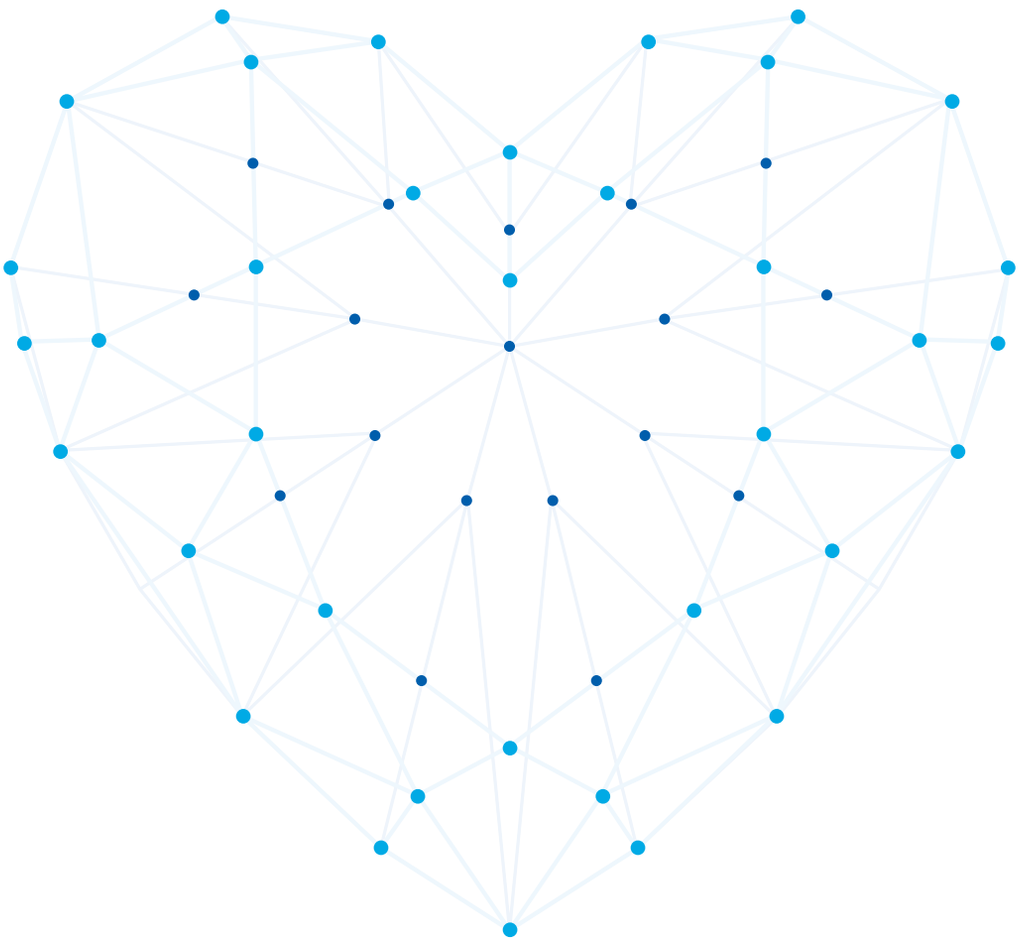
2020 Samsung Life Insurance Integrated Report



SAMSUNG LIFE INSURANCE

SAMSUNG



COVER STORY

Samsung Life, a company with a deep-rooted history,
is focused on connecting and communicating with all stakeholders,
including customers, shareholders, consultants and employees.
The cover of this report represents the connectivity and dynamism of
Samsung Life in continuing to create and grow business value
while innovating in the value chain through the Digital
Transformation.

CONTENTS

01 INTRODUCTION

- Samsung Life Value Chain
- Trusted Life Financial Partner
- CEO Message
- 2019 Highlights
- Our Company at a Glance
- Our History

18 YOUR TRUSTED FINANCIAL PARTNER FOR LIFE

- Topic Highlights
- Digital Transformation & Future Growth Engine
- Thorough Customer-centric on Products & Services
- Make a New Corporate Culture

50 SUSTAINABILITY ISSUE

- Economic Value
- Customers
- Employees
- Social Contributions
- Win-win Cooperation

78 SUSTAINABLE MANAGEMENT SYSTEM

- Governance
- Compliance Management
- Integrity Management
- Risk Management

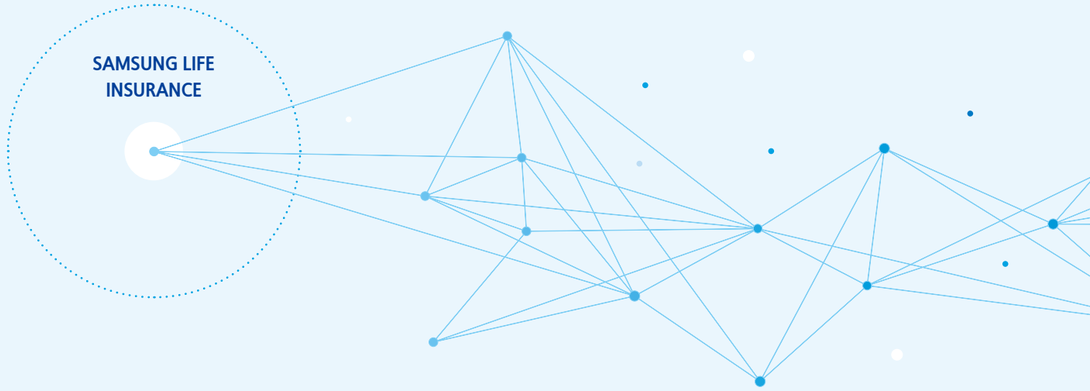
94 APPENDIX

- Sustainability Management Data
- Materiality Assessment
- GRI Index
- Independent Assurance Statement
- Awards and Memberships
- Endorsement of Global Initiatives
- About This Report

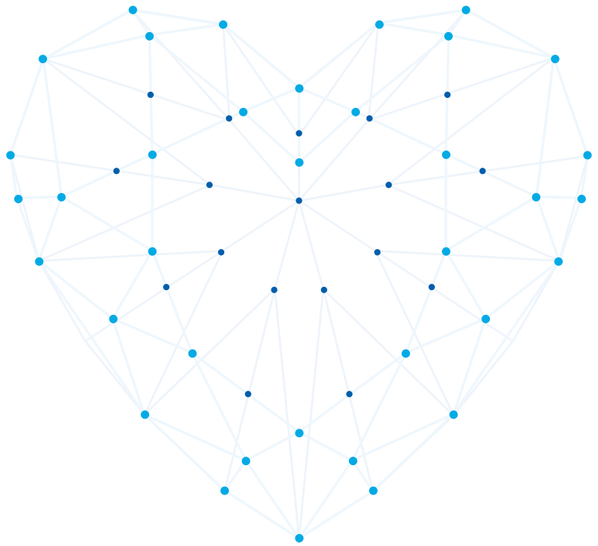
A description of Samsung Life starts after the cover page.

This report represents Samsung Life's commitment and promise to our customers for the next 100 years

As Korea's most respected life insurance company for the past half-century,
Samsung Life is on its way to becoming a globally respected company.
Based on a firmly held duty to pass on the cherished value of insurance,
we continue to broaden our efforts for sustainable management
as we give back to society the support and appreciation
we have received from our customers.



Samsung Life Insurance

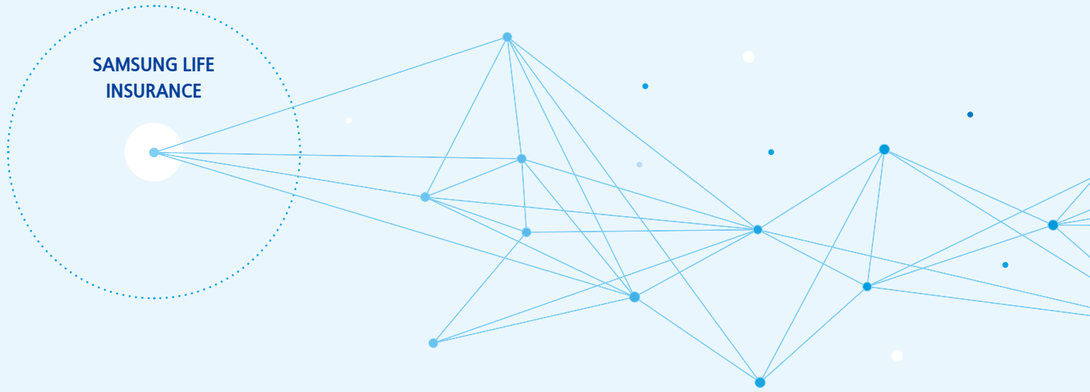


SAMSUNG
LIFE INSURANCE

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Samsung Life Value Chain

The Samsung Life Value Chain creates synergy through mutually beneficial cooperation and maximizes company performance. It supports customer-centered products and services, and enables sustainable growth. The Digital Transformation promotes innovation in the value chain and creates new value in the customer experience.



Product Development

We develop products and services on the foundation of customer-centered management. Through an integrated approach to CPC (Customer-Product-Channel), we will analyze customer needs in detail and maximize customer satisfaction.



Product Sales

Our diverse range of sales channels enable our customers to access our products and services more conveniently. In addition, we practice ethical management to advance customer's rights and interests.



Asset Management

With management systems specialized for investments such as stocks, bonds and real estate, we are raising the value of our customers' assets. By globalizing our asset management and working to improve returns, we are nurturing the cherished value of insurance.



Post-sales Relationship Management

We are providing a better customer experience by strengthening communication with our customers, serving the customer at each step of the relationship and paying claims conveniently and promptly.

We are enhancing our competitive financial soundness through investments centered on ALM[1].
In an unprecedentedly weak financial market with ultra-low interest rates,
this foundation of financial integrity is the basis for our returns-focused management strategy.

- Create mid- to long-term portfolios that maximize returns such as expanding our holdings of high-return assets (loans, PE[2], alternative investments)
- Expand and manage equity assets to solidify a foundation for future profits, Secure growth engines for affiliates
- Improve absolute returns by strengthening management from the customer's perspective
- Respond to global uncertainty by thoroughly preparing for risks

1) ALM: Asset Liability Management
2) PE: Private Equity

Your life financial partner for all that life may bring, giving you strength when you need it

We are living in a time of change.
Given the length and uncertainty of life, we all need a stable and reliable companion.
Samsung Life works ceaselessly to uphold the long lives of our customers on a foundation of financial integrity and long-term stability. We provide direction in every moment it's needed, and together with the customer, we plan and realize a stable future through Life Finance.

Life Financial Partners: Samsung Life Consultants

Samsung Life Consultants are working for you as Life Financial Partners.
At times like a friend, family, or an earnest advisor,
they are by your side throughout all stages of life.
In times of both sadness and happiness,
they are standing by to make sure you are safe and secure.

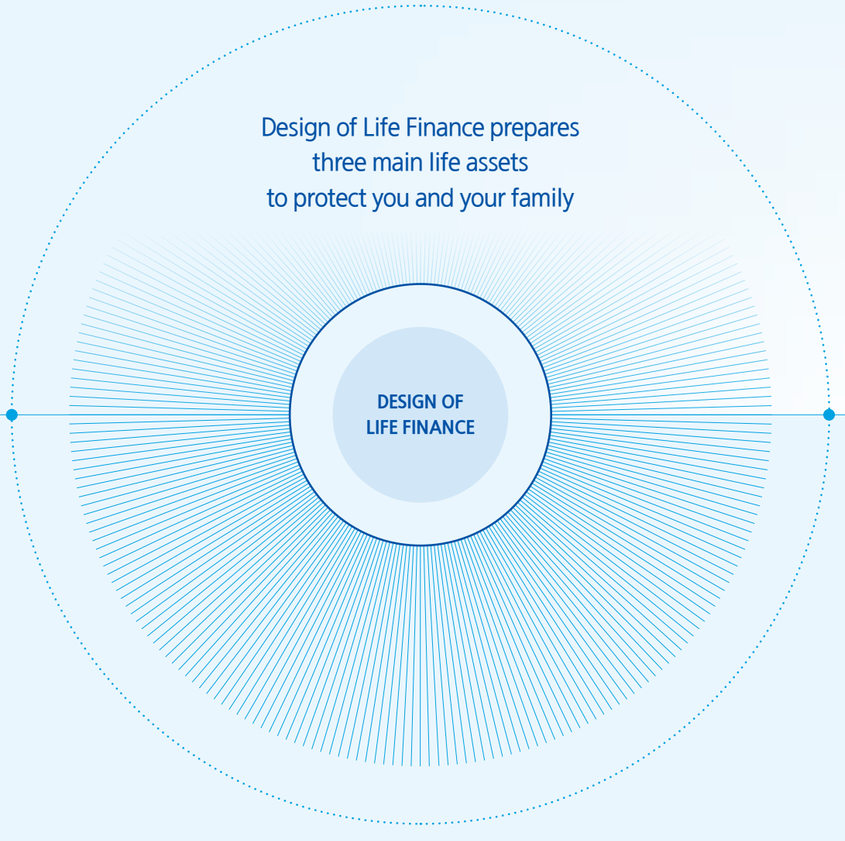




Trusted Life Financial Partner

Design of Life Finance

Lifestyles are changing in the age of the centenarian and the one-person household.
As lives become more diverse, so do the insurance needs of the customer.
Samsung Life recommends customized nest egg solutions,
which prepare for the uncertainty of the future in a way that is suitable to all aspects of your life.
Design of Life Finance by Samsung Life prepares you for the future and
ensures that your family can live secure and healthy lives.



Design of Life Finance prepares
three main life assets
to protect you and your family



Healthcare Assets

Assets to prepare for essential medical expenses arising from unforeseen diseases

Assets for Living

Assets to provide protection and a stable life in retirement

Long-term Care Assets

Assets to reduce the burden on you and your family in case of long-term care in old age

Trusted Life Financial Partner

Insurance for Each Stage of Life

Insurance products from Samsung Life for each stage of the life cycle

Life insurance is imbued with higher ideals and values than other kinds of finance, helping you cherish and protect what matters most, from birth until death. Always by your side, we at Samsung Life are developing customer-centered insurance products to enhance the value of our customers' lives.



CEO Message

Dear Samsung Life Stakeholders

I would like to extend my sincere thanks to the customers, shareholders, stakeholders, consultants and employees who, in the face of a challenging environment, have supported us since our foundation through to today, and have ensured that we have continuously grown and moved forward.

In increasingly uncertain times, pausing for thought and taking a long-term view will enable us to overcome barriers to our thinking and expand our capacity for new and innovative ideas. We are constantly putting one step forward to realize an organization that prioritizes customer happiness through customer-centered management, embodies solution-driven on-site management and industry-specific mid- to long-term value-centered management, creates shared value through compliance/ethical management, and that is a fearless organization with culture for growth.

As a reliable Life Financial Partner for all eras and generations, Samsung Life asks for your continued trust and interest so that we may walk together alongside our stakeholders.



Customer-centered Management

As Korea's leading insurer, built on the trust placed in us by our customers, we strive to add value to their lives and improve their happiness by providing products that reflect their changing lifestyles. We aim to be a companion that protects our customers' assets and values so that they may overcome crises and live healthy and abundant lives.

On-site Management

We believe that on-site knowledge and insight from the field will be the foundation of dynamic growth. Therefore, for optimal solutions leading to outstanding performance, we will not only actively identify changes in the business environment and the market, but also maintain the highest standards of communication with the field.

Mid- to Long-term Value-centered Management

By strengthenining our competitiveness in both the insurance and non-insurance sectors through Digital Transformation and the discovery of new, technology-based businesses, we will overcome barriers to growth in the saturated domestic insurance market. With the results of our first year of Digital Transformation in 2019 as a stepping stone, we shall make further advancements in insuretech. By combining this with customer value, we will provide even more innovative ways of enhancing customer satisfaction and customer experiences.

To pioneer new markets, we will make active use of the CVC (Corporate Venture Capital) and Open Collaboration to overcome barriers between our insurance and non-insurance business, thereby creating optimal customer value. As we embrace the paradigm of the digital age, we will strive to take on new challenges as a global company.

Compliance/Ethical Management and Creating Shared Value (CSV)

In an era of diversified customers and stakeholders, and intense competition across industries, Samsung Life will not only establish a culture of compliance and ethical management, but also become an inclusive and trustworthy company that people can relate to, fulfilling our social responsibilities in accordance with contemporary laws and principles.

As we regain consumer confidence through innovative social value creation, we will promote the healthy growth and development of our society. In an industry centered on love and life, we will provide leadership in addressing social issues such as youth education, low birthrates and suicide. Moreover, our employees, consultants and families will strive to be good neighbors by taking part in volunteering and sharing activities.

Fearless Organization and Culture for Growth

Based on honest communication, we continue to build a fearless organization that encourages the improvement of habits and practices so that we will be able to create stronger corporate values and a better Samsung Life. Furthermore, by reinforcing a culture of self-directed learning, we will continue to grow and innovate at both the individual and organizational level.

Valued stakeholders,

You have always been a steady pillar of support in difficult times. As we approach a time of both opportunity and crisis, I ask for your continued interest, positivity and encouragement in ensuring that we continue to make sound decisions and take on daring challenges. We are unwavering in our dedication to sustainable management, and we promise to demonstrate sound leadership as we fulfill our responsibilities as a corporate citizen. Thank you.

We are unwavering in our dedication to sustainable management, and we promise to demonstrate sound leadership as we fulfill our responsibilities as a corporate citizen.

Youngmuk Jeon

JEON, Young Muk, CEO
June 2020

2019 Highlights

Samsung Life's key sustainable management activities and achievements in 2019

First Korean Insurer to Reach KRW 300 Trillion in Assets

In the five years since Samsung Life became the first Korean insurer to reach KRW 200 trillion in assets, the company has now surpassed KRW 300 trillion. We will continue to steadily direct our outward growth and internal management to serve as a leading company in the domestic life insurance industry.

Ranked 1st in the life insurance category of NCSI (National Customer Satisfaction Index) for the 16th consecutive year
Ranked 1st in the life insurance category of KS-SQI (Korean Standard-Service Quality Index) for the 17th consecutive year
Ranked 1st in the life insurance category of KCSI (Korean Customer Satisfaction Index) for 15th consecutive year

Since its founding, Samsung life has developed products and provided services with the customer's life and values as the top priority. We remember the support and encouragement our customers showed in numerous customer satisfaction surveys in 2019, and we will cherish that support through the ages and generations.





Industry's First Non-contact ID Verification

We have launched the insurance industry's first non-contact ID verification. By verifying identities through the Samsung Life mobile app, customers can take care of various insurance tasks such as initiating or changing electronic financial transactions, increasing their call center transaction limit, and so on, all of which significantly improve customer convenience.

CVC (Corporate Venture Capital) of KRW 50 Billion

To accelerate the Digital Transformation, Samsung Life and its affiliates have established the CVC worth KRW 50 billion. The fund will be used to strengthen the company's competitiveness by discovering promising startups in fields such as insurance, asset management, overseas business, health management and new technology, and forming strategic partnerships.

Establishment of the AI/BDA Center

The Finance AI Center has been established to secure AI capabilities as the core technology of insuretech (i.e. voice recognition, voice synthesis, language understanding) and to pursue their application in business. Using big data analysis, the BDA center will create data-based values, further addressing issues in business management.

Samsung Finance 'Open Collaboration'

Samsung Life and its financial affiliates are engaged in Open Collaboration under the slogan 'The Future for Samsung Finance, Together with Startups.' Through collaboration and co-existence with startups, we will lead innovation in digital finance.

Comprehensive Long-term Care Policy

For long-term care and dementia coverage, Samsung Life has launched the 'Happy Companion Long-term Care Policy'. This product offers a range of care services for customers and their families, including the prevention of missing dementia patients, mental health counseling services for guardians, and consultations on care facilities.



People, Love Medical Expense Support for Children

The project 'People, Love Medical Expense Support for Children', was started in 2019 to give hope to sick children and their families. The 'People, Love' Fund, supported through donations from all of our employees and consultants, is used to pay these children's medical expenses to cheer them up and help them recover for a brighter tomorrow.



히릿 Let's Hit it

Strengthening Customer Communication by Diversifying Channels

To improve communication with our diverse customers, we have set up new channels to reflect contemporary trends. We have created the social channel 'Hit It' for customers in their 20s and 30s, the YouTube channel 'Takcheo' for sports enthusiasts, and the National Ping-pong Club Festival, through which we will communicate actively with our customers.

Launch of the Ad Campaign 'Life Insurance for Each Other'

'As we support each other's lives, we are each other's life insurance.' The ad campaign 'Life Insurance for Each Other' expresses Samsung Life's dreams and determination to achieve social change by strengthening families and making social contributions. The idea of mutual aid that underlies Samsung Life's insurance business is a promise to always support our customers and society.

Our Company at a Glance

A Customer-focused Global Life Partner, Nurturing Respect to Strengthen Financial Security

Since its establishment in 1957, Samsung Life has written the history of Korea's life insurance industry, passing on the cherished value of life insurance to its customers and society. As a pioneer undertaking endless challenges and competing globally for more than 60 years, we will write a new chapter in the history of life insurance and finance as we move forwards into the future.

(As of end 2019)

SAMSUNG LIFE INSURANCE

A Global Life Partner

- KRW 313 trillion in total assets
- 340% RBC (Risk Based Capital) Ratio[1]
- Ranked AAA for 16 consecutive years Insurer Financial Strength Rating
- 8.2 million customers[2]
- KRW 20.9 trillion in claims paid

1) RBC (Risk Based Capital) Ratio: Indicator calculated based on the 'standard amount of solvency margin' (Regulation on Supervision of Insurance Business, Article 7-2) effective April 1, 2009
2) Insurance, non-insurance total (overlapped customers excluded)

Nurturing with Respect to Strengthen Financial Security

We at Samsung Life aim to cultivate our customer base by providing outstanding customer care. Samsung Life was founded on the basis of respect, which we believe is the very foundation of the insurance industry. This is a cherished value, along with happiness, that we will strive to pass on to our customers.

Company name	Samsung Life Insurance Co., Ltd.
Head Office	11 Seocho-daero 74-gil, Seocho-gu, Seoul, Republic of Korea
CEO	JEON, Young Muk
Founded	May 5, 1957
Key Businesses	Insurance, Retirement pensions, Loans, Funds, Trusts
Global Network	Korea, United States, Vietnam, UK, Japan, China, Thailand

A Global Life Partner Focused on the Customer

Samsung Life is a leading global insurer that always puts the customer first. We aim to become a trusted life partner for our customers to ensure their financial security.

(As of end 2019)

6 countries 8 bases
Global Network

Joint ventures (2): Thailand, China / Invested companies (1): Beijing Real Estate Corporation / Offices (5): New York, Americas IRO, London, Tokyo, Hanoi

Vision 2024

Vision 2024, along with five strategic directions, was established with the aim of improving our ability to execute strategically directed tasks and to reflect market trends and changes in the business environment. Through change and innovation on this basis, we will establish market leadership in terms of our products, services, channels and value-centered management, which are the main pillars of the insurance business. We will direct all of our efforts to securing a foundation for future growth in our overseas businesses, asset management and new business.

Vision

Your Trusted Financial Partner for Life

Slogan

New Challenges, Innovation for the Future
Transform 2024

Mid-term Strategic Direction

- **T**horough Customer Centric on Products & Services
- **F**ortify Competitive Edge in Distribution Channel
- **O**rganize biz for Value-oriented Management
- **R**einforce Future Growth Engine

Make a New Corporate Culture & Digitalization

Our History

Competing Globally and Making History in the Insurance and Financial Industries

The path taken by Samsung Life demonstrates a history of overcoming numerous crises and blazing new trails - and it is the story of Korea's insurance industry. Going forward, Samsung Life will continue to pass on the cherished value of insurance to customers and society. We will work tirelessly to write a new chapter in the history of Korea's life insurance industry.

1957-1967



1957 Founded as Dongbang Life Insurance
1958 Ranked among Korea's top life insurers
1959 Published the first issue of Dongbang News
1963 Merged with Samsung Group
1964 Value of policies in force surpasses KRW 10 billion
1965 Held the 1st annual awards ceremony

1968-1978



1968 Established a long-term management plan and launched the Zero Defects campaign
1973 Completed the digitalization of company operations
1976 Completed the construction of the head office building (Samsung Group Headquarters) and introduced the headquarters system
1978 Restructured the organization, changed the company motto and introduced a general administrative office system

1979-1990



1982 Launched the New Wind '82 campaign
1983 Introduced the external marketing system
First in the industry to surpass KRW 1 trillion in assets
Established the electronic transfer system
1984 Completed the construction of the Taepyeong-ro office building
1988 Declared the 'Second Founding' of the company
1989 Changed the company name to Samsung Life Insurance

1991-2000



1991 Introduced the general independent profit system
1993 New system of management announced by Samsung Group
1994 Introduced an insurance quality assurance system
1997 Established the Siam Samsung Life Insurance Co., Ltd. in Thailand
1999 Launched DREAM PLAN 21

2001-2010



2003 Initiated customer service management.
Opened a general call center.
2005 Established Samsung Air China Life Insurance Co., Ltd
2006 Total assets reached KRW 100 trillion
2007 Launched the Guaranteed Asset Awareness Campaign
2008 Launched 'Perfect Comprehensive Insurance,' the first comprehensive insurance in the industry
2010 Listed on the Korea Exchange

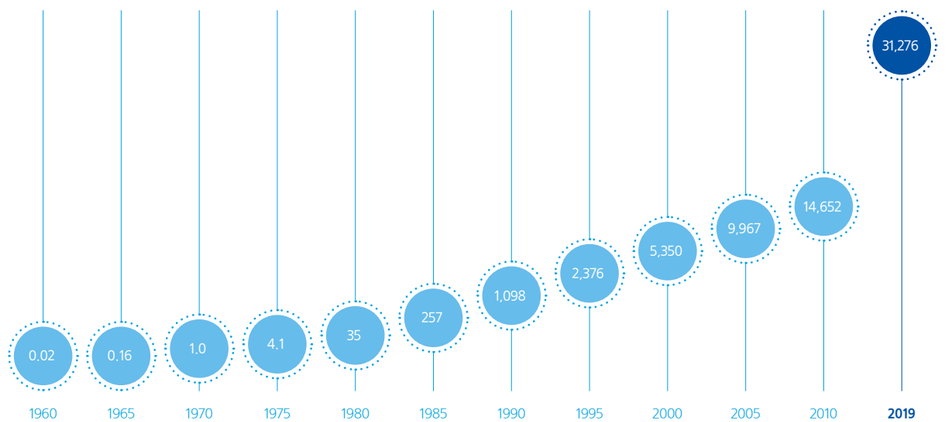
2011-2019



2011 Reestablished the company business concept
Opened the Retirement Research Center.
2012 Opened the Samsung Family Office
2013 Selected as a Fortune 500 Company by Fortune magazine
2014 Total assets reached KRW 200 trillion
2015 Launched BOC-Samsung Life Insurance Co., Ltd
2016 Relocated the Head Office to Seocho
2017 Celebrated the company's 60th anniversary
Launched the consultant brand 'Life Financial Partners'
2018 Proclaimed VISION 2023
2019 Total assets reached KRW 300 trillion
Proclaimed the first year of Digital Transformation
Ranked 1st in KS-SQI (Korean Standard-Service Quality Index) for the 17th consecutive year
Ranked 1st in KCSI (Korean Customer Satisfaction Index) for the 15th consecutive year
Ranked 1st in NCSI (National Customer Satisfaction Index) for the 16th consecutive year

Total Assets

(Unit: KRW 10 billion)



KRW **10** billion
in policies in force
(1964)

KRW **1** trillion
in total assets, first in the industry
(1983)

8 million
customers
(2009)

No. 1 for **16** consecutive years
in NCSI (National Customer Satisfaction Index)
(2019)

YOUR TRUSTED FINANCIAL PARTNER FOR LIFE

Topic Highlights 20

Digital Transformation & Future Growth Engine 26

Thorough Customer-centric on Products & Services 34

Make a New Corporate Culture 42

Expand Your World

It is becoming ever more important to secure future avenues for growth as insurance undergoes a paradigm shift under increasingly intense competition and Digital Transformation.
We are seeking out a diverse range of future growth engines by pursuing new business through digital-based value chain innovation, Open Collaboration, the CVC, and more.

01
Topic Highlights



Create Life Value

With an integrated approach to CPC as a foundation, we are working to discover new customer-based markets, develop products that correspond to customer needs and strategically strengthen the competitiveness of our channels. We will provide our customers with greater value as we absorb the trends of our rapidly changing customers and market.

02
Topic Highlights

Transform Our Future

We are instilling pride in our employees and creating synergy with employee harmony and innovation by pioneering change in our organizational culture. We will continue to innovate and improve our culture, as well as work practices, by creating an environment for employees' engagement and opportunities to strengthen their competencies.



03
Topic Highlights

MATERIAL TOPIC 1

Digital Transformation & Future Growth Engine



Performance

Approx. **49,000** hours saved
in improved work efficiency through RPA

KRW **50** billion
in the CVC

1,760
the number of new contracts signed via online channels
A 58.3% year-on-year increase

Materiality

As long-term growth prospects diminish due to the market maturity of the insurance industry, it is becoming more critical to find new avenues of growth. Furthermore, in response to the new business models created by IT-based platform companies that are aggressively entering the insurance market, digital technology is increasingly becoming a key competitive factor.

Risk & Opportunity

Paradigm shift in the insurance business: Competition is becoming fiercer in the insurance market. To be specific, ICT companies are expanding their presence in the finance market. At the same time, the financial industry is pursuing convergence and integration with other sectors. With digital technology emerging as the core competitiveness of financial institutions, changes in the business environment are accelerating.

Creating opportunities by adding digital technology to insurance: Advancement in digital technology including AI technology, data analytics and task automation improves AI-based services, customized services, and work efficiency, etc.

Management Approach

To create new business opportunities and models working with startups, we have engaged in Open Collaboration. Under the vision of '2024 Digitally Intelligent Company', we will provide greater values by implementing innovation in the value chain step by step through the application of digital technology.

