

BEYOND
GROWTH,
TOWARD
SUSTAINABILITY





Beyond Growth, Toward Sustainability

Samsung Securities has embarked on a journey toward a sustainable future and environment, challenging and innovating ourselves.

This report is a clear manifestation of our robust will to achieve a balanced growth for a better future in the face of the globally changing environment.

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Company History

2011~2020

2020	Achieved KRW 200 trillion in retail client deposit assets
	Launched Nationwide How-to-Invest Campaign
	Launched 'Multi Family Office' equivalent to the level of investment partner for the first time in Korea
	Opened up online stock trading service for the stock market of Singapore
	Hit 100,000 subscribers to our YouTube channel, Samsung POP
2019	Established ESG Research Institute
	Formulated a new brand mission and strategy (We help enrich the lives of our clients and grow together)
	Ranked 1 st in 2018 Fund Sales Assessment in the financial sector by Korea Financial Investors Protection Foundation
	Declared 'Overseas Investment 2.0 Era' to drive the globalization of Korean wealth management
2018	Expanded Samsung & Investment (SNI) service to all offices
	Adopted Korea's first 'Integrated deposit' service for overseas stocks
	Acquired stake in Dunkirk LGN terminal in France
2017	Signed an MOU with Societe Generale (SG) of France
	Formed a comprehensive business alliance with HSC Securities (Vietnam)
2016	Forged a comprehensive business alliance with KGI Securities (Taiwan)
	Announced a new brand slogan, 'Trust to Value'
	Hosted the 1 st Samsung Securities CEO Forum
	Held a signing ceremony with KGI Securities (Taiwan)
2015	Opened Samsung Financial Center
	Declared Customer Protection Charter
2014	Surpassed KRW 2 trillion in the sales of POP UMA
	Instituted a client-oriented product recommendation system
2013	Entered into an alliance with Lombard Street Research & BCA Research, global independent research institutions
	Held a value statement proclamation ceremony
2012	Opened a next-generation financial IT system comparable to advanced financial firms
	Declared retirement planning at all branches
2011	Signed an MOU with Huaxia Wealth Management, the largest Wealth Management company in China
	Declared CS Innovation (Gonggam 36.5)
	Obtained the international certification of Business Continuity Management (BCM)

2001~2010

2010	Launched UHNW and SNI, an exclusive brand for UHNW
	First joined the DJSI World Index as a Korean financial firm
2009	Proclaimed brand management (brand slogan: 'Create with You')
	Launched 'POP', an advanced wealth management brand
2008	Launched optional commission-based and customized fee service for the first time in the industry
	Acquired inflation-linked government bonds
2007	Was selected as 'Korea's Best Private Bank' by Asiamoney
	Was designated as Korea's Top Research Company by Institutional Investor Magazine (U.S.)
2006	Ranked 1 st in three client satisfaction indexes (KS-SQI, KCSI, and NCSI) among securities companies
	Swept the nine categories of finance in the Asiamoney Brokers Poll 2006
2005	Launched Fn Honors Club, a PB service brand
	Launched Samsung Cash Management Account (SMA) service
2004	Held annual Samsung Global Investor Conference
	Proclaimed Samsung Securities Way
2003	Obtained full London Stock Exchange membership
	Launched Samsung Wrap accounts
2002	Was named as Best Investment Bank in Korea by Finance Asia
	Established a subsidiary in Shanghai
2001	Was selected as 'Best Equity House' by Euromoney for three consecutive years

1982~2000

2000	Established a subsidiary in Hong Kong Merged with Samsung Investment Trust & Securities
1999	Operated the largest call center in Korea
1998	Established a subsidiary in New York Commenced the sales of mutual funds for the first time in Korea
1996	Established a subsidiary in London
1992	Was incorporated into the Samsung Group Changed the company name to Samsung Securities
1991	Changed the company name to Kookje Securities and beginning securities business
1988	Executed initial public offering (Being listed on the Korea Exchange)
1982	Hosted Meeting of Promoters for Hanil Investment & Finance Held the inaugural General Meeting, registering the foundation of company, and paying KRW 20 billion in capital

2020 AWARDS

Ranking 1st in**K-BPI**Korea Brand Power Index
Korea Management AssociationRanked No.1 for 23
consecutive years

Reaching No. 1 position in

NBCINational Brand Competitiveness Index
Korea Productivity CenterRanked 1st in the
Securities Industry**Best
Korea Brand
TOP 50**

Interbrand

Was selected among
Top 50 for 7
consecutive yearsRanking 1st in**KS-SQI**Korean Standard-Service Quality Index
Korean Standards AssociationPositioned No.1
in the securities
industry

Achieving No.1 position in

KCSIKorean Client Satisfaction Index
Korea Management AssociationRanked 1st in the
securities industry
for 15 consecutive
yearsRanked 1st in
the securities
industry for 14
consecutive years

Achieving No.1 position in

NCSINational Client Satisfaction Index
Korea Productivity Center

Being included in

DJSIWorld Index
S&PWas included in DJSI
World member for
11 consecutive years

CEO Message

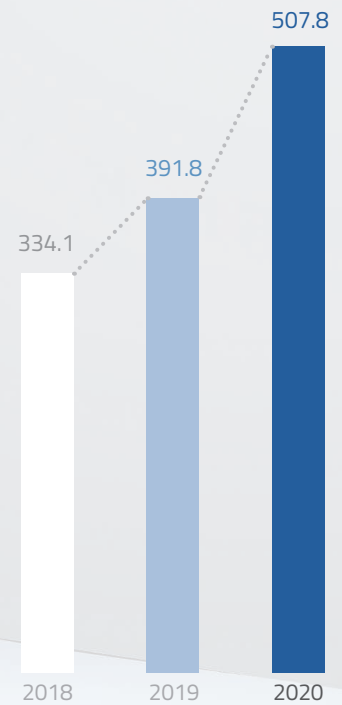


Net Operating Revenue

KRW 1.492 trillion

2020

Net Income(Unit: KRW 1 billion)



Dear Stakeholders,

I, on behalf of our employees, would like to express my sincere gratitude to each of you for your unwavering trust and support. Amid pandemic-driven turmoil in financial markets, Samsung Securities delivered strong results in 2020. We enjoyed record-high earnings for a third consecutive year, achieving KRW1.492t in net operating revenue and KRW507.8b in net profit. Looking ahead, the securities industry still faces a variety of issues—both obstacles and opportunities. Changes such as rapid digitalization, ultra-low interest rates and heightened financial consumer protection are expected to accelerate and intensify.

We will strengthen our leadership of the industry by identifying changes in their earliest stages and seizing related business opportunities.

Our Retail Division will remain firmly competitive in the UHNWI and corporate-client segments. We will also differentiate ourselves by providing services in cooperation with other businesses to expand our presence in the digital wealth management and overseas investment markets.

Our IB and Sales & Trading Divisions have achieved significant expansions under a ‘balanced growth’ strategy, and they will continue on the path to becoming industry leaders. Moreover, we plan to boost profitability by enhancing capital efficiency, securing top-notch talent, and diversifying our investment portfolio.

At Samsung Securities, clients are always at the heart of our decision-making process. In particular, in response to the digital transition, which has been accelerated by the coronavirus pandemic, we will overhaul our internal systems and provide innovative new products and services to meet the new digital standards of a new era.

We will practice astute risk management and equip ourselves with stable business systems to cope with unexpected challenges.

First, we will utilize clear control standards and principles to manage risk. To this end, we will endeavor to reinforce our internal control systems and to find potential vulnerabilities in our working practices. We will re-evaluate our portfolio while adjusting the scale of each business division so that any risk affecting a specific division cannot cascade to affect the entire company.

In addition, we will evaluate the level of impact our business operations have on non-financial factors, in order to manage and take control of such factors. When it comes to decision-making, we will take a variety of elements into account. We will always remain vigilant and make every effort to remove uncertainty.

We will deepen communication with our stakeholders and seek growth while fulfilling our social responsibilities.

We aim to communicate better with stakeholders. To this end, we will broaden the scope of our communication for better engagement, and we will reflect the opinions of our stakeholders in our policies. As our clients’ faithful manager, Samsung Securities will strive to safeguard clients’ assets and personal information.

Moreover, we will remain committed to making social contributions. In association with YAHU, a volunteer group of university students, we will take part in diverse social-contribution activities, such as providing economic education to young people. In this way, we will contribute towards creating a more equitable society.

We will actively engage in ESG management and deeply consider what more we can do.

ESG is an irreversible trend. In response, we have established an ESG Committee within the Board of Directors, and, separately, an ESG-dedicated organization. These new bodies will help us assess how ESG concerns might influence our management policies and respond accordingly. Furthermore, we will provide ESG-related information to the financial market and investors in a transparent manner, and in so doing, we will make our company, environment, and society more sustainable.

Last year, the first of a new decade, came with unprecedented challenges. But at Samsung Securities, we found opportunities during the crisis. Looking ahead, we will devote ourselves to moving forward and discharging our social and environmental responsibilities so that we can live up to the expectations of our shareholders and clients.

I thank you for your continued trust and support.

Thank you.

Seok Hoon Chang
CEO of Samsung Securities

장석훈

Management Letter



Retail Division

We provide individual, corporate and institutional clients with financial investment solutions suitable for each clients' specific investment style and purpose.

With a variety of services, including 'customized global wealth management', 'total solution service' for corporate investors, and 'brokerage and financial product portfolio service' for institutional investors, Samsung Securities will render optimal financial investment solutions.

Senior Executive Vice President
Jae Hun Sa



Digital Division

For the sake of our clients successful investment, we will offer diverse financial products, personalize investment information for each client, and offer one-stop consultation service.

Our system will be ameliorated in a persistent manner to improve clients' search experience on our digital channels.

We will pay close attention to our clients, and strive to communicate with clients at all times. Whereby the foundation for a client-centric digital environment will be laid.

Senior Executive Vice President
Seung Ho Lee



Investment Banking Division

The role of IB is to provide financing plans and investment opportunities that meet the needs of the government, companies and investors.

Samsung Securities has vast experience in clinching landmark deals and a global network.

Using our resources, we will stand beside our clients as a trustworthy strategic partner in the entire growth journey from IPO, capital raising, bond issuance, governance advisory, and provision of investment opportunities in M&A and alternative investments.

Executive Vice President
Weon Jung Shin



Sales & Trading Division

Sales and Trading division is equipped with top-notch market experts and networks, and boasts exceptional expertise. We focus on the identifying quality assets and seizing investments opportunities globally. Our assets include equity, FICC, alternative investments, and derivative products. By investing in such assets, we will contribute to the interests of shareholders, employees and clients.

Our division will always put forth our best effort, keeping in mind that the most salient duty is to provide the right products for clients at an opportune time to maximize clients' investment results.

