communities.

Issue listing process

Identifying sustainability issues within the global insurance industry

Benchmarking/Media analysis

GRI 3.1/DJSI/Korean Insurers’ Corporate Social Responsibility Guidelines/CDP

Global/Domestic industrial trend

Global standards

Identifying issues

Structuring issues

Finalizing the issue list
We surveyed stakeholders to prioritize the issues identified from the sustainability trend analysis. Of Samsung Life’s 6,072 employees, 608 (9.8%) and 4,979 external stakeholders answered the surveys, giving them a chance to express their opinions about Samsung Life’s material sustainability issues.

We also interviewed outside experts to seek their thoughts and suggestions concerning the company’s sustainability management activities and future direction plans. Four experts from different sectors contributed invaluable opinions on the company’s economic, social, and environmental activities.

Respondents: 5,587 respondents including employees, financial consultants, customers
Subject: Samsung Life’s sustainability management practices and issues of concern
Medium: Company intranet and e-mail

We finalized the content of the report based on an analysis of material issues using the materiality assessment matrix. The analysis findings identified ten material issues in six categories. We have included the company’s plans and performance regarding these issues in this report.

The 10 material sustainability issues in six categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td></td>
</tr>
<tr>
<td>Sustainable growth engines – p. 22</td>
<td></td>
</tr>
<tr>
<td>Risk management – p. 28</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
</tr>
<tr>
<td>Green management practices – p. 61</td>
<td></td>
</tr>
<tr>
<td>Energy conservations – p. 64</td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td></td>
</tr>
<tr>
<td>Training programs – p. 42</td>
<td></td>
</tr>
<tr>
<td>Working conditions – p. 43</td>
<td></td>
</tr>
<tr>
<td>Society</td>
<td></td>
</tr>
<tr>
<td>CSR activities – p. 48</td>
<td></td>
</tr>
<tr>
<td>Business ethics – p. 12</td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td></td>
</tr>
<tr>
<td>Elimination of discrimination – p. 40</td>
<td></td>
</tr>
<tr>
<td>Product liability</td>
<td></td>
</tr>
<tr>
<td>Facts and figures for products and services – p. 29</td>
<td></td>
</tr>
</tbody>
</table>

In the survey, stakeholders scored our sustainability management practices in the six major categories an average of 2.73 points. Of the six major categories, they gave us the highest scores on our economic performance, owing to our proactive stakeholder communication on management issues since the IPO.

By publishing Samsung Life’s first sustainability report, we are now able to fully disclose our social and environmental activities to our stakeholders. In the future, we will continue to expand the scope of reporting with our social and environmental activities, while also listening carefully to stakeholder feedback on these and other management activities.
Stakeholder Interviews

Samsung Life interviewed experts from many different sectors to gather their opinions on the company’s sustainability management practices. In the future, we will continue to do this in an effort to further improve our business plans and performance.

“Earning the trust of stakeholders is crucial.”
Gil-ya Lee, Chairman of the Gacheon Gil Foundation

“A brand name on its own is not enough to compete in today's global market. Thus, Samsung Life needs a more aggressive marketing strategy.”
Shi-hyung Lee, Chairman of the Korean Life Insurance Foundation

Q. What are your thoughts on Samsung Life’s current social contribution activities and do you have any suggestions for the company’s future plans?

Although people might not know it, Samsung Life has been very active when it comes to social contribution activities. We here at the Korean Life Insurance Foundation greatly appreciate Samsung Life’s huge contribution to our social contribution activities. In fact, no other insurance company contributes as much to our foundation as Samsung Life. On top of that, the company has taken measures to address mental health, gambling addictions, and suicide in Korea before anyone else in the industry. As Samsung Life continues to grow internationally, it also needs to turn its attention to global issues. In particular, I think it’s important to address juvenile delinquency around the world. In that regard, I think Samsung Life’s Serotonin Drum Club will be extremely effective.