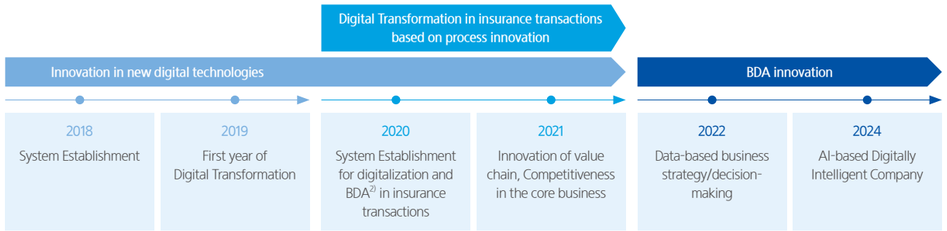
Digital Transformation

Digital Transformation Strategies

Digitally Intelligent Company

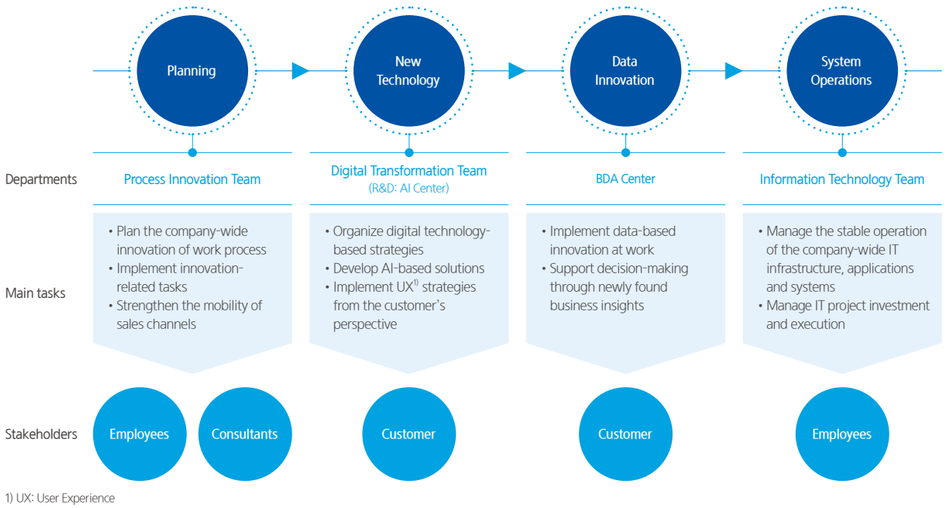
With the insurance market maturing, and amid ultra-low interest rates, low birthrates and an ageing society, we are facing more challenges to management efficiency. Millennials[1], emerging as main producers/consumers, want differentiated customer experiences. They have their own consumer preferences, which differ from the older generations. The rapid development of digital technologies such as AI (Artificial Intelligence) and data analytics is tearing down the barriers between industries, and the platform economy is changing the fundamentals of business. Amid these changes, we are making gradual progress in Digital Transformation in the value chain, under the vision of 2024 Digitally Intelligent Company. Samsung Life's Digital Transformation will bring even greater value to the customer's Life Finance experience.

2024 Digitally Intelligent Company



1) Millennials: Generations born from the early 1980s to the early 2000s
2) BDA: Business Data Analytics
3) ERP: Enterprise Resource Planning

Digital Innovation Department: Structure and Key Operations



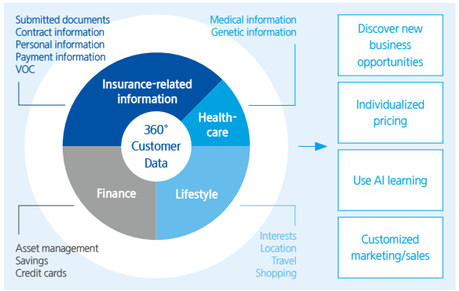
1) UX: User Experience

Building a Foundation for Digital Transformation

To create values through digital-based insurance business models, we are building Samsung Life's own foundation for Digital Transformation. We are securing our own technological capabilities, including AI, building data analysis systems to understand the customer from different angles, and automating work processes. By executing these strategic tasks and others, we are internalizing our digital capabilities and building digital infrastructure.

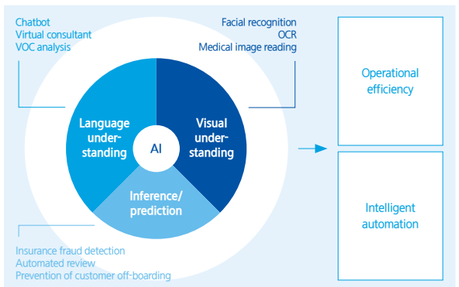
Securing Data Intelligence

Strengthen analysis and application capabilities for a comprehensive understanding of our customers



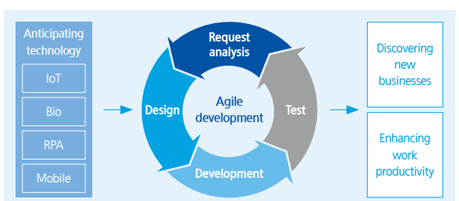
Securing AI

Strengthen development capabilities for core AI technologies to achieve intelligent automation



Securing Technology Intelligence

Develop new digital-based products/services and strengthen our ability to apply them to business



Digital-based Value Chain Innovation

Digital Transformation in Insurance Transactions

Enhancing Mobile Sales

Samsung Life has established a system to carry out the entire insurance contract process via tablet, from the initial information-sharing consent to the final signature. This simplifies various complicated but necessary processes such as the drafting and signing of contract documents, thereby improving customer convenience and saving time. This has resulted in 96% of new contracts being tablet-based in 2019. In 2020, we are looking forward to offering mobile contracts that customers can use to sign up through their smartphones.

Mobile Terms and Conditions, Mobile Securities, Mobile Notifications

For our customers who prefer mobile content, we have improved our pamphlets on insurance terms and conditions and our insurance securities by making them mobile-accessible.

Customer Service Based on Data Analytics

Expanding AI-based Customer Service

To enhance the company's future competitiveness, Samsung Life is focusing on R&D of AI technology. Developed through our own technology, the AI chatbot 'Tabot' (meaning 'warm-hearted robot' in Korean) can provide the customer with consultations at any time, 365 days, 24 hours a day. without limitations of time or location (via Samsung Electronics RCS (Rich Communication Services), Samsung Life mobile app). It enables the customer to check the status of their insurance contracts, and to review, apply for and repay policy loans. These functions, along with product recommendations, contribute to customer convenience.

Furthermore, as part of a mid- to long-term strategy, we are pursuing a multi-approach customer service through the use of language understanding, visual understanding and inference/prediction. Recently, we have concentrated on strengthening the voice recognition and language understanding functions of the 'AI Virtual Consultant,' which handles customer requests in place of our call center representatives.

Text Analysis for Efficiency in VOC Response

We are currently developing a VOC model for use in the customer response process with automatic analysis, categorization and summarization of the voice/text received by the call center. This is expected to provide high-quality consultations by improving time efficiency.

Biometric Signature System

To improve customer convenience and to strengthen the protection of personal information, we are working to develop a system for biometric signatures that uses fingerprint data in place of written signatures. This can relieve the difficulties that arise when the policyholder is not identical to the insured individual and therefore a written signature is required. Also, using the registered fingerprint data saved from the initial contract, customer convenience will be increased both in other insurance contracts and in insurance-related transactions and processes.

Innovation in Work Processes

RPA (Robotic Process Automation)

We are improving efficiency and contributing to value creation by integrating digital technology into the way we work. In particular, we are creating a work environment in which efficiency is increased under Korea's 52-hour work week and employees can focus on high-value-added tasks. This has had the effect of improving employee work satisfaction. Since its launch in October 2018, Robotic Process Automation has been fully adopted in 107 jobs, and saved approximately 49,000 working hours in 2019. Going forward, we plan to gradually expand the scope of work automation.

OCR (Optical Character Recognition)

Samsung Life is currently in the stage of securing its own technology to extract data from unstructured image documents, to construct databases, and to apply this technology to work automation. This project aims to make the review process more efficient using Deep OCR solutions developed from Deep Learning. It will enable the roughly 180,000 documents a day submitted for claim evaluations to be classified automatically, which will speed up their processing and make the evaluation process more efficient.

Digital Transformation R&D

AI Center

To secure our capabilities in AI, a core future technology, we have set up the Finance AI Center. We are working to develop key AI technologies such as voice recognition, voice synthesis and language understanding, and apply them to our business.

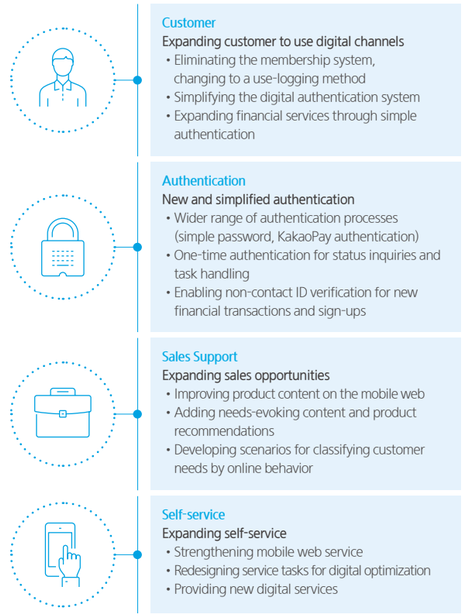
BDA Center

Samsung Life has established the BDA center to create value and address management issues based on data analytics. The Center uses specialized statistical methods to analyze a wide range of quantitative and qualitative data to provide insights that are expected to help in decision-making. After a trial phase starting with new business forecasting, insurance fraud, etc., these methods will be expanded and applied to all business areas.

Strengthening customer service based on digital technology

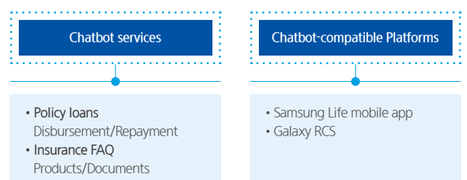
We have strengthened customer service by revamping the Samsung Life homepage and mobile app into a customer-friendly digital channel. This has improved customer accessibility and convenience by providing a customer-focused UX, improving the authentication/membership systems and adding customer-friendly content.

With the UX now optimized for customer-friendliness, tasks can be conveniently handled by customers themselves. Previously, it was necessary to install the mobile app, but after the homepage renewal, our main financial services can be accessed via mobile web without a separate application.



Expanding Interactive AI Services through the Chatbot

With the AI chatbot 'Tabot,' customers can easily review their insurance policies, and review, apply for and repay policy loans. They can also get product recommendations along with easy-to-access sign-up consultations.



INTERVIEW

Digital Transformation



Director of
Digital Innovation Department
LEE, Seong Yeoul

Based on a mid- to long-term strategy for Digital Transformation, Samsung Life is striving to develop insuretech and enhance the company's business competitiveness. Firstly, using our industry expertise,we look forward to providing improved insurance services and customer experiences through the addition of new digital technologies. Also, we are working to increase our business value by gathering and analyzing data through the recently established BDA Center.

In terms of work automation, we moved forward in 2019 with securing new technologies such as RPA, Deep OCR, STT (Speech-to-Text) and a chatbot engine, which were smoothly integrated into our work. In addition to this, we have been actively conducting research through the AI Center, jointly founded with other financial companies, regarding voice recognition, language understanding and inference capabilities, which we expect will lead to more rapid automation. In the mid- to long-term, we plan to automate customer-related tasks such as consultations and underwriting, while in the coming three years in particular, we expect to launch an AI virtual consultant service.

Finally, based on these advanced digital channels, we plan to strengthen our marketing capacity as a player in the digital platform space. Particularly for 'Smart Matching,' which boosts connectivity between online demand and offline channels, we expect it will raise our competitiveness in terms of services based on customer preferences.

Customer-friendly Digital Channels

We are taking the lead in the digital insurance market though our competitiveness in differentiated products and services, in line with innovation in our customer-centered digital channels.

Expanding Customized Digital Products

- Launch products exclusively for digital customers with greater appeal and accessibility
  - 2019: Coverage for fine dust pollution and food poisoning
  - 2020: Coverage for children; coverage for eyes and bone fractures

Offering New Services through Market and Trend Analysis

- Strengthen the competitiveness of digital channels by continuing to analyze advanced insurers overseas and best practices of insuretech
- Promote services related to Korean FinTech and insuretech
- Provide life services such as health management

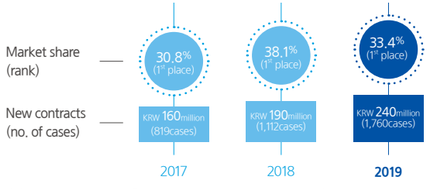
Homepage Renewal to Improve Customer Convenience

- Design to enable focus on the contract process
  - A single message per page
  - Make calculator/contract functions continually available
- Add the 'View My Insurance' function
  - Customers can check insurance statements while in the contract stage
- Improve the convenience of online insurance contracts.
  - Provide a 'Help' section and statistical information
  - Improve chat consultations
  - Strengthen periodic customer management

Securing New Customers through Online Channels

Amid a continued economic slowdown and a shrinking customer base due to saturation in the insurance market, we are endeavoring to overcome the situation by generating new markets and customers through innovation in our online channels. To do this, we engaged in marketing linked to large platforms such as banksalad, OKcashbag and KakaoPay. As a result, we were able to secure 70,000 new customers through affiliate marketing with 38 companies.

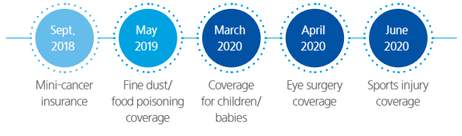
Online Insurance: New Contracts and Market Share[1)]



1) Changes to data for 2017 and 2018 due to revised calculation of market share

We are also continuing to launch exclusive mini-insurance products based on the needs of each platform's customers. Through 2019, we launched a total of four such products: transport accident insurance, mini-cancer insurance, fine dust/food poisoning coverage. In 2020, we are launching another three products: coverage for children/babies, eye surgery coverage and sports injury coverage, reflecting customer needs in our product development.

Timeline for Platform-exclusive Products



Reinforcing Future Growth Engines

Strategies for New Business

As we work to reinforce our competitiveness in our existing business in terms of life insurance and asset management, we are simultaneously looking for new business opportunities in overseas business, health management, and new technology. Startups are emerging with new, innovative technologies and services, which likely mean diverse changes for the insurance industry. Through cooperation with these startups, Samsung Life is preparing for the new future of finance.



Life insurance	Product development, Underwriting, Sales channel, Customer service, Claims assessment, etc.
Asset management	Portfolio optimization, Robo-advisor, etc.
Overseas business	Sales platform for domestic/overseas financial products
Health management	Technology for measuring/aggregating biometric data, Health management for early prevention of disease
New technology	Anticipating new technologies such as AI, blockchain, genetics, cloud, etc.

Promoting Insuretech through the CVC

In April 2019, Samsung Life became the first Korean life insurer to establish a strategic investment fund (Corporate Venture Capital, hereinafter the CVC) worth KRW 50 billion, as we continue to accelerate the Digital Transformation.

We look forward to the role that the CVC will play in discovering promising startups in the five fields of life insurance, asset management, overseas business, health management and new technology. We are strengthening our digital competitiveness through business collaboration and other strategic partnerships with startups that possess innovative technologies and business models. Since the fund's actual foundation through the end of 2019, we have decided to invest in four startups[1)] with which we are now refining models for cooperation. In 2020, we will continue to discover new startups while expanding our partnerships with existing ones.

1) Four Startups: Health management (China/Korea), Overseas business (Thailand), New technology (U.S.)

INTERVIEW

Global Digital Training

2nd Term, Strategic Planning Team 1
LEE, Tae Kyu

In the United States, where I took part in the Global Digital Training, the insuretech environment is an Open Innovation ecosystem, which is able to absorb a wide range of technologies extremely quickly. The CVC investment, led by the big insurance companies, is continuously expanding.

It is noteworthy that they are focusing their investment on innovative insuretech startups to strengthen the competitiveness of a diverse array of insurance value chains. They are pursuing value chain innovation of course, but they are also entering areas I thought were quite separate from traditional insurance, like healthcare and big data, as part of continuous efforts to improve growth and profitability.

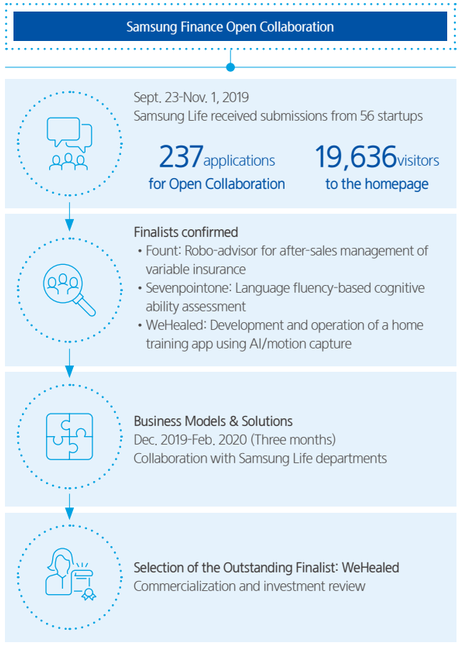
Recently, there have been moves in the Korean insurance market to go digital as well. I think it is important for our company to also continue discovering startups with innovative technologies and services and pioneer new business.

Samsung Finance Open Collaboration

Samsung Life engaged in an Open Collaboration program jointly with Samsung Fire & Marine Insurance, Samsung Card, Samsung Securities and Samsung Venture Investment. Under the slogan 'The Future for Samsung Finance, Together with Startups', we pursued win-win relationships with startups as leaders in FinTech.

Samsung financial companies proposed new challenges to take on while the startups used their own ideas and technologies to recommend new solutions and business models. Samsung Life received recommendations from a total of 56 startups, of which three were selected after an internal evaluation. As these three startups explored areas for collaboration with Samsung Life employees and teams, their efforts yielded concrete models and solutions. Our core management team evaluated these solutions over a period of three months and selected one outstanding finalist.

Through Samsung Finance Open Collaboration, Samsung Life was able to explore new business opportunities. The new models of startup collaboration led to the creation of a culture of co-prosperity, while the startups had an opportunity to materialize their ideas through Samsung Life and make their business a reality. Samsung Life will continue to pursue innovation in the value chain through Open Collaboration and accelerate the Digital Transformation to secure an early position in the market of the future.



INTERVIEW

2019 Samsung Finance Open Collaboration



WeHealed
Chief Operating Officer
KOO, Jason

Samsung Finance Open Collaboration was a good opportunity for WeHealed to create synergy with Samsung Life. In addition to WeHealed's existing diet and exercise service 'LikeFit,' collaboration with Samsung Life was a big help in fine-tuning and commercializing new services such as an exercise program to prevent musculoskeletal disorders.

In particular, the process of providing a pilot service for Samsung employees enabled us to analyze customer needs and the market. Not only were we able to plan services, we were able to speed up their launch and quickly acquire a differentiated business model. Working together with Samsung Finance employees to develop a new business model under Samsung Finance Open Collaboration has been very helpful to startups, and I would definitely recommend it to other startups.

WeHealed
Providing the AI home training service 'LikeFit,'
using smartphone-based motion capture technology



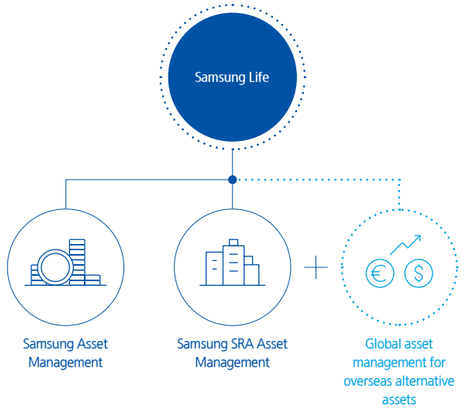
Open Collaboration

Investing in the Southeast Asian Insurance Industry

Samsung Life seeks to secure future growth engines by making capital investments centered on overseas asset managers with high growth potential. We plan to continue to look for new investment opportunities in top insurers in Southeast Asian countries such as Vietnam and Indonesia.

We are also exploring overseas expansion in line with the changes in Southeast Asia's insurance environment. The region has recently seen rapid growth in digital platforms such as electronic payments and online transactions. Linking this to the CVC, we are pursuing capital investments in Southeast Asia's top digital platforms. As part of this endeavor, we are proceeding with investment in Thailand's number-one financial product sales platform, Rabbit Finance. Looking to the future, we will explore a range of mid- to long-term opportunities for cooperation with Rabbit Finance using the product sales platform and partnership channels of our Thailand subsidiary.

Establishment of a Foundation for Growth Using Asset Management



INTERVIEW

Building Future Growth Engines



Director of
Strategic Planning Department
LEE, Sang Mook

Samsung Life, on the basis of its solid risk management ability, is exploring a diverse range of future growth engines. In Korea, we are looking for new growth areas in the fields of digital and healthcare. While investing in startups to secure outside insuretech resources for strengthening our core business, we are also working to discover new opportunities. To respond to the changing demographics and the resulting increase in demand for health management and silvercare, we are testing new business items in the healthcare sector.

From a global market perspective, in addition to markets we have entered in China and Thailand, we plan to expand our business with the high growth potential of Southeast Asia. Not only have we been investing in Southeast Asian insurers, we are actively moving ahead with the CVC investments in the field of digital finance platforms that combine finance and IT.

Meanwhile, we continue to explore overseas markets in terms of another aspect of the insurance industry - asset management. Here we are reviewing an expansion of our third-party asset management business through external investment financing and alternative investments in advanced markets.

We are harnessing the strong determination of all of our employees to spur change and innovation. By securing a foundation for future growth in new business, overseas markets and asset management, we at Samsung Life will strive to return the affection of our customers.

MATERIAL TOPIC 2

Thorough Customer-centric on Products & Services



Performance

KRW 2.6 trillion	0.09 %	52 types
APE (Annual Premium Equivalent)	Rate of Mis-selling by consultants	of 'Smart Notification'

Materiality

The emergence of the millennial generation has rapidly changed trends in demand for insurance. In addition, the intensified competition in the insurance industry has highlighted the need to secure customers through innovation.

Risk & Opportunity

Economic/Demographic Changes: Demand for insurance is transforming due to continued stagnation in the global economy; the maturing of the Korean insurance market; greater demand for life insurance led by increasing life expectancy and one- and two-person households; and the need for retirement income in a rapidly aging society.

Increase in Smart Spending: The need for strategic approaches to sales through each channel has been highlighted by changing trends in spending, such as the retirement of our main customer base, the culture of cost-consciousness, preferences for micro insurance, and comparison shopping.

Management Approach

Samsung Life utilizes the integrated approach of CPC (Customer-Product-Channel) to analyze the needs of the customers from their perspective and develop products and services accordingly. We have developed 'Life Finance' to optimize finance to the changing needs of each phase of life, and established differentiated strategies for each sales channel to strengthen our capabilities in field sales.

Life Finance

Securing the 'Life Assets' for a Happy Future with Life Finance

Life Finance introduces the three kinds of life assets, helping customers design Life Finance that will secure a confident and happy future for themselves and their families.

Life Finance

Healthcare Assets	Assets for Living	Long-term Care Assets
Assets to prepare for essential medical expenses arising from unforeseen diseases • Protection for medical expenses from cancer/stroke/heart disease and various diagnoses/surgery/hospitalization/fractures • Ex) Comprehensive Health Insurance 'One-For-A-Hundred,' New All-in-One Cancer Insurance, Simplified Comprehensive Coverage Insurance	Assets to provide protection and a stable life in retirement • With respect to guarantees, living expenses are paid from funds accumulated through basic, investment and guaranteed minimum income benefits • Ex) Life Design Plus Universal Whole Life Insurance, Simplified Life Design Plus Variable Universal Whole Life Insurance, Integrated Life Design Plus Universal Whole Life Insurance	Assets to reduce the burden on you and your family in case of long-term care in old age • Funds paid for dementia/long-term care • Ex) Comprehensive Long-term Care Policy, Simple Issue Comprehensive Long-term Care Policy

Strengthening R&D from a Customer-centered Perspective

Institute of Insurance Research

The Samsung Life Institute of Insurance Research provides optimal insurance products and services tailored to the customer's phase of life, and conducts R&D aimed at strengthening the role of sales channels. Recently, we have been strengthening research on the insurance consumer by reflecting the diversification of social trends in family makeup and lifestyle.

In 2019, we conducted research on consumer behavior in the newly emerging class of millennial women in their 20s and 30s, single/unmarried customers in their 30s and 40s, and married customers in their 40s. We have also conducted strategic research to enhance the competitiveness of our 20s to 40s Young Consultant and GA (General Agency) channels. Based on this research, we are working on customer content, media campaigns and educational activities to help our customers prepare for a healthy and stable retirement.

The Institute of Insurance Research will continue to foster its R&D role in closely anticipating and analyzing rapidly developing customer trends and environmental changes, and in setting channel strategies for customer-centered products and services.

'Card Talk', a Life Design Assistant for our Customer

The Institute publishes a weekly news brief called 'Card Talk' to help customers in their Life Design. It contains useful information on social trends such as disease and health, insurance and finance, and the super-aged society, all with easy-to-read infographics. 'Card Talk' is delivered every Monday morning to subscribers on KaKaoTalk.

The Institute in the Media

Studies and findings by the Institute are published in numerous media articles and columns, where they garner positive reviews for presenting effective directions for lifelong financial planning.



Card Talk





News article

An Integrated Approach to CPC

Running a Customer-Centered Organization

To provide customer-oriented products and services, Samsung Life operates the Customer Product Channel Strategy Department. Based on sophisticated MI (Market Intelligence), the Customer Product Channel Strategy Department serves as the control tower for all activities and processes, from product development to product delivery.

Internalizing Product Development Processes

By taking a CPC approach, we are creating synergy throughout the entire process of product development - from market opportunity analysis, to sales performance analysis and market feedback. With the PLM (Product Lifecycle Management) system, we can trace records from all stages of the development process. In the stage of product development, we work with the Consumer Protection Team and the Compliance Management Part to prevent risks such as insurance fraud, compliance violations, infringements on personal information and mis-selling.

In 2019, we held a Meeting for Product-Monitoring to enhance the instant analysis of new product sales and performance, as well as responses in the market. We improved basic documentation and strengthened the system verification function. These improvements included our internal verification processes of basic product documentation in the product development process and the application/verification functions of the post-launch accident claims system. In product development, we also made efforts to prevent mis-selling by adding assessment content for when claims amounts are changed based on policyholder behavior.

Product Development Process

Step 1. Product Development

Perform multidimensional analysis and feasibility tests for product development based on the market, risks, target consumers and concepts; carry out product sales authorization processes

❶ Market Opportunity Analysis
- Conceive the product idea
- Analyze marketability

❷ Feasibility Test
- Define the product
- Examine commercialization of the product

❸ Review of Development Feasibility
- Develop product content, review by the relevant departments
- Concept testing

❹ Final Confirmation of Product Development
- Calculate EEV (European Embedded Value) and submit the business case
- Review of product naming, etc. by the Product Committee
- Draft product specifications
- Obtain approval of optimum risk rates

❺ Final Review by the Relevant Management Departments
- Examine alignment with business strategies

Step 2. Sale/Launch Preparation

Establish and inspect various systems (through E2E tests[1]); establish launch strategies; establish sales and marketing plans

❻ Internal and External Product Approval
- Draft policy documents
- Confirm and report basic product documents

❼ Prepare for the Product Launch
- Consider launch strategies
- Establish and review relevant systems
- Perform E2E test
- Draft product and operation manuals

Convene the Launch Committee
- Establish detailed launch strategies
- Review sales preparation

❽ Final Inspection Before the Product Launch
- Distribute marketing training material
- Distribute informational material for customers
- Pre-open the product information guide
- Operate the training and qualification systems
- Check the Customer Service system

Step 3. Product Sale

Approve and launch product sales; analyze marketing and management performance; identify areas for improvement in product sales

❾ Launch
- Complete preparations and receive approval for the launch

❿ Product Verification/Final Confirmation, Add Checklist Items
Performance Analysis and Feedback
- Analyze sales volume and profitability performance

Hold Meetings for Product Monitoring
(Process newly added in 2018)

Samsung Life provides insurance policy documents, terms and conditions, and other policy-related information to customers so they can easily verify information such as their coverage, policy duration, insurance premium, and the amount of cash surrender value.

1) E2E (End-to-End) Test: A test performed prior to the sale of the product based on a simulated contract with the aim of examining the entire system from the point of contract to payments.

Lifecycle-Based Product Development

Samsung Life employs the largest number of professional actuaries in the industry. They use their expertise to research customer needs on a regular basis, and the results are reflected in product development and marketing. We categorize customers into six major groups based on lifecycle stages and then customize products to reflect the specific needs of each group.

Product Development Performance

We aim to meet the customer's needs by providing a diverse range of products such as health-related protection, retirement income and variable products. In particular, we analyze accumulated insurance contracts and payments to provide products that are optimized to the market and to our customers. In 2019, we launched five types of whole life insurance and 11 types of health/accident insurance. The launch of low cash surrender value products has expanded the customer's range of choice according to their needs, while the launch of 'Simplified Care' and 'Simplified and Reliable' insurance has lowered the threshold for customers with pre-existing conditions. We also made efforts to provide the customer with customized products by expanding coverage limits four times, raising the coverage age three times and easing the underwriting criteria three times. In January 2020, we launched the GI (General Illness) whole life insurance. This year we also plan to launch other high-demand products such as 'Practical and Reliable' insurance for pre-existing conditions and long-term care whole life insurance.

Expanding Health Management Products/Services

Our health management products enable customers with pre-existing conditions to actively participate in their health management and keep their conditions from worsening. We have expanded these products to our healthy customers so they can also get the protection they need.

Major Customer Groups and Customized Insurance Products

Single
Customers who are single, divorced, widowed or have no dependents
Total Health Insurance, Dental Insurance, Smart Savings Insurance

Family Building
Customers in the family-building stage with preschool-aged children or no children
Reliable Plus Whole Life Insurance (Type of Low Cash Surrender Value), Well Growth Insurance

Family Expansion
Customers in the family-expansion stage with children under 20 years of age
Life Design Plus Variable Universal Whole Life Insurance, GI Plus Whole Life Insurance

Families with Grown Children
Customers with grown children 20 years of age or older
Integrated Universal Whole Life Insurance, Big Bonus Variable Annuity Insurance

Retirement/Golden Years
Customers 60 years of age or older approaching retirement and their golden years
Simplified Issue Universal Whole Life Insurance, Ace Annuity Insurance

HNWI (High Net Worth Individuals)
Customers with financial assets of at least KRW 1 billion
VVIP Variable Universal Whole Life Insurance, Heritage Universal Whole Life Insurance

Health Management Services

Classification			Services
Major health insurances Care Service	Normal	Walking Service	Prizes for achieving three million steps/year
		Medical Exam Bonus	0.1% bonus for submitting medical exam results, extra 0.1% for meeting health criteria
	Onset of illness	General Health Management Service	Health counseling, hospital treatments/exam reservations, health information
		Disease Management Service	Phone or in-person counseling, NK cell activity test service, hair pieces/wigs provided during cancer treatment, 'Safety for Women' service
		Nurse Companion Service	Nurse Companion Service for five years from disease onset
		Diabetes Care Service	General health management/disease management, health coaching (walking) service
Nursing Care Service	Normal	Check-up Call Service (age 70 and older)	Regular check-up calls and health monitoring
	Moderate care	Dementia Screening (age 60 and older)	Regular dementia check-up calls; notify family and arrange treatment if symptomatic
		Guardian Counseling Service	Total of 4 sessions * 1 session in person + 3 sessions by phone
	Dementia	Patient Counseling Service / Location Monitor Device	Phone counseling (2 sessions), indoor/outdoor location-tracking device
	Acute care	Vehicle Transport Service	Transport service for top-tier general hospital admission/discharge * 1 time, within adjacent neighborhoods Ambulance service between hospitals * 1 time, within adjacent neighborhoods
		Long-term Care Facility Admission Assistance	Long-term care facility guidance and consultation, admission support, admission kit
Growth Care Service	Developmental Disorder Care		Growth plate exam, genetic testing for obesity, sleep disorder testing, hair analysis for heavy metal from fine dust pollution
	Learning Disability Care		Priority for speech assessment; learning disability self-test program
	Emotional Health/Safety Care		Art therapy, phone/in-person counseling for parents/children, emotional health self-test program
	Basic Health Care		Immune cell storage, nurse companion, ambulance support/child location service, vaccines/infectious disease information

Strengthening Channel Competitiveness

At a time of saturation in the insurance market, ultra-low interest rates and tighter regulations on the industry, the insurance business environment continues to present difficulties. We are working to overcome these crises by strengthening our competitiveness through innovation in our management and through extensive management reorganization. The sales unit has been divided into a Financial Consultant (FC) Unit, focusing on sales of personal protection policies, and a Strategy Unit concentrating on specialized markets and B2B sales. This has enabled us to differentiate our strategies for each channel and provide support for sales and marketing. We expect this will encourage good-faith competition and create synergy.