Executive Vice President
Bong Kyun Seo



Planning Division

Samsung Securities will agilely respond to the rapidly changing management environment to be recognized by diverse stakeholders including clients and shareholders.

To this end, various efforts will be put into formulating a long-term strategy, corresponding to the recent domestic competitors' trends, internalizing ESG management and communicating in a responsible and transparent manner.

Executive Vice President
In Kim

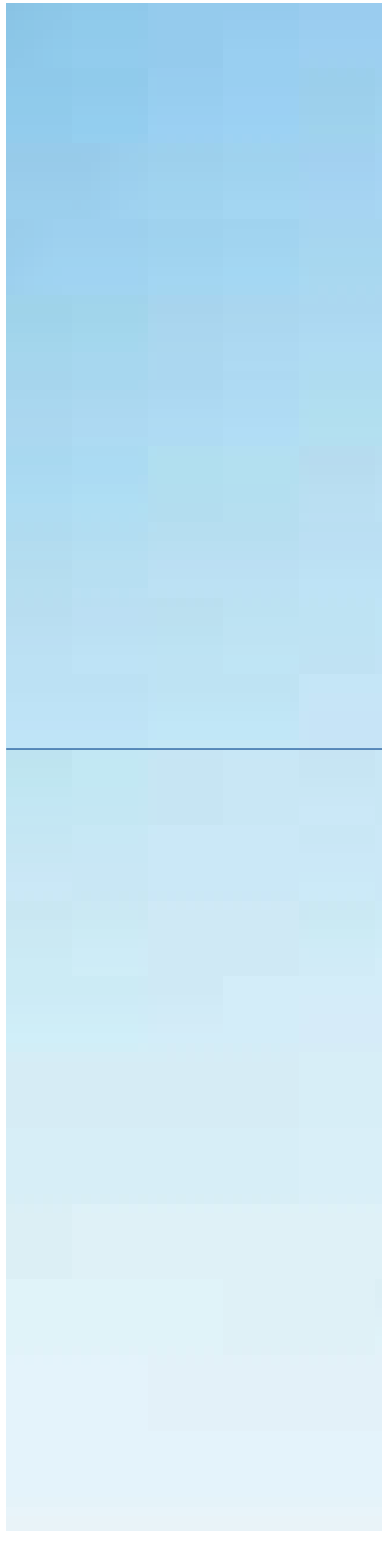


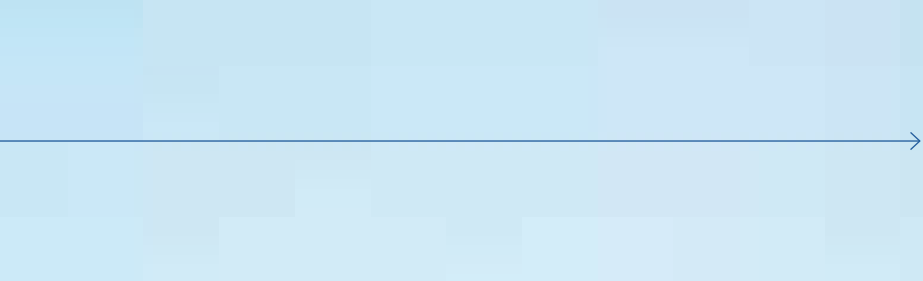
Management Support Division

Samsung Securities strives to maximize shareholder value by achieving stable financial performance. As part of the endeavors, we distribute management resources in an optimal manner, render the best products and services. Furthermore, we will take the lead in discharging our social responsibilities through employees' donations, volunteer works and environmental protection activities.

Senior Vice President
Jong Wan Lee

CORPORATE OVERVIEW





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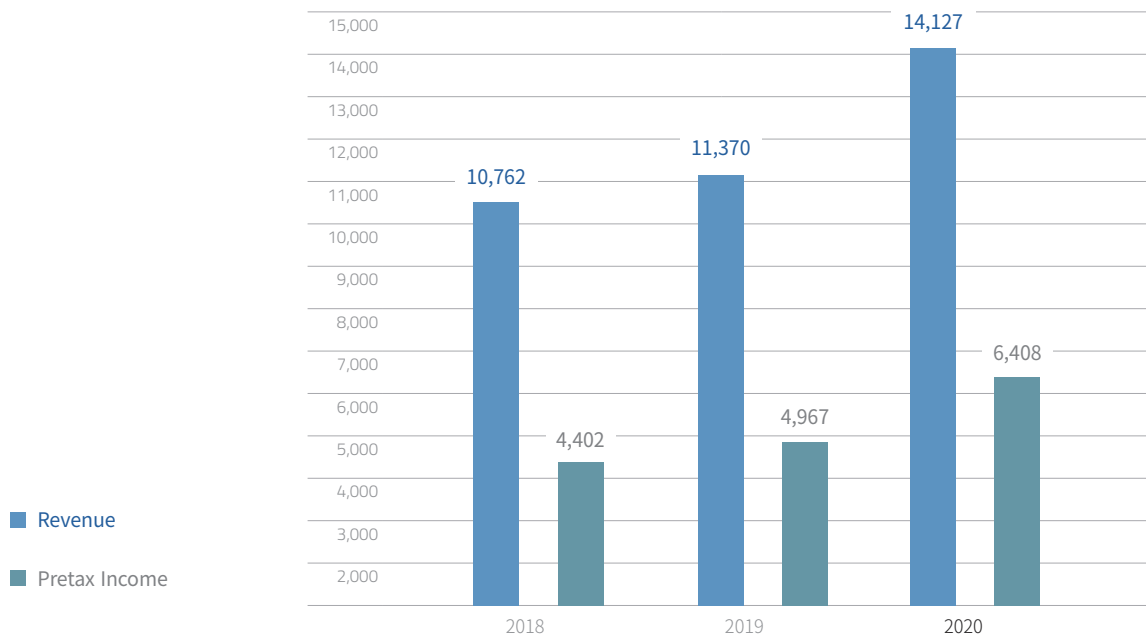
At a Glance

Financial Review

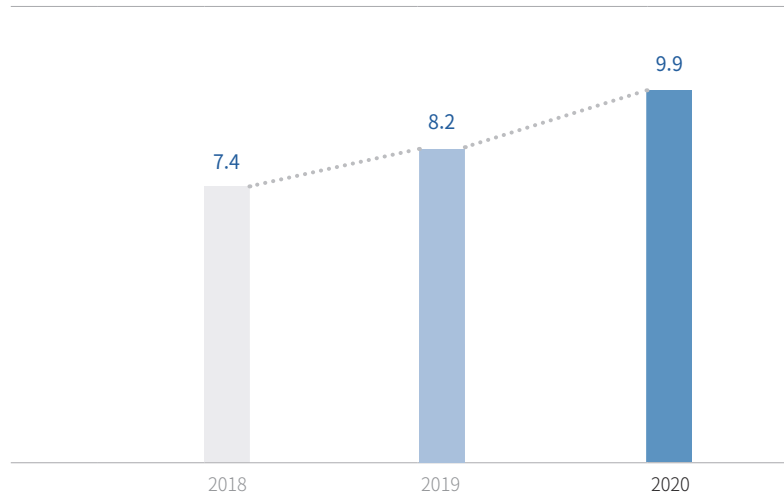
Key Performance in 2020

In the early 2020, Samsung Securities experienced challenging market conditions stemming from the COVID-19 pandemic as trading revenue decreased and investment banking (IB) was suspended and delayed. Despite the precarious situation, we effectively responded to a surge in demand for individual-trading and fortified our competitiveness in IB/Trading. This has led to 2020 marking a third record-breaking consecutive year with KRW 507.8 billion consolidated net income. Especially retail division has achieved a remarkable growth across all performance indicators as investment in domestic and overseas stocks considerably increased. With increased market dominance in brokerage, brokerage commission fees soared by 164 percent year-on-year, and brokerage commission fees for overseas stocks grew to a market worth KRW 100 billion. Our clients and assets have increased both in digital channels and branches. We ranked first in the acquisition finance sector by building up our strategic capabilities in IB sector and achieved tangible results in structured finance such as real estate PF. We will continue to expand our capital utilization business to improve ROE and enhance our shareholder return policy.

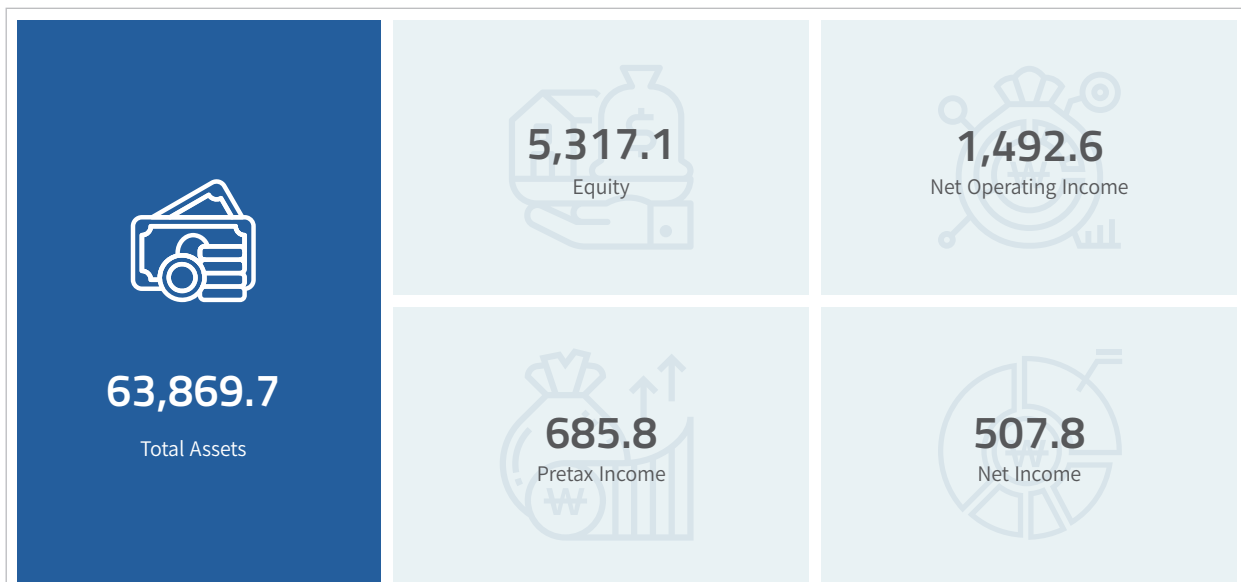
1 Revenue/Pretax Income(Unit: KRW 100 million)