Q. What does Samsung Life need to do to ensure sustainable growth?

Earning the trust of stakeholders is crucial. In this context, I think it was appropriate that Samsung Life recently came up with a new slogan called “Love in Us” and aligned its corporate organization with the new slogan. Now it needs to make sure that everyone at the company is on the same page. When every one of our employees unites under a shared goal, Samsung Life will be able to earn stakeholders’ complete trust and achieve sustainable growth.

Q. Compared to other leading global companies, what would you suggest Samsung Life do when it comes to its future sustainability plans and how it communicates with stakeholders?

I find Samsung Life’s marketing strategies a little conservative and not internationally driven enough. If it’s going to become a leading global company, it needs a more aggressive marketing strategy and not one that relies solely on its reputation in Korea. When it comes to stakeholder engagement, I think Samsung Life should continue to deal with the nation’s low birthrate and aging society issues. Measures need to be taken now if these issues are to be dealt with properly. As the nation’s largest life insurer, I believe that Samsung Life is obliged to take these issues seriously.

Q. What should we do to ensure candid communication with stakeholders and earn their trust?

Communication is not a one-way street. I believe Samsung Life needs to establish a regular interactive communication channel. Although every company claims to listen to their stakeholders, I doubt if they reflect these opinions in the decision-making process. In the truest sense, communication goes well beyond just listening to someone; a person’s opinions have to be put into practice. And that is exactly what we expect from communication.
INTERVIEW SUMMARY

Samsung Life was able to learn of the most important material sustainability issues to its stakeholders and to take into account the thoughts of experts on its activities and performance, while considering the risks and opportunities it may come across in the future.

“As an investor, I think Samsung Life should further improve upon its corporate value.”
Young-il Kim, Head of Korea Investment Trust Management’s Equity Investment Division

“We shouldn’t expect to gain much when we don’t put in a great deal of effort.”
Yeon-hwan Cho, Former chief of the Korea Forest Service (now the incumbent director of the Cheollipo Arboretum)

What do you think of Samsung Life? What do you expect from the company as an investor?

Samsung Life’s corporate image should come from its dominant market share of the Korean life insurance industry. It should also take advantage of its affiliation as a subsidiary of the Samsung Group, Korea’s largest conglomerate, and a shareholder in the Group’s major affiliates. Samsung Life has earned a reputation for being a leader in the financial services industry and a company with an immensely reliable risk management capacity that has attained financial stability. As an investor, I would like to ask Samsung Life to further enhance its far-sighted corporate value rather than focusing on short-sighted profitability. Recently, falling sales from low-profit savings-type products have eroded the company’s dominant market share. Yet Samsung Life had been in a position to make bigger profits by increasing the sale of highly profitable protection-type products. In order to deal with this problem, I think they need to clearly understand customer needs and diversify their sales channels. Amid the increasing customer need for protection-type and pension products, they should refrain from being focused on short-sighted profitability.

Samsung Life has only recently started to take part in reforestation campaigns. What should the company’s priorities be in terms of reforestation campaigns?

From what I gather, Samsung Life wants a happier, healthier society for everyone. This requires a greener environment, as forests – and nature in general – is an integral part of life and of our well-being. As such, I think it’s great that Samsung Life is taking part in reforestation campaigns. At the same time, we can’t get too greedy. We can’t expect to gain more than we put in. Forests need time to grow and help benefit the planet. As a result, we shouldn’t say we’re reducing carbon dioxide in the atmosphere and raising corporate value simply by planting some trees. While corporate value enhancement is the ultimate goal of any company, it should not be the goal of green management activities. Corporate social responsibility is not just about achieving goals and creating tangible results in the short term. It requires the consistent use of resources and hard work to generate lasting results and returns.

FUTURE PLANS

At Samsung Life, we listen to what our stakeholders have to say and incorporate their thoughts into our future sustainability management plans. At the same time, we will report on all of our accomplishments and activities in our future sustainability publications. The social, environmental and economic issues which our stakeholders raised during interviews have been classified as issues of high concern in our materiality test. While we have included our performance results for issues we have already carried out, we will also take the appropriate measures on issues which we have not yet addressed and report on their performance in future publications. In addition, we will continue to listen carefully to the opinions of stakeholders in a proactive way and take the required actions to address stakeholder issues.