Affiliated Agents

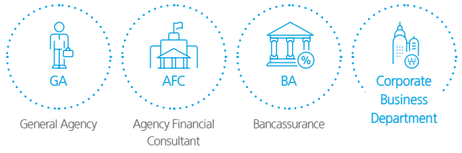
Affiliated agents comprise our two core channels, the consultant channel (individual coverage) and the specialized channel, which consists of GFC[1] (group/corporate insurance market) and SFP (consultants in their 20s and 30s). We have rearranged our organization to raise the performance of our affiliated agents and enhance their responsibility. The business units have been eliminated and reorganized into a three-step sales system centered on the regional office (headquarters→regional office→sales office), which has strengthened the authority and responsibility of the regional offices. Sales are now conducted more on the basis of mid- to long-term strategies rather than short-term performance. Moreover, we are expanding our affiliate organization through introduction of outstanding consultants and through systematic onboarding. We are also strengthening the capabilities of our consultants through a reinforced training system. In particular, by strengthening our product competency, we are growing our sales of protection products and raising the EEV of new business. We are also strengthening synergy between our offices by expanding our operation of innovative offices.



1) GFC (Group Financial Consultant): Channel specializing in protection and retirement planning for our employees' futures through consulting on employee group insurance and other group insurance

Independent Agents

In response to the recent rapid growth in the independent agent market (BA, GA), we are actively expanding our sales organization and strengthening our product competitiveness. In particular, we are strengthening sales support for GA, which continues to see growth in terms of sales and performance. We are also launching new health/injury protection products. Going forward, we plan to actively promote the growth of our independent agents through creative strategies, such as product marketing, aimed at satisfying the customer's needs.



INTERVIEW

CPC Strategy



Director of
Customer Product Channel
Strategy Department
KIM, Weon Hea

The Customer Product Channel Strategy Department is enhancing Samsung Life's competitiveness by establishing balanced sales strategies and controls related to Customer-Products-Channels.

Amid a trend of declining customer numbers due to Korea's low birthrate and insurance market slowdown, we plan to take active steps to differentiate each channel, improve our customer management systems, support customized activities/campaigns and other measures as part of a strategy to generate new customers and secure existing ones for the future.

Regarding product strategies, we are enhancing our competitiveness by developing a range of new products and improving existing insurance policies to respond to customers' changing needs. Our goal is to increase customer satisfaction by solidifying popular products as steady sellers and by providing products with variety and appeal, such as policies for high customer returns and retirement living expenses.

Lastly, regarding strategies for channels, we will continue to strengthen the competitiveness of our affiliated agents and continue to pursue strategies suited to the characteristics of each channel. In the mid- to long-term, we will explore directions for channel operations and roadmaps that could help the company respond flexibly to market changes. We will maximize company value and lead innovation through customer-based market discovery, product development corresponding to customer needs, and strategies that improve channel competitiveness.

Reinforcing Field Sales

Establishing and Reinforcing a Field-based Training System

We are strengthening the field capabilities of our consultants and sales managers through the establishment and normalization of a field-based training system. In particular, we are implementing an education process that focuses on the locally-led strengthening of consultant competency and on repetitive hands-on training.



Training Platform for Constant Learning

Under the 45-hour work week system, training is transition from on-site to an online platform where training materials can be used at any time. Samsung Life is using this online content within each of the courses in the training system for new consultants.

Instead of company-led one-way training, employees can produce and upload content at any time or place. In the future, we plan to enable real-time peer feedback on the mobile platform to improve learning from each other.

Furthermore, the voluntary consultant training courses on weekends enable employees to freely educate themselves on products and activities. A total of 12,112 consultants participated in the courses in 2019.

Specialized Channels: Growth Strategies and Performance

	SFP[1]	GFC	Ligel[2]
	Channel of college graduate consultants for 2030 customers (Future growth engine to secure customers in their 20s and 30s)	Channel of corporate financing specialists (Managing risk from corporate administration, dedicated channel for corporate consulting)	Channel of young women returning to work after a career break (New growth engine launched in January 2016 to secure customers in their 30s and 40s)
Performance in 2019	Establish tablet-based sales activities and promote digitalization, establish CDP[3] through the selection of regional/branch managers from among SFPs	Recruited 225 new consultants through intensive investment in training, and grew as a professional consultant organization, retaining a total of 3,116 consultants specialized in corporate financing	Linked affiliates to attract new customers in their 30s and 40s, diversify activities and revitalize VIP seminars
Strategy for 2020	Establish comprehensive financial planning organization for customers in their 20s and 30s, serve as a platform for future growth engines	Diversify competencies for corporate consulting, secure corporate CEO clients, expand the corporate client market through diverse seminars	Establish activities for prospective customers interested in Samsung Life's products and services

1) SFP (Special Financial Planner): Channel for young talent in their 20s and 30s to provide differentiated comprehensive financial services by gaining consulting experience and financial knowledge
2) Ligel (Life Angel): Channel for women in their 30s and 40s to work as consultants following a career break
3) CDP: Career Development Plan

Industry-Academia Joint Programs for Consultants

Samsung Life is operating 'Industry-Academia Joint Programs' in association with Ewha Womans University, Sungkyunkwan University, and Yonsei University. These programs offer outstanding consultants professional knowledge in finance, marketing and financial leadership, thereby strengthening our consultants' expertise and helping them develop into Life Finance professionals.

Ewha-Samsung Academy
- Specializing in financial expertise as professional consultants
- Subjects: Employees with less than three years of experience

Sungkyunkwan-Samsung Master MBA[1)]
- Intensive marketing program researching markets and customers
- Subjects: Employees with three to ten years of experience

1) Formerly Chung-Ang-Samsung Master MBA (2006-2013, 437 consultants), changed to Sungkyunkwan-Samsung Master MBA

Yonsei-Samsung Financial Leaders[2)]
- Advanced financial leadership program for highly effective consultants
- Subjects: Employees with more than ten years of experience

2) Launched in 2017

Supporting Field Sales

Supporting Sales Through Sports-Consultant Connections

Samsung Life supports a wide range of activities to boost the field sales capabilities of our consultants. As part of this, we have set up a 'Ping-pong Festival' as a venue that enables consultants to build relationships with potential customers. First, we arranged 1:1 matching between our consultants and ping-pong clubs to participate in the festival according to their regions. Then, through the matched consultants, we provided club members with various kinds of support, helping to build close relationships between them. The acquisition of a badminton club in March 2020 is expected to create synergy through the promotion of sports and field sales support.

Responsible Life Financial Partner: From Contract-signing to Management

In consideration of the nature of life insurance as a long-term contract, where consultants may be reassigned partway through, we operate a system of designated consultants to minimize customer inconvenience and ensure smooth customer relations. We are providing high-quality services by enhancing our selection/assignment criteria, which include customer-related training, performance and retention rates. We also evaluate consultant performance on a regular basis and reassign customers to other outstanding consultants as needed.

42 consultants
Graduates of Ewha-Samsung Academy in 2019
(31 terms, 2,024 graduates since inception)

36 consultants
Graduates of Sungkyunkwan-Samsung Master MBA in 2019
(17 terms, 682 graduates since inception)

25 consultants
Graduates of Yonsei-Samsung Financial Leaders in 2019
(3 terms, 90 graduates since inception)

Adopting a Mobile Business Culture

New Love-On System & Love-On Mini

As of January 2019, we have developed a renewed tablet system called the 'New Love-On system', which has boosted customer convenience and the efficiency of consultant activities.

The customer- and consultant-based UX has made key sales processes, such as customer registration, consent, consulting, contract design and subscription, much quicker and simpler. Customer management tasks like reviewing policies, managing contracts and submitting claims can also be easily processed with the tablet system. These efforts helped dramatically increase the rate of tablet contracts from 70% in early 2019 to 96% by the end of the year, significantly contributing to the culture of Samsung Life's mobile sales. We also developed a smartphone-based system 'Love-on Mini' to prospect new customers and accordingly respond to their insurance needs.

Samsung Life will continue to develop systems to expand smartphone-based sales.

Using Tablets to Expand Corporate Insurance Markets

We have added new features to the existing tablet-based system for personal insurance to more efficiently identify prospective clients in corporate insurance markets. We can now proceed in steps from finding prospective corporate customers to their registration, business consulting, and product proposals. On top of that, we plan to add new functions going forward.

Launch of Mobile Field Training

As part of enhancing our mobile business capacities, we have carried out on-site and media-facilitated training at the same time. In the field training program 'Tablet Jump-Up,' trainers visit regional sites to deliver contents on how to use tablets, as well as to provide 1:1 coaching. The company's in-house broadcasting system 'Life TV' also promotes the mobile business culture by providing information on the main features of tablets and useful tips at least twice a month.



Field Training on Tablet Systems

Expanding Mobile Customer Service

Mobile Verification of Insurance Status

The Mobile Verification Service enables customers to easily check their insurance status and other important information. Considering the limited business hours of the call center (9 AM to 6 PM), this service is more convenient for the customer. We plan to upgrade the system in 2020 to allow not only policyholders, but also insured persons, to use the service.

Verification Process



- **E-signature**: Agree to the mobile delivery of contract documents → LMS sent
- **Insurance Policy**: Mobile terms and conditions for customer's record retention (Notification/ Download)
- **Payments**: Deposit of the initial insurance premium
- **Confirmation of Insurance Status**: Available three business days after deposit

Smart Notification

We launched the 'Smart Notification' to send customer notifications via smartphone instead of by post. The Smart Notification enables better protection of personal information and access for out-of-country customers, which improves customer satisfaction. It protects the environment and improves financial performance by reducing the use of paper. From September to December 2019, we converted 52 of 194 types of notification to 'Smart Notification.'



Smart Notification

Mobile Payments

To enable customers to make payments more conveniently, we are planning to diversify our payment channels from the second half of 2020. With KakaoPay Bill and the mobile web payment service, customers can safely make payments. In particular, it is expected that our young customers will take advantage of KakaoPay, which is the most popular among Korea's mobile billing services in terms of accessibility and convenience.

MATERIAL TOPIC 3

Make a New Corporate Culture



Performance

45 working hours a week
Flexible working hours system

6 teams and **18** persons
Global Digital Training

74.2 % of all employees
Self-directed Learning (Book-reading)

Materiality

Corporate culture is the foundation on which people base their values, ways of thinking, and behaviors. To achieve sustainable growth, it is essential to build a healthy and flexible organizational culture. The intensification of global competition has further highlighted innovation of corporate culture because it develops agility in responding to market changes.

Risk & Opportunity

Changes in the Labor Environment and Strengthening of Policies to Respect Human Rights: Governments are strengthening their policies regarding human rights through measures such as reducing work hours and raising the minimum wage.

The Era of Work Smart: There is growing interest in work efficiency by automation, in horizontal organizational cultures based on communication and cooperation, and in learning and growth resulting from Digital Transformation and 45 working hours per week.

Management Approach

On the basis of innovation in our corporate culture, Samsung Life encourages a sense of pride in employees, which creates harmony and innovative synergy among them. We provide an environment for better job engagement as well as opportunities to develop employees' competencies. Also, to promote a culture of mutual respect, we carry out a wide range of activities for free and active communication.

Innovation in the Organizational Culture

Strategies for Innovation in the Organizational Culture

Under the strategic direction of 'Practical, Rational, and Respectable HR', Samsung Life aims to improve its competitiveness through employees' growth. For this purpose, we utilize the Five Essential Indices and the 'SCI (Samsung Culture Index)' to continuously innovate organizational culture.

Improving our Competitiveness through Employee Growth
Engagement·Fair Competition·Reasonable Compensation·Self-directed Learning·Social Contribution (Volunteer Work)

Practical HR	Rational HR	Respectable HR
Improve the work culture/environment for employee engagement	Strengthen the competitiveness of human resources	Encourage a sense of pride in employees
• Continually promote a work culture of 'engagement' • Establish a 'work-focused' environment	• Improve the training system for employee growth • Promote the sustained advancement of the HR system	• Strengthen two-way communication between the company and employees • Promote the internalization of social contribution projects

Five Essential Indices

We manage five areas, such as vacation time and work hours, as an index to create an engaged work environment and a healthy organization.

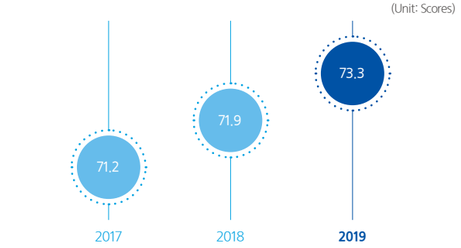


SCI (Samsung Culture Index)

Every October, we conduct a SCI survey evaluating five areas: work enjoyment, colleague congeniality, pride in the company, manager roles, and the roles of executive management and HR. Due to a wide range of activities to improve corporate culture, all scores from 2019 survey increased compared to 2018. In particular, some categories improved significantly, including team pride, communication and system operations.

SCI Results

(Unit: Scores)



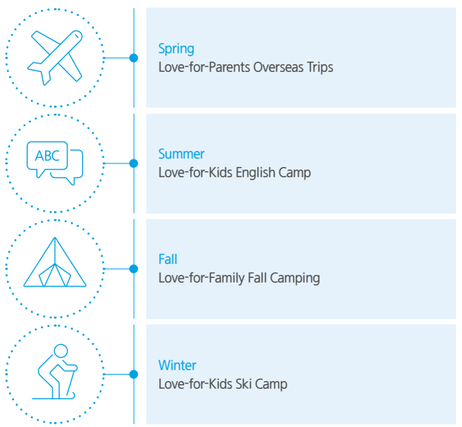
Work Engagement Through Work-Life Balance

Establishing an Efficient Work Culture

Samsung Life has been adhering to a 45 working hours per week since July 2019. In addition to this, we are making efforts to establish an efficient work culture through a flexible working hours system. Under this system, employees can choose the times when to start and end their work day, outside their mandatory working hours of 10 AM to 4 PM.

Family-friendly Programs

With the joint support of labor and management, we have expanded our seasonal family-oriented programs to promote a healthy family environment and to instill a sense of pride in the company among employees.



Spring
Love-for-Parents Overseas Trips

Summer
Love-for-Kids English Camp

Fall
Love-for-Family Fall Camping

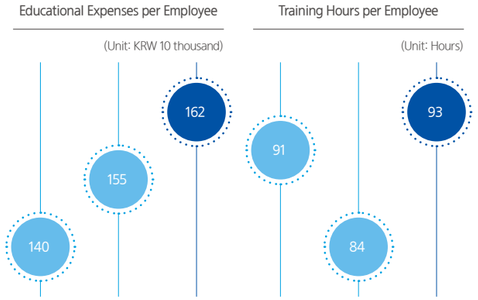
Winter
Love-for-Kids Ski Camp

Culture of Learning and Growth

Strategies for Talent Development

As a global financial company, Samsung Life operates a range of high-quality training programs to raise competitiveness at both the individual and organizational levels. In 2020, due to rapid changes in the business environment, we plan to implement programs aimed at training leaders who will initiate change and growth. As of late 2019, our training expenses per employee amounted to KRW 1.62 million, and training hours per employee were 93 hours.

Talent Development Results



Cultivating Finance Talent

Fostering Experts and Leaders in Finance

We aim to strengthen the expertise of our employees through the 'Job Qualification Support Program' (8 categories, 40 programs, 4 levels). To promote leadership in the finance industry, we offer our own programs on corporate leadership as well as external school-affiliated programs (i.e., Samsung Finance Master's Program, Insurance Finance Master's Program, Actuary Master's Program, Ewha Womans University W Leadership Course).

Developing Talent in Digital Finance

Samsung Life is operating various programs in the era of 'Digital Transformation' with the purpose of fostering professionals in digital insurance and finance. To cultivate 'Digital Literacy,' there is mandatory training in digital innovative technology and trends for all employees, suited to their job types and positions.

In addition, since the second half of 2019, we have set up introductory and specialized courses on data analytics to cultivate digital professionals. Our elective training program[1] aimed at developing future leaders focuses on benchmarking innovative digital-based global corporations, task execution and work experience.

1) Regional Experts, Global Job Training, Global Digital Training

INTERVIEW

Global Digital Training



2nd term, Customer Product Channel Strategy Department, CRM Team
KIM, Eun Chong

Through the Global Digital Training, I gained insights about our millennial customers, who will drive the company's future profits. I focused on marketing strategies and operational procedures for millennials.

The companies that we benchmarked took a long-term perspective, utilizing the Digital Transformation to engage in process optimization and marketing that reflects their customers' lifestyles and preferences. They concentrate on securing millennial customers as an investment, even though it might not be profitable in the short term, and that made an impression on me. Our company is also making efforts to secure more millennial customers.

I believe that we can have a big impact if we improve procedures such as the remote channel registration process and millennial-targeted marketing. This training opportunity allowed me to experience firsthand the strategies of leaders in the insurance industry and the changes in the global market. It was also a chance for me to grow by expanding my view of my work and the company's vision.

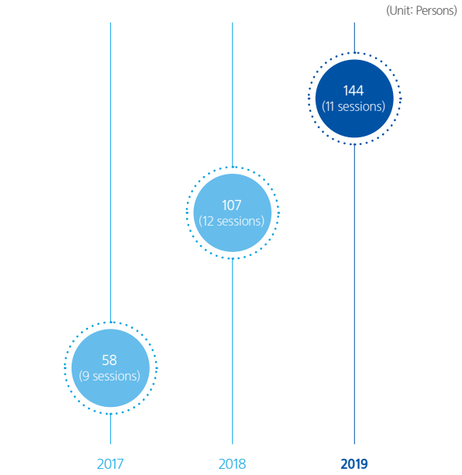
Program	Overview
Regional Experts 1991-2019: 517 trainees	• Develop global talent through localization, informatization and specialization of strategic countries • Selective enrollment, 1 year
Global Job Training 2012-2019: 65 trainees	• Foster global professionals through the acquisition of knowhow from advanced global companies • Selective enrollment, 3 months[1] 1) 3 months in 2019, flexible for each training center from 2020
Global Digital Training Launched in 2019 9 persons[2] each in first/second term; 18 persons in total Locations: Eastern/western U.S., Europe (UK, etc.) 2) Mentors included	• Understand new digital trends in finance; develop creativity and innovative thinking by benchmarking leading companies • Selective enrollment, 3 months[3] 3) 3 months in 2019, 9 weeks starting in 2020

Self-Directed CDP Support

We support the growth of our employees and the company through a system designed to provide work experiences in many different areas. To guarantee fairness in HR and enable employees to develop their own careers, we operate an internal recruitment system at least once a month. When there is a need to respond to a major domestic or foreign issue, launch a new business, or fill vacancies in Digital Transformation or other existing teams, opportunities are announced through the company portal site and employees can apply. We are constantly recruiting for Digital Transformation positions in order to respond rapidly to the continuously changing financial trends.

In 2019, 144 employees were recruited in 11 sessions for positions in 48 different areas such as digital/product development, new business, branch managers and FPs. The '357 Recruit System,' also launched in 2019, is an internal rotation system for employees who have served in the same role for 3, 5 and 7 years. Our goal with the rotations is to develop talents who have outstanding capabilities in multiple areas.

Internal Recruitment

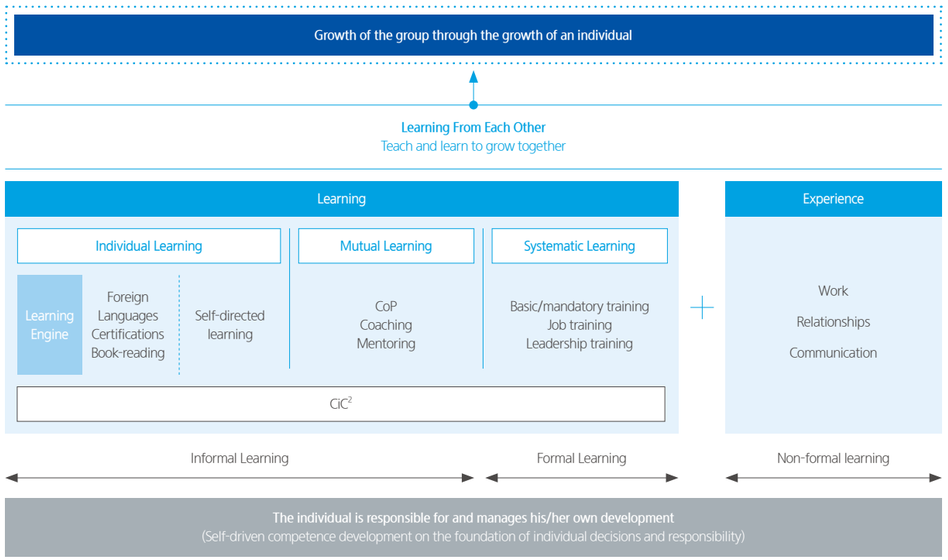


Establishment of a Self-directed Learning Culture

In a rapidly changing business environment, it is necessary to actively and voluntarily strengthen the competitiveness of both a company and its individual employees. For this purpose, we operate online and on-site training programs. Simultaneously, emphasizing the Three Core Learning Engines[1], Samsung Life supports self-directed individual- and mutual learning, CoP (Community of Practice). Also, we perform the role of Learning Curation, using a continuous learning platform, CiC[2 2], to archive high-quality learning content.

1) Three Core Learning Engines: Foreign Languages, Certifications, Book-reading
2) CiC[2]: Creative Intelligence Campus

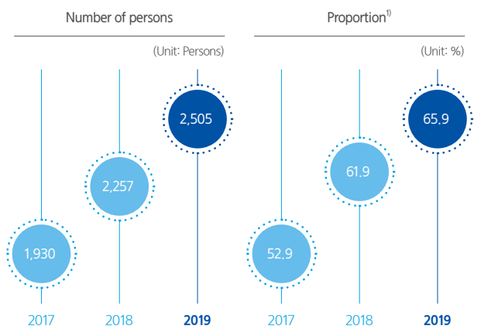
Self-directed Learning Model



Three Core Engines of Self-directed Learning

Foreign Languages • Samsung Life has been supporting employees through foreign language programs and language qualifications in order to strengthen global market-related abilities and encourage self-development habits. As a result, the number of employees certified through OPIc (Oral Proficiency Interview-computer) has increased significantly (13%p).

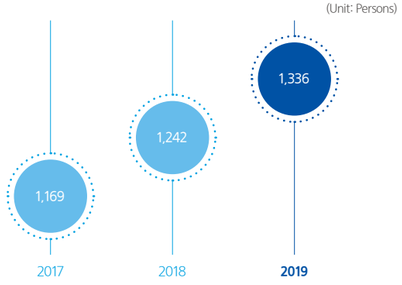
OPIc English Certification Status (Levels 1-4)



1) Proportion: Number of regular employees holding the certificate, excluding job group A (Assistant)

Certifications • To strengthen the specialization of employees in their work, we recognize certifications from 8 core fields. We endorse those who obtain certification by awarding promotion points, giving them positive performance assessments, providing certification expenses, and giving preference to internal job recruits. We carried out a comprehensive review of issues such as changes to the environment, business strategies and market value. As a result, in 2020, the list of recognized certifications was expanded from 28 to 40.

Core Certification Holders in the Past 3 Years



Recognized Certifications

Product, sales, assets, marketing (14 types)	As of the end of December 2019: Core certifications: 1,336 persons Actuaries: 159 persons (Korean actuaries: 139 persons, U.S. actuaries: 20 persons) CFP: 479 persons CFA: 65 persons
Customer response, Risk management (10 types)	
Digital, Business support (16 types)	

Book-reading • As part of building a self-directed learning culture, reading has been designated as an element of strengthening employee capabilities, and we promoted a range of reading programs.

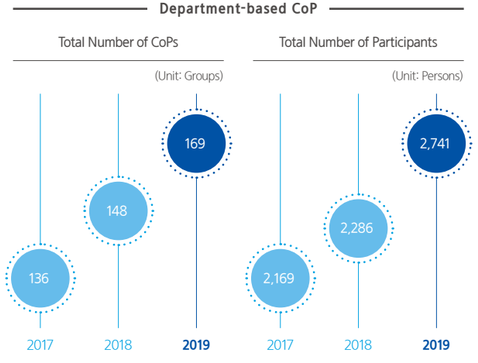
Reading Programs

Program	Overview
'Hustle and Bustle'	• For all employees • 1 book request per month; accepted as individual learning with the submission of a book review • Monthly average of 2,088 participants (74.2%)
Book Talk	• For all employees; recognized as individual learning with review submission after participating in an off-site talk with the author • 10 sessions in 2019; 40 participants/month on average • Online 'Book Talk On' launched in March 2020 on CiC[2]
Bookance	• Public contest and lottery • Vacation (3 days) arranged for reading; under the theme of 'Self-improvement and Healing While Reading Books' • 1 session in 2019; total of 15 participants
Book-sharing	• For participants of mandatory education programs • Book exchange between participants • Total of 23 sessions; 994 participants
Book Camp for Employees' Children	• 7 sessions in 2019; 181 participants (95 employees, 86 children)
Leaders' Book Club (Launched March 2020)	• For the C-Suite leaders; once a month • Communicating through books to absorb a leader's creative and innovative thinking in a rapidly changing environment

'Learning From Each Other' by Mutual Learning

CoP not only helps individuals and the company grow, but also creates a healthy organizational culture. Consisting of the head office and field sales organizations, CoP contributes to the achievement of business performance as participants communicate to learn about their job competencies and areas of interest, etc. Also, as a platform for communication, we host company-level seminars called the 'C-Lunch' to share key tasks and their objectives executed by various departments so that employees understand each other better.

Department-based CoP



Company Seminar/Fair

C-Lunch (Creative Lunch)
- Invite people in charge of certain jobs as a speaker to share strategy and work-related issues
- Promote work communication and learning
- Every month during lunch time
- Topics for 2019: Prepare for the implementation of IFRS17, Underwriting and strategies to raise competitiveness, Insurance trends among millennial women and their implications, The Global Digital Training project, The present and future of financial AI technology, Silicon Valley startup trends, Digitalization of insurance transactions, etc.

Once a month **16** sessions
1,452 participants
participants in 2019
(Cumulative: 2018-2019, 20 sessions, 1,837 participants)

Knowledge Fair
- Share best practices and know-how related to building a foundation for future growth, enhancing business quality/value, etc.
- Organizational level: On-site (CoPs for branch managers, branches, Pros), head office support staff
- Individual level: Outstanding Cop leaders (1 for on-site, 1 for individual), 1 for excellence in Self-directed Learning

Once a year **335** participants
participants in 2019
(Cumulative: 2004-2019, 4,800 participants)

Building an Interactive Culture

Mutual Communication Programs

We are building a lateral culture of mutual respect by promoting two-way communication among the company, management and employees.

Subjects	Program	No. of sessions/year, participants
All Employees	Town Hall Business Meetings[1]	20 sessions, 5,400 participants
Junior Employees	M Generation Seminar[2]	1 session, 100 participants
On-site Staff	Minerva Seminar	2 sessions, 200 participants
	Branch Manager Learning Seminar	1 session, 100 participants
New Employees	Challenge Fair	1 session, 160 participants

1) Visit key management sites, Meetings held separately
2) Seminar for Millennials, New in 2020

Online Communication Channels

To improve internal communication, Samsung Life operates online bulletin boards on a variety of topics. In 2020, we have launched 'CEO Talk' as a platform for communication and connection between the CEO and employees. As part of efforts to promote our culture of communication, we have also launched an anonymous communication channel called 'Life Talk', which enables employees to directly communicate work-related difficulties and make suggestions to their departments.

Casual Day

Every Friday is designated as 'Casual Day,' which helps create a creative and flexible culture under the 45 working hours week and increases performance efficiency. All employees, including sales managers and customer contact employees, are allowed to wear casual attire such as hoodies and jeans. With the implementation of 'Casual Day,' we expect to work in an atmosphere of freedom with respect for individuals and acceptance of diversity.

INTERVIEW

Corporate Culture



Leader of
Customer Support Department,
Customer Support Team
SONG, Sang Jin

The Customer Support Team handles the entire lifecycle of the insurance contract, from insurance contract to claims payments, so it is ultimately very important to have an understanding of all related processes for raising customer satisfaction and customer value.

In the same context, we pursued business innovation in 2019 to create value and performance based on communication and cooperation, not only on the individual level but on the group level as well. The implementation of the scrum board, morning meetings and small talk meetings enabled active communication between various departments and individuals, and created a corporate culture that completes tasks efficiently and flexibly. Furthermore, we experienced an elevation of each person's sense of ownership and purpose.

The customer-centered implementation of Smart Notification and the revision of contracts are primary examples of these methods, and they are seen to have had a positive impact not only on work efficiency, but also on information security and convenience.

The Customer Support Team will continue to innovate and improve the organization's culture and work approach in order to deliver more value to our customers.

SPECIAL PAGE

Response to COVID-19

Employee/Consultant's Health and Safety as Top Priority



During the national emergency caused by the outbreak of COVID-19, Samsung Life was at the forefront of fulfilling its social responsibilities as a life insurance company, rapidly implementing procedures to ensure the health and safety of our employees and consultants while continuing to meet customer needs. First, when the disease threat level was raised from 'Caution' to 'Severe' on January 28th 2020, we formed a COVID-19 task force to respond rapidly to the unfolding situation. Similarly, in order to fulfill our social responsibilities, we provided support not only at the company level but also through the voluntary participation of our employees. With a sincere desire to help, we established the 'People, Love Fund' to support our neighbors in need in the hardest hit region of Daegu-Gyeongbuk region. On March 11th 2020, our Jeonju training facility was turned, free of charge, into a treatment center for the Daegu-Gyeongbuk region to proactively address the growing demand for medical facilities.