2 Return on Equity (Annual ROE, Unit: %)



3 Key Financial Indicators (Separate, Unit: KRW 1 billion)



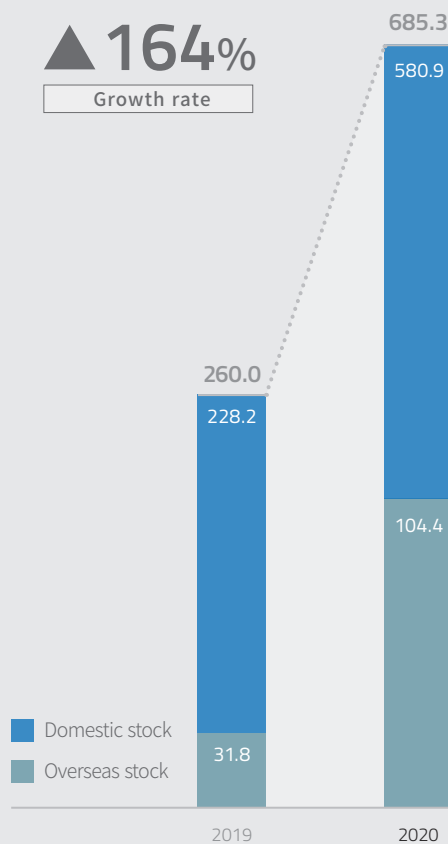
At a Glance

Financial Review

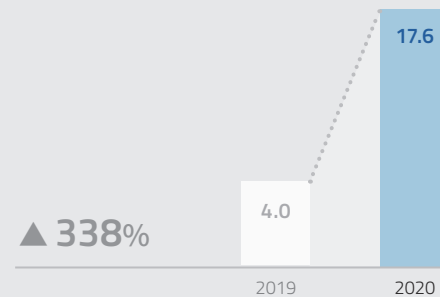
Retail Business

Retail business has already entered the era of infinite competition as tech companies specialized in IT technology are newly taking part in the existing competition among securities companies. Digital innovation is expected to drive success as brick-and-mortar branches are disappearing and online services continue to grow due to advanced technology and COVID-19 impacts. Also direct investment has surged in 2020 dominated by the COVID-19 pandemic along with a long-term low interest rate environment and regulation on real estate investment. The fever of direct investment is expected to continue for the time being. Therefore, it is necessary to create a client-friendly investment environment and client-oriented business strategy which offers accurate information.

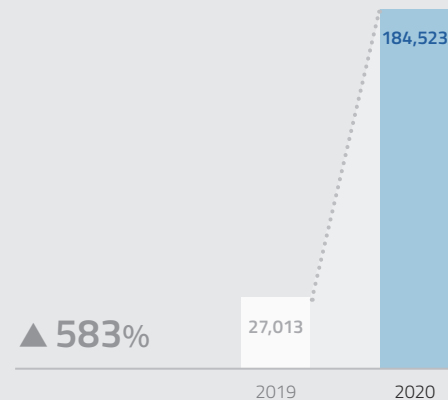
1] Brokerage Commissions (Unit: KRW 1 billion)



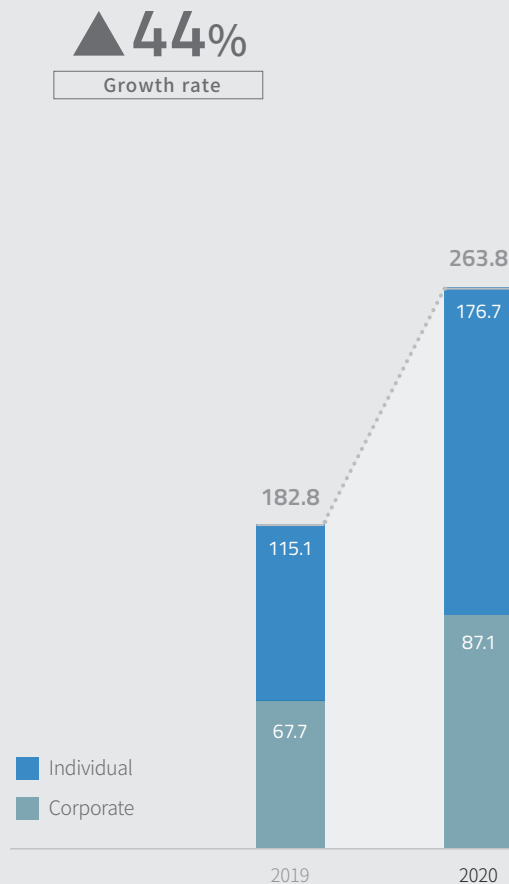
2] Overseas Trading Volume (Unit: KRW 1 trillion)



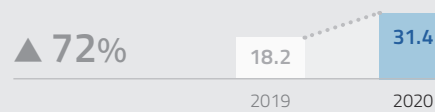
3] No. of Clients in Overseas Equity (Unit: Persons)



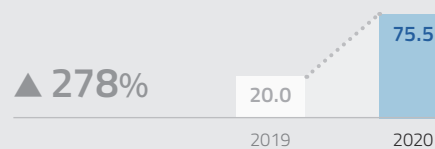
[4] Retail Client Assets (Unit: KRW 1 trillion)



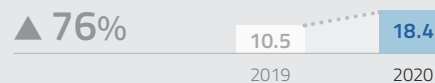
[5] Retail Client Assets Net Inflow Volume (Unit: KRW 1 trillion)



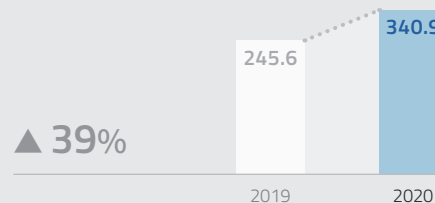
[6] No. of New Clients in Retail (Unit: 10 thousand)



[7] No. of Clients with Assets Worth Above KRW 100 million (Unit: 10 thousand)



[8] Financial Product Sales (Unit: 1 billion)



The stock market is booming as the brokerage market dominance has expanded due to advancement of digital innovation, increasing client convenience for overseas investment, and expanding information provision. As a result, the net commission increased to KRW 685.3 billion, more than doubled (164%) compared to the previous year. In particular, overseas investment sector has grown into a business worth about KRW 100 billion, recording 338% growth of the trading value of overseas stocks and 583% increase of the number of clients due to research differentiation and active marketing. The growing number of new retail clients comes with an increase in client assets. We saw a 76% leap in the number of clients with assets more than KRW 100 million, which was one of our strengths. In addition, we achieved an increase in sales of financial products under the circumstance where direct investment was all the rage.

At a Glance

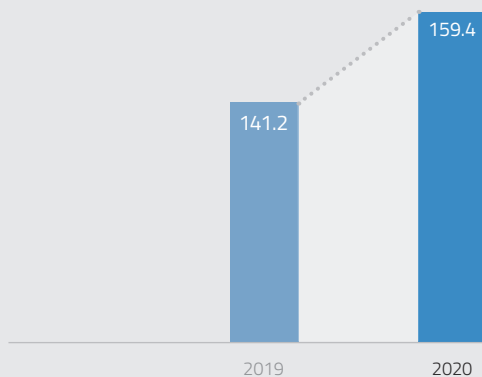
Financial Review

IB Business

Despite the economic slowdown stemming from the COVID-19, the demand for financing has increased, mainly from large corporations. The scale of IPOs and rights offerings increased as well. In particular, the competition for IPO subscriptions became fiercer along with the individual investment fever. The M&A market has been revitalized from the second half of 2020 resulting from abundant market liquidity and growing demand for financial improvement. In 2021, large IPOs are scheduled and demand for IB business is expected to continuously increase due to expectations of economic recovery.

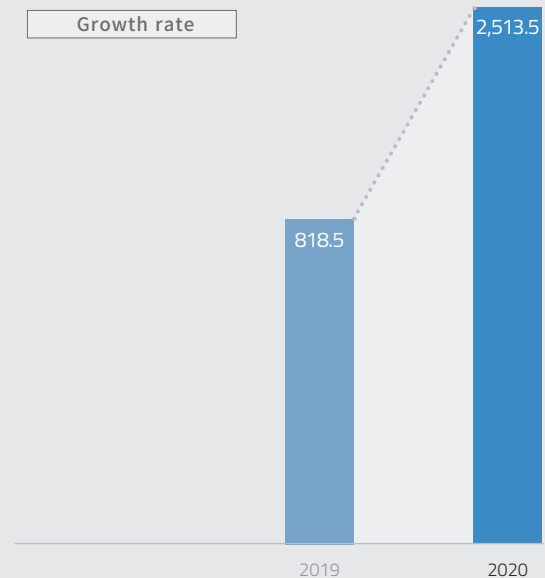
1 Acquisition and Brokerage Fee (Unit: KRW 1 billion)

▲ 13%
Growth rate



2 Volume of Acquisition Financing Arrangement (Unit: KRW 1 billion)

▲ 207%
Growth rate

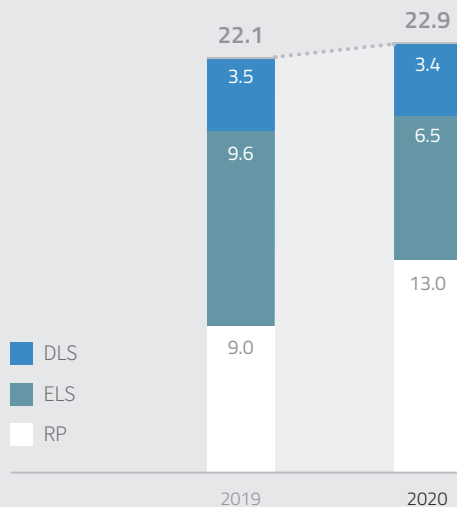


Efforts to expand infrastructure such as manpower and capital led to good results in 2020. Structured finance revenue rose 33% year-on-year, and overall acquisition and advisory fees increased 13% to KRW 159.4 billion, along with improved performance related to real estate PF in Korea and strong acquisition financing fees. The size of the acquisition financing arrangement grew by 207%, ranking first in the league table in 2020. In the IPO sector, we have raised our presence by participating as an underwriter in a number of listings in 2020.

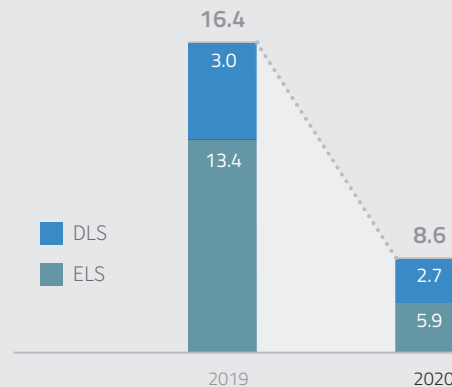
Sales and Trading Business

Consumer preference for ELS and DLS products is on the decrease as the enthusiasm for direct investment continues with the expectation of economic recovery. The government is also emphasizing the responsibility of securities companies by way of issuing various regulations to create a sound market environment. In order to continuously generate profits in the S&T sector, it has become more important to develop and supply products that are attractive to consumers while implementing a systematic hedging strategy for risk management.