COVID-19 Task Force Activities

Stage	Response
Caution (from Jan. 28, 2020)	• COVID-19 task force formed as a company-wide control tower • Vacation and business trips to China banned • Home quarantine for symptomatic individuals returning from China • Quarantine supplies provided to on-site customer service employees; mandatory use of masks and hand sanitizer
Severe (from Feb. 23, 2020)	• Jeonju training center provided free of charge as treatment center for Daegu-Gyeongbuk region • Transparent and rapid sharing of information on infections and contact tracing within the company (text messages, company-wide notices) • Company amenities closed (gyms, rest facilities,etc.) • Weekly disinfections • Masks required to enter or work at offices, mandatory temperature checks twice a day • Work-from-home for pregnant employees, all employees on flexible work times • Vacation guidelines issued and implemented for employees with young children • Substitute workplaces prepared and personnel relocated for essential customer-related tasks such as claims payments • Work-from-home system tested in preparation for the spread of infections within the company (2,000 participants at the head office)

People, Love Fund

People, Love

- Donated KRW 600 million in COVID-19 relief funds (Korea Disaster Relief Association)
- Donated hygiene products and daily necessities to COVID-19 risk groups (200 volunteer organizations affiliated with Samsung Life)
- Donated KRW 1.05 billion in COVID-19 relief funds from employees (People, Love Fund)
  ① Hygiene products and daily necessities for vulnerable children (value of KRW 550 million, donated to ChildFund Korea)
  ② PPEs and medical supplies for medical personnel and volunteers (value of KRW 500 million, donated to Community Chest of Korea)
- 33,000 masks donated to Daegu-Gyeongbuk region (value of KRW 100 million, donated to the Korea Disaster Relief Association)

Daily Necessities for Children's Centers

Delivering instant noodles, rice and hygiene products to children unable to receive education or food due to the closure of community centers

PPE (Personal Protective Equipment) for Medical Personnel and Volunteers

Emergency support for medical personnel lacking surgical gowns and PPEs; t-shirts and other supplies for volunteers

ChildFund Korea

KRW 550 million 5,200 children

Daily necessities for at-risk children in Daegu-Gyeongbuk

Community Chest of Korea

KRW 500 million

For medical personnel and volunteers in Daegu-Gyeongbuk

Surgical gowns, t-shirts, etc.



SUSTAINABILITY ISSUE

Economic Value 52
Customers 58
Employees 64
Social Contributions 68
Win-win Cooperation 74

Economic Value



It is ever more important for insurance companies to secure a solid profit base ahead of the adoption of the new International Financial Reporting Standards (IFRS17) and the strengthened K-Insurance Capital Standards (K-ICS) which will increase capital burdens. Samsung Life is therefore securing financial stability by reducing capital volatility, expanding investments in high-yield global assets and investing responsibly. Furthermore, we are laying the foundation for our future growth by targeting the high-net worth market as well as expanding our business overseas.

Enhancing Competitiveness in Asset Management

Directions for Asset Management

In an extended period of ultra-low interest rates worldwide, Samsung Life is strengthening its earnings from interest-bearing assets and striving to enhance both stability and profitability in performance by seeking high-yield assets and diversifying in global investments.

Goals
Generate stable profits and strengthen competitiveness in asset management based on ALM[1]

Future Direction
Increase the profitability of insurance assets

Main Activities

- Diversify and dynamically allocate invested assets based on global financial market analysis
- Strengthen management expertise in each asset class
  - Build customized asset portfolios to match insurance liabilities and generate stable investment profits
  - Discover high-yield assets such as domestic and overseas SOC[2] and infrastructure by strengthening internal capabilities and utilizing the expertise of asset management affiliates

Future Direction
Enhance competitiveness in retirement businesses

Main Activities

- Develop active investment products in preparation for an expanding retirement market
  - Improve returns by increasing exposure to high-yield assets; create products based on customer needs
- Increase competitiveness in variable insurance sales
  - Improve customer returns by enhancing returns in each asset class, expanding fund line-up, and strengthening customer guidance

Future Direction
Expand asset management business and secure new growth engines through affiliates

Main Activities

- Increase investments in assets such as PE (Private Equity) and alternative funds by mobilizing management subsidiaries (SRA, Samsung Asset Management) in order to strengthen future profit base
- Invest in foreign asset management companies with high growth potential

1) ALM (Asset Liability Management): Rational management of assets and liabilities owned by institutional investors and companies from a risk management perspective
2) SOC (Social Overhead Capital): Privately invested social overhead capital

Implementing Sound Asset Management

The Largest Total Assets and One of the Highest RBC Ratio in the Life Insurance Industry of Korea

Samsung Life has established a robust profit structure and has secured financial soundness. As of the end of 2019, our total assets were KRW 313 trillion, and our net profit was KRW 1.0516 trillion. Samsung Life's RBC ratio of 340% is one of the highest among the life insurance companies in Korea.

Debt Structure, Expense Ratio, and Loss Ratio

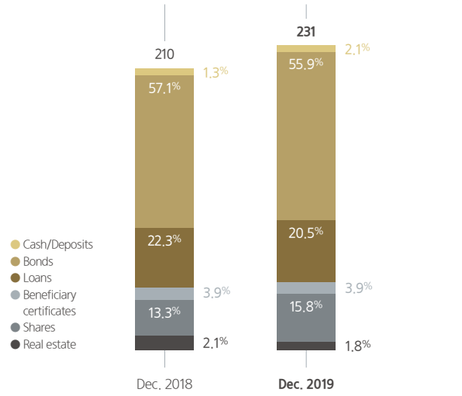
Our fixed-rate reserve ratio fell below 50% for the first time in 2013 and came to 39.4% as of the end of 2019. Samsung Life will reduce the risk in the company liability structure based on the growth of floating-rate reserves. The annual expense ratio[1] remained in a stable 7% range in 2019 at 7.8%. The loss ratio[2] increased to 84.7% due to an increased indemnity loss ratio and stronger regulations by the authorities on consumer protection. We plan to maintain a loss ratio in the mid- to upper-80% range in the coming three years by strengthening on-site management and engaging in activities to prevent unfair claims.

1) Expense ratio: Maintenance cost/Adjusted premiums
2) Loss ratio: (Accident claims - Reserve cost + Waived premium + Reinsurance cost)/Risk premium

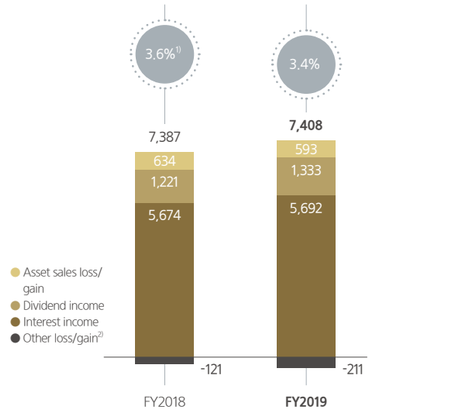
Management of Investment Returns and Interest Income

Samsung Life adheres to the ALM investment strategy. In 2019, 76.4% of our invested assets were allocated into interest-bearing assets, such as bonds and loans. As of the end of 2019, out of a total bond asset value of KRW 129.2 trillion, KRW 106.3 trillion were government bonds and special bonds issued by public sector entities. Corporate bonds are also managed in a stable manner through investments in corporate bonds rated A or higher.

Assets Under Management

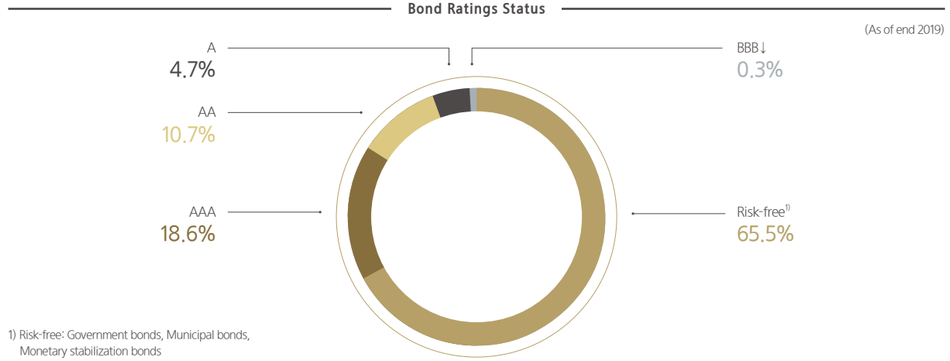


Returns on Assets Under Management and Investments



1) Return excluding disposal of shares in Samsung Electronics (KRW 1.0897 trillion, pre-tax)
2) Other loss/gain: Asset management fees, Rental income, Change in value, etc.

Bond Ratings Status



1) Risk-free: Government bonds, Municipal bonds, Monetary stabilization bonds

Expanding Overseas Insurance Businesses

Thailand

As the hub of ASEAN, Thailand is a nation with a fast-growing insurance market. Going forward, it is expected to have a greater function and role as the outpost for Samsung Life's overseas business in Southeast Asia.

Based on a continuous increase of policies in force, our Thailand subsidiary posted a profit for the third consecutive year since 2017. This is the result of our establishment of a sales training system and of efforts to strengthen our consultants' sales capabilities under a strategy of growth centered on Affiliated Agents.

To leap into the industry's middle ranks, our Thailand subsidiary will continue to discover new growth engines through expansion of the Affiliated Agents channel, bancassurance partnerships with key banks, and M&As with small- and mid-sized firms.

China

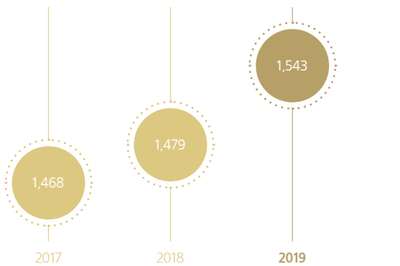
China's life insurance market has seen average annual growth in excess of 16% over the past five years. As the country's middle class grows and its population ages, the market is forecast to continue to grow by 9-10% a year.

Since its establishment as a joint venture with the Bank of China in 2015, BOC-Samsung Life Insurance has achieved growth higher than the market average through use of the Bank of China's sales network. In 2017, it turned to profit, which has since been continuously increasing. In response to China's insurance supervisory policies and financial market changes, a growing proportion of the company's sales come from high-return products such as long-term pensions and protection, which is improving its profitability and mid- to long-term value.

As we continue to pursue new sales bases and grow the company through the Bank of China's bancassurance channel, our China subsidiary plans to become a solid mid-sized life insurer in the Chinese market.

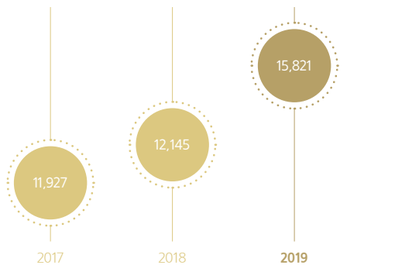
Thailand Subsidiary Premium Income

(Unit: KRW 100 million)



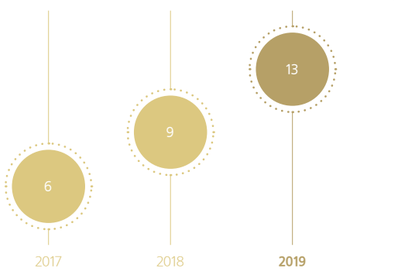
China Subsidiary Premium Income

(Unit: KRW 100 million)



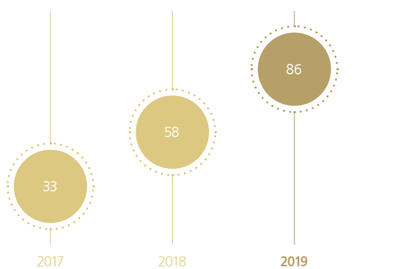
Thailand Subsidiary Pre-tax Income

(Unit: KRW 100 million)



China Subsidiary Pre-tax Income

(Unit: KRW 100 million)



* Data for 2017, 2018 adjusted to reflect 2019 annual average exchange rate (Thailand: KRW 37.56/THB, China: KRW 168.58/CNY) and China subsidiary's local accounting audit

Expanding Sustainable Investment

Implementing Responsible Investment

Principles of Responsible Investment

In accordance with the asset management principles of the Insurance Business Act Section 1 Article 104[1], Samsung Life avoids engaging in speculative investments but rather invests to promote the public interest and social values. We also promote safe financial transactions by implementing processes for data collection and registration when issuing loans. In 2020, we will put more emphasis on alternative investments like eco-friendly businesses, renewable energy and public infrastructure as part of promoting socially responsible finance and investment.

1) Insurance Business Act Section 1 Article 104: An insurance company shall ensure stability, liquidity, profitability and the public interest in managing its assets.

Investment Risk Management

In order to minimize risk in asset management, Samsung Life builds joint investment platforms with global banks and makes investment decisions through professional asset managers, while diversifying risk based on mid- to long-term portfolios for each sector, country and rating.

Investment Diversification

In 2019, we increased our overseas investment exposure while also diversifying our investments in new sectors, such as airports and optical networks, to obtain both stability and profitability.

Securing Investment Competence

We are always holding study groups with the goal of sharing with and educating each other on investment issues. These are aimed at increasing the participants' understanding of responsible investing and giving them relevant investment competence. In 2019, information was shared related to project finance insurance and other issues. Also, there has been growing interest in anti-money laundering systems due to the rise of cryptocurrency trading, so we conducted training on the relevant legal mechanisms and regulations and encouraged employee compliance.

Study Group Topics (2019)

- The data center industry
- The optical network industry
- The airport industry
- Project finance insurance

BUSINESS CASE

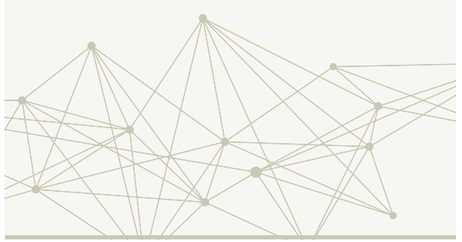


Investing in Renewable Energy

Samsung Life views investment not just as a source of new income but as a way to add social value. We have been investing in renewable energy, which considers environmental factors as part of developing a sustainable society. In late 2018, we concluded an agreement to invest in three Photovoltaic projects in northern central Mexico to produce 992MW of energy. As the biggest Photovoltaic project in Mexico, it generates stable cash flow under an agreement with Mexico's Federal Electricity Commission, and we expect it will contribute to the local supply of renewable energy.



Solar Power Photovoltaic Plant, Don Jose (Guanajuato state, Mexico)



Value Investment Performance

In 2019, Samsung Life's balance in new investments was approximately KRW 1.1 trillion, of which 29.1% (approximately KRW 310 billion) was invested in renewable energy projects such as solar and wind power. As of late 2019, our investment balance in renewable energy projects was approximately KRW 1.2697 trillion, which was around 18.1% of our total infrastructure investment balance of KRW 7.0 trillion.

Ratio of Domestic Infrastructure Investments by Industry - Holding Balance

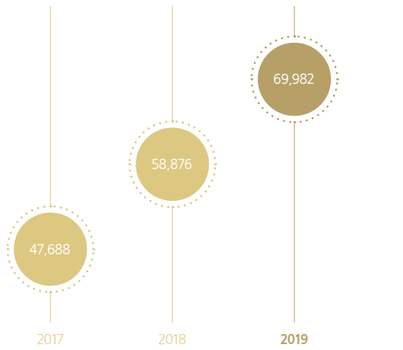
(Unit: %)

Category	2017	2018	2019
Sewage, Schools, Military Facilities (BTL[1])	35	32	30
Power Generation, Energy (BOO[2])	33	34	38
Roads, Railways, Harbors (BTO[3])	32	34	32

1) BTL: Build Transfer Lease
2) BOO: Build Own Operate
3) BTO: Build Transfer Operate

Infrastructure Investment Balance

(Unit: KRW 100 million)



New Investment in Renewable Energy in 2019

(Unit: Projects)

7 countries 30 projects

8 domestic 22 overseas



Leading the HNWI (High Net Worth Individuals) Market

Beyond Wealth, Sharing Values Higher than Asset Management

Samsung Life established the 'Wealth Management Support Team' as a comprehensive asset management platform dedicated to the business of high-net-worth individuals. It aims to ensure that their assets steadily grow and can be passed on to the next generation. We want to transcend a materialistic view of asset management by encompassing human and social assets and handing down values even more lasting and valuable than asset management to the next generation.

Professional Consulting Group

Our group of professional consultants have expertise and experience in their respective areas, and this expertise is extended through partnerships with professional organizations in tax, real estate and legal consulting.



Content Development and Distribution

Samsung Life provides essential asset management solutions to high-net-worth clients such as wealthy individuals and corporate CEOs. We also publish annual content on tax-related legal changes to help our clients understand and apply tax law.

BEST PRACTICE

Customized and Specialized Solutions

'2020 Korea's Best PB Center, 1st place'
(By Hankyung Money)

The Family Office and FP Center have been delivering customer satisfaction through customized products and services. Based on organized systems and their unparalleled expertise, they offer comprehensive asset management solutions in various sectors such as inheritance/estate planning, real estate, tax affairs, investments, risk management and family business succession.

'2020 Korea Fund Awards
Winner of Excellence Award,
Investor Protection in Insurance Sector'

We provide comprehensive asset management services for high-net-worth individuals not only through insurance products but also through investment products such as funds and trusts. In February 2020, 'KG Zeroin' hosted the '2020 Korea Fund Awards,' where in the insurance sector Samsung Life won the Investor Protection Excellence Award in recognition of our position as a top fund company.

BUSINESS CASE

Differentiated Program for HNWI Market Expansion

Customized Content-based Marketing

Through our marketing platforms, we provide education programs and services for our customers and their families in each customer group. Our goal is to continue to build the program over the long term, not just the short term, and to provide services that correspond to the needs of our HNWI customers, such as education on family business succession and corporate CEO insights.

ART: Art Investment Class
for VIP customers interested in the arts



WM Marketing Program

CEO	Women	2nd Generation
Success & Succession	ART: Art Investment Class	Middle and High School Students: Career Education Camp
WM CEO Breakfast Seminar	'Hu-won(後園)' (Meaning "In the Back Garden")	GIP (Global Insight Program)
'Myeong-Kyeong-Jae (明鏡齋)' (Meaning "Reflecting to Find Your Best Self")	Heritage Classic	

Strengthening Consultant Sales Capacity through the FC Money Concert

To strengthen our consultants' sales capacity in the HNWI market, we held the 'FC Money Concert' (November 2019 in Seoul, January 2020 in Busan) to share asset management strategies, HNWI sales tips and best practices.



Customers



As uncertainties grow in the global business environment and competition intensifies in the insurance industry, companies need to explore new avenues for growth by improving their customer-centered management. Samsung Life places the highest priority on the customer, and we work hard to ensure their continued trust.

We are expanding convenient services for our financially vulnerable customers, such as people with disabilities and senior citizens. We offer competitive services throughout the entire process, from insurance policy purchases to claims payments. Furthermore, Samsung Life promotes communication with the customers to ensure customer satisfaction.

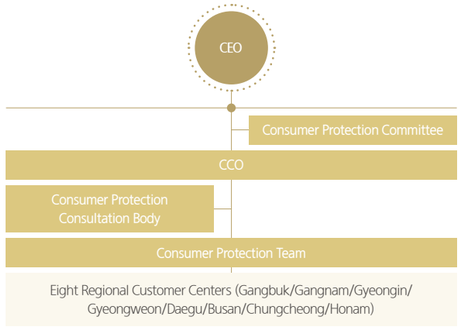
Consumer Protection System

Strengthening Consumer Protection

To protect and strengthen consumer rights, Samsung Life has established a Consumer Protection Team under the direct supervision of a director-level executive. The Consumer Protection Team, led by the CCO[1], protects consumers in all aspects of the value chain, including product development, sales, and value of in-force business management. There are eight customer centers nationwide under the Consumer Protection Team that promptly handle and respond to consumer complaints and damage. In 2020, the Consumer Protection Team will perform its compliance role by conducting training and inspections on all aspects of insurance sales, including field sales risk management and proper sales practices, to more thoroughly protect the consumer's rights and interests.

1) CCO: Chief Consumer Officer

Consumer Protection Organization



Consumer Rights Protection Committee

The Consumer Rights Protection Committee, consisting of insurance specialists such as professors, lawyers and other experts, serves to protect the rights and interests of consumers. In 2019, marking one year since its launch, we recruited medical specialists to the committee to ensure that it can make balanced decisions. The Consumer Rights Protection Committee meets regularly every month for a total of 10 meetings a year. In 2019, it discussed a total of 40 insurance-related conflicts and suggested solutions for each case.

Roles of the Consumer Rights Protection Committee

① Review conflicts, provide solutions and settlement advice
② Offer balanced solutions on matters raised by the company in relation to consumer rights protection

Agenda for Deliberation

① Conflicts between the company and the consumer caused by conflicts of interest
② Matters raised by the company that require balanced and objective judgments that the customer can understand
③ Other matters requiring the advice of consumer experts

Customer Panel System

The Customer Panel System serves to improve products and services from the customer's point of view. In 2018, this mostly online-based system expanded offline, and it is used as a mechanism for giving recommendations on pending issues and product/service experiences. The recommendations of the Customer Panel System are shared with management and applied to future product/service developments. In 2019, we improved customer convenience in a range of areas such as ID card recognition and the 'Disclosure Preferred Risk Policy' process. Furthermore, we evaluate our customers' understanding of the terms and conditions so we can communicate better from the customer's point of view by using simpler language and clearer expressions.

Establishing Customer-centered Sales Practices

Preventing Mis-selling

Samsung Life bases its business on integrity and the practice of complete selling. To ensure the complete selling of our insurance products, we operate a compliance management organization at our head office and place compliance managers in all of our eight regions in Korea. In addition, we inspect and reinforce our processes on a regular basis to prevent unethical selling. In addition to the on-site inspections, we deploy mystery shoppers at least twice a year. If any issues are found in this process, we take immediate measures and include such cases in our training material to prevent their reoccurrence. Training on complete selling is provided on a regular basis to prevent mis-selling and to increase employee compliance-consciousness.

Mis-selling Rate by Channel

(Unit: %, per year)

Category	2017	2018	2019
Consultants	0.10	0.09	0.09
Individual agencies	0.30	0.44	0.00
TM (Telemarketing)	0.03	0.06	0.04
Direct stores	0.02	0.00	0.00



Advertisements for Digital Signage

Efforts to Prevent Mis-selling

Compliance Education
- Company-wide Compliance Education: Compliance education for all employees and consultants
- Complete Selling Guidelines: Guidelines on compliance-related matters published and distributed to ensure the understanding of all consultants

Pledge of Compliance
- Employees and consultants sign a written oath including matters such as 'Compliance with relevant laws and regulations' and 'Protection of financial consumers' (renewed each year)

Self-inspections by Sales Offices
- Support systems for constant monitoring to strengthen the autonomous management of sales offices and prevent compliance risks

Contract Monitoring
- Monitor new contracts through the use of service calls made by professional consultants to confirm that customers were fully informed of the main content of their insurance policies

Sales Qualification System
- Grant and manage sales qualifications to consultants who pass qualification tests and complete additional training for each product group

Sales Quality Analysis
- Analyze the sales quality of sales offices and consultants through monitoring

Improvement Programs
- Operate improvement programs in regions with high mis-selling rates

Creating a Healthy Insurance Culture

Insurance fraud arising from a lack of ethical standards and adverse selection can have ripple effects not only on many upstanding policyholders, but also on shareholders and all members of society. Samsung Life is making efforts to build a healthy insurance culture with help from agencies such as the Financial Supervisory Service to stop insurance fraud.

In 2019, awareness of insurance fraud was raised through educational materials including fraud-related advertisements from the Financial Supervisory Service and the Korea Life Insurance Association's YouTube channel 'Insurance Fraud Out'. We contributed to creating a healthy insurance culture with training events for consultants on preventing insurance fraud and wrongful insurance claims, as well as a campaign on the issue (925 sessions). These efforts also included an insurance fraud prevention workshop for sales employees (146 sessions) and advertisements on the corporate bulletin board.

Finance for All

Socially Responsible Financial Products

Samsung Life offers financial support and insurance products for the socially vulnerable.



Support for Inclusive Finance

We provide financially excluded groups with opportunities for independence through self-support loans via the Korea Inclusive Finance Agency. The program is for individuals with a credit rating of six or lower. Loans of up to KRW 70 million can be utilized as self-support funds to start and operate a business. Business consulting and other forms of help to help secure livelihoods are also available.



Products for Individuals with Disabilities

To protect individuals with disabilities from various kinds of accidents, damages/loss and disease, and to ensure stable livelihoods, we offer Gomduri Total Coverage Insurance at a lower-than-average premium. As of 2019, we have 6,683 such policyholders and have sold approximately KRW 540 million in aggregate premiums.

Designated Proxy Service

Samsung Life provides a 'designated proxy service' that enables the insured person to pre-designate someone to apply for and claim their insurance benefits in the event that the insured cannot apply for his/her own insurance benefits due to dementia, coma or similar conditions. The insured can designate a proxy not only when signing up but even after a policy has been signed. We will continue to proactively improve information, systems and processes related to the service to increase its use.

Subjects	Policyholder = Insured person = Beneficiary
Eligible Designees	A spouse, as indicated by the policyholder's family register or residential registration, who lives with the policyholder; or a lineal relative not more distant than a sibling of the policyholder's parents
How to Apply	Register at a Customer Plaza, branch store or through a designated consultant (Applications not accepted through the call center)
Required Documents	• Designated proxy application form • Policyholder ID card (if not attending: a personal seal, power of attorney and a phone call are also required) • Designated proxy's ID card (if not attending: a personal seal, power of attorney and a phone call are also required) • Consent form for personal information signed by the designated proxy • Document to verify the relationship of the policyholder with the designated proxy (copy of family registry or resident registration)

'Home Consulting Service' for Financially Vulnerable Individuals

We provide a 'Home Consulting Service' for financially vulnerable customers with mobility restrictions. If a customer needs an appointment at a Plaza, they can call the service center and request that a consultant visit their home instead. In 2019, we expanded the service nationwide to provide a safe and convenient way for our financially vulnerable customers to conduct financial transactions.

Payments

Services Provided
Group payments, maturity/dividend/installment benefits, prescriptions (liberative/extinctive)/lapse/retention/termination, withdrawals, policy loans, children's tuition fees, annuities, payment tax, cancellation/suspension of dormant insurance benefits, manual payments/cancellations, automatic transfers, information protection

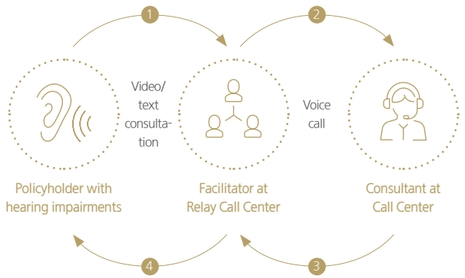
Accident Benefits

Services Provided
Minors, installment payment of accident benefits, indemnities, conventional insurance, waiver of partial/full premiums, visit by a designated proxy

Services for Customers with Visual or Hearing Impairments

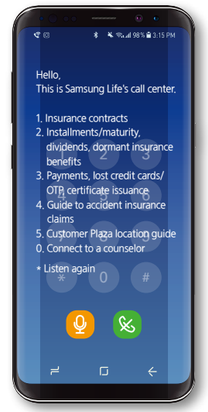
Samsung Life provides various services for the convenience of our customers with disabilities. The 'Communication Relay Consultation Service' enables smooth communication between our hearing- or language-impaired customers and our consultants through facilitators at the Relay Call Center. For our visually impaired customers, we offer the 'Connect Direct to Call Center Consultant Service,' which connects the customer to a consultant without the need to press any keys on the keypad. In addition, we operate the 'Exclusive Call Center for People with Disabilities (Tel.+82-1899-3311)' and an exclusive e-mail address (help1004@samsung.com).

Communications Relay Consultation Service



Digital ARS

Since April 2017, we have operated a 'Visual ARS' system that provides automated services via both text and voice. We can immediately process services and reduce wait times by enabling customers to skip through guidance messages. Furthermore, we are reviewing the launch of a 'Digital ARS' system that would provide voice assistance through mobile web. 'Digital ARS' promises to increase the self-help rate, and its simple mobile ID verification method will also increase customer convenience.



Convenience Services for Senior Customers

In response to the trend of demographic changes caused by aging, Samsung Life is offering senior-friendly services. The 'Customer-Love Senior Service' is a package of services embedded in each stage of the value chain, designed to provide our senior customers with convenient Life Finance.

Customer-Love Senior Service

Stages of the Value Chain

Contract Agreement	Retention	Annuity Payments
Customized Re-verification More thoroughly verifies complete selling as part of Customer-centered Service	Convenient Contract Management A redesigned contract management environment for customer convenience	Prompt Annuity Payments Proactively fulfills the value of insurance
Senior Happy Call Service • Repeats explanations of key policy content (e.g., coverage) for new customers aged 65+ • Uses a custom script and adjusts speed and/or volume based on the customer's level of understanding	**Senior Notification Service** • Provides contract-related documents to seniors • New document layouts using bigger fonts and margins for better readability **Senior Consultation Service** • Directly connect calls from customers aged 65+ by recognizing registered phone numbers, eliminating the need for ARS • Respond to calls by professionally-trained consultants in charge of senior customers	**Senior Annuity Service** • Performs a monthly outbound-call campaign for all customers who have not applied for annuity payments after their annuity starting date

Strengthening Customer Satisfaction

Providing Step-by-Step Services for Customer Satisfaction

In all aspects of our services, from insurance policy purchases to claims payments, Samsung Life is maximizing customer satisfaction through competitive services and improvements that minimize customer inconvenience.

Purchase of Insurance Policy

Introduced AEUS (Advanced Expert Underwriting System)
- Stronger pre-assessment process
- Assessment results immediately sent to a tablet PC, Results delivered to customers quickly and in detail

Renewal of Insurance Policy

Premium Customer-Love Service
- Consultants visit customers once a year to provide services such as a review of coverage details and disbursement of claim payments
- Increases customer convenience and reinforces customer trust

Claims Payments[1)]

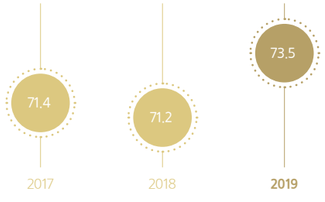
Improved Payment Evaluation Process
- Automatic document classification for quick payments and prevention of omissions
- Customer convenience increased by sending claim results through SMS

Customer-Love Payment Service
- Exclusive call center for accident insurance claims (1577-4118), rider for advance payment of death claims, etc.
- Expanded list of benefits that are payable within 24 hours

1) For accident insurance claims

Rate of Under-24-hour Payment of Accident Insurance Claims

(Unit: %)



Customer Satisfaction Survey

We have established a systematic customer management process that includes regular customer contact and research as a means of increasing customer satisfaction. Through regular research on customer responses and satisfaction, we gain insights into the level of satisfaction with our customer management, responses to our work and customer demands. This information is then utilized to improve and develop better services. We will continue to provide optimal service through the customer management program, based on continued monitoring and research.

Improving VOC Systems

We have improved our VOC-related systems to increase customer satisfaction. First, to put the customer's mind at ease, an SMS is sent to notify the customer of the VOC processing time and stage of resolution. This also has the effect of reducing the VOC processing time because the person responsible can review the VOC at any time. As a result, customer satisfaction has increased and direct complaints to the Financial Supervisory Service have been reduced.

VOC Processing Time

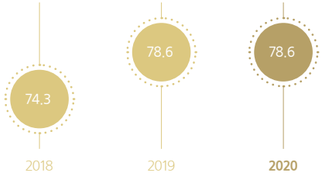
5.4 days on average 2018 → 2.6 days on average 2019

Positive Cycle of Customer Service through On-site Support

We are striving to build a culture of 'Customer-centered On-site Service' by improving communication and support between the head office and customer-facing departments. Since July 2018, we have conducted an 'On-site Business Support Satisfaction' survey every quarter, and the results have been used to improve customer service and business processes. Furthermore, we have assigned on-site customer service employees to prevent VOCs and respond quickly to issues. The customer service employee works to train employees/consultants on customer protection and to prevent outside complaints. They also greet VOC customers and provide the 'Home Consulting Service' for our financially vulnerable customers.

On-site Work Support Satisfaction

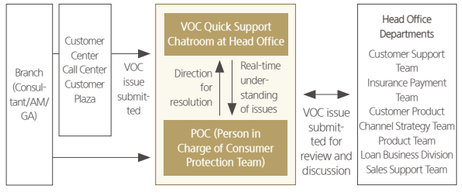
(Unit: Scores)



'Quick Support Chatroom' for Closely Managing Complaints/VOC

The 'Quick Support Chatroom' is a system to re-review complaints from a customer's perspective and to resolve them in a timely manner. It resolved a total of 128 cases in 2019. In 2020, we plan to shorten the processing time to 3 days to further speed up decision-making.

Head Office VOC Quick Support Chatroom



Differentiated Communication

Dr. Lee's Insurance Story from Life Insurance Research Center

In Samsung Life's media content, a friendly character named 'Dr. Lee (Doctor of Life Insurance)' provides consultants and employees with information on insurance products and financial knowledge. Uploaded as an internal web magazine once a month, the content can be accessed at any time, and the comment section facilitates communication with the department employee in charge. In 2019, we launched the Dr. Lee's Life Insurance Research Center (the Center) on the Samsung Life website to share our knowledge about life with our customers. The Center will continue to create and distribute essential insurance knowledge content to customers, consultants and employees.

Life Insurance Research Center
Dr. Lee's Life Insurance stories





YouTube Channel 'Takcheo'

The dawn of the 'work-life balance' lifestyle and the era of the centenarian have increased social interest and participation in activities for a healthy life. Based on these trends, we launched a YouTube channel called 'Takcheo' to promote table tennis as a sport for everyday life (March 2019).

Every week 'Takcheo' uploads a video of a coach or player from the Korean national team practicing and playing against amateurs. As of April 2020, there were 25K subscribers, and the videos had a combined total of more than 5.21 million total views. In 2019, the channel was selected as the fastest-growing YouTube channel related to table tennis. We hope 'Takcheo' will serve as a communication channel that builds a culture of sports for all and contributes to the health of the people.



Click to Link →

BUSINESS CASE



Social Media Channel 'Hit It'

Millennials and Generation Z, who comprise 43.9% of the world's population, are leading the changes in the market through their spending patterns, which are different from those of older generations. All companies, not just Samsung Life, are adopting various communication strategies to reach millennials and Generation Z, who will be the future customers and growth engines of the world. We launched a social media channel called 'Hit It'[1)] as part of efforts to communicate with them and show them the value of Samsung Life.

1) 'Hit It' brings to mind several phrases, such as 'Let's start,' 'Hit it off,' and 'Let's hit it'. It can be identified with the heart and soul of millennials.

'Hit It' Channel

Web
A hub for online communication, archiving content and posting brand stories (hit-it.co.kr)
Click to Link →

YouTube
Millennials' interests are reflected in Samsung Life content, promoting growth and communication with members of this generation (hitit)
Click to Link →

Instagram
Introduces the hidden talents of creators as a millennial 'playground' concept, pursues communication through 'Instagram-vibe' photos (@hitit.official)
Click to Link →

Employees



For a company to stay competitive and grow in a rapidly changing business environment, it is important to build a healthy corporate culture, which increases employee satisfaction. To this end, we operate a fair performance assessment and compensation system. Furthermore, we are strengthening various health and safety management systems to prevent work-related accidents and stress-related problems. Through these and other efforts we will continue to protect our employees' human rights and establish a culture of health and safety.

Fair and Reasonable Performance Management

We are continually improving our performance management system in order to create fair opportunities without prejudice and to provide reasonable compensation. To boost synergy from cooperation between the head office and field sales, several key indicators have been identified, reflecting each department's performance and representativeness, and the achievability and acceptability of their near-term goals. The indices reflect high or low performance using a flexible distribution model. For staff departments, we utilize the 'Review On' system, which evaluates process management at all times to increase fairness in evaluations and to improve performance.

Peer Review System

In the second half of 2019, we launched a peer review system for staff head office. The system was expanded from the 360-degree feedback system implemented in 2011 for the heads of departments. Under the new system, employees select peers in their department who need recognition or improvement, and submit detailed comments on their peers' professional capabilities, with specific incidents and behaviors to support the claims. The reviews allow department members to improve their capabilities by learning about their strengths and weaknesses, while providing references for the heads of the departments to utilize for the growth of their members. By early 2020, we plan to expand the system to include all employees. The review system is expected to improve employee receptiveness to the performance results and create work synergy by encouraging employee cooperation.

Performance Review System

Performance Evaluation	Competency Evaluation	Leadership Evaluation
All employees (1st/2nd half, twice a year)	All employees[1] (2nd half, once a year) 1) Excluding administrative staff	Heads of departments, senior employees (1st/2nd Half, twice a year)
Regular Evaluation	**Peer Review**	**360-degree Feedback**
Staff at Head office (Throughout the year)	Soon to be expanded to all employees (1st/2nd half, twice a year)	Heads of departments, senior employees On the 1st, 3rd, 5th year (once a year)

360-degree Feedback

(Unit: %)

2017	2018	2019
100	100	100
Subjects: 1,592 persons (All personnel with 6+ years in senior position)	Subjects: 710 persons (1st, 3rd, 5th year in senior position)	Subjects: 692 persons (1st, 3rd, 5th year in senior position)

Human Rights Management

Principles of Human Rights Management

Samsung Life strives to prevent any direct or indirect violations of human rights by adhering to the regulations and standards on working conditions in all countries and regions in which we do business, and by respecting the freedom of association of our employees. Furthermore, by faithfully protecting human rights, we are fulfilling our duties as a corporate citizen. Samsung Life's human rights policy applies not only to our employees but equally to all stakeholders in the value chain, including consultants, subsidiaries and local communities. Our human rights-related activities and outcomes are shared transparently on our website and in our sustainability reports.

Human Rights Management Evaluation

We regularly perform human rights management evaluations to preemptively identify and mitigate factors that could jeopardize human rights. These evaluations are conducted on the five major stakeholder groups in the Samsung Life value chain, including employees, consultants and subsidiary employees, and the results are used in making improvements.

Step 1 — Assess Human Rights-related Risks

Identify potential human rights-related issues and risks

- **Company Aspects**
  - 44% of all employees are women
  - About 50% of employees have face-to-face interactions with customers in the field
- **Industry Aspects**
  - The insurance business requires face-to-face interactions with customers to provide products and services and to respond to complaints
  - The Korean government plays an active role in human rights, having revised the 'Occupational Safety and Health Act' and the Ministry of Justice having developed the 'Standard Guidelines on Corporate Human Rights Management'

Step 2 — Identify At-risk Groups

Assess priority of human rights impact factors and identify relevant groups

A human rights risk assessment of the five stakeholder groups[1] has identified the two that are most vulnerable to human rights violations: consultants selling products to the customer face to face, and counselors who serve customers at our subsidiary call centers, Plazas, etc.



1) Employees, Customers, Shareholders and Investors, Consultants and Subsidiaries, Local Communities

Step 3 — Assessing the Status of Human Rights Management

Perform assessments of subsidiaries with the highest human rights-related risks

- **Establish Assessment Plans**
  - Conduct assessments of our four subsidiaries[1] in the first half of each year based on the human rights management assessment process

  1) Samsung Life Service, Samsung Life Financial Service, Samsung Asset Management, Samsung SRA Asset Management
- **Perform Assessment**
  - While focusing on identifying the current human rights status, provide training on human rights and share information on the assessment process and evaluation items
- **Review Results and Follow Up with Monitoring**
  - Continuously strengthen analysis of human rights management and reflect the results in improvements to human rights management at subsidiaries

Step 4 — Take Steps to Improve Human Rights

Engage in activities to improve human rights according to the diagnoses

- **Employees**
  - Establish a system for dealing with malicious customers
    - Establish implementation plans and manage follow-up measures based on the 'Guidelines for the Protection of Customer Service Employees'
    - Prepared and distributed the 'Manual for Responding to Consumers with Malicious Complaints'
  - Appoint members to and continually operate grievance settlement channels and committee
  - Provide counseling, stress measurement services and meditation/relaxation training through the Mental Health Welfare Center to help relieve work-related stress and anxiety
  - Operate a wide range of mental health programs for employees
- **Subsidiary Employees**
  - Provide a manual for dealing with customers in all situations, hold the 'Healing Camp for Counselors,' provide one-on-one counseling and training for meditation/relaxation
  - Reinforce customer response training through the Industrial Safety and Health Institute, provide training to all employees on sexual harassment prevention
- **Consultants**
  - Operate the 'Healing Camp for Consultants' for those who need to recharge; camp provides special lectures on mental health and music-accompanied meditation

Mental Health Care

Promoting Mental Health and Happiness for Me, My Family, and My Department

Employees at Samsung Life can benefit from professional stress and mental health management through the company's Mental Health Welfare Center (with a resident psychological counselor and clinical psychologist), provided in partnership with an external Employee Assistance Program.

In addition to counseling which is available at all times, the Mental Health Welfare Center offers various programs for employees at the head office entitled 'Lunch Rest' and 'Plus Rest'. Notably, in 2019, we expanded our programs at the organization level. For each department at the head office, we established a new program called 'Departments Healing Together,' and we have provided a 'Mental Health Leadership Training Course' for the heads of departments throughout the entire company. Those who complete the course are appointed as 'Life Gate Keepers[1],' which raises awareness of the role leaders play in the mental health of employees.

For employees in field sales, we run programs such as On-site Healing Together and Branch Manager Healing Camp, which are part of our proactive efforts to promote the mental health of our employees company-wide.

1) Proactive suicide prevention upon discovery of relevant symptoms

Maternity Protection

Samsung Life has operated the Maternity Protection Center since 2011 to create a good working environment for women. We support expecting mothers with a range of services including pregnancy counseling, rental services for baby products and books, desk ornaments for expecting mothers, protective equipment, a resting room, and one-hour extended lunch breaks. In 2019, labor and management agreed that, upon request, pregnant employees may be excluded from work that requires emotional exertion.

Mental Health Care Program

Category	Program	Description	Performance in 2019
On-site Sales Staff & Sales Managers	On-site Healing Together	Meditation, posture correction, personality analysis	31 sessions, 692 employees
	Branch Manager Healing Camp	For branch managers who have served for at least 5 years	2 sessions, 68 employees
Heads of Departments	Meditation for Heads of Departments	Meditation	10 sessions, 100 employees
	Mental Health Leadership Training	Training on emotional care for department members Appointment ceremony for Life Gate Keepers	2 sessions, 452 employees
Departments	Department Healing Together	Meditation sessions at department level, emotional regulation, communication	39 sessions, 807 employees
Families	Weekend Meditation for Couples	Relaxation stretching and conversational meditation	2 sessions, 42 employees
	Family Meditation in the Forest	Forest meditation, Theme park (Everland) tour	2 sessions, 151 employees
	Family Book-reading & Meditation Camp	Reading camp for mindfulness in the family	1 sessions, 35 employees
Individuals	Temple Stay	A Trip for Me at Beopju temple (Beopjusa)	2 sessions, 44 employees
	Mindfulness Meditation	Lunch Rest (Meditation during lunch break), Plus Rest (Meditation in the evening after work)	40 sessions, 269 employees

Reinforcing Safety Management

Establishing a Safety Management System

As part of our efforts to create a safe work environment, Samsung Life has established a safety management system under the Board of Directors and consisting of the Industrial Safety and Health Committee and the Safety Management Center.

Safety and Health Management Governance

Board of Directors

Industrial Safety and Health Committee
- Composition: Four representatives each from management and labor
- Role: Deliberation and decision-making body in the area of health and safety management,
  Discusses how to address risk factors

Safety Management Center
- Role: Oversees company-wide health and safety management,
  Conducts a range of safety inspections, drills, and training based on health and safety management regulations

Major Agenda of the Industrial Safety and Health Committee[1]

- Safety inspection of field sales focusing on at-risk branches
- Expansion of employee CPR training

1) The matters discussed and decided at the Committee apply to all employees.

Safety Inspection of Field Sales Sites

A general revision of the Industrial Safety and Health Act was passed by the National Assembly on December 27, 2018 and took effect on January 16, 2020. The aims of the Act are: to ensure the safety of workers; to prevent the outsourcing of risk; and to strengthen responsibility for safety and health. In accordance with the revision of the Act, we conducted safety inspections at sales sites to reinforce health and safety measures for our consultants. In 2019, a total of 287 branches were inspected for safety, which eliminated risk factors at sales sites, and built a consensus on safety among employees and consultants.

Expanding Safety Education

By joining hands with the Seoul Metropolitan Fire & Disaster Headquarters, Samsung Life provides practical safety training to help its employees make accurate and prompt judgements in case of an emergency or disaster through systematic facilities and excellent instructors. In addition, with the help of the Korean Association of Cardiopulmonary Resuscitation, we conduct CPR training for employees working in regions outside the Seoul metropolitan area as a preparatory measure to save precious lives through swift and proper CPR in the event of cardiac arrest.

Distributing Safety and Health Materials

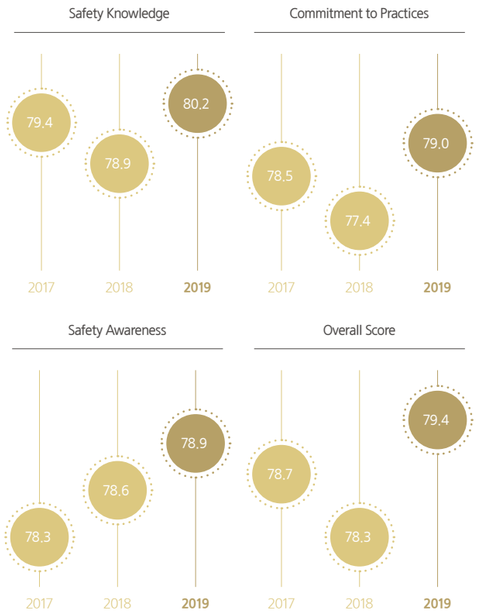
As part of creating a safe work environment, Samsung Life distributes health and safety materials to all employees via a company-wide system. In 2019, we posted content on workplace safety rules and strengthening safety management. Moreover, with the publication of the 'Guidebook for a Safe Work Environment,' our safety inspections at sales sites include training for various scenarios. We also distribute posters on how to reinforce safety management to prevent fires in the workplace and action plans in case of earthquake or fire. These posters raise safety awareness among employees, and digital signage gives them easy access to safety-related content.

Safety Awareness Survey

Each year, Samsung Life conducts an employee safety awareness survey and establishes safety plans based on the results. The survey has three parts: safety knowledge, safety practices and safety awareness. We assess our employees' level of awareness of each part and identify what improvement measures need to be taken. The results of the survey have shown a stark difference in safety awareness depending on whether employees have had safety training or not. Accordingly, we expect to plan and carry out additional training through various channels in the future (including systematic training, magazine distribution, etc.).

Safety Awareness Survey Results

(Unit: Scores)



Social Contributions



Samsung Life has taken a new step forward in social contribution under the key themes of 'Education for Youth' and 'Respect for Life'. We have expanded the Respect-for-Life Education for Youth program started in 2015, and we have newly launched the 'People, Love - Love Life Campaign' with the aim of fostering a determination to prevent suicide and spread a culture of respect for life.

In addition, to support children's medical expenses, we have launched the 'People, Love - Medical Expense Support for Children' project. Through the company, employees and consultants, this aims to raise KRW 10 billion over the next 10 years to support 1,000 children. Samsung Life will fulfill its responsibilities as a corporate citizen by faithfully carrying out youth education and the Respect-for-Life project. In doing so, it will continue to lead the creation of a sustainable society.

Implementing Social Contributions

Establishing Social Contribution Strategies

The social contribution vision of Samsung Life is "Together for Tomorrow! Enabling People"[1], People, Love[2]. We are carrying out our social contribution activities based on the themes of education for youth and respect for life.

1) Common vision for the social contribution of the Samsung Group
2) The value of love and people as the essence of the insurance industry

Together for Tomorrow! Enabling People × People, Love

Education for Youth	Respect for Life	Local Communities/ Global
People, Love Financial and Personality Education Respect-for-Life program Serotonin Drum Clubs	People, Love Medical Expense Support for Children Love Life Campaign Sesalmaul Joint Childcare Center	People, Love Disease prevention (Thailand)/ Volunteer corps Support for Consultants People, Love Supporting Retired Consultants/ Employees

Approx. **34,000** youths
participating in the Respect-for-Life Program
(at over 210 middle schools in 2019)

Approx. **15,000** youths
participating in Financial and Personality Education
(at 300 schools in 2019)



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1. People, Love - Respect-for-Life Program
2. People, Love - Financial and Personality Education
3. People, Love - Serotonin Drum Clubs

People, Love Respect-for-Life Program

People, Love Financial and Personality Education

People, Love Serotonin Drum Clubs

Education for Youth

People, Love - Respect-for-Life Program — Since 2015~

Samsung Life is working to prevent suicide, a serious social problem, by improving awareness of respect for life among the youth. Consultants and instructors who have completed professional training are helping adolescents going through big emotional changes to recognize the importance of life and to boost their self-esteem. In 2019, approximately 34,000 students in over 210 middle schools nationwide took part in the program. In 2020, we plan to expand our educational support by developing content for elementary school students taking their increasingly rapid emotional development into account, and by operating a pilot school specializing in respect for life.

People, Love - Financial and Personality Education — Since 2016~

The 'People, Love - Financial and Personality Education' program helps teenagers develop healthy economic values and engage in sound financial practices. Systematically trained university student instructors utilize fun-filled board games to deliver a lifelong financial planning experience. In 2019, approximately 15,000 youths at 300 schools participated.

People, Love - Serotonin Drum Clubs — Since 2011~

The People, Love - Serotonin[1] Drum Clubs, launched in 2011, were established to help teenagers develop upstanding personalities by relieving stress and improving their concentration. Playing the drums stimulates the production of serotonin, which has a positive effect on their emotions. Further, the program's school club activities, drum camps and performances all contribute to their healthy development. Through this project, we supported around 3,100 students from 200 schools nationwide in 2019, bringing the total to 18,000 students helped since 2011.

1) Serotonin is a hormone involved in the regulation of emotions.



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Respect for Life

People, Love - Medical Expense Support for Children

Since 2019~

The 'People, Love - Medical Expense Support for Children' project pays the medical expenses of sick children. This project is all the more special because it is funded by the 'People, Love - Fund,' which is comprised of financial resources to which Samsung Life, its employees, staff and consultants donate a certain amount whenever an insurance contract is concluded. In 2019, we gave KRW 1 billion in medical expenses - and hope - to 105 sick children and plan to support 1,000 children with funds of KRW 10 billion over the next 10 years.

People, Love - Love Life Campaign

Since 2019~

Samsung Life operates the Love Life Campaign to recognize the serious issue of suicide in Korea, which has the highest suicide rate in the OECD, and to console the families of those who have taken their own lives. The 'People, Love - Love Life Night Walking Campaign' is held in September every year, on the occasion of World Suicide Prevention Day. It is one of Korea's most prominent suicide prevention campaigns, involving some 10,000 Seoul citizens. The dark night symbolizes pain and solitude, while the breaking of dawn signifies new hope. In 2020, in an effort to spread a culture of suicide prevention in our society, we will expand our various on/offline campaigns and organize events that are even more meaningful.

People, Love
Medical Expense
Support for Children

People, Love
Love Life Campaign





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1. People, Love - Medical Expense Support for Children
2. People, Love - Love Life Campaign
3. People, Love - Love Life Campaign

People, Love - Sesalmaul

Since 2011~

'People, Love - Sesalmaul (meaning "village of three-year-olds")' is a coaching program on parenting for prospective parents and grandparents. As the saying goes, "What is learned in the cradle is carried to the grave." Scientific learning and development guidance in early childhood greatly influences a child's development. In addition to childcare education, we offer a care project in which new parents gain essential information through home visits by skilled childcare professionals and through the prenatal music concert. In 2019, this program helped 2,638 future parents and 1,392 grandparents. Home care was provided together by parents and childcare experts for 1,128 families.

People, Love - Joint Childcare Centers

Since 2013~

By 2019, Samsung Life had completed support for the remodeling of 50 'Joint Childcare Centers' led by the Ministry of Gender Equality and Family. This project aims to relieve the childcare burden of parents and provide preschoolers with a high-quality educational environment. The joint childcare centers are operated based on the 'Consultant - People, Love Fund' to which a certain amount of money is donated with each insurance contract signed. We support the remodeling of old facilities and the borrowing of toys and books free of charge, as they can be expensive to purchase. Also, they serve as a place of communication where lectures on childcare are provided by parenting experts and where local residents share information with parents of children of similar ages.



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1. People, Love - Green Global Project
2. People, Love - Support for Disease Prevention in Thailand

KRW **1.05** billion
In Medical Expense Support for Children
(105 children supported)

31,000 mangrove trees
planted in Thailand
(344 employees of Samsung Life,
295 employees of the joint venture)

Local Communities/Global

People, Love - Support for Disease Prevention in Thailand

Since 2012~

Samsung Life conducts disease prevention and health care support projects in densely populated low-income regions of Thailand. In 2019, we donated 15 AEDs (automated external defibrillators) to major public facilities such as the Bangkok City Resident Center and government offices. In the first half of 2020, we will donate a 'Mobile Medical Bus' equipped with advanced medical equipment to provide free medical checkups and treatment in areas where medical benefits are difficult to obtain. Also, we plan to continue our efforts to improve the health of low-income families and the medical environment in Thailand by providing fine dust masks, etc.

People, Love - Green Global Project

Since 2010, Samsung Life has been planting mangroves with a Thailand joint venture as a part of the Green Global Project. Mangrove planting is done every year in Phetchaburi, Thailand to defend against tsunami damage and protect the environment. From 2010 to 2019, 687 people (344 employees of Samsung Life and 295 employees of the joint venture) participated in a total of 12 sessions, planting some 31,000 trees. In addition, we have carried out volunteer activities in local schools. Samsung Life will continue to fulfill its social responsibilities as a member of the global community and will continue to make social contributions.



People, Love - Volunteer Corps

People, Love - Volunteer Corps

Around 270 volunteer groups in communities nationwide practice the culture of sharing through volunteer activities with their neighbors. Volunteer teams consisting of employees and consultants visit area welfare facilities and marginalized households every month to perform volunteer work. In addition, at times when blood supplies have been low, we have held nationwide blood donation campaigns. And at times when marginalized neighbors have needed more help, we have cared for them through a range of volunteering activities such as charcoal briquette delivery, kimchi-making and a sharing program to celebrate New Year's Day and Chuseok. In 2019, a total of 36,494 employees and consultants conducted 97,901 hours of volunteer work. In the years to come, Samsung Life will continue to lead the way in sharing and in living up to its responsibilities as a member of society.

People, Love - Consultant Social Contribution Awards

Samsung Life strives to promote a culture of sharing and to encourage the social contribution activities of consultants. At the Samsung Life Annual Awards, consultants dedicated to social contribution are selected and given special recognition.

Pyeongchon TC Branch

YOO Geum-rye, Consultant

Consultant Yoo Geum-rye has been offering her volunteer beauty services at nursing homes for 19 years. She also serves as the head of the Uiwang City branch of the Korean Red Cross Volunteers. In 2012, she alerted the authorities to the sad circumstances of a particular family, headed by a grandparent, and was awarded the civic service award from Uiwang City. Recently, she has also participated in the 'People, Love Fund' to which a certain amount is donated with each insurance contract signed.

Yesan Finance Branch

KIM Kyung-sook, Consultant

Consultant Kim Kyung-sook has been helping her neighbors in need for the past 20 years through sharing. Her volunteer activities, as officially recorded by the Korean Red Cross and the Saemaul Movement Leadership Commission, amount to 1,300 sessions and 3,800 hours over a period of 14 years. She is truly showing love to her neighbors through the sharing of banchan (Korean side dishes), kimchi-making, cleaning, harvesting potatoes, and more.

Support for Consultants

People, Love - Supporting Retired Consultants/Employees

Since 2018, 'Samsung Life to the End' has operated a program to support retired consultants and employees going through difficult times. Through this program, funded by the voluntary donations of our executives, we provide financial support of up to KRW 12 million in living expenses per person per year. In 2019, from an expanded number of applicants, 22 were selected and supported. In such ways, we strive to be a small but great help to Samsung Life consultants and employees.

INTERVIEW

Voluntary Mentoring for Children of Retired Consultants

Alternative Sales Unit, Retirement Pension Division 2
KIM, Myung

Since 2018, I have been providing mentoring services to the children of retired consultants. I started my volunteer work with the aim of becoming a reliable 'older brother' to them based on my mentoring experience back in college. Last year, I increased the frequency of my mentoring sessions, which I had provided once every other week, to every Saturday in order to form a closer relationship with these teenagers.

I also spent some time exploring future paths as well as experiencing various activities such as going to the sea and Everland with not only my mentees but also their friends. I plan to continue my mentoring services and would like to be a strong pillar of support for the children of our consultants so they can grow up to be self-reliant adults who enjoy good mental and physical health.



Spreading a Culture of Sharing

Social Contribution Funds

In 2019, Samsung Life spent KRW 82.2 billion on social contribution activities, the highest amount in the industry. We also participate in social contribution funds to which the Korean life insurance industry has been donating part of its profits since 2007. In addition, we operate the 'People, Love Fund' based on the voluntary donations of our employees and consultants from their salaries, and we offer the 'Matching Grant Fund' for which every donation is matched by the company. In 2019, the 'People, Love Fund' was used to fully finance the Medical Expense Support for Children project while the matching funds were used as volunteering expenses for employees and consultants as well as financial assistance for sick children. In 2020, we will further expand the amount of our support as part of sharing based on the value of 'People, Love'.

1st Ping-Pong Club Festival

In an effort to promote sports for all and expand the sport of table tennis, Samsung Life held the first nation-wide Ping-pong Club Festival in June and July 2019. It was a success, with a total of 3,300 people participating from four regions including Seoul, Busan, Daejeon and Suwon. Samsung Life donated KRW 66 million in social contribution funds to foster future table tennis players, provided through a 1+1 matching grant for each KRW 10,000 entry fee. We expect to hold the 2nd Ping-pong Club Festival in September 2020. In the future, we will continue to give our support to 'sports for all', which will promote the long-term health of the country.

Youth Painting Contest

Launched in 1981 as part of the Youth Culture Scholarship project, the Samsung Life Painting Contest has been supporting the dreams and hopes of young people through painting for 39 years. There have been 5.47 million participants to date, and the winners have now grown up to be influential opinion leaders in our society. In the 2019 contest, under the theme of 'Fun with Painting!', the application and screening process were conducted digitally for the first time in the history of Korea's youth art contests. We selected 1,000 highly talented artists for the finals.



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1,2. 1st Ping-Pong Club Festival
3. Youth Painting Contest

Sharing in Local Communities with Sports Groups

Samsung Life wrestling teams have engaged in numerous talent donation activities related to their sport. These include the 'Healthy Play-Gym' for elementary school students, and for teenagers the 'Youth MMA Experience Class' and a lecture on 'How Police Officers Arrest Criminals,' which have received a very positive response from the local community.

Samsung Life acquired a badminton team in March 2020. Badminton is the sport with the largest number of players in Korea. In consideration of this, we will endeavor to promote public health by holding a badminton competition for club members and consultants.

Win-win Cooperation



Recently, not only has the government's stance on social responsibility management strengthened, there is also a growing social consensus regarding its necessity. Samsung Life recognizes the importance of suppliers and SMEs as partners for mutual growth, and engages in a wide range of win-win activities to enhance corporate competitiveness and value.

People, Love

Establishing a Culture of Fair Transaction

Fair Partnership Selection

With the aim of selecting partners in a fair manner, Samsung Life has granted e-bidding authorization to all employees so that anyone can use electronic bidding when undertaking contract-related duties. Moreover, aiming to achieve Zero Procurement Issues, we restrict the participation of partners with potential risks in accordance with our Contract Administration Guidelines. We have also prevented unqualified partners from bidding by linking the process to both the e-procurement system and the Audit Team's transaction history system.

Assessing and Managing Partners

All of Samsung Life's partners are asked to sign the Pledge of Compliance with Fair Transaction and Integrity Management, as well as to appoint a manager with responsibility for compliance. In accordance with the Contract Administration Guidelines, we hold frequent briefing sessions to smoothly handle contract-related tasks. In addition, we evaluate all partners every two years with respect to human rights, business operations, working environment, health and safety, etc.

Evaluation Criteria

Human Rights	Child labor, Forced labor, Inhumane treatment
Business Operation	Business policy/procedures, Management systems
Working Environment	Working hours, Days offs, Wages, Compensation
Health and Safety	Safety inspections, Emergency countermeasures, Industrial accidents, Workplace hygiene
Environmental Regulations for Products and Services	Product environment, Energy management, Waste/wastewater treatment

Management of Partnership

External Sales Organizations

In an effort to manage the risks of external sales organizations (i.e. insurance agencies and consultants) in a proactive manner, Samsung Life establishes annual compliance plans and conducts regular on-site inspections. In particular, these inspections are focuses on unfair practices in sales processes including solicitation for insurance.

Office Supply Providers

Since our agencies are spread out across the country, we purchase essential office supplies in required quantities through an electronic purchase system called e-Pass. To root out improper transaction practices, we purchase services and products only during the contract period and always take new bids after the contract expires.

IT Equipment Maintenance Services

Samsung Life conducts compliance inspections on the employees of its partner companies in charge of maintaining computers and other equipments at offices and agencies. We establish annual compliance plans and conduct inspections every half-year to detect any illegal use of equipment or data.

Building Maintenance Services

With the aim of managing the potential risks of security service providers and the companies that maintain our buildings, Samsung Life has established an on-site inspection process and conducts audits twice a year.

Win-win Cooperation

Improving the Competencies of SMEs and Partners

Security Training

Samsung Life provides annual security training to all partners across the country, in addition to ad hoc training as needed. In 2019, as part of efforts to protect information throughout all of our work, we provided security training, focusing on system operations, to all 692 employees of our data system maintenance partners.

Samsung Life CEO Academy

At the Customer Product Channel Strategy Department, Channel Support Team runs a CEO Academy to enhance the competencies of the leaders of our SME customers. As of 2019, training has been completed by 228 CEOs across seven sessions, where they studied Samsung's know-how and the latest trends in business management.

The Group Financial Consultant Division, under the Alternative Sales Unit 1, has organized a variety of seminars for the CEOs of our SME customers to support their businesses. Samsung Life also held a seminar, presenting various solutions on tax and labor issues that occur within the business. Other seminars are differentiated by themes such as the arts, the humanities and medical science - not just economics and business - which helps the CEOs gain new management insights.

Junior CEO Program

In order to foster future leaders, we offer educational programs for the children of our SME customers. These programs include various learning and hands-on activities such as management philosophy and knowledge, and leadership. As of the first half of 2020, the programs have been held 50 times with the participation of 1,479 trainees.