1] Volume of Product Operation (Unit: KRW 1 trillion)



2] Derivative Security (Unit: KRW 1 trillion)

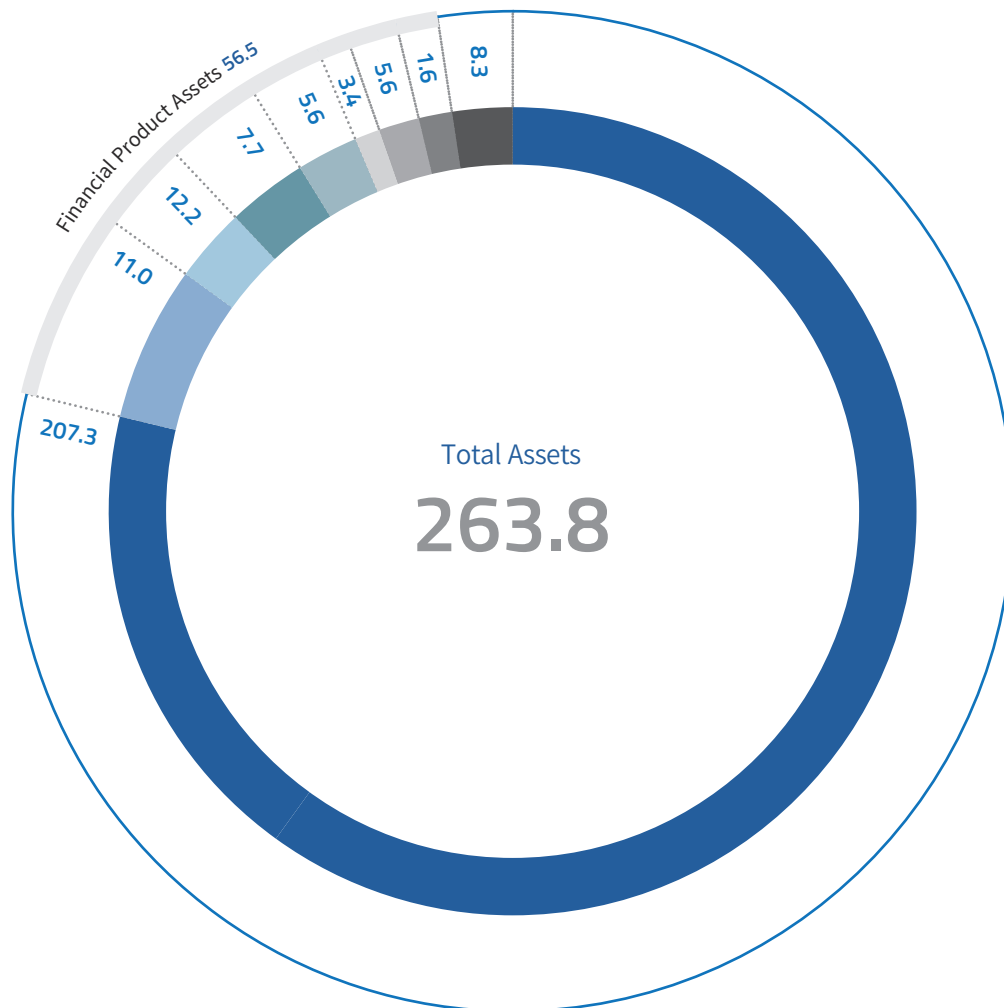


The COVID-19 gave rise to the stock market plunge, which, in turn deteriorated a business environment in ELS. In response, Samsung Securities slashed the scale of ELS management while increasing stable RP operation in size. For the sake of astute risk management, the issuance of derivative linked securities was curtailed to less than the half compared to the previous year.

Investment Portfolio

Client Assets

(Unit: KRW 1 trillion)



Dividend Payout Ratio / Dividend Per Share

1 Dividend Payout Ratio



2 Dividend Per Share



Financial Performance Highlights (Separate)

Financial Information	Annual Performance (IFRS Separate/Unit: KRW 1 billion)		
	Dec. 2020	Dec. 2019	Rate of Change
Balance Sheet Summary			
Total Assets	58,341	41,228	+41.5%
Total liabilities	53,134	36,363	+46.1%
Total Equity	5,207	4,865	+7.0%
Earnings Summary			
Net Income	1,412.7	1,137.0	+24.4%
Brokerage	685.3	260.0	+163.6%
Financial Product Sales	340.9	245.6	+38.8%
Investment Banking Revenue	159.4	141.2	+12.9%
Trading and Interest Income	244.7	489.3	-50.0%
Other	37.0	39.7	-6.8%
Commission Expenses	-53.1	-38.9	+36.5%
Operating Expenses	771.7	643.2	+20.0%
Operating Income	641.0	493.8	+30.1%
Pretax Income	640.8	496.7	+29.0%
Net Income	473.1	370.2	+27.8%

Company Overview

Company Status

Samsung Securities is a full-service securities firm doing five businesses including investment trading, investment brokerage, investment advice, discretionary investment, and fiduciary work. We offer comprehensive services ranging from wealth management, corporate finance to asset operation. Since our inception, we have constantly grown, which has made us well positioned as a securities company representing the capital market of Korea.



As of Dec. 2020

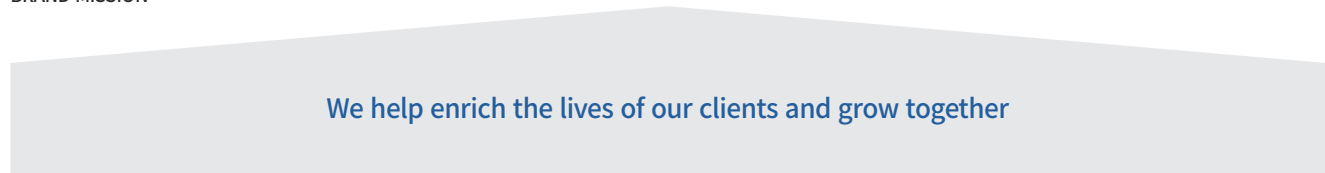
Corporate Name	Samsung Securities Co.,Ltd.
Address of Headquarters	11, Seocho-daero 74-gil, Seocho-gu, Seoul, Republic of Korea
Year of Foundation	1982
CEO&President	Seok Hoon Chang
No. of Employees	2,396
Equity	KRW 5.3171 trillion
Market Capitalization	KRW 3.6121 trillion
Credit Rating	AA+ (Korea Credit Rating), AA+ (Korea Ratings), Baa2 (Moody's)

Management Ideology

In 2020, Samsung Securities established the 7 Principles in order to reorganize the brand value system and rapidly ingrain it into the organization. Our mission represents our commitment to putting our clients first and serves as the foundation for business activities in which all stakeholders including clients, employees, and shareholders grow together.

BRAND VALUE

BRAND MISSION



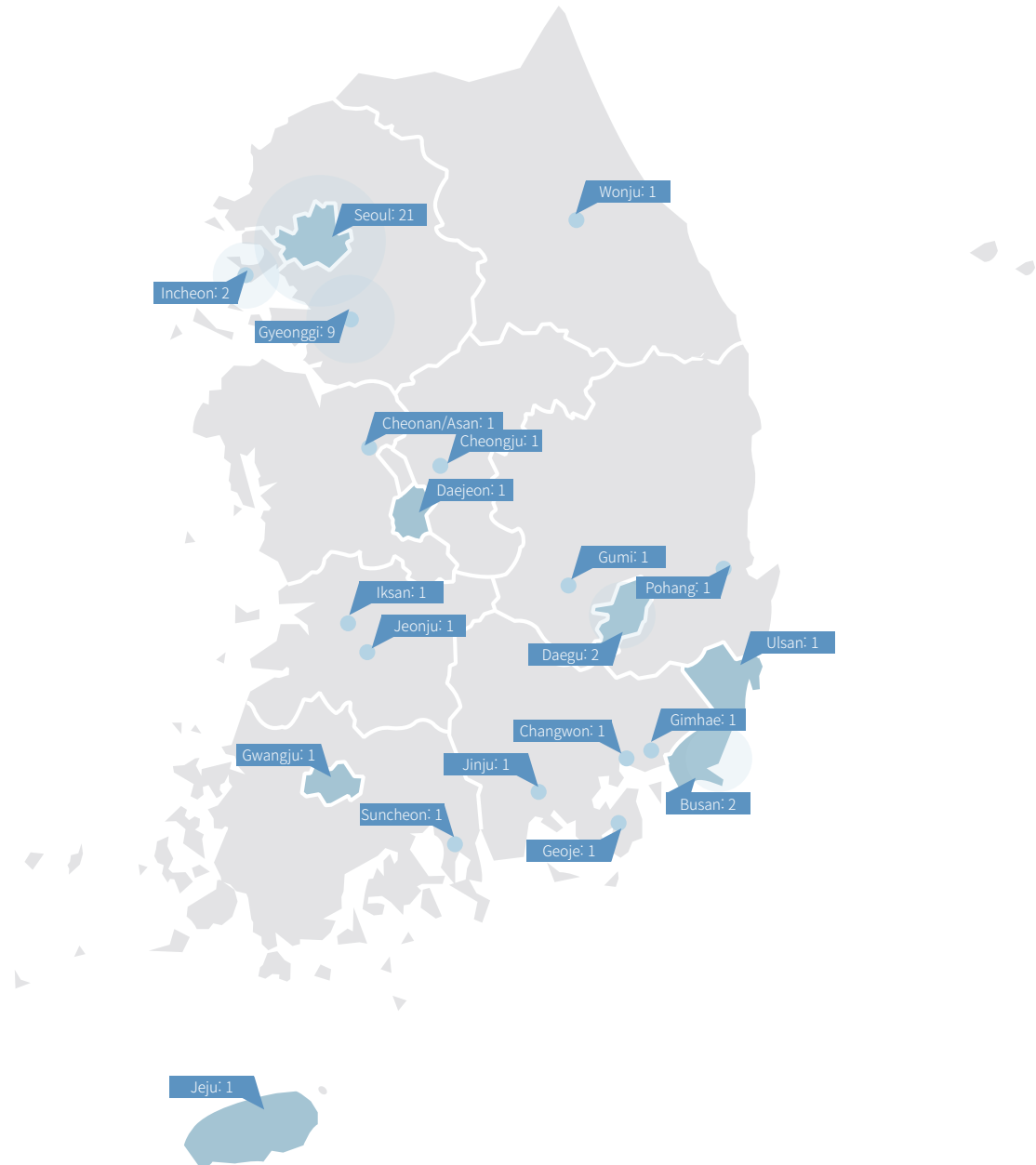
5 CORE VALUES

<div style="border: 1px solid blue; padding: 10px; width: 150px; height: 150px; margin: 0 auto;"> <div style="text-align: center; margin-bottom: 5px;">1</div>  <p style="text-align: center;">Client Centricity</p> </div>	<div style="border: 1px solid blue; padding: 10px; width: 150px; height: 150px; margin: 0 auto;"> <div style="text-align: center; margin-bottom: 5px;">2</div>  <p style="text-align: center;">Innovation</p> </div>	<div style="border: 1px solid blue; padding: 10px; width: 150px; height: 150px; margin: 0 auto;"> <div style="text-align: center; margin-bottom: 5px;">3</div>  <p style="text-align: center;">Expertise</p> </div>	<div style="border: 1px solid blue; padding: 10px; width: 150px; height: 150px; margin: 0 auto;"> <div style="text-align: center; margin-bottom: 5px;">4</div>  <p style="text-align: center;">Respect</p> </div>	<div style="border: 1px solid blue; padding: 10px; width: 150px; height: 150px; margin: 0 auto;"> <div style="text-align: center; margin-bottom: 5px;">5</div>  <p style="text-align: center;">Social Responsibility</p> </div>
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7 PRINCIPLES

- 1 ■ **We value substance over form.**
- 2 ■ **We make changes from small things**
- 3 ■ **We ask ourselves and think about how to become better.**
- 4 ■ **We strive to do our job right.**
- 5 ■ **We communicate horizontally and respect each other.**
- 6 ■ **We find how we can make it instead of why we cannot.**
- 7 ■ **We do not do anything that brings shame on our family.**

Business Network

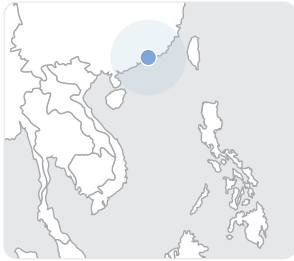


Samsung Securities is swiftly providing investment opportunities in the global market by operating 44* domestic offices and 5 overseas offices including New York, Beijing, and London. We will continue to explore new opportunities and create value in stock brokerage for institutional investors and in IB sectors based on our global network.

*Excluding 8 branches

Overseas Offices

1 Hong Kong

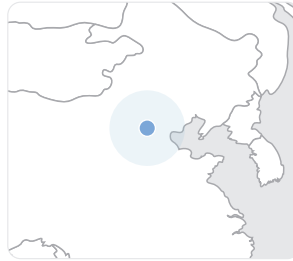


Establishment date 2000.09.04

Address suite 4511, Two international Finance Centre, 8 Finance Street, Central, Hong Kong

Business Equity brokerage, Fixed Income Sales & Trading

2 Beijing

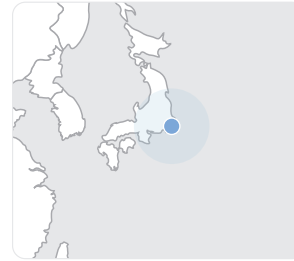


Establishment date 2013.11.18

Address Rm.910, The Exchange Beijing, No. Yi 118 Jian Guo Lu, Chao Yang District, Beijing, China

Business Researching Chinese financial/ Securities markets and system, Supporting Chinese-related business and business contact

3 Tokyo



Establishment date 2015.01.05

Address 102-0071 Iidabashi Grand Bloom 2-10-2, Fujimi, Chiyoda-ku, Tokyo, Japan

Business Researching Japanese financial/ Securities markets and system, Supporting Japanese-related business and business contact

4 New York

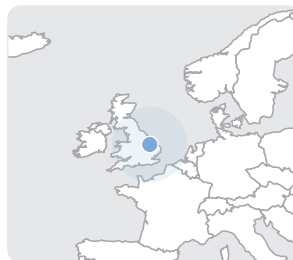


Establishment date 1998.10.01

Address 1330 Avenue of the Americas, 26th floor New York, NY 10019

Business Equity brokerage

5 London



Establishment date 1996.07.01

Address 1st Floor, 30 Gresham Street, London EC2V 7PG U.K

Business Equity brokerage

Governance

Governance Principle and Role of the BOD

Samsung Securities operates the board of directors (BOD) under the principles of transparent and responsible management to enhance sustainability. As the highest standing decision-approving body, the BOD serves as a check and balance on the executive, assisting and supervising its decision-making. To this end, we deliberate and decide on appointment and dismissal of directors, matters entrusted by the general meeting of shareholders, and basic corporate management policies in compliance with the laws and articles of incorporation. In order to establish a sound governance structure, we are also striving to secure independence, transparency, expertise, and diversity.

Transparency in Governance

We publish the 'Annual Governance and Remuneration Report' on Korea Exchange and our website to improve transparency in board activities and compensation. Also we share the results of internal and external evaluations on governance. We safeguard the rights and interests of shareholders, board of directors, and stakeholders by means of clearly stipulating their rights and responsibilities through the corporate governance charter. Anyone can access to the charter on our website.

Activity and Efficiency of the BOD

The BOD actively heeds the opinions of stakeholders including shareholders and reflects them in management activities. In 2020, regular and ad hoc board meetings were held to resolve issues, such as quarterly business performance, report on results of the Financial Consumer Protection Council, company-wide ESG strategy direction, and management plan for 2021. The annual (March to next February) schedule of the BOD is noticed in early March for raising the attendance rate of the BOD and efficient management. The temporary BOD is convened by the chairman or the representative director. It notices for the meeting should be given two weeks in advance. Concurrent duties of non-executive directors are limited to two in order so that they can concentrate on work. In 2020, a total of 13 board meetings were held, 57 agenda items were proposed, and the BOD attendance rate was 100%. Every year, we conduct education programs about compliance and financial consumer protection for the non-executive directors to enhance their understanding of the company and the basic principles that financial company executives should adhere to.

Date of Education	Education Organizer	Attended Non-executive Directors	Contents
2020. 03. 20	BOD Secretariat	Bu Kyun Jeong, Yeong Seop Lee, Dong Hyun Ahn, Beom Shik Chang (full attendance)	Compliance Requirements for non-executive directors and internal control
2020. 12. 16	BOD Secretariat	Bu Kyun Jeong, Yeong Seop Lee, Dong Hyun Ahn, Beom Shik Chang (full attendance)	Financial consumer protection (Online)

Expertise and Independence of the BOD

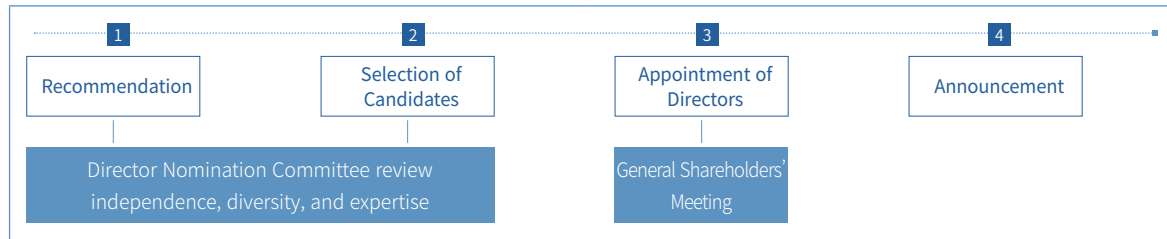
The board of directors of Samsung Securities is responsible for checking and balancing the management. As of March 2021, the BOD consists of 3 executive directors and 4 non-executive directors. The ratio of non-executive directors is 57.14%, while the average tenure is 1.9 years. The chair of the BOD is elected among the non-executive directors. Samsung Securities operates a director election process to ensure the independence, professionalism and diversity of the BOD. Through this process, we appoint candidates with experience and knowledge in various fields such as finance, accounting, economy, management, and law. By considering gender, race, ethnicity, and place of origin, we are securing diversity of the BOD and reflecting diverse opinions in decision-making.

(As of March, 2021)

Category	Name	Position/Career	Expertise	Date of Appointment	Shares Held
Executive Director	Seok Hoon Chang	current CEO of Samsung Securities	Finance, Management	Mar. 21, 2018	6,196
		former Head of the Human Resources Unit in Samsung Securities			
		former Head of the Business Administration Unit in Samsung Securities			
		former CFO of Samsung Securities			
	Jae Hun Sa	current Head of Channel Sales Division in Samsung Securities	Finance, Management	Mar. 24, 2017	4,000
		former Head of the Institutional Business Unit in Samsung Securities			
former Head of the Wholesale Division in Samsung Securities					
Seung Ho Lee	current Head of the Digital Division in Samsung Securities	Finance, Management	Mar. 20, 2020	3,224	
	former Head of the Innovation Bureau in Samsung Securities				
	former Head of the Business Administration Unit in Samsung Securities				
	former CFO of Samsung Securities				
Non-executive Director	Yeong Seop Lee	current Professor of Graduate School of International Studies, Seoul National University	Finance, Economics	Mar. 29, 2019	-
		former President of the Korea International Finance Association			
		former Director of SNU Institute for Research in Finance and Economic			
	Dong Hyun Ahn	current Professor of the Department of Economics, Seoul National University	Finance, Management, Accounting, Economics	Mar. 29, 2019	-
		former Director of Korea Capital Market Institute			
		former Member of the Public Fund Oversight Committee			
	Beom Shik Chang	current President of Soongsil University	Finance, Management	Mar. 20, 2020	-
		former Member of KOSDAQ Listed Companies Association			
		former President of Seoul Ivy Forum			
		former Non-executive director of Hyundai Investment Trust Securities/Kiwoom Securities/Dongbu Securities			
Jong Ryong Lim	current Advisor of Yulchon LCC	Management, Finance, Accounting	Mar. 19, 2021	-	
	former 5 th chairman of Financial Services Commission				
	former CEO of Nonghyup Financial Group				

Director Appointment Process

Samsung Securities operates the Director Nomination Committee to appoint non-executive directors with expertise and independence and auditors who are in charge of auditing internal control and financial activities. The Director Nomination Committee reviews expertise, job fairness, ethics and diversity of director candidates, then recommends suitable candidates, followed by appointing directors with approval of the general shareholders' meeting. Agenda for appointment is individually set for each nominee. Appointed directors have a three-year term of office and can be re-appointed. However, re-appointment exceeding six years is prohibited.



- Operation of the Nomination Committee to ensure fair and transparent appointment of non-executive directors
- Preliminary screening to recommend suitable candidates having expertise, fairness, and ethics
- Final appointment through approval at the shareholders' meeting
- Target ratio of non-executive directors at 67% (by 2024)

Board Committee

Samsung Securities has established six committees within the BOD to promote prompt and professional decision-making process as well as to efficiently operate the BOD. Each committee is independently operated, consisting of more than half of non-executive or executive directors depending on its role. The BOD decides on establishment and operation of committees, and appointment and dismissal of committee members, while each subcommittee makes decisions on matters delegated by the board. Audit Committee and Risk Management Committee oversee financial operation and risk management monitor compliance with the 'Internal Control Standards', share and review the result of the monitoring before a BOD meeting. And, if necessary, it explains the agenda in advance.