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1. Samsung Life CEO Academy
2. Junior CEO Program



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Open Communication for Mutual Growth

Through communication channels with our partners, Samsung Life seeks to understand their difficulties, as well as areas for improvement, and take appropriate action. Accordingly, we meet with our partners at least once every quarter to understand the status of their businesses. We will continue to listen to their opinions and thereby fortify our win-win partnerships.

Supporting Mutual Growth with SMEs via Direct Purchasing

Samsung Life makes purchases directly from its production partners rather than through MROs[1] from large enterprises, without any intermediary commissions, in an effort to support SME market expansion in a stable manner. To ensure the fair selection of vendors, we conduct a competitive bidding process and carry out all tasks directly, beginning with partner selection. In 2019, approximately KRW 9.84 billion was spent on direct purchases of printed materials, office supplies and electronic products from SMEs.

1) MRO (Maintenance, Repair, Operation): Agencies that execute the purchase of consumable materials and the maintenance/repair of equipment

Promoting Green Procurement

To play our part in environmental protection, Samsung Life promotes green procurement. For instance, we exempt green companies designated by the government from bid deposits, while giving preference to environmentally certified products in equipment vendor bids. We also make priority purchases of products with high energy efficiency and minimum environmental impact. For new construction, we save energy by using high-efficiency and eco-friendly equipment, starting from the design stage.

Life Insurance Affiliates

DOMESTIC

Samsung Life Financial Service: Seeking Mutual Growth for Our Customers and Consultants

Samsung Life Financial Service, a company specializing in financial sales, seeks mutual growth for customers and consultants, and actively responds to the rapidly changing financial environment.

Strengthening the Sales Management System

Providing Customer-centered Products and Services & Establishing the Customer Protection System

Establishing a Differentiated Marketing Strategy	• Implementing various product strategies attuned to customer needs and securing the competitiveness of our sales organization by enhancing sales expertise
Implementing Integrity Sales	• Systematically preventing mis-selling through a compliance monitoring organization; advancing the integrity sales system by strengthening personal information security

Establishing a Stable Sales Base

Operating a Sales System that Facilitates the Mutual Growth of our Company and Consultants

Expanding Responsible Sales	• Encouraging consultantship by promoting the autonomy of office heads; laying a foundation for performance through coaching for knowledge on the product and sales skills
Differentiating the Sales Base through Total Income Management	• Setting individual income targets for each consultant and providing total Income management through comprehensive financial services that cover the purchase of property insurance policies and credit card issuance

Samsung Asset Management: Becoming a Global Asset Manager

Samsung Asset Management is securing its place as Korea's leading asset manager by focusing its efforts on earning surplus returns on a stable and consistent basis.

Expanding a Culture of Sound Investment

Providing Differentiated Services through Investor Training and an Online Financial Planning Platform

Investor Training	• Establishing a culture of making sound investment choices by sharing strategies that enable customers to make investment decisions for the purpose of their investment, taking financial situations into consideration
Online Financial Planning Platform	• Amid growing public interest in building retirement assets, providing a customized online asset management service that uses a goal-based investment simulator

Enhancing Global Competitiveness

Introducing Innovative Products through a Global Network

Expanding the TDF Fund Lineup	• Securing the largest share in the retirement pension fund market by continuously strengthening retirement timing-based products; a goal pursued since the launch of a TDF[1] fund in cooperation with the U.S. based Capital Group
Operating Funds in Advanced Countries Worldwide	• Strengthening the operation of the Global Advanced Countries Fund[2] by working with DFA(Dimensional Fund Advisor), a U.S. global asset management company

1) TDF (Target Date Fund): A product that automatically makes global, diversified investments based on the investor's lifecycle and a target date of retirement
2) Global Advanced Countries Fund: A fund for diversified investments in advanced countries such as the U.S., Europe, Japan, Switzerland, etc.

Samsung SRA Asset Management: Growing into a Global Real Estate Asset Manager

As a professional real-estate management company that gives utmost priority to customer returns, Samsung SRA Asset Management has outstanding risk management capacity and extensive know-how in real-estate investment, development and management.

Increasing Management Returns

Guaranteeing Returns by Investing in Safe Assets and Expanding Business Areas

Focusing on Core Investments	• Diversifying new investments in retail/logistics by investing primarily in office buildings, which are safe assets • Practicing value-added investment in real estate by enhancing asset values
Enhancing Investment Competitiveness	• Securing competitiveness in sourcing with a focus on blind pool funds • Enhancing safety by strengthening cooperation with local partners through Joint Venture expansion, etc. • Entering new business areas such as publicly offered REITs/funds (TBA)

Systematizing Risk Management

Operating an Organizational and Systematic Risk Management System

Managing Risk Systematically	• Advancing the risk management system for each area through the integrated management of investment risk, market risk and legal risk under the supervision of Risk Management Office
Establishing the Principles of Responsible Investment	• Complying with global standards, such as each country's tax regulations and environmental laws, and minimizing risk

Samsung Life Service: Dedicated to Customer Satisfaction

Samsung Life Service provides differentiated customer satisfaction services so that customers can feel the true value and benefit of insurance. We promote a sound insurance culture through prompt and accurate claims evaluation.

Advancing Customer Services

Providing Prompt and Accurate Services and Quickly Handling Complaints

Systematizing Customer Satisfaction Services	• Establishing a prompt and systematic customer complaint management process through a VOC management system • Enhancing customer convenience in digital insurance transactions through a mobile renewal, including expanded web-based automated services
Paying Insurance Claims Promptly and Accurately	• Reducing the claims payment period through a system that uses deep OCR technology to automatically categorize insurance claims

Strengthening Job Expertise

Strengthening Employee Job Expertise through Training and Support

Expanding Responsible Sales	• Establishing a customized training system by enhancing training programs for new employees, offering advanced programs for each job level through cyber training, and establishing new leadership programs • Certified by the Ministry of Employment and Labor in 2018 as an outstanding HR development institution
Encouraging Employees to Acquire Professional Financial Certifications	• Cultivating financial experts by offering training for the acquisition of professional certifications and encouraging employees to acquire certifications through financial support and vacation time

OVERSEAS

Thai Samsung Life Insurance PCL

Thai Samsung Life is a leading insurance company in Thailand that, through leading products and services, delivers the true value of insurance to Thai customers.

Taking a Leap Forward as a Mid-sized Insurance Company Based on Affiliated Agents

Thai Samsung Life has grown into a mid-sized insurance company in the Thai market based on its capability to operate affiliated agents, which is a strength of Samsung Life.

Localization of the Consultant Training/ Cultivation System	• Advancing the cultivation system by establishing consultant-customized training systems; operating a program for cultivating sales competencies
Differentiated Marketing Based on the Strengths of Samsung Life	• Developing and providing a range of products that meet the insurance needs of Thai customers; implementing differentiated marketing, such as coverage analysis/mobile sales

BOC-Samsung Life Insurance Co., Ltd.

With growth accelerating since turning to profit in 2017, BOC-Samsung Life[1] is preparing for a second leap forward through value-based growth.

Continuous Expansion of Scale through Value Growth

Continuous growth achieved by fulfilling the essence of the insurance business: long-term savings and protection products based on lifecycle needs

Laying the Foundation for Growth by Expanding Sales Network and Diversifying Channels	• Continue to establish new branches to expand our nationwide sales network; ensure balanced growth by diversifying sales channels alongside the Bank of China bancassurance channel
Improving Processes and Reinforcing Business Management	• Improve asset portfolios and work processes; reinforce budget management aspects such as cost management and control to enhance business management efficiency

1) Joint venture by three shareholder companies: Bank of China, Samsung Life and Air China

SUSTAINABLE MANAGEMENT SYSTEM

Governance 80

Compliance Management 84

Integrity Management 87

Risk Management 88

Governance

The Role and Status of the BoD (Board of Directors)

As Samsung Life's highest decision-making body, the BoD consists of seven individuals, including four independent directors and three internal directors (as of March 2020). To maintain the BoD's independence from management and its capacity to make balanced decisions, an independent director is appointed to serve as Chairman of the Board. The BoD is responsible for deliberating and deciding on matters stipulated by law and our Articles of Incorporation, agenda items delegated by the Annual GSM (General Shareholders' Meeting) and basic principles and important matters relating to corporate management. Furthermore, the BoD efficiently resolves the company's various tasks and challenges by holding meetings both on a regular and non-regular basis.

Status of the BoD

(Based on the March 2020 GSM)

Category	Name	Position	Major Career Experience	Tenure
Internal Directors	JEON, Young Muk	President & CEO	Current President & CEO, Samsung Life Former President & CEO, Samsung Asset Management	March 2020 - March 2023
	YU, Ho Seok	Internal director	Current Executive Vice President & Head of Administration Department, Samsung Life Former Executive Vice President & Head of Asset Management Business Unit, Samsung Life	March 2020 - March 2023
	HONG, Won Hak	Internal director	Current Executive Vice President & Head of Insurance Sales Unit 1, Samsung Life Former Executive Vice President & Head of Alternative Sales Unit, Samsung Life	March 2020 - March 2023
Independent Directors	KANG, Yoon Koo	Chairman of the Board Chair of the Internal Transactions Committee Chair of the Candidate Recommendation Committee Chair of the Compensation Committee	Current Adjunct Professor, Korea University Law School Former President, Health Insurance Review and Assessment Service	March 2018 - March 2021
	HUR, Kyung Wook	Chair of the Audit Committee Chair of the Risk Management Committee Member of the Candidate Recommendation Committee	Current Advisor, Bae, Kim & Lee LLC Former Ambassador Extraordinary and Plenipotentiary of Korea to the OECD	March 2016 - March 2022
	LEE, Keun Chang	Member of the Audit Committee Member of the Risk Management Committee Member of the Internal Transactions Committee	Current Professor, College of Trade, Yeungnam University Former President, Korean Insurance Academic Society	March 2019 - March 2022
	LEE, Chang Jae	Member of the Audit Committee Member of the Internal Transactions Committee Member of the Compensation Committee	Current Managing Partner, Amicus Former 59th Vice Minister of Justice	March 2019 - March 2022

Diversity and Expertise of the BoD

Samsung Life does not discriminate on the basis of gender, race, ethnicity, country or place of origin when appointing directors. The BoD encompasses a variety of fields such as management/economy, finance/insurance, law/institution, and marketing to diversify its expertise and perspectives. Furthermore, independent directors are appointed through the Candidate Recommendation Committee in a transparent manner.

Expertise of the BoD

- In accordance with the Act on Corporate Governance of Financial Institutions, BoD members are selected from among candidates with in-depth knowledge and abundant experience in relevant fields, such as finance, economy, management and accounting
- Major management issues and the latest business trends are provided to the BoD in a timely manner to reinforce its expertise

Transparency in Appointing Directors

- Diversity is considered in the appointment of BoD members; the company does not discriminate on the basis of age, gender, religion, race, or other factors
- Both internal and independent directors are appointed by a resolution of a General Shareholders' Meeting
- Candidates for internal director are recommended by the BoD, and those for independent director are nominated by the Candidate Recommendation Committee

Independence of the BoD

- The chairman of the BoD is an independent director, who serves as a liaison between independent directors and management
- Independent directors are selected and appointed in accordance with Article 6 of the Act on Corporate Governance of Financial Institutions[1]

1) Qualifications for Outside Directors (Article 6 of the Act on Corporate Governance of Financial Institutions)
① The following persons shall be disqualified from being an outside director of a financial company: Provided, that a person may be qualified as an outside director, if the person becomes a specially related person of the largest shareholder under subparagraph 1 when he/she becomes an outside director.
1. The largest shareholder or a specially related person of the largest shareholder.
2. A major shareholder or the spouse or a lineal ascendant or descendant of a major shareholder.
3. A person who serves as a full-time executive officer or employee or a non-standing director of the relevant financial company or its subsidiary or who served as a full-time executive officer or employee or a non-standing director during the preceding three years.
4. The spouse or a lineal ascendant or descendant of an executive officer of the relevant financial company.
5. A full-time executive officer or employee of the company for which an executive officer or employee of the relevant financial company serves as a non-standing director.
6. A person who serves as a full-time executive officer or employee of a corporation that has an important business relationship defined by Presidential Decree or a competitive or cooperative business relationship with the relevant financial company or who served as a full-time executive officer or employee of such corporation during the preceding two years.
7. A person who has served as an outside director of the relevant financial company for at least six years or who has served as an outside director of the relevant financial company or its subsidiaries for at least nine years in total.
8. A person specified by Presidential Decree, on any other ground, as a person who has difficulties in performing his/her duties faithfully as an outside director of the financial company or who is likely to influence the management of the relevant financial company.
② If a person who has become an outside director of a financial company falls within any category of paragraph (1), the person shall forfeit his/her position.
③ An outside director of a financial company shall be a person specified by Presidential Decree, from among persons who have abundant expertise or practical experience in finance, economy, business administration, law, accounting, etc.



HONG, Won Hak Internal director | YU, Ho Seok Internal director | JEON, Young Muk President & CEO | LEE, Keun Chang Independent Director | KANG, Yoon Koo Chairman of the Board | LEE, Chang Jae Independent Director | HUR, Kyung Wook Independent Director

Operation of the BoD

In principle, BoD meetings are held on a regular basis once every quarter, in addition to extraordinary meetings convened as necessary. We define the independence of the BoD through the resolution methods specified in the BoD's regulations. In accordance with the Commercial Act, decisions regarding transactions between a director and the company are made by a resolution of at least two-thirds of the Board. In accordance with the Insurance Business Act, credit exposure of at least KRW 1 billion with major shareholders or acquisition of shares or bonds requires a unanimous decision by all directors. In 2019, 98.7% of the incumbent directors participated in 11 BoD meetings, in which the Board members decided on 66 reported and resolution items through extensive deliberation and discussion.

Operation of Subcommittees under the BoD

Samsung Life operates six subcommittees under the BoD. To ensure prompt and efficient decision-making, some functions of the Board are assigned to the subcommittees. Major activities and the status of their business affairs are disclosed through our website on a regular basis.

Subcommittees under the BoD

(As of the end of December 2019)

Category	Functions	Composition: Chairman	Composition: Internal Directors	Composition: Independent Directors	No. of Committees Hold	No. of Agenda Items	Major Agenda
Sustainability Management Committee	Manages and supervises various aspects of business operations, including issues assigned by the BoD, sustainability management issues, and general management issues for deliberation and resolution	CEO	YU, Ho Seok		5	5	Sale of real estate, changes to personnel systems, revision of personnel regulations
Audit Committee	Assesses the appropriateness of and suggests improvements to the company-wide internal control system; requests reports on company information required for audits	HUR, Kyung Wook		LEE, Keun Chang LEE, Chang Jae	6	24	Audit plans and results, communication with external auditors
Internal Transactions Committee	Manages and checks important internal transactions between affiliates in order to improve transparency of corporate management by establishing a compliance system for fair trade	KANG, Yoon Koo		LEE, Keun Chang LEE, Chang Jae	8	24	Real estate sales, lease contracts, product and service transactions
Risk Management Committee	Establishes risk management guidelines in line with business strategies, decides key management strategies based on risk, and develops mid- to long-term management plans for establishing a risk management system	HUR, Kyung Wook	YU, Ho Seok	LEE, Keun Chang	5	29	Risk limit management, estimated interest rate management, operational strategies for derivatives
Compensation Committee	Evaluates the compensation system each year independently from management, designs the performance-based compensation system for key officers, assesses and deliberates on the appropriateness of how the system is operated, and decides assessment criteria for independent directors	KANG, Yoon Koo	HONG, Won Hak	LEE, Chang Jae	3	5	Confirmation of work assessments, deliberation on director compensation limits
Candidate Recommendation Committee	Manages candidates for independent director, auditor and CEO according to their roles, characteristics and expertise ahead of their appointment by the GSM or BoD	KANG, Yoon Koo	CEO	HUR, Kyung Wook	2	4	Review of the CEO succession plan and management of candidates

Major Resolutions of the Board in 2019

January 2019	Appointment of the chairman of the BoD	Approval of the 63rd financial statement and sales report
February 2019	Decision to convene the 63rd GSM	Decision on the agenda of the 63rd GSM
March 2019	Appointment of the chairman of the BoD	Appointment of the members of subcommittees under the BoD
April 2019	Lease contract with a Special Interest Person	
June 2019	Sale of real estate	
July 2019	Capital increase in the China subsidiary	Sale of shares in the Saengbo Real Estate Trust
August 2019	Contract signing with Samoo Architects & Engineers to provide remodeling design services for Samsung Seoul Hospital	
September 2019	Lease contract with a Special Interest Person	
October 2019	Reporting on the management status of candidates for independent director	Review of CEO succession plans and report on candidate management status
November 2019	Lease contract with a Special Interest Person	Investment in beneficiary certificates
December 2019	Contract signing for product and service transactions with a Special Interest Person	Donation of social contribution funds

Supporting Independent Directors' Participation in Management

Samsung Life supports rational decision-making by independent directors and encourages their participation through various forms of support. We provide regular reports on important managerial matters in a prompt manner, hold workshops to share information on strategies, products and management performance, and provide briefings on the insurance and financial industry.

Evaluation and Compensation of the BoD

The compensation received by BoD members comprises an annual base salary and performance-based compensation paid within the limits approved at the annual GSM. At the 2019 meeting, the limit was set at KRW 20 billion (the same as the previous year), of which KRW 10 billion was actually paid to BoD members. Since 2013, we have publicly disclosed the compensation of registered directors earning an annual salary exceeding KRW 500 million, calculated in accordance with our executive compensation regulations.

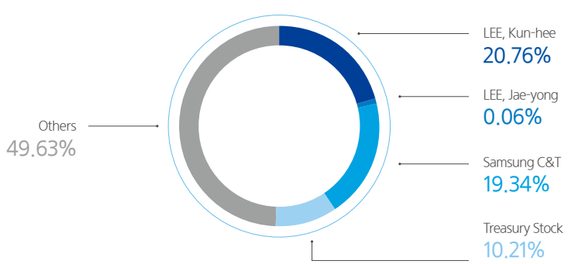
More specifically, base salaries are calculated according to the standard amount decided by the BoD for each job position, in addition to individual performance as determined by the BoD. Incentives, meanwhile, are paid depending on business management performance. Our long-term incentive system is based on the Standard Guidelines on the Performance and Compensation System in Insurance Companies to ensure that the performance of BoD members is properly reflected in their compensation.

(As of the end of December 2019)

Category	Number of Persons[1]	Total Compensation (KRW million)	Average Compensation per Person[2] (KRW million)
Internal Directors	3	3,572	1,191
Independent Directors[3]	1	76	70
Auditors[4]	3	256	83

1) Based on the number of directors present on December 31, 2019
2) Average compensation per person is calculated by dividing total compensation by the average number of persons
3) Independent directors excluded from Audit Committee membership
4) Audit Committee includes only independent directors

Shareholder Composition

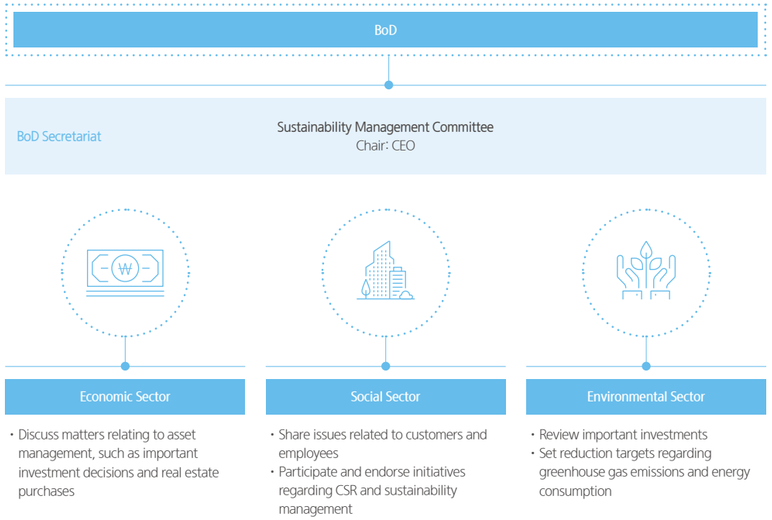


Sustainability Management System

Under the BoD, Samsung Life operates the Sustainability Management Committee to promote our sustainability management activities.

Sustainability Management Committee

In April 2012, we reorganized and expanded the Management Committee into the current Sustainability Management Committee to deal with major issues faced by the company from the standpoints of sustainable business and social issues. The Sustainability Management Committee, our highest decision-making body on sustainability management, consists of two internal directors, including the CEO. It is responsible for deliberating and resolving sustainability management-related issues and general managerial issues, as well as monitoring and supervising matters relating to the company's general business operations. In 2019, the committee met to discuss the revision of personnel regulations, changes to the personnel system, the sale of real estate, and to determine the contractor dividend rate.



Compliance Management

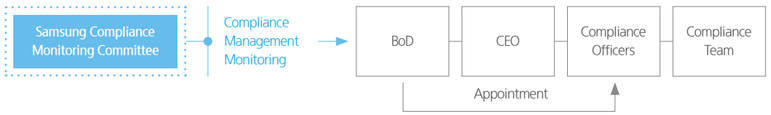
Renewal of Compliance Management

With the launch of the 'Samsung Compliance Monitoring Committee[1)]', Samsung Life is renewing its compliance and ethical management standards and fulfilling its corporate roles and social responsibilities. In particular, we are strengthening compliance management by elevating the organization that supports compliance officers to a Compliance Team operated directly under the CEO. In addition, the Internal Control Committee was established to increase the independence of the internal control organization, and at the same time, we are also striving to enhance the expertise of internal control personnel. The main internal control process has three stages (training-system operation-inspection) and the status of operations is reported to top management through the Internal Control Committee.

We have established and are operating an autonomous compliance management system on site by designating at least one person as compliance manager for each team and business unit. In addition, we are working to spread a culture of compliance management through efforts such as communicating on current issues via regular training on compliance management, and by holding compliance manager workshops (once each half-year) to develop the competencies of the personnel in charge.

1) Samsung Compliance Monitoring Committee: Composed of 7 members, including 6 independent experts and 1 internal employee. Seven key affiliates (Samsung Electronics, Samsung C&T, Samsung Life, Samsung SDI, Samsung Electro-Mechanics, Samsung SDS and Samsung Fire & Marine Insurance) signed a collaboration agreement to monitor internal control systems and compliance management.

Organization for the Implementation of Compliance Management



Performance of the Internal Control Committee (2019)

- Shared results of internal control inspections and reported improvement measures
- Reported outcomes of ethical and compliance awareness-raising program for employees and consultants
- Reported activities for preventing internal control risks (fair trade compliance program, daily monitoring system, and anti-money laundering system)

CEO Message: Ethics and Compliance Management

Dear Stakeholders,

All companies, including Samsung Life, now face an era of great competition as customers and stakeholders diversify, and barriers between industries are eliminated. In such times, it is of utmost importance to comply with laws and principles in all management activities to ensure that we faithfully protect financial consumers and achieve sustainable growth and development.

I believe that ensuring legality and legitimacy in all areas of management, including the company's organization and sales activities, is the only way to help the company and fulfill the social responsibilities of Samsung Life. Companies that fail to earn the trust of the market and of society, as well as those that cannot build a consensus with their customers, will no longer be able to survive.

We will spare no effort in becoming a company trusted by all stakeholders, including shareholders, customers, consultants, and employees. We will achieve this by taking on challenges and enhancing corporate value through efficient management. At the same time, we will internalize a mindset of ethical integrity management in all parts of the organization to become a first-class company, recognized by our society.

The role of management, including myself, is critical to the successful establishment of compliance management. Therefore, we will be proactive in looking after every little detail, which will ensure that compliance and ethical management become the primary features of Samsung Life's organizational culture.

Thank you.

Compliance Management Mindset

We are conducting a range of compliance training programs to spread a culture of compliance company-wide. In addition to mandatory training for all employees (Company-wide Compliance Training), we provide training courses specific to each department and job to prevent any work-related violations of laws and regulations. Moreover, we are developing a compliance training system for practical compliance and ethics management, including training tailored to departments and high-risk job responsibilities where compliance issues occur. (More than 30 times a year)

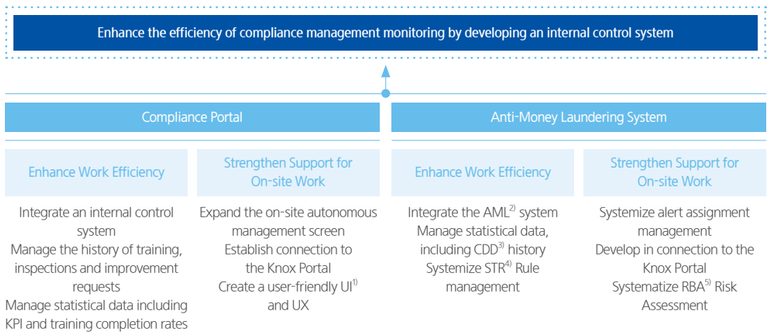


Company-wide Compliance Training (Mandatory)	Company-wide Anti-money Laundering Training (Mandatory)	Customized Compliance Training	Constant Training to Promote a Compliance Culture	Specialized training
Compliance mindset training and explanation of finance-related key regulations	Understanding of the anti-money laundering system and training customized for each department	Providing 'customized compliance training' to convey the message clearly Selecting the next month's department for training at the end of every month, then providing department- or job-specific training	Leveraging the Life TV Job Training Broadcast and Compliance News (Compliance Report) and sharing messages from the management through LifeIN (Internal Webzine) to continuously expand a culture of compliance	Workshops for compliance managers, etc.
6,977 employees/year	32,947 employees/year	262 employees/year, 13 sessions	Conducted monthly	Conducted twice a year

Compliance Management Monitoring

We are practicing compliance management through the establishment of a compliance management system and various internal control activities. We monitor the status of compliance management to prevent the risk of violating of laws and regulations, and are striving to build a stronger system in this respect. In addition, through internal control activities, we are working to expand our compliance culture by providing employees with guidance on laws and regulations and building consensus.

Compliance Management Monitoring System



1) UI: User Interface
2) AML: Anti-Money Laundering
3) CDD: Customer Due Diligence
4) STR: Suspicious Transaction Report
5) RBA: Risk Based Approach

Compliance Management Monitoring System

Building a Culture of Compliance Management

Operating the Cyber Ombudsman System	Improper Solicitation and Graft Act	Regulation Improvement Desk	Incentives for Autonomous Management
• Operate the Cyber Ombudsman system, a reporting channel for stakeholders to prevent illegal or unethical conduct in violation of compliance management	• Handle inquiries regarding the Improper Solicitation and Graft Act and suggest measures regarding application of the company's internal policies	• Communicate with the field and improve unreasonable regulations within and outside the company	• Operate workshops for compliance managers • Reward departments for outstanding autonomous compliance management

Furthermore, through inspections of the actual operation of compliance management, we are guiding employees and promoting a culture of compliance. This helps form a consensus on compliance with laws and regulations. In particular, to prevent any potential risk of legal violations, we are working to reinforce the compliance management system by inspecting the operations of our internal controls, including the business procedures of key departments.

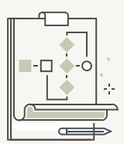
Written Inspections of Overseas Subsidiaries

Samsung Life has carried out two on-site inspections of our overseas subsidiary (Thai Samsung Life Insurance PCL) regarding its AML system, through which were able to suggest steps for improvement. In 2019, we verified in writing that the above-mentioned checklist items were actually applied and suggested additional improvements. We will continue to strengthen internal controls, including those for our overseas subsidiaries, by advising on the implementation of AML at Thai Samsung Life Insurance PCL.

Operating the Compliance Program

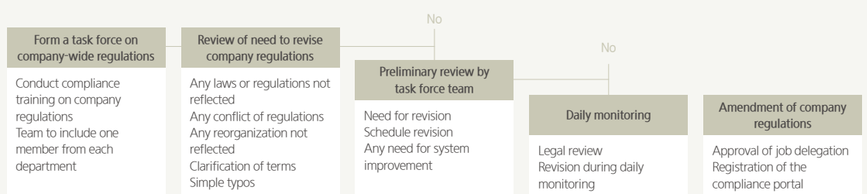
Through our compliance program, Samsung Life prevents unfair trade practices among employees and unfair competition that disturbs the fair market order, while our compliance manual provides guidelines on proper business conduct. We carry out on-site compliance inspections in accordance with our annual inspection plans, focusing on the prevention of unfair trade practices, illegal conduct, mis-selling and improper sales activities. These are examined in the context of contract execution and sales, production standards regarding insurance guide materials, and processes and procedures focused on attracting customers.

BUSINESS CASE



Inspection of Company-wide Regulations

In the first quarter of 2020, we updated all company regulations following a review of how regulations are observed in all departments to identify the areas that need to be revised. This included laws or regulations that have not been reflected and conflicts between regulations. Moreover, the name of the organization was changed to reflect its renewed purpose, and company regulations were revised in accordance with the organization and its responsibilities. In the future, we plan to thoroughly strengthen the pillars of compliance management, which will include updating the regulations every two years.



Integrity Management

Integrity Management System

Early Prevention	Communication	Audit (Verification) and Analysis	Monitoring and Follow-up Management
• Employee training (one session/year) • Provide employee guidelines via company intranet	• Build consensus with external stakeholders on practicing integrity management (homepage, e-procurement system) • Operate hotline for reporting violations, provide feedback on results	• Carry out audit (verification) and analysis of all operational processes, including finance, compliance, work practices, management and IT	• Examine the fundamental causes of various risks and identify areas for improvement • Establish action plan and carry out continuous monitoring of its execution

Training

Samsung Life is operating a wide range of training programs for employees with the aim of building and spreading our culture of integrity management. First, at least once a year, management provides direct training to all employees on the direction and importance of the company's integrity management and on details of its implementation. Also, integrity management is included as an essential part of the curriculum for new employee onboarding, sales managers and training for each position and job. Training for sales managers in particular is specialized to include recent cases related to their jobs, to prevent the recurrence of such incidents. Finally, with the operation of an ethical management site on the company intranet, we enable employees to learn about and practice integrity management at all times.

Communication

Making use of its communication channels, Samsung Life is always sharing its philosophy of integrity management with external stakeholders, including customers, shareholders and trading partners. The key action items published on the ethical/compliance management section of our homepage express the company's firm determination to practice integrity management. Furthermore, we take proactive steps to prevent employees from using their position to make inappropriate requests, and to maintain win-win business relationships, we provide guidelines on integrity management through the e-purchasing system and operate a reporting channel for violations.

Internal Reporting Process

We have a hotline available on the company's intranet ethical management page for reporting internal fraud. Employees and consultants can submit reports violation of integrity management securely through various channels (Web, e-mail, phone, and mail). The identity of the reporting person and the contents of the report are kept strictly confidential, and the investigation is conducted in a private manner. Measures are taken, based on internal and external regulations, according to the severity of the matter.

Audit (Verification) and Analysis

With the goal of increasing company and strengthening trust with our shareholders, Samsung Life is constantly identifying and mitigating risk in the pursuit of integrity management. Integrity management means not only legal and regulatory compliance by the company and its employees, but analysis and improvements to company processes from the point of view of the customer. The outcomes of Samsung Life's integrity management activities are regularly reported to the Audit Committee (6 sessions held in 2019).