(As of March, 2021)

Committee	Roles	Members
Management Committee	Make decisions on overall business practices delegated by the board except for board resolutions	Seok Hoon Chang, Jae Hun Sa, Seung Ho Lee
Audit Committee	Conduct audits on overall business and accounting as well as on the job performance of directors	Yeong Seop Lee, Dong Hyun Ahn, Jong Ryong Lim
Nomination Committee	Recommend candidates for directors, who will be finally appointed at the general shareholders' meeting or the BOD in compliance with related laws	Seok Hoon Chang, Beom Shik Chang, Jong Ryong Lim
Risk Management Committee	Establish and oversee risk management policies for overall practices in an efficient manner	Jae Hun Sa, Dong Hyun Ahn, Yeong Seop Lee
Compensation Committee	Evaluate and review the employee compensation system	Seung Ho Lee, Dong Hyun Ahn, Beom Shik Chang
Internal Trading Committee	Ensure transparency and objectivity in internal trading between affiliates	Yeong Seop Lee, Beom Shik Chang, Jong Ryong Lim

BOD Evaluation Criteria

Every year, Samsung Securities conducts a self-evaluation of the annual activities of the BOD and directors in February. The evaluation is divided into three categories, composition of the BOD, role and responsibility of the BOD, and operation of the BOD, and each category is evaluated by the director himself/herself and the BOD Secretariat using four indicators. The results of these evaluation surveys are available on our website. Samsung Each year, we participate in ESG evaluation conducted by the Korea Corporate Governance Service (KCGS) and in 2020, we received a B grade in the governance sector. For the purpose of achieving a better performance in the evaluation, an external evaluation by a third party is planned to be carried out as soon as an evaluation agency is selected.

BOD Composition	Role and Responsibilities of BOD	BOD Operation
Appropriate number of board members	Understanding of the agenda	Compliance with relevant laws
Diversity in composition	Active engagement	Timely access to information needed for decision-making
Suitability for independent decision-making	Reference materials for decision-making	Sufficient review process
Representation for shareholders and stakeholders	Exclusion of director personal interests	Rationality of the decision-making process

Compensation

The remuneration of the CEO and directors is decided in a transparent and fair way through a resolution at the general meeting of shareholders. The performance of the BOD is measured with comprehensive financial indicators such as ROE, sales, pretax profit, and earnings per share, and non-financial indicators such as consumer protection and compliance. Among the amount calculated based on the result of the performance evaluation, 40% is paid in cash, while the remaining 60% is deferred for more than three years in the form of variable compensation and stock-linked cash. When the performance-based compensation is set, the number of shares for the deferred payment is determined. The amount of payment varies depending on the stock price at the time of the deferred payment. In the event of a violation of company regulations, business interruption, or damage to the company, the variable compensation can be reduced or canceled.

Remuneration for Directors

Category	No. of Directors*	Total Pay (KRW 1 million)**	Avg. Amount Per Person (KRW 1 million)***
Registered Director	3	3,624	1,208
Non-executive Director (excluding Audit Committee members)	1	65	65
Audit Committee Member	3	247	82

*No. of members as of December 31, 2020, **Accumulated remuneration of all directors and auditors appointed from Jan 1 to Dec 31, 2020.

***Total amount of pay divided by the number of directors and auditors appointed from Jan 1 to Dec 31, 2020.

Stock Ownership

Samsung Securities applies the one-share-one-vote principle to all issued shares, so that all shareholders have equal voting rights. Systems and infrastructure have been developed to facilitate the exercise of shareholder rights, such as introducing an electronic voting system from the 39th regular general meeting of shareholders in 2021. Currently, Samsung Life Insurance is the largest shareholder, owning 29.6%.

No. of Shares Held by Major Shareholders

(As of Dec. 2020)

1 29.6%		0.22%		2 3 22.7%		4 13.4%		5 34.1%	
1	Samsung Life Insurance (including special accounts)	26,399,239	3	Foreign Investor	20,279,909	4	National Pension Service	11,987,834	
2	Samsung Culture Foundation	195,992	5	Other Institutions and Individuals	30,437,026				

Creating Value Chain

INPUTS

INPUTS

Financial Capital

Assets	KRW 63.8697 trillion
Liabilities	KRW 58.5526 trillion
Capital	KRW 5.3171 trillion
Paid-in Capital	KRW 458.5 billion

Intellectual Capital

Intangible Asset	KRW 79.9 billion
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Human Capital

Total No. of Employees	2,396
No. of Jobs Created Directly (New Employment)	114
Total Training hours	281,537

Social Capital

Total Hours of Community Service	6,095
No. of Volunteers	3,378
Total Amount of Social Contributions	KRW 3.36 billion

KEY OBJECTIVES FOR SUSTAINABILITY

Core Value and Objectives for Sustainable Management

- 1 Expansion of WM business
- 2 Enhancement of WM-IB synergy
- 3 Preemptive management of regulation ratio

INPUT

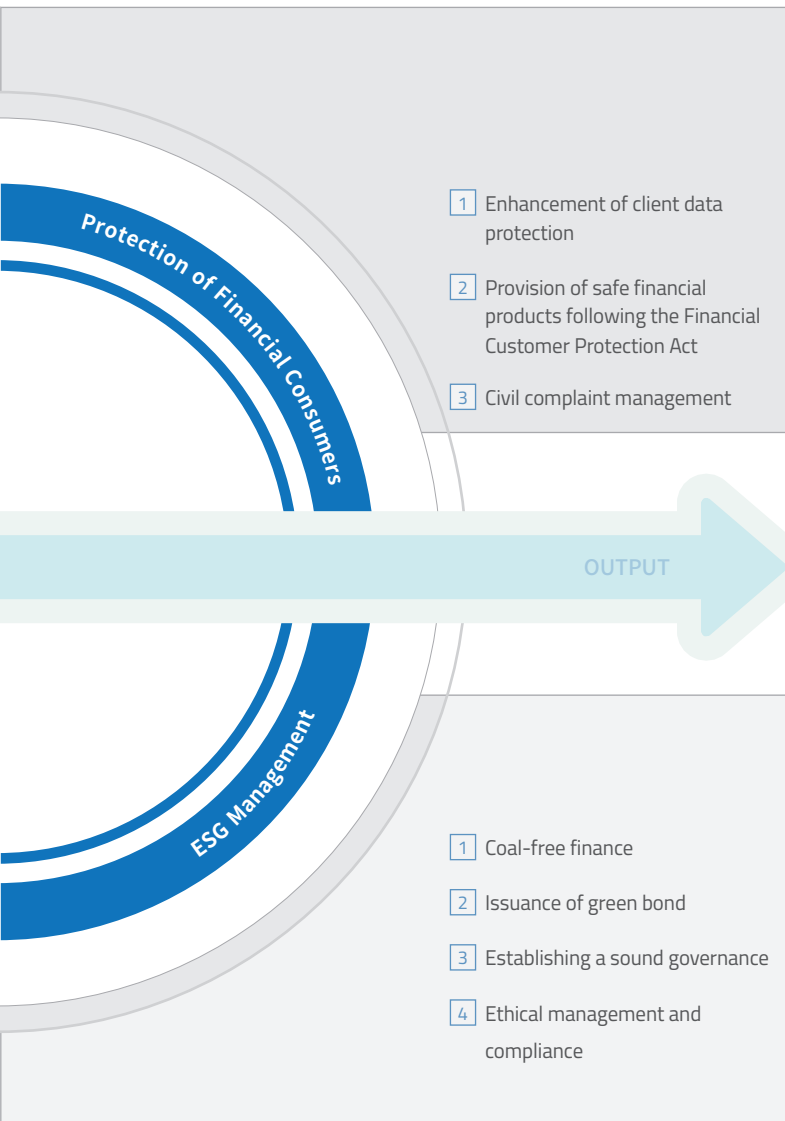
- 1 Expansion of clients using non-face-to-face technology
- 2 Information security
- 3 Provision of digital channels
- 4 Activation of digital wealth management

Economic Achievement

Digital Innovation



OUTPUTS AND OUTCOMES



OUTPUTS

Impact on Stakeholders

Financial Capital

Net commission income	KRW 910.8 billion	1 2
Operating income	KRW 678.0 billion	
Net income	KRW 507.8 billion	
Dividend	KRW 196.4 billion	

Intellectual Capital

No. of new non-face-to-face accounts (cumulative)	1.14 million	1 3 5
No. of data protection and personal verifications	1	

Human Capital

Total payment for all employees	KRW 406.5 billion	2 5
Training cost per person	KRW 2.13 million	
Training hours per person	121	

Social Capital

Worth of ESG products	KRW 68.8 billion	1 2 3 4
No. of social contribution programs	6	5 6

01. Pursuing Digital Innovation	32
02. Pursuing Financial Consumer Protection	36
03. Pursuing Green Society	44
04. Pursuing Sustainable Investment	48



TRANSITION TO SUSTAINABLE FUTURE



Transition to Sustainable Future 01.

PURSUING DIGITAL INNOVATION

In the securities industry, digitalization is accelerating with advanced technologies such as AI and cloud PC on top of growing influx of Millennials, who are familiar with mobile use, into the investment market. In response to these changes in the environment, big tech and fintech companies have launched comprehensive financial platforms based on their technological capabilities. As the competitive landscape of the securities industry is reorganized and getting more intensified, it is now time to consider new strategies and solutions to secure our competitiveness.

→ Our Commitment

→ 2025 GOAL

Subject of Management	Our Goal	Target Year
No. of actual online clients	2 million	2025
Online client assets	100 trillion	2025
Utilization of mobile platform (MAU: Monthly Active Users)	2 million	2025

Establishment of Digital Innovation Strategy | Samsung Securities established the digital division in December 2020 to actively respond to the growing trend of digital finance. The division includes organizations in the fields of digital strategy, service and marketing, non-face-to-face wealth management consulting and IT systems. The top priority in the division is not just operating online sales channels (MTS/HTS/Web) for mass clients, but 'establishing the No. 1 digital financial platform in Korea'. To this end, we are going to plan and supply digital-specialized products and contents in virtue of synergy effect created between organizations. And we would like to deliver customized solutions and personalized investment information using data and AI analysis. In addition, we strive to provide a seamless digital trading experience by combining a hybrid wealth management service to clients looking for investment advice.

Digital Sector Organization

1	Department responsible for digital strategy	Developing digital wealth management business model and mid-to long-term strategy
2	Department responsible for digital marketing	Advancing services/contents/marketing plan&offering specialized in digital environment
3	Digital wealth management department	Providing non-face-to-face (wired/chats/e-mail) wealth management consulting service
4	Department responsible for information system	Improving IT infrastructure and compiling new digital technologies/capabilities to enhance system competitiveness

→ Our Action

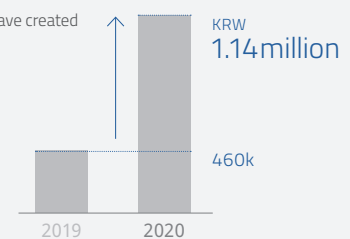
Digitalization

Digital Wealth Management

Samsung Securities provides a variety of products, customized information, and one-stop consulting service through easy and convenient digital channels. We have a diverse lineup of products such as domestic and foreign stocks, funds, ELS, bonds and wrap so that clients are able to choose according to their investment propensity and investment purpose while the products are reorganized according to market conditions. We provide a various information such as high-quality research reports, investment strategies, promising stocks and product analysis to clients who are just starting out. Clients are assisted with making decisions on the foundation of swiftly offered information on stocks and products they own through mobile devices. The newly established digital division provides one-stop wealth management consulting service from investment advice to business inquiries. Samsung Securities spares no efforts to improve digital services and systems, creating a convenient digital investment environment.

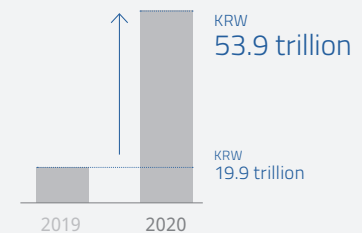
No. of New Non-face-to-face Clients

Number of new clients who have created non-face-to-face accounts



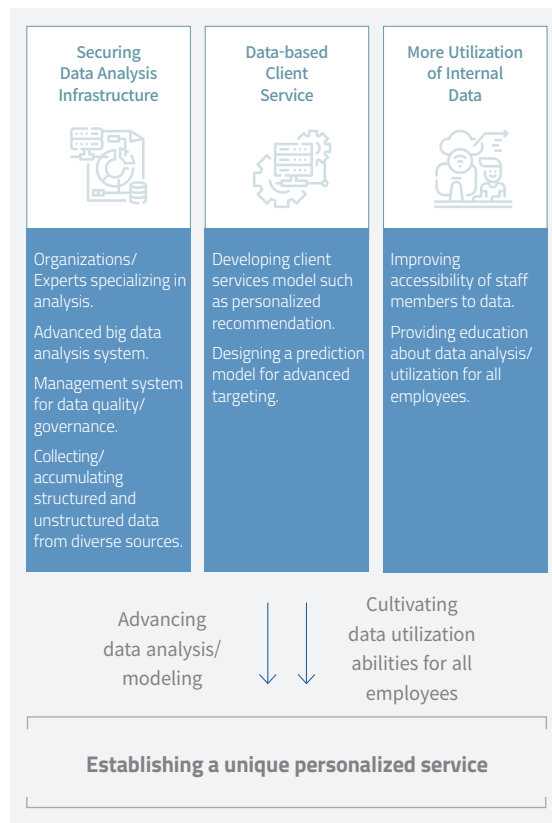
Online Client Assets

Total assets of clients with non-face-to-face accounts



Advancing Digital Analytics

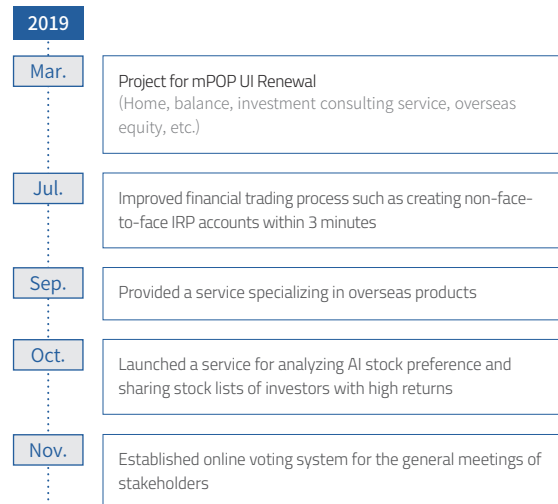
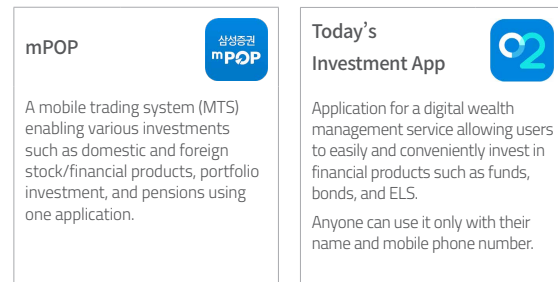
Samsung Securities is committed to building an infrastructure for effective collection, analysis, and process of data, which is a key asset in the digital era. To secure competitiveness, we are continuously recruiting experts from home and abroad specializing in big data and AI while establishing standards for quality control of structured and unstructured data from various sources. With these efforts, we are able to systematically manage the collected data and apply the model of product recommendation for customized services. We are also building a log data analysis environment for performing digital client journey analysis for personalized marketing and sophisticated CRM activities. This is an advanced analysis method that categorizes and models each client's behavioral cycle. In order to establish a data utilization culture within the company, the BI Portal has been renewed and visual materials and online training contents are provided for our employees. Going forward, we are going to improve work efficiency by utilizing data and continuously monitor for timely decision making.



Enhancing Digital Channel

A growing number of clients are starting their first financial investment in the volatile market caused by COVID-19. In particular, one in three people in their 20s and 30s began investing, becoming a new major client base. Samsung Securities launched the 'Today's Investment (O2)' application to provide an easy-to-use service environment for new clients who have excellent mobile capabilities but lack investment experience. 'Today's Investment' is an application with a simple trading process that allows users to receive refined information and easily invest in selected products through investor behavior analysis. We are also enhancing client convenience in existing digital channels (mPOP/HTS/POP.com) based on UX Principles. By streamlining processes such as overseas stock trading, credit/loan, and certificate issuance, even simple services are carefully managed for greater client satisfaction. Clients are able to receive investment information from YouTube and voice recognition

Samsung Securities' MTS

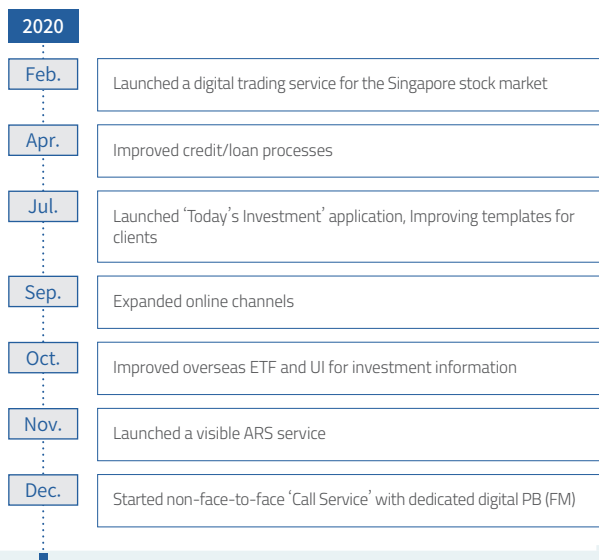


service channels (NUGU) other than MTS as well as client services such as Chatbot and visible ARS.

Open Collaboration for Win-win Ecosystem

Samsung Securities is actively collaborating with promising external fintechs and startups to expand our digital business. Since 2019, we have hosted the Open Collaboration event jointly with Samsung financial affiliates every year to select companies for partnership and collaboration, thereby launching new services or products underpinned by the incorporation of new digital technologies. In 2020, we launched our own open innovation program, 'Samsung Securities DN3A', which presents a new business model with startups equipped with D/N/A capabilities*. Specifically, we are carrying out various cooperative projects such as 1) service and technology advancement, 2) discovery of innovative services for clients, and 3) generation of new revenue sources. Samsung Securities will continuously make efforts in cooperation and shared growth aiming to create an environment where various companies coexist beyond the digital finance market.

*D:Data, Digital, Disruptive technology, N:Network, Non-regulated, New normal
A:Aggregator, Algorithm, Automation



Looking Forward

Samsung Securities aims to maintain competitive advantage in the traditional brokerage business and preoccupy the digital wealth management market by organically operating four organizations within the digital division. To this end, we are continuously enhancing client convenience by improving the transaction system and introducing new services for our VIPs. Investment consulting service, which was previously centered around the face-to-face investment, is currently transforming itself with a newly established PB organization dedicated to digital area and some 100 FMs deployed. This has enabled 'non-face-to-face immediate counseling service' in line with the trend of the times. As the size of the wealth management market is expected to grow continuously in the future, we plan to build a Robo-Advisor market to secure product and service competitiveness, and introduce an annuity advisory service suggesting investment strategies until retirement. Besides, aligning with our company direction putting emphasis on client-centric values, we will reinforce communication channels with clients, such as scenario chat, FAQ menu, and mobile bulletin board, with an aim to promptly solve client inconveniences. We will particularly contribute to creating an inclusive financial investment environment on the strength of our improved UI/UX and voice recognition systems for the elderly or the disabled who have difficulties in digital usage.

Transition to Sustainable Future 02.

PURSUING FINANCIAL CONSUMER PROTECTION

The final investment decision rests with financial consumers, but it is a financial company's responsibility to explain and prevent possible risks or damages from investment. If the financial companies only pursue economic performance without fulfilling responsibility, clients' valuable assets as well as clients' data will be at risk. With acceleration in digitalization, the companies are dealing with growing amount of clients' data. Therefore, regulators are tightening their standards under the circumstances that financial fraud cases using stolen client information frequently occur.

→ Our Commitment

→ 2025 GOAL

Subject of Management	Our Goal	Target Year
Client satisfaction survey	Rank 1 st in satisfaction of external organizations (achieved a triple crown* in 2020)	(sustained through) 2025
Education about incomplete sales	Establish a consumer-safeguarding culture by eradicating incomplete sales	2025
Rating on consumer protection evaluated by Financial Supervisory Services	Excellent (the highest grade)	2025

*NCSI: National Customer Satisfaction Information, KCSI: Korean Customer Satisfaction Index, KS-SQI: Korean Standard Service Quality Index

Consumer Protection System | Samsung Securities considers financial consumer protection one of the most critical core values. Accordingly, since 2013, we have preemptively appointed a Chief Consumer Officer (CCO) to enhance capabilities for safeguarding financial data. From 2020, the CCO has become independent under the direct control of the CEO to unify the company-wide consumer protection system and has been in charge of a newly established Consumer Protection Center. The center actively reviews to watch over financial consumers and guarantee their rights and interests at all stages from product development, sales to follow-up management. In preparation for possible consumer-related issues, we are building a robust financial consumer protection system by obliging the pre-consultation process with the Consumer Protection Center. We aim to eradicate incomplete sales, prevent consumer damages, and safeguard client rights and interests by providing prompt remedies for consumer damages. Samsung Securities will comply with the Financial Consumer Protection Charter and make a commitment to watch over financial consumers by clearly understanding and analyzing the voices of clients for client-centered management.

Information Protection System | Samsung Securities has established an information protection team and IT security team under the Chief Information Security Officer (CISO) to establish a company-wide information security system for safeguarding client data. The security committee reviews the security policy system and company regulations and revises them if necessary. Establishing an annual security work promotion plan, it checks the results to reflect them in the next year's plan, while dealing with other security breaches and violators. The information protection team establishes and operates related policies, secures personal information, and operates security council. In addition, it provides education on physical security and information protection. Building a security system for safe transactions, the IT security team keep client information safe in preparation for external intrusion through regular IT audits.

Information Security Executive Organization

1	Jong Won Lee, Managing Director	Security Executive (CFO)	<ul style="list-style-type: none"> • Samsung Securities Business Manager • Samsung Securities Audit Manager
2	Do Hyung Kim, Managing Director	CISO/CPO	<ul style="list-style-type: none"> • Head of Samsung Securities Information Strategy Team
3	Wan Mo Yang, Managing Director	HR Support Manager	<ul style="list-style-type: none"> • Head of Samsung Securities HR Team
4	Hoon Kyo Lee, Managing Director	CIO	<ul style="list-style-type: none"> • Head of Samsung Securities Information Strategy Team
5	Eun Ah Hwang, Managing Director	Compliance Manager	<ul style="list-style-type: none"> • Head of Samsung Securities Legal Affairs Team

Roles of the Company-wide Security Committee

- Improving security policies, systems, and guidelines
- Handling security incidents and violators
- Establishing annual security plan and reporting the results
- Performing other security-related matters

→ Our Action

Promoting Financial Consumer Rights

Advancing Development-Sales-Follow-up Process

Samsung Securities prioritizes the prevention of issues regarding financial consumer protection. We are operating inspection procedures to prevent damages of consumers in the entire process of product development, product sales, and follow-up management. When designing products, we inspect products from various perspectives to check if there is any possibility of harm toward our consumers, and prevent incomplete sales by following the sales procedure according to the six sales principles. For safeguarding financial consumers, we conduct monitoring after sales and regular inspection of complaints. And for the final step, the Consumer Protection Council inspects all processes followed by implementation of improvement activities according to the inspection results. We also apply the contents of the Financial Consumer Protection Act, which came into effect on March 25, 2021, to our business activities with an aim to prevent any violation of consumer rights and interests and breach of regulations.

Major Contents of the Financial Consumer Protection Act

1	Recording the contents of consultations on medium- or high-risk financial products and credit/loan agreements
2	With the introduction of the right to withdraw a loan, the original is returned upon request for investment products within 7 days after conclusion of a contract and loan products within 14 days after conclusion of a contract.
3	Introduction of the right to cancel an illegal contract for all products / It is available for contracts within 5 years from the date of signing or within 1 year from the date of knowing the violation to be cancelled, and there is no obligation to return the original (return the amount at the time of cancellation)
4	In case of dispute settlement and litigation such as civil complaints from financial consumers, it is available to request data related to internal control such as contract documents, company's inspection system, and data management.

1

Development

- Identification of the product development checklist
- Review of new products and manuals using the comprehensive consumer protection system and advertisement review
- Attendance in a meeting of the Product Committee by COO

2

Sales

- 6 sales principles (suitability, appropriateness, duty of explanation, prohibition of unfair practices, unlawful solicitation, and false or exaggerated advertisements)
- Preemptive detection of problems through mystery shopping

3

Follow-up Management

- Product monitoring
- Inspection on complaints about products
- Check for monthly sales of financial products
- Suspension and termination of improper product sales

4

The Consumer Protection Council

- Regular consultation on major issues related to financial consumer protection
- Identification of the current status of vulnerable areas in protecting financial consumers and preparing countermeasures
- Sharing the results of analysis of complaints and VOCs
- Efforts to raise awareness of financial consumer protection among employees

Realization of Financial Consumer Protection

Samsung Securities is making endeavor to protect financial consumers. In 2020, we improved the convenience and accessibility of financial consumers and introduced measures for financial fraud, while making programs advanced to prevent incomplete sales. We will continue to reinforce the client-centered management by identifying and institutionalizing activities to keep financial consumers safe and consolidate their rights and interests from various perspectives.

1 Introduction of a checklist for inspecting financial product sales

A checklist was introduced to prevent employees from omitting product explanation and to inspect overall progress. With the checklist, clients can sign up for appropriate investment products tailored to their needs by listening to explanations about the products such as the concept, profit and loss structure, risk factors, and fees.

2 Online issuance of mobile OTP

OTP is a disposable password that is randomly generated. The password is excellent in terms of security, but requires a strict certification process. We introduced an online issuance service for mobile OTP and simplified the complex certifications process so that anyone can easily protect their information.

3 Countermeasures against financial fraud

Recently, there has been a growing damage by financial fraud with digitalization of financial business such as creating non-face-to-face accounts and open banking. Therefore, we are committed to the prevention of damage caused by financial fraud damage through continuously upgrading the Fraud Detection System (FDS) and performing transaction monitoring. We apply a security solution that restricts financial transactions when the remote control app used for financial fraud is running, thereby actively responding to newly formed scams such as voice phishing. On top of that, we have intensively monitored newly opened accounts for a preemptive response and implemented preventive policies such as improving the name verification process and limiting the transfer limit. In addition, when a client attempts to withdraw or transfer a large amount of money, a fraud prevention questionnaire should be filled out. In case we find anything unusual in the questionnaire, we take a close look at the client's behavioral characteristics and check a call history. When the transaction is suspicious we contact the financial consumer protection team and the police to prevent client damage.



→ Our Action

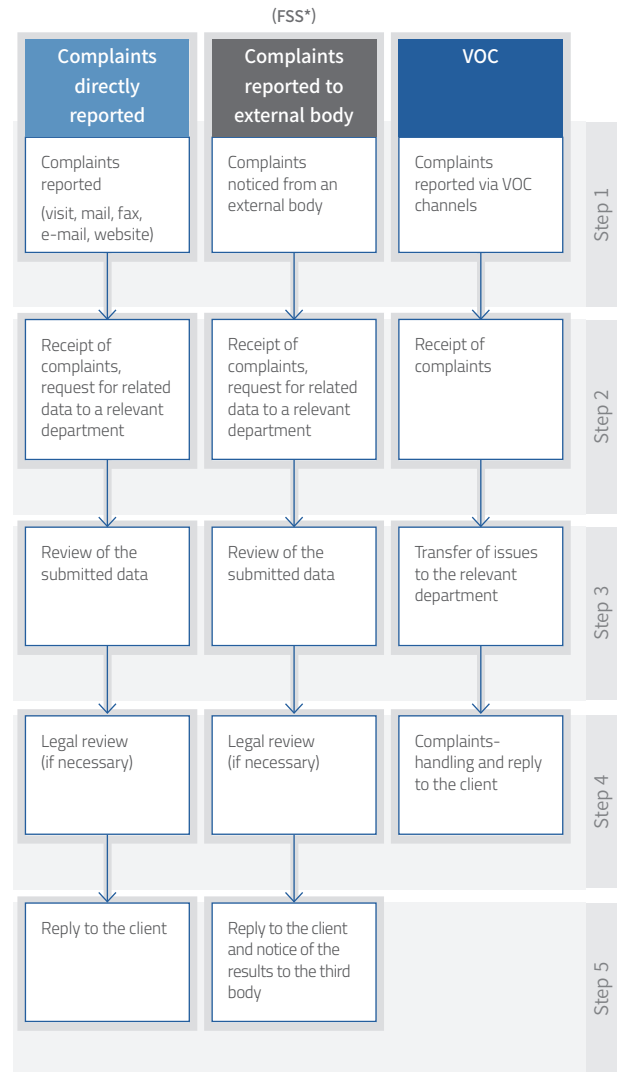
Innovation of Client Support

Mystery Shopping

Samsung Securities conducts mystery shopping quarterly followed by the application of the results to improve client service and protect investors. Mystery shopping is an investigative technique that an investigator masquerades as a client to monitor service processes. Since 2020, the mystery shopping target has been expanded to all branches of PB and has been conducted at least once a year. Each branch appoints a mystery shopping leader to prepare its own training system. Customized consulting is provided for branches and employees with poor performance, and increased rewards are given to excellent branches and employees on quarterly and yearly basis. Due to its mystery shopping, Samsung Securities has become the first in the industry to receive an A+ grade for 4 consecutive years in the 2020 Fund Seller Evaluation of the Korea Financial Investor Protection Foundation.

Management of Client Proposals through Consumer Protection System

Samsung Securities launched a new comprehensive consumer protection system to systematically manage client voices and actively reflect them into business activities. For efficient management, the system was developed to integrate tasks related to consumer protection, such as civil complaints, VOC/VOE, and prior consultation before product development and sales, into one system. We expect to promptly deal with civil complaints and VOCs and generate achievements for management activities and system improvement, advancing the existing process using the system. Samsung Securities actively reviews and responds to all client suggestions, regardless of the severity of the opinions. We will further vitalize communication with clients to deal with client complaints and raise clients' satisfaction, thereby resulting in providing a better client experience.



*Compliance with the Financial Supervisory Service (FSS)


Grievance-handling Performance

Samsung Securities seeks to safeguard clients' rights and interests by handling all grievances in accordance with proper procedures, and to identify the problem as close as the investigation conducted by an external agency. Through the investigation, we are producing reliable results based on proven bases and reflect to a legal review for clients' rights even if the results are unfavorable to the company. If some problems are revealed in the internal investigation, they are transferred to the Consumer System Improvement Team and the team follows-up until the trouble is resolved. If illegal acts of executives and employees are discovered, the audit team takes in charge of the matter separately from the issue of complaints according to internal regulations. And the complaints are reflected in the branch KPI quarterly evaluation or in the year-end executive consumer protection evaluation.

The examples of achievements of reflecting the results of civil complaints in management activities and systems are as follows.

- 1 By establishing a 24-hour currency exchange system, repayment is possible at all times in case of payment error in KRW or foreign currency.
- 2 A VOC-dedicated part was created within the Financial Consumer Protection Team to beef up expertise in responding to VOCs and prevent delays and omissions in responses.
- 3 Opening of multiple accounts in a short period of time is limited or blocked to prevent financial fraud damage.
- 4 It is able to delete their personal information using non-face-to-face wired methods instead of visiting the branch, improving consumer rights and interests on personal information protection.
- 5 Client-friendly service