Monitoring and Follow-up Management

For various types of risks found in the auditing (assurance) and consulting processes, we analyze the fundamental causes and identify areas for improvement. Afterward, we establish solutions and action plans in cooperation with relevant departments in the company, and continuously monitor their implementation as part of the follow-up improvement process.

Risk Management

Risk Management Organization

Under the BoD, Samsung Life operates the Risk Management Committee, the highest decision-making body in terms of risk management. The committee is made up of one internal director and two independent directors. It is responsible for the monitoring and management of risk, which includes the enacting and revising of relevant regulations, establishing procedures, setting permissible limits and guidelines by risk type, and revising the BCP (Business Continuity Plan). Along with the Risk Management Committee, the RM Support Part of the Financial Group operates a risk management governance system and manages the ratio of integrated capital adequacy for the Samsung finance affiliates[1]. Also, in order to actively correspond to the changes in the business environment, the specified teams have been separately organized to handle issues such as IFRS17 and K-ICS.

1) Samsung finance affiliates: Samsung Life Insurance, Samsung Fire & Marine Insurance, Samsung Card, and Samsung Securities

Major Functions of Risk Management Committees by Sector

Risk Management Committee

Insurance Risk Management Committee	Makes decisions on operational standards concerning underwriting and claims payment assessment
Product Committee	Makes decisions on new product development and revision, sales suspensions and applicable rates
Variable Insurance Risk Management Committee	Makes decisions on variable warranty options, hedging and operational strategies
Scenario Management Committee	Sets out various scenarios and calculation standards for determining profitability and risk
Asset Risk Management Committee	Establishes risk management policies and makes decisions on operational guidelines for assets
Asset Management Committee	Makes decisions on investment/loans related to shares, bonds, real estate, derivative products, etc.
Crisis Management Committee	Establishes and operates BCP for emergencies
Incident Management Committee	Responds to major financial incidents that require company-wide responses

BCP Management

For the safe management of our customers' assets and their financial information, Samsung Life has set up and operates a Business Continuity Plan. Also, we have a backup system to ensure information remains intact in the event of unforeseen disasters or catastrophes. By implementing annual mock training, the stable operation of the backup system can be tested and verified. Since 2008 we have completed the international certification process to verify the suitability of our BCP. In the face of a constantly changing business environment, our management system not only covers core business activities but also areas relating to our subsidiaries, such as data centers and call centers.

Major Roles of the BCP
① Conducting risk assessments and managing incidents
② Analyzing the impact of our business
③ Establishing work resumption strategies
④ Setting up alternative business sites
⑤ Conducting mock training
⑥ Conducting internal/external monitoring of BCP management activities and reporting to executives/BoD
⑦ Assigning and fostering personnel exclusively in charge of BCP
⑧ Maintaining and managing all of the above

Risk Management Considering Economic Capital

Samsung Life balances profitability and risk through its ERM (Enterprise Risk Management) system, which calculates and manages the RBC ratio in line with our company valuation and the total amount of corporate risk. EC (Economic Capital), a tool for measuring total corporate risk, is categorized into five types, which are ALM, insurance, credit, market and operation. EC provides the foundation for risk-sensitive business activities, including asset management and product development. We use it to consider risk in terms of the profitability of investment decisions and launching new products. By applying our calculation method for valuation and risk, which aligns with Solvency II, ICS (Insurance Capital Standard) and other global standards, we have enhanced our ability to respond promptly to any changes in risk. Going forward, we plan to update our computation standards and methods for internal models of interest rate, market and credit risk to meet the international standards.

Establishing an EC-based ERM system

Measuring Company-wide/Specific Risks
- Identifying worst-case scenarios
  Measuring company-wide and specific risks
- Developing profitability indexes using EC sensitivity analyses of stock price, etc.

Reflecting Risk in Business Activities such as Limit Management
- Setting a target RBC ratio
- Setting and managing risk limits
- Systematizing risk measurements
- Rebuilding the ALM system

Systematizing Risk Management

For systematic risk management, Samsung Life categorizes risks into several types - risks related to insurance, ALM, credit, market, liquidity and operations - and sets permissible limits and guidelines on measuring each type of risk. In particular, we operate a Value at Risk (VaR)-based measurement system for quantitative risk management and carry out risk situation analyses on a regular basis. Moreover, we detect and actively respond to potential risks in advance.

Managing Core Risks

Insurance Risk
- Reducing insurance risk by managing the loss ratio (paid insurance claims/risk premium), maximum amount of claims payable, underwriting and reinsurance management

Interest Rate (ALM) Risk
- Reducing interest rate risk by managing the net interest margin (difference in interest on assets and liabilities), reducing the duration gap, and asset/liability matching

Credit Risk
- Granting/managing counterparty credit limits: reducing risk by managing changes in credit through regular follow-up trend reviews

Market Risk
- Managing losses in worst-case scenarios, managing capital distributions to shareholders, currency hedging in case of foreign currency exposure

Emerging Risks

Millennial Consumer Trends

Millennials, accounting for over 40% of the entire insurance market, are emerging as key consumers. Having experienced economic and social change, millennials show consumption behaviors different from those of the older generation. They seek to minimize the cost of financial transactions by proactively researching and comparing information. They also prefer to buy products online or through mobile applications, and they like to have products that are personalized. As we strive to deliver genuine value to our millennial customers, Samsung Life will strengthen customer service by streamlining and digitizing insurance transactions; expanding partnerships and online channels; providing social channels for communication with millennials; and offering competitive, differentiated products based on customer needs.

Growth of Digital-based Financial Platforms

Along with traditional financial companies, IT platform companies are entering the insurance market with digital technologies and new business models. Samsung Life is strategically discovering and investing in promising startups to establish long-term partnerships and actively discover new business opportunities. Furthermore, we will invest heavily in building digital infrastructure. This will enable us to continue strengthening our competitiveness by integrating digital technologies throughout the value chain in areas such as product development, management of in-force policies, and insurance payment processing.

BUSINESS CASE

Our Preparations for Successful Implementation of the IFRS17

Key Tasks
- Pilot operation of the response system
- System stabilization
- Activities to ensure the firm establishment of IFRS17

With the IFRS17 (International Financial Reporting Standards) due to take effect in 2023, Samsung Life is responding in various ways based on a thorough and accurate analysis of risks and opportunities. Unlike IFRS4, which allows entities to apply local accounting practices, IFRS17 is expected to change the paradigm of the overall management of insurance companies, including insurance products, sales, business management and asset management. It will require consistent accounting standards across all countries.
Accordingly, we will ensure a smooth transition to IFRS17 by implementing the system and re-managing risks in response to the new business environment. In 2017, we established specific standards and a master plan for the adoption of IFRS17, and in the first half of 2018, we launched a project to establish the IFRS17 system. In order to introduce IFRS17, Samsung Life completed the system's development in April 2020, and it is now in the process of stabilization.

Financial Information Security System

To strengthen financial information security, Samsung Life is setting out and implementing tasks in line with three major strategic aims.

Target	Prepare a Solid Foundation for New Growth based on Convergence Security		
Strategic Directions	Expand the Scope of Information Security Inspection	Strengthen Security Controls on New Technologies	Reinforce Monitoring Based on Threat Analysis
Key Tasks	• Diversify methods of online/mobile authentication and strengthen self-authentication for electronic financial services • Expand the scope of on-site security inspections and reinforce relevant activities • Strengthen compliance in companies handling customer information	• Analyze and respond to threats associated with new technologies such as open API[1], open source and new programming languages • Set up a big data-based authorization regularly adjusted • Reinforce authentication systems and protections in response to increased online/mobile transactions	• Construct AI- and behavior-based systems to detect threats (applying additional authentication) • Automate monitoring of security policy violations, etc. • Standardize the process to control customer information (From collection to deletion)

1) API: Application Programming Interface

Strengthening Information Security Management

Information Security Management Certification

With cyber threats growing, customer information security is becoming ever more important. In response, Samsung Life has established a proactive information security response system and has acquired the ISO27001 certification for information security management systems. This certification assesses risk management, security policies and asset categorization, and is renewed each year through surveillance on the latest security threats and regulatory matters. In the 2019 assessment, which was conducted as part of surveillance held each year after renewal, no inconsistencies were found. With this certification, we will continue our security management efforts, raise employee awareness of and competence in information security, promote customer confidence, and further strengthen our compliance activities in finance IT and security.

Information Security Management Organization

To reinforce our responsibilities and roles in information security, we appoint a CISO (Chief Information Security Officer) and a Credit Information Administrator/Guardian to take charge of planning, coordinating and reviewing our overall security management of company and customer information.

Information Security Committee

For the purpose of company-wide customer information protection and compliance with related laws/regulations, Samsung Life operates two relevant committees. The Company-wide Security Committee is the highest decision-making body regarding information security, led by the CSO (Chief Security Officer). The Information Security Committee, meanwhile, serves to deliberate and make decisions on personal information and IT, led by the CISO.

Company-wide Security Committee (Led by the CSO)	Information Security Committee (Led by CISO)
• Meets on a quarterly basis to deliberate on matters not agreed upon at the Information Security Committee • Discusses and resolves security-related matters • Participants: CISO, executives of the IT and facility management departments and compliance managers	• Meets on a monthly basis to discusses agenda items specifically related to personal information protection and information security • IT officers participate in discussing and resolving relevant matters • Participants: Security, compliance, development and operation departments

Managing Information Security

As part of our efforts to protect customer information, Samsung Life has conducted a total of eight company-wide security inspections, two special inspections and two inspections of its partners. This enables us to strengthen security awareness among our employees and consultants, as well as employees hired by our partners. At the same time, to find weak spots in a wider range of areas such as our website, we have introduced a vulnerability check program. These regular security checks ensure that our customers' information is securely protected. Furthermore, as part of our system to respond to information leakage, we maintain security monitoring 24 hours a day, 365 days a year through a professional security company, which we enhance by developing additional scenarios if irregularities are detected. Additionally, we were evaluated highly in a 2019 comprehensive examination by the Financial Supervisory Service, which reviewed approximately 170,000 cases of authorization granted by our systems. Every year, for all new and changed financial services, we carry out more than 1,000 reviews looking for any illegal handling of customer information that could occur in the processing of personal data.

1) DDoS: Distributed Denial-of-Service Attack
2) APT: Advanced Persistent Threat

Preventing Security Incidents	Reinforcing Security Inspection	Strengthening Security with New Technologies
• Conduct mock training to respond to customer information leakage from DDoS[1] or APT[2] attacks • Provide information protection training to employees and partners • Establish security architecture such as cloud and RPA • Store customer information separately; establish standards for the deletion/destruction of customer information	• Conduct frequent monitoring for irregularities • Conduct company-wide security inspections on a monthly basis • Conduct security inspections of companies handling personal information • Review the appropriateness of authority granted to handle personal information • Establish solutions for information leakage through mobile terminals	• Establish processes for new certification systems, including Kakao certification and non-face-to-face identification • Examine the legality of personal information collection using new technologies such as scraping • Establish control processes for RPA

Measuring Security Levels

With the aim of improving employee security standards, Samsung Life has included the security index in the 5 'To-Dos' of employees since 2019. The security levels of employees and departments are also evaluated on a monthly basis. The assessments are conducted on the completion rate of information security training, performance in mock training for infection from a malicious e-mail, security inspection violations, as well as personal information management status, which is also taken into account in our employees' own evaluations. As part of our efforts to raise security awareness among our employees in the future, we will continue to improve the evaluation items, which will also be consistently reviewed.

Name of Inspection	Targets	Inspection Items
Company-wide Security Inspection	Head office and field offices (divisions/regional offices)	Compliance with general security regulations for personal information, neglect of information assets
Security Inspection of Partners	Persons in charge of IT development and operation, projects, and IT centers	PC security management, management of access to assets and personnel
Security Inspection of Companies Handling Personal Information	Law offices, designated hospitals, appraisers, etc.	55 items, including information security policies, physical security and destruction
Thematic Inspection	The international money transfer system (SWIFT) Digital forensics in high-risk systems	Control of accounts and authorizations in the SWIFT system, blocking of outside communications Preventing malicious code, blocking outside communications and unnecessary services

BUSINESS CASE



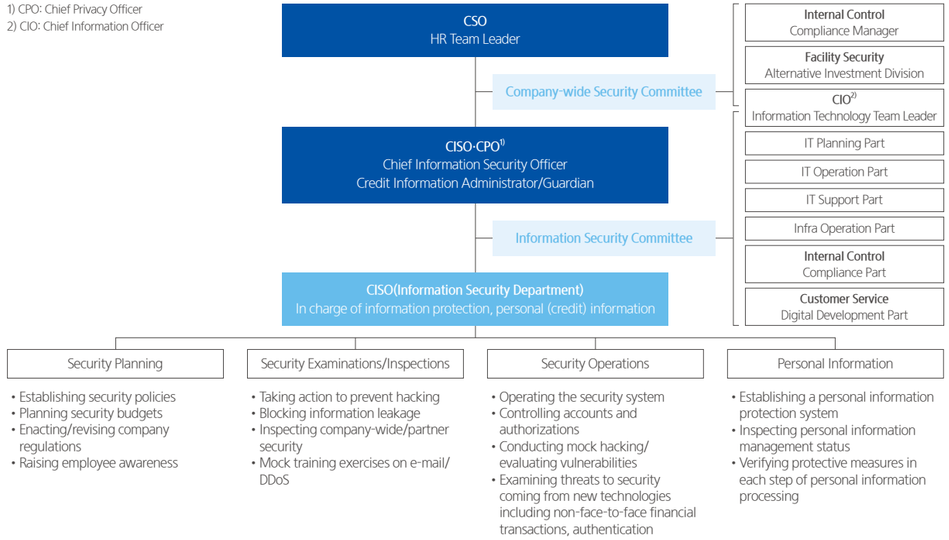
Reinforcing Security Controls to Expand Electronic Financial Services

Samsung Life has introduced a range of authentication methods in order to enhance customer convenience in electronic financial services. We deliberate on these authentication methods as part of our efforts to comply with standards and procedures set by financial supervisory institutions and to promote safe financial transactions for customers. Accordingly, we reviewed the appropriateness of simple authentication and that of self-authentication methods in non-face-to-face financial transactions, and we analyzed and assessed vulnerabilities on newly developed digital channels for secure financial transactions. This has enabled us to enhance safety, security and convenience, resulting in increased competitiveness in digital financial services.

Establish plans for developing electronic financial services → Examine legality of electronic financial transaction medium → Inspect electronic financial service for security weaknesses → Provide electronic financial service

Information Security System

1) CPO: Chief Privacy Officer
2) CIO: Chief Information Officer



Personal Information Protection Activities

Strengthening the Information Leakage Prevention Activities

As part of our efforts to protect and prevent the wrongful disclosure of customer's personal information, we strictly prohibit unauthorized users from accessing our customer information processing system. Furthermore, we review the appropriateness and necessity of authorizations granted for work systems, servers and databases on a regular basis. In 2019, we reviewed 185,488 and 174,160 authorizations in the first and second halves of the year respectively, and about 3.6% of these were deemed unnecessary and revoked. Furthermore, we undertake regular inspections of companies to which we outsource customer information in order to examine the status of information to be managed. In 2019, we completed security inspections in a total of 294 companies. With these efforts, we have strengthened the security level of the companies handling our customers' personal information. Consequently, we experienced no privacy violations or information disclosures in 2019.

Strengthening Company-wide Information Protection

Samsung Life ensures better information security by providing security training to all its employees, partner companies and consultants, while sharing the latest security issues and holding security inspections on a regular basis. In 2019, as part of our efforts to manage new security vulnerabilities in the cloud environment and deal with emerging issues with the 4th Industrial Revolution, including FinTech and big data, we focused on detecting and removing external security threats by following the Guidelines on Financial Companies Using Cloud Services and the Guidelines on the Anonymization of Personal Information.

Performance in 2019	Plans for 2020
Security Education • Held personal information protection education for all its employees, partner companies and consultants • Raised employees' security awareness through in-house broadcasting	**Security Training** • Expand in-house communication on information security • Expand offline education for on-site personnel and security officers in each division • Reinforce training for security personnel to foster experts in new technologies
Sharing of Security Issues • Distributed the monthly e-mail 'Information Protection Alert,' sharing the latest security-related issues and security breach cases (e.g., phishing emails and ransomware)	**Sharing of Security Issues** • Continue to distribute the latest information on security issues and trends • Distribute case studies on security incidents and security inspection results • Provide guidelines for compliance with recent revisions to three key information protection laws (Data 3 Act)

CEO Data Protection Declaration

Declaration of Intent to Protect Information by the CEO of Samsung Life

This declaration expresses the determination of the Samsung Life CEO and the company's Chief Information Security Officer to protect information.

Samsung Life provides financial products and services such as life insurance, savings insurance, pensions and loans, as well as insurance deposits, payments and policy loans.

The Company is striving to comply with laws and regulations on information protection, including the Electronic Financial Transactions Act and the Personal (Credit) Information Protection Act, and emphasizes the protection of customer information as its highest value.

Major controls for information protection are applied to financial and personal information processing systems, and crucial documents such as subscriptions and agreements, as well as employees and outsourced personnel.

As part of our efforts to control the security of important documents, security inspections are carried out at all times to process customer information in a secure manner at each step, from collection and storage to use and disposal. In addition, all documents are encrypted when stored, and security solutions are in place to prevent the leakage of customer information when documents are printed.

Through the financial and personal information processing system, we aim to prevent the leakage of customer information and the accessing of such information by unauthorized employees. To achieve this, we issue authorizations strictly as needed, verify the appropriateness of such authorizations and revoke any that are unnecessary. Accordingly, we make constant improvements to minimize the risk of unauthorized data access and leakage.

Moreover, we are reinforcing our efforts to prevent leakage risks in advance by conducting regular security inspections on our employees, outsourced project personnel, personnel contracted for ITO services, and outsourced maintenance personnel.

As we strive to protect customer information and provide secure electronic financial services, we are committed to satisfying all customer demands in this regard. We will conduct preliminary security inspections and vulnerability checks, hold company-wide security inspection days, encrypt customer information, maintain PC security controls, reinforce monitoring of those with security exceptions, provide information protection training to employees to raise security awareness, and hold mock training to swiftly respond to hacking attacks.

Finally, in compliance with legal requirements and international regulations, we at Samsung Life will enhance our information protection activities by strengthening the security organization and the expertise of our personnel. To prevent security incidents, we will continuously conduct inspection and control activities and actively endeavor to achieve our information protections goals.

Youngmuk Jeon

Approved by:
CEO JEON, Young Muk

APPENDIX

Sustainability Management Data	95
Materiality Assessment	102
GRI Index	104
Independent Assurance Statement	106
Awards and Memberships	108
Endorsement of Global Initiatives	110
About This Report	111

Sustainability Management Data

Financial Performance

The global economy faces growing uncertainties and an increasing risk of economic downturn due to the longstanding US-China trade dispute, COVID-19, and a host of other factors. Despite such an environment, however, Samsung Life has been promoting innovation across all areas, including product, channels, customers and costs, to strengthen its competitiveness. Our consolidated net income in 2019 came to KRW 977.4 billion, representing a year-on-year decline of 19.2% when excluding one-off factors. Total assets, however, increased 8.1% from the previous year to KRW 313 trillion. In 2020, Samsung Life aims to recover the decline in investment margin from the prolonged low-interest-rate environment and volatile financial markets by restoring growth in mortality margin and continuing cost control efforts.

New Business APE and APE by Product

Samsung Life's total new business APE in 2020 declined from the previous year by 2.8% to KRW 2.574 trillion. However, APE of protection products, where most of our sales are focused, increased by 9.3% to KRW 1.904 trillion. This is the result of reinforced market dominance in the protection market achieved through enhanced competitiveness of our health product lineup and a prompt response to health market expansion utilizing our exclusive agent network. In 2020, we launched Long-term Care products and revised our cancer policies. Meanwhile, the decline in total APE was due to a fall in annuity and savings APE, which was influenced by the continued low-interest-rate environment. In 2020, Samsung Life aims to accelerate its entry into the health insurance market by launching new products and reinforcing channel competitiveness, and thereby increase protection APE.

	Unit	FY 2017	FY 2018	FY 2019
Total APE	KRW trillion	2.8	2.6	2.6
Protection APE	KRW trillion	1.6	1.7	1.9

Value of New Business

The value of new business in 2019 grew by 23.6% to KRW 1.362 trillion, backed by the improved product mix focused on high-margin protection products. In the same context, new business margin expanded by 11.3%p to 52.9% due to strong sales of high margin health products. In 2020, Samsung Life will move quickly to adapt to changes in the market for protection products, while balancing sales volume and profitability to grow the value of new business year-on-year.

	Unit	FY 2017	FY 2018	FY 2019
EV[1]	KRW trillion	38.6	32.4	36.5
Value of New Business	KRW trillion	1.1	1.1	1.4
New Business Margin	%	40.9	41.6	52.9

1) Changes to data for 2017 and 2018 due to revised calculation

Persistency

	Unit	FY 2017	FY 2018	FY 2019
13th Month	%	88.0	87.2	84.7
13th Month (Protection)	%	86.2	83.2	81.7
25th Month	%	75.0	71.9	69.5
25th Month (Protection)	%	73.3	69.2	62.4

Economic Performance and Distribution

Through dividend payments, claims payments, social contributions and tax payments, Samsung Life is committed to fairly distributing its economic performance to diverse stakeholders, including shareholders, customers, employees and the local community.

	Unit	Operating Expenses (Excluding allocation to employees)	Government (Income taxes)	Shareholders (Dividends)	Customers (Claims paid, policy reserves)	Local Communities (Social contribution donations and expenses)	Employees (Wages, bonuses, benefits, severance pay)
Economic Performance Distribution	KRW 100 million	14,080	3,751	4,759	204,712	822	7,684

1) Consolidated Statement of Financial Position

64th Term: As of December 31, 2019
63rd Term: As of December 31, 2018
62nd Term: As of December 31, 2017

(Unit: KRW million)

Category	62nd Term	63rd Term	64th Term
I. Cash and cash equivalent	4,055,552	3,434,345	5,207,649
II. Financial assets at fair value through profit or loss	2,861,654	3,488,145	4,072,253
III. Available-for-sale financial assets	146,042,900	147,638,963	166,997,576
IV. Gain on financial assets at fair value through profit or loss	297,696	280,873	280,147
V. Realized gains on available-for-sale financial assets	67,072,166	73,182,513	71,754,486
VI. Derivative financial assets for hedge accounting	689,402	710,094	561,431
VII. Investments in associates and joint ventures	1,629,010	1,346,611	1,379,148
VIII. Financial lease-backed bonds	559,238	376,524	237,508
IX. Assets held for sale	49,691	-	98,637
X. Investment property	6,812,422	7,297,969	6,448,735
XI. Tangible assets	1,065,818	822,577	735,119
XII. Intangible assets	1,004,315	850,605	743,372
XIII. Right-of-Use assets	-	-	206,188
XIV. Current tax assets	543,749	1,187	527,715
XV. Deferred tax assets	765	991	1,012
XVI. Other assets	4,705,774	4,062,368	3,715,998
XVII. Separate account assets	45,323,665	45,933,890	49,795,298
Total assets	**282,713,817**	**289,427,655**	**312,762,272**
I. Insurance contract liabilities	166,897,872	173,943,448	180,492,968
II. Policyholders' equity adjustment	9,599,619	8,208,565	11,528,465
III. Financial liabilities at fair value through profit or loss	15,441	19,419	139,237
IV. Other financial liabilities	19,663,333	22,484,393	20,377,319
V. Derivative financial liabilities for hedge accounting	239,429	266,692	455,285
VI. Current income tax liabilities	78,715	363,813	138,986
VII. Deferred income tax liabilities	6,668,710	5,293,854	7,850,375
VIII. Provisions	239,350	335,416	251,896
IX. Other liabilities	1,009,339	1,029,980	1,067,791
X. Separate account liabilities	47,180,437	46,976,616	53,143,545
Total liabilities	**251,592,245**	**258,922,196**	**275,445,867**
I. Equity of parent company	29,358,947	28,902,094	35,667,037
1.Capital stock	100,000	100,000	100,000
2.Capital surplus	63,084	125,115	125,115
3.Capital adjustments	(2,116,955)	(2,116,955)	(2,116,955)
4.Accumulated other comprehensive income	17,073,526	15,245,998	21,509,453
5.Retained earnings	14,239,292	15,547,936	16,049,424
II. Non-controlling interests	1,762,625	1,603,365	1,649,368
Total equity	**31,121,572**	**30,505,459**	**37,316,405**
Total liabilities and equity	**282,713,817**	**289,427,655**	**312,762,272**
No. of subsidiaries for consolidation	**102**	**103**	**107**

2) Consolidated Statement of Comprehensive Income

64th Term: January 1 to December 31, 2019
63rd Term: January 1 to December 31, 2018
62nd Term: January 1 to December 31, 2017

(Unit: KRW million)

Category	62nd Term	63rd Term	64th Term
[Operating revenue]	31,959,034	32,240,885	31,804,022
[Operating expenses]	30,268,428	29,657,574	30,551,441
[Operating income]	1,690,606	2,583,311	1,252,581
[Non-operating revenue]	178,496	364,121	211,824
[Non-operating expenses]	186,330	581,731	37,616
[Consolidated earnings before taxes]	1,682,772	2,365,701	1,426,789
[Income tax expenses]	419,565	631,991	375,097
[Profit for the year]	1,263,207	1,733,710	1,051,692
[Other comprehensive income (loss), net of tax]	1,781,097	(1,849,565)	6,269,724
[Total comprehensive income for the year]	3,044,304	(115,855)	7,321,416
1. Profit attributable to:	1,263,207	1,733,710	1,051,692
Ownership equity of parent company	1,166,121	1,664,382	977,391
Non-controlling interests	97,086	69,328	74,301
2. Total comprehensive income attributable to:	3,044,304	(115,855)	7,321,416
Ownership equity of parent company	2,929,387	(163,146)	7,240,846
Non-controlling interests	114,917	47,291	80,570
[Earnings per share (Unit: KRW)]	6,494	9,268	5,443
No. of companies included in consolidation	102	103	107
Domestic	89	94	97
Overseas	13	9	10
No. of subsidiaries listed in Korea	1	1	1

Tax Policy

As one of the three major components of Korea's national economy, companies are required to fulfill their tax obligations in order to support the central government and public organizations. As a parent company obliged to produce consolidated financial statements, Samsung Life fulfills its duty to pay taxes in accordance with domestic and international tax laws and ensures that its subsidiaries located in Korea and overseas do the same.

Disclosure of Tax Information

In order to fulfill its tax obligations Samsung Life ensures the transparency and objectivity of its tax information through external audits and discloses the former in a transparent manner. Information disclosed via http://dart.fss.or.kr/ provides detailed items including income tax expense calculation standards, deferred tax assets and liabilities, as well as the composition and tax rate of income tax expenses.

Tax Risk Management

In order to identify and manage various tax risks, Samsung Life constantly monitors domestic and overseas tax-related regulations and government policies. In addition, our internal control system enhances the reliability and accuracy of the tax reconciliation and accounting process. To minimize tax-related risks, we receive tax consultations from external experts when there are discrepancies or disagreements regarding interpretations of tax law.

	Unit	FY 2017	FY 2018	FY 2019
Income tax paid[1]	KRW million	122,120	1,336,228	145,897
Deferred tax[2] changes due to temporary difference	KRW million	1,696,884	(1,375,082)	2,556,500
Income tax expense directly included in capital[3]	KRW million	(1,399,439)	670,845	(2,327,300)
Income tax expense[4]	KRW million	419,565	631,991	375,097

1) Income tax paid = Current corporate taxes
2) Deferred tax: Expected amount of deferred tax changed due to a temporary difference between accounting income and taxable income
3) Income tax on change in value paid to shareholders
4) Income tax expense = 1) Current income tax + 2) Deferred income tax + 3) Income tax expense included in capital

3) Consolidated Statement of Changes in Equity

64th Term: January 1 to December 31, 2019
63rd Term: January 1 to December 31, 2018
62nd Term: January 1 to December 31, 2017

Samsung Life and Samsung Life's subsidiaries

(Unit: KRW million)

	Ownership Equity of Parent Company							
Category	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Ownership equity of parent company	Non-controlling interests	Total
December 31, 2017 (end of year before prior year)	100,000	63,084	(2,117,768)	15,310,260	13,288,661	26,644,237	1,664,211	28,308,448
I. Total comprehensive income for the year								
1. Profit for the year	-	-	-	-	1,166,121	1,166,121	97,086	1,263,207
2. Change in value of available-for-sale financial assets	-	-	-	1,826,723	-	1,826,723	13,736	1,840,459
3. Change in value of held-to-maturity financial assets	-	-	-	(186)	-	(186)	-	(186)
4. Change in value of derivative financial instruments for hedge accounting	-	-	-	(32,331)	-	(32,331)	4,453	(27,878)
5. Shares of other comprehensive income (loss) of associated and joint ventures	-	-	-	3,918	-	3,918	-	3,918
6. Other comprehensive income of separate accounts	-	-	-	(36,173)	-	(36,173)	-	(36,173)
7. Profit and loss in conversion from overseas business	-	-	-	(11,353)	-	(11,353)	(1,422)	(12,775)
8. Remeasurements of net defined benefit plans	-	-	-	12,668	-	12,668	1,064	13,732
II. Dividends paid to shareholders								
1. Annual dividends	-	-	-	-	(215,490)	(215,490)	(39,528)	(255,018)
2. Acquisition of treasury stock	-	-	813	-	-	813	23,025	23,838
December 31, 2017 (end of year before prior year)	100,000	63,084	(2,116,955)	17,073,526	14,239,292	29,358,947	1,762,625	31,121,572
January 1, 2018 (beginning of prior year)	100,000	63,084	(2,116,955)	17,073,526	14,239,292	29,358,947	1,762,625	31,121,572
Effect of change in accounting policy	-	-	-	-	2,949	2,949	-	2,949
Amount after modification	100,000	63,084	(2,116,955)	17,073,526	14,242,241	29,361,896	1,762,625	31,124,521
I. Total comprehensive income for the year								
1. Profit for the year	-	-	-	-	1,664,382	1,664,382	69,328	1,733,710
2. Change in value of available-for-sale financial assets	-	-	-	(2,031,781)	-	(2,031,781)	(7,753)	(2,039,534)
3. Change in value of held-to-maturity financial assets	-	-	-	(16)	-	(16)	-	(16)
4. Change in value of derivative financial instruments for hedge accounting	-	-	-	160,142	-	160,142	(13,467)	146,675
5. Shares of other comprehensive income(loss) of associated and joint ventures	-	-	-	2,387	-	2,387	-	2,387
6. Other comprehensive income of separate accounts	-	-	-	45,544	-	45,544	-	45,544
7. Profit and loss in conversion from overseas business	-	-	-	14,683	-	14,683	419	15,102
8. Remeasurements of net defined benefit plans	-	-	-	(18,487)	-	(18,487)	(1,236)	(19,723)
II. Dividends paid to shareholders								
1. Annual dividends	-	-	-	-	(359,150)	(359,150)	(39,528)	(398,678)
2. Paid-in capital increase	-	-	-	-	463	463	-	463
3. Others	-	62,031	-	-	-	62,031	(167,023)	(104,992)
December 31, 2018 (end of prior year)	100,000	125,115	(2,116,955)	15,245,998	15,547,936	28,902,094	1,603,365	30,505,459
January 1, 2019 (beginning of current year)	100,000	125,115	(2,116,955)	15,245,998	15,547,936	28,902,094	1,603,365	30,505,459
I. Total comprehensive income for the year								
1. Profit for the year	-	-	-	-	977,391	977,391	74,301	1,051,692
2. Change in value of available-for-sale financial assets	-	-	-	6,187,559	-	6,187,559	12,504	6,200,063
3. Change in value of derivative financial instruments for hedge accounting	-	-	-	(30,997)	-	(30,997)	(6,792)	(37,789)
4. Shares of other comprehensive income (loss) of associated and joint ventures	-	-	-	10,771	-	10,771	-	10,771
5. Other comprehensive income of separate accounts	-	-	-	97,423	-	97,423	-	97,423
6. Profit and loss in conversion from overseas business	-	-	-	24,758	-	24,758	3,594	28,352
7. Remeasurements of net defined benefit plans	-	-	-	(26,059)	-	(26,059)	(3,037)	(29,096)
II. Dividends paid to shareholders								
1. Annual dividends	-	-	-	-	(475,873)	(475,873)	(37,530)	(513,403)
2. Changes in retained earnings by applying equity method	-	-	-	-	(30)	(30)	-	(30)
3. Others	-	-	-	-	-	-	2,963	2,963
December 31, 2019 (end of current year)	100,000	125,115	(2,116,955)	21,509,453	16,049,424	35,667,037	1,649,368	37,316,405

4) Consolidated Cash Flow Statement

64th Term: January 1 to December 31, 2019
63rd Term: January 1 to December 31, 2018
62nd Term: January 1 to December 31, 2017

Samsung Life and Samsung Life's subsidiaries

(Unit: KRW million)

Category	62nd Term		63rd Term		64th Term	
I. Cash flow from operating activities		1,608,186		1,956,123		8,644,450
1. Cash generated from operations	(5,063,975)		(5,225,451)		1,954,925	
A. Profit for the year	1,263,207		1,733,710		1,051,692	
B. Adjustments in expenses and revenues	3,447,084		595,344		740,025	
C. Changes in operating assets and liabilities	(9,774,266)		(7,554,505)		163,208	
2. Interest received	6,678,669		7,051,418		7,031,226	
3. Interest paid	(346,715)		(421,230)		(460,634)	
4. Dividends received	773,515		1,077,663		1,043,877	
5. Income taxes paid	(433,308)		(526,277)		(924,944)	
II. Cash flow from investing activities		(3,835,319)		(4,411,023)		(5,665,167)
1. Proceeds from disposal of available-for-sale financial assets	8,471,322		10,934,657		8,474,108	
2. Payment for acquisition of available-for-sale financial assets	(12,506,795)		(15,149,903)		(14,859,272)	
3. Decrease in disposal of held-to-maturity financial assets	31,713		16,315		-	
4. Settlement of derivative financial instruments for hedge accounting	(68,383)		36,612		(188,510)	
5. Proceeds from disposal of investments in associated and joint ventures	(91,537)		(10,151)		(47,368)	
6. Payment for acquisition of investments in associated and joint ventures	15,820		3,592		127,527	
7. Payment for acquisition of investment properties/property and equipment	(338,829)		(1,443,356)		(181,408)	
8. Proceeds from disposal of investment properties/ property and equipment	867,021		996,110		772,523	
9. Payment for acquisition of intangible assets	(286,261)		(154,289)		(93,278)	
10. Proceeds from disposal of intangible assets	89,787		5,369		5,955	
11. Changes in consolidated coverage	(19,177)		354,021		324,556	
III. Cash flow from financial activities		1,558,230		1,832,879		(1,206,623)
1. Payment of dividends	(255,018)		(448,514)		(521,714)	
2. Decrease in lease liabilities	-		-		(143,325)	
3. Increase in loans	10,637,000		6,793,699		5,570,706	
4. Redemption of loans	(10,575,000)		(5,705,800)		(5,621,000)	
5. Issue of bonds	39,536,584		12,150,787		11,527,926	
6. Redemption of bonds	(38,232,267)		(11,548,693)		(12,415,905)	
7. Increase(decrease) in non-controlling interests	446,931		591,400		396,689	
IV. Net increase in cash and cash equivalents		(668,903)		(622,021)		1,772,660
V. Cash and cash equivalents at the beginning of the year		4,723,503		4,055,552		3,434,345
VI. Effects of change in foreign currency exchange rates on cash and cash equivalents		952		814		644
VII. Cash and cash equivalents at the end of the year		4,055,552		3,434,345		5,207,649

Social Performance

Samsung Life complies with Korean labor law and the regulations of the ILO (International Labour Organization) such as the 'Worst Forms of Child Labour Convention' and the 'Abolition of Forced Labour Convention.' We strictly prohibit discrimination on the basis of gender, race, age, social status, etc. In 2019, Samsung Life had no violations in this regard.

Employee Status

Category				Unit	2017	2018	2019
Employee Status	Total Number of Persons[1]			Persons	5,264	5,306	5,228
	By Type of Employment	Full-time employment	Male		2,865	2,834	2,834
			Female		2,248	2,288	2,220
		Indefinite contract employment	Male		6	6	6
			Female		3	2	3
		Expert/Special/General contract employment	Male		77	111	107
			Female		65	65	58
	By Age	Under 30 years	Male		318	266	215
			Female		647	615	532
		30-50 years	Male		2,399	2,358	2,294
			Female		1,614	1,661	1,647
		Over 50 years	Male		231	327	438
			Female		55	79	102
	New Employment				190	303	215
	Employees with Disabilities				1.5	2.9	3.1
	Turnover Rate[2]			%	0.4	0.4	0.5
	Retirement Rate[3]				1.6	1.7	1.2
Retirement Pension System Status	Defined Benefit-based			KRW 100 million	3,440	3,305	3,540
	Defined Contribution-based				598	707	893
Maternity and Childcare Leave Status[4]	Maternity and Parental Leave Utilization Rate			%	8.64	8.45	9.78
	Return-to-work Rate After Maternity and Parental Leave				93.5	97.4	97.8

1) Excluding insurance consultants, part-timers and employees under the flexible working hours system.
2) Those who have changed careers among those retired from full-time positions.
3) Those who have entered the company for full-time positions and retired.
4) To protect expectant mothers and caregivers, Samsung Life reduces working hours during periods requiring childcare, promotes parental leave (maximum of two years), offers counseling and childcare item rental services through the Maternity Protection Center, produces expectant mother name placards, provides goods to protect expectant mothers, and offers support for work assistants to adjust the workload of expectant mothers.

Talent Recruitment

To attract talent with expertise in their respective areas, we recruit for specific positions (sales and marketing, product development actuary, asset management, insurance support, digital finance, management support, etc.). We also strive to fulfill our social responsibilities by providing job opportunities year round for persons with disabilities. Last year, we exceeded the mandatory hiring rate for disabled persons (3.1%).

Labor-Management Relations

In order to establish harmonious labor and management relations based on a relationship of mutual trust and respect, we guarantee the right of Samsung Life's labor union to conduct autonomous activities and constantly share opinions about working environments and the conditions of our employees. This allows the labor union to collect requests for improvement to reach amicable agreements between labor and management on related issues. Since the establishment of Samsung Life's labor union, there has not been a single instance of dispute or conflict between labor and management. The issues resolved in the collective bargaining agreement apply to all employees, except executives.

Labor Union Status

Category	Unit	2017	2018	2019
Labor Union Members	Persons	3,379	3,370	3,225
Membership Rate	%	64	64	62

Environmental Performance

Samsung Life aims to be recognized as a respected global leader in green management. To achieve this, we are actively engaged in activities in the three key areas of Green Infra, Green Business and Green Activity. Through the green management system, we are pursuing efficiency in resource and energy use company-wide.

Energy Management

The Samsung Seocho Office and Samsung Group Headquarters have installed and are operating the BEMS (Building Energy Management System), managing indoor temperatures flexibly in accordance with government policy. Moreover, energy efficiency within our buildings is being enhanced through the installation of LED light fixtures and the replacement of outdated, energy-consuming equipment, such as old freezers and boilers.

Category	Unit	2017	2018	2019	2019 Target	2020 Target
Fuel	TJ	341	292	221	-	-
Electricity	TJ	1,323	1,063	834	-	-
Steam	TJ	21	13	12	-	-
Total	TJ	1,685	1,368	1,067	1,341	1,027
Amount of energy use per square meter	TJ/1,000m^2	1.1	1.1	1.1	-	-

* In addition to the Seocho Tower office, energy use includes 41 business sites and leased business sites (around 600), and includes non-building energy use by Samsung Life company cars

GHG (Greenhouse Gas) Management

The main sources of GHG emissions at Samsung Life are the electricity and gas used for temperature control and lighting within our buildings. Accordingly, we operate the GEMS (Greenhouse Gas & Energy Management System) and the BEMS to monitor and manage our energy use and emissions.

Category	Unit	2017	2018	2019	2019 Target	2020 Target
Direct emissions (Scope1)	tCO_2eq	37,027	38,560	33,740	33,491	33,065
Indirect emissions (Scope2)	tCO_2eq	65,043	52,055	40,949	45,210	40,130
Total emissions	tCO_2eq	102,070	90,616	74,689	78,701	73,195
Amount of GHG emissions per unit area	tCO_2eq/1,000m^2	65	74	77.5	-	-

* In addition to the Seocho Tower office, GHG emissions include 41 business sites and leased business sites (around 600), and include non-building energy use by Samsung Life company cars

Paper and Waste Management

Because the insurance industry consumes an especially large amount of paper, we are expanding our use of electronic documents. We have introduced digital signage to our sales offices, reducing the paper used for promotional materials, and we are expanding the proportion of notifications sent by mobile and encouraging the use of tablet PCs for price comparisons in the sales process.

Category		Unit	2017	2018	2019	2020 Target
General waste	Recycled	TON	2,293	1,127	696	-
	Outsourced	TON	546	223	107	-
Designated Waste	Outsourced	TON	2	0.4	-	-
Total output		TON	2,841	1,350	803	787
Paper consumed		TON	1,689.0	1,858.8	1,624.9	-

* In addition to the Seocho Tower office, waste includes 41 business sites and leased business sites (around 600)
** Paper consumption is the amount purchased between September of the previous year and August of the current year; paper density is calculated based on a standard of 75g/m^2 and 4.7g per sheet

Water Use Management

Most of Samsung Life's water use occurs among employees at the workplace, so we are emphasizing the conservation of resources as a part of changing employee modes of behavior. All of the waste water produced at our company is processed safely by specialized treatment companies run by local governments.

Category	Unit	2017	2018	2019	2020 Target
Tap water	m^3	1,161,701	1,019,217	879,717	862,123
Reusable wastewater	m^3	22,175	3,986	3,599	3,527
Total amount used	m^3	1,183,876	1,023,203	883,316	865,650

* In addition to the Seocho Tower office, water use includes 41 business sites and leased business sites (around 600)

Materiality Assessment

To identify material topics in the company's sustainability management, Samsung Life has conducted a series of analyses on international standards, companies in the same industry, media research and internal/external stakeholders.

Material Topic Selection Process

Step 1. Generate a Topic Pool

Throughout the analyses on the economic, environmental and social impacts of Samsung Life's business activities, we identified a pool of 34 potential topics and determined the issues addressed by each stakeholder group.

Analysis of International Standards	• Analyzed the requirements of international standards such as the GRI Standards, DJSI, ISO 26000, UN SDGs, etc. and identified issues
Review of Internal Materials	• Reviewed key articles in company letters/magazines from 2019 • Interviewed the leaders of relevant departments
Global Benchmarking	• Studied companies with outstanding results in sustainability management, reviewed sustainability management issues in our industry and relevant trends
Media Research	• Reviewed high-profile media publications in the year 2019 • Sample: Fifteen of Korea's national daily newspapers and business publications
Stakeholder Survey	• Sample: Internal and external stakeholders, including customers, employees, etc. (845 total respondents)

Groups of Key Stakeholders

	Customers	Employees and Consultants	Partner Companies	Government and Local Communities	Shareholders and Investors
Issues of Interest	• Development of customized products and services • Reinforcement of consumer protection and active communication with customers	• Field-centered management • Work/life balance • Employee competence-building	• Support for confidence-building • Communicating on a regular basis	• Transparent disclosures of official business • Practicing complete selling • Contributing to local communities	• Strengthening shareholder-friendly policies • Raising the company's qualitative value • Securing engines for sustainable growth
Key Communication Channels	• Consumer Panel • VOC systems	• Labor-Management Council • Company webzine and broadcast • Labor-management joint events	• Shared growth workshops • Regular surveys	• Employee volunteer activities • Social contribution programs • Sustainability Report	• General Shareholder Meetings, IR • Business Report and Sustainability Report

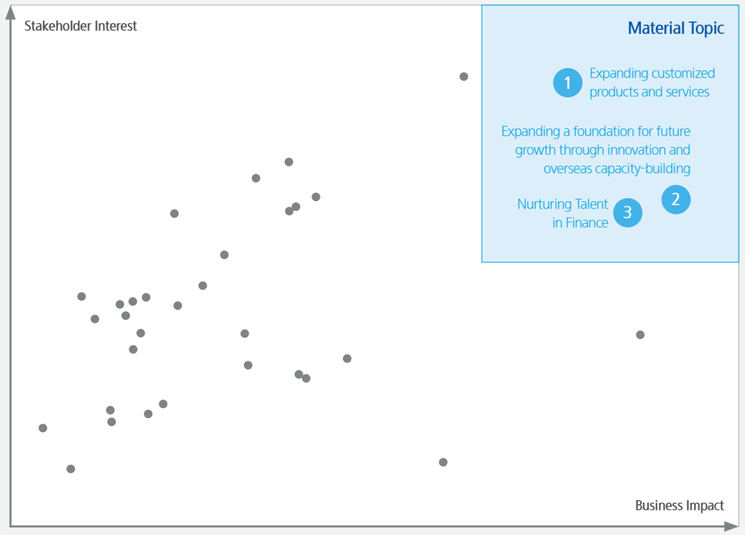
Step 2. Conduct the Materiality Assessment

We conducted a materiality assessment of the 34 topics found and confirmed both business relevance and stakeholder interest.

Business Impact	Stakeholder Interest
Analyzed internal materials such as company letters/magazines to identify management fundamentals and vision	Conducted an online opinion poll of employees, investors, professional groups and opinion leaders among each stakeholder group

Step 3. Select Material Topics

Linking the topics to the economic, social and environmental indices defined by the GRI Standards, we identified three material topics with 'High' business impact. Material topics were selected in consideration of their significance, scope, impact, reporting period, limitations, etc. Additionally, topic boundaries were determined through a review of organizational impact, human rights inspection results, survey results, value chain, etc. In this report, Samsung Life is transparently sharing its activities, performance and future plans related to the material topics identified via survey.



No.	Material Topic	GRI Topic	Topic Impact Assessment	Report Page
1	Expanding customized products and services	GRI 417: Marketing and Labeling	Operational Impact	34-41
2	Expanding a foundation for future growth through innovation and overseas capacity-building	GRI 201: Economic Performance	Operational Impact	26-33
3	Nurturing Talent in Finance	GRI 404: Training and Education	Operational Impact	42-49

GRI Index

Universal Standards (GRI 100)

Classification	Disclosure	Indicators	Page	Note
GRI 102: General Disclosure	102-1	Name of the organization	14	
	102-2	Activities, brands, products, and services	2-9	
	102-3	Location of headquarters	14	
	102-4	Location of operations	14	
	102-5	Ownership and legal form	14, 82	
	102-6	Markets served	14	
	102-7	Scale of the organization	14, 95-99	
	102-8	Information on employees and other workers	100	
	102-9	Supply chain	74-77	
	102-10	Significant changes to the organization and its supply chain	-	Business Report, page 10-11
	102-11	Precautionary principle or approach	87-89	
	102-12	External initiatives	110	
	102-13	Membership of associations	109	
	102-14	Statement from senior decision-maker	10-11	
	102-16	Values, principles, standards, and norms of behavior	84	
	102-17	Mechanisms for advice and concerns about ethics	84-87	
	102-18	Governance structure	80-83	
	102-40	List of stakeholder groups	102	
	102-41	Collective bargaining agreements	100	
	102-42	Identifying and selecting stakeholders	102	
	102-43	Approach to stakeholder engagement	102	
	102-44	Key topics and concerns raised	102-103	
	102-45	Entities included in the consolidated financial statements	-	Business Report, page 3-10
	102-46	Defining report content and topic boundaries	103	
	102-47	List of material topics	103	
	102-48	Restatements of information	-	Included relevant information
	102-49	Changes in reporting	111	About This Report
	102-50	Reporting period	111	About This Report
	102-51	Date of most recent report	111	About This Report
	102-52	Reporting cycle	111	About This Report
	102-53	Contact point for questions regarding the report	111	About This Report
	102-54	Claims of reporting in accordance with the GRI Standards	111	About This Report
	102-55	GRI content index	104-105	
	102-56	External assurance	106-107	
GRI 102: Management Approach	103-1	Explanation of the material topic and its boundary	26, 34, 42, 103	
	103-2	The management approach and its components	26, 34, 42, 103	
	103-3	Evaluation of the management approach	26, 34, 42, 103	

Topic-specific Standards

Classification	Disclosure	Indicators	Page	Note
Economic Performance	103-1,2,3	Management approach	26	
	201-1	Direct economic value generated and distributed	95	
	201-3	Defined benefit plan obligations and other retirement plans	100	
Training and Education	103-1,2,3	Management approach	42	
	404-1	Average hours of training per year per employee	44	Not managed by gender
	404-2	Programs for upgrading employee skills and transition assistance programs	44-47	
Marketing and Labeling	103-1,2,3	Management approach	34	
	417-1	Requirements for product and service information and labeling	35-37	

Other Standards

Economic Performance (GRI 200)

Classification	Disclosure	Indicators	Page	Note
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	55-56	Investment in SOC, renewable energy
	203-2	Significant indirect economic impacts	68-73	Financial Education
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	84-87	Not for the Board of Directors

Environmental Performance (GRI 300)

Classification	Disclosure	Indicators	Page	Note
Energy	301-1	Materials used by weight or volume	101	
	302-1	Energy consumption within the organization	101	
	302-3	Energy intensity	101	
	302-4	Reduction of energy consumption	101	
Emissions	305-1	Direct (Scope 1) GHG emissions	101	
	305-2	Energy indirect (Scope 2) GHG emissions	101	
	305-4	GHG emissions intensity	101	
	305-5	Reduction of GHG emissions	101	

Social Performance (GRI 400)

Classification	Disclosure	Indicators	Page	Note
Employment	401-1	New employee hires and employee turnover	100	
	401-3	Parental leave	100	
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	100	Article 30 of personnel policies, 30 days specified
Occupational Health and Safety	403-1	Occupational health and safety management system	67	
	403-4	Worker participation, consultation, and communication on occupational health and safety	67	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	80	Board of Directors consists of men over 50 years old
	405-2	Ratio of basic salary and remuneration of women to men	-	Not impose any pay discrimination for new employees based on gender
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	No such cases
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	No such cases
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	65	
	412-2	Employee training on human rights policies or procedures	65	
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	68-73	
	FS14	Activities providing financial services to the socially underprivileged, including low income groups and the disabled, etc.	60	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	92	No such cases
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	No such cases
Product Portfolio	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	56	

Independent Assurance Statement

Assurance Statement on '2020 Samsung Life Insurance Integrated Report'

To the Stakeholder of Samsung life insurance

KFQ has been requested by Samsung Life Insurance to provide independent assurance on the 2020 Samsung Life Insurance Integrated Report (further 'the Report'). Our responsibility is to perform an assurance and to provide assurance statement based on the work carried out. KFQ was not involved in the process of preparing the Report thus Samsung Life Insurance has responsibility to the contents contained in the Report.

Standards and Scope

The assurance was planned and carried out according to the following standards and scope:

- Compliance with GRI Standards according to the criteria of 'Core Option'
- Compliance with GRI Standards regarding principles for defining report content and report quality
- Application of Type 1 and moderate level approach according to AA1000APS (2008) and AA1000AS (2008)
- Linking sustainable management activities with UN SDGs

Methodology

In order to assess the reliability of the contents of the report, we reviewed the process for preparation of the Report as well as for data and information gathering. We checked the non-financial information in the Report against evidence provided by Samsung Life Insurance and information gathered from media by KFQ from a sustainable perspective. In the case of financial information, it was checked whether the data identified through Data Analysis, Retrieval and Transfer System (http://dart.fss.or.kr) is correctly reported. Through on-site verification, we reviewed a series of processes for materiality assessment, data collection and report preparation. After we confirmed that some errors, inappropriate information and ambiguous expression found in above process are properly complemented in final report provided by Samsung Life Insurance.

Limitations

The completeness and responsiveness of sustainability performance in the report has inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. In accordance with the terms of our engagement, the scope of our work did not include verification of raw data of specified performance information.

Findings and Conclusions

As a result of the above our work, we confirm that the content of this report meets the requirements of the 'Core option' of GRI Standards and that KFQ has secured a reasonable basis for Type 1 assurance level as per AA1000 APS(2008) and AA1000 AS(2008). And we could not find any material error or inappropriate information of the final Report against the following principles:

- Inclusivity: Samsung Life Insurance has engaged and communicated with stakeholders in the process of developing a strategic response and communicating sustainability.
  - KFQ confirmed that Samsung Life Insurance has gathered stakeholders' views and expectations by selecting five main stakeholders and reflected them in sustainable management. In addition, the Samsung Life Insurance has established a stakeholder engagement process to disclose key issues affecting stakeholders in the report and these issues are appropriately reflected in the sustainable management activities aligned with UN SDGs.
- Materiality: Whether material topics of sustainable are considered in overall Samsung Life Insurance's strategy, governance and activities.
  - Samsung Life Insurance identifies and prioritizes issues to be reported by applying the materiality assessment process and reported relevant sustainable management activities and performance. And Samsung Life Insurance has analyzed both impact of its business and attention of stakeholders and linked its business strategies.
- Responsiveness: Samsung Life Insurance has responded interest and expectations of stakeholders affecting sustainable performance through establishing communication process with stakeholders.
  - Samsung Life Insurance has been reporting activities and performance that addresses needs and concerns of stakeholders which were identified from materiality assessment process and responds to their opinion by taking into consideration for its overall management.

Recommendation for improvement

KFQ recommends the followings for advanced approach to achieve Samsung Life Insurance's sustainable management goal and provide its performance effectively in the next report:

- We look forward to sustainable management commission of Samsung Life Insurance is faithful to its's role by dealing with various and balanced agenda of not only economic but also other aspect of sustainability. In addition, if the evaluation of the board of directors involves the achievements of the social and environmental aspects and the procedures are disclosed more transparently, it will be possible to raise the interest of management and improve the sustainable management system.
- In relation to extend global network, we look forward to enhancing risk management across domestic and foreign businesses and disclosing the results to stakeholders by expanding scope of self-inspection of its compliance to overseas subsidiaries and offices.
- We hope Samsung Life Insurance to establish improved system to quantitatively measure and report the economic, social and environmental impact on stakeholders and prepare new performance indicator to ensure that the strategy is working properly.

Competency and independence

The assurance team was formed in accordance with KFQ's internal regulations. KFQ has no conflict of interest which could threaten the independence and impartiality of verification, other than providing third-party audit services in the Samsung Life Insurance business.

kfq Korean Foundation for Quality

AA1000 Licensed Assurance Provider 000-80

May, 2020
Seoul, Korea
Ji Young Song, CEO

Ji Young Song

Awards and Memberships

Awards

Ranked No. 1 in the life insurance category by the National Customer Satisfaction Index (NCSI) for 16 consecutive years

Korea Productivity Center

The National Customer Satisfaction Index, compiled by the Korea Productivity Center, recognizes Korea's top companies in each industry every year through a direct survey of customer satisfaction. Samsung Life is the first company to rank number one in the life insurance category for 16 consecutive years.

Ranked No. 1 in the life insurance category by the Korean Standard-Service Quality Index (KS-SQI) for 17 consecutive years

Korea Standards Association

The Korea Standard-Service Quality Index, compiled by the Korea Standards Association, conducts in-person and online customer surveys to recognize the companies with the highest service quality in their respective industries. In recognition for its continuous efforts to practice customer-centered management, Samsung Life has won the top award in the life insurance category for 17 consecutive years.

Ranked No. 1 in the life insurance category by the Korean Customer Satisfaction Index (KCSI) for 15 consecutive years

Korea Management Association Consulting

The Korean Customer Satisfaction Index is compiled to ensure the qualitative growth of Korean companies, recognizing the top performers based on surveys of customer satisfaction with company products and services. Samsung Life, for practicing customer-centered management, has won the top award in the life insurance category for 15 consecutive years.

Association Memberships

Organization	Key Activities
Korea Life Insurance Association	Protects the rights and interests of insurance subscribers, promotes sound insurance business practices, supports fair insurance policies through exchanges of opinion and network-building between companies
KIDI (Korea Insurance Development Institute)	Supports research to protect insurance consumers and develop the insurance industry
KIRI (Korea Insurance Research Institute)	Supports research to develop a sound insurance industry and promote a people-oriented economy
FP Korea	Engages in work exchanges as part of research on financial consumer protection, personal financial stability and growth, and the development of financial planning businesses
Korean Insurance Academic Society	Researches insurance related theory, law and practice; engages in work exchanges to contribute to the development of insurance scholarship and insurance businesses
KILA (Korea Insurance Law Association)	Contributes to the advancement of Korea's insurance culture through research on domestic and international insurance-related law and through international exchanges
Fair Competition Federation	Supports the promotion of competition principles and fair trade competencies, serves as a bridge between government and business in terms to support fair trade principles
Korea Credit Information Services	Contributes to the protection of credit information and credit information control, works to establish a sound lending system
Financial Security Institute	Prevents and responds to financial hacking, engaging in a variety of activities such as inspections
Korea Federation of Banks	Works to contribute to the development of the Korean financial industry and a sound lending system
Korea FPSB (Financial Planning Standards Board of Korea)	Contributes to the establishment of a sound financial order and works to help build a credit-worthy society
The Institute of Actuaries of Korea	Implements a wide range of insurance systems, holds seminars and participates in exchanges of information with international actuarial societies
Korea Financial Investment Association	Promotes fair trading practices and protects investors while working for the sound development of the financial investment sector
Korea Financial Telecommunications & Clearings Institute	Works to build a shared financial network
KAAS (Korean Academy of Actuarial Science)	Contributes to the insurance and finance industries through research on actuarial theory, related laws, industry status, and insurance actuaries
KRMS (Korean Risk Management Society)	Researches risk management-relate theory and practice
Korea Listed Companies Association	Contributes to the development of the capital markets and investor protection
Korea Enterprises Federation	Encourages industrial harmony and economic development by promoting the establishment of labor-management cooperation systems and setting directions for fair labor-management relations
Korea Business Table Tennis Federation	Encourages the healthy use of leisure time and promotes sports participation by raising the standards of table tennis among Korean businesses and expanding its base
Financial Information Security Association	Contributes to the building of a safe and convenient environment for financial transactions

Endorsement of Global Initiatives

SDGs (Sustainable Development Goals)

With the conclusion of the MDGs (Millennium Development Goals) in 2015, the UN and the global community announced the SDGs, containing 17 goals and 169 specific targets for the year 2030 aimed at eradicating poverty and achieving prosperity worldwide. Samsung Life actively supports these aims, having identified for priority response 6 specific, actionable goals that are related to the insurance industry, and is engaged in a broad range of activities to achieve them.

Samsung Life's Priority Response Goals



Goal 3.
Ensure healthy lives and well-being for all

- Promote a culture of respect for life and work to prevent suicide
- Talent donation by Samsung Life sports teams to expand sports in everyday life and promote public health
- Paying medical bills for children through 'People, Love - Medical Expense Support for Children'



Goal 4.
Ensure inclusive, quality education for all and promote lifelong learning

- Operate the 'Financial and Personality Education for Youth' program to give young people financial and economic knowledge and a proper understanding of the economy



Goal 5.
Achieve gender equality and empower women and girls

- Parenting classes for expecting parents and childcare coaching



Goal 8.
Promote inclusive and sustainable economic growth, employment and decent work for all

- Support the 'Junior CEO Program' to foster the future managers of SMEs
- Provide information on leadership and management skills to the CEOs of SMEs through the 'Samsung Life CEO Academy'



Goal 10.
Reduce income inequality within and among countries

- Providing self-support loans to financially excluded groups; talent donations by professionals in business consulting and marketing
- Help ensure that people with disabilities can live safe and stable lives by providing insurance products with the same coverage at lower prices



Goal 13.
Take urgent action to combat climate change and its impact on the environment

- Expand investments in renewable energy sources such as solar, wind and biomass
- Interest discounts on mortgage loans for homes certified as 'eco-friendly buildings'
- Interest discounts on loans for borrowers subscribed to and implementing a carbon points system

About This Report

Report Overview

This Sustainability Report represents Samsung Life's determination to grow together with and create value for its stakeholders economically, socially and environmentally. Through the annual Sustainability Report, Samsung Life shares with its stakeholders its sustainability management activities, performance and future goals, and the report will continue to serve as a channel for reflecting the opinions of internal and external stakeholders in business activities going forward.

Reporting Period

This report contains Samsung Life's sustainability management activities and performance from January 1, 2019 to December 31, 2019 with some key material related to activities in 2020. Where data is included from previous reports and revised according to the 2019 standard, the change is indicated in footnotes.

- Financial information prepared according to K-IFRS (Korean International Financial Reporting Standards)
- Material topics and relevant qualitative activities included until June 2020
- Trend analysis includes data from most recent three years, where necessary

Reporting Scope

- Financial data: Reported on a consolidated basis (footnotes where other standards are used)
- Social data: Includes data on Samsung Life headquarters, domestic branch network, and overseas subsidiaries, branches and offices
- Environmental data: In case of physical constraints to data gathering, reporting scope is limited to domestic business sites
- Subsidiary activities are attributed to each subsidiary

Reporting Standards

This report complies with the Sustainability Reporting Guidelines of the GRI (Global Reporting Initiative) in accordance with the 'Core' option.

Reporting Verification

The financial information contained in this report was prepared through an accounting audit by an independent auditor. The non-financial information was verified by the Korean Foundation for Quality, an independent specialist organization.

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2020



2018-2019



2017



2016



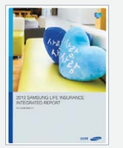
2015



2014



2013



2012

Kakao Plus Friend
'Samsung Life'

Ping-pong focused YouTube channel 'Takcheo'
https://www.youtube.com/channel/UCmnPK9AU6lv9pRbFpegHdBQ/community

Social channel 'Hit It'
Web: https://www.hit-it.co.kr/?utm_source=naver&utm_medium=brandsearch_pc
YouTube: bit.ly/HititXcreator
Instagram: instagram.com/hitit.official

Samsung Life Website
www.samsunglife.com

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www.youtube.com/user/SamsunglifeBlogs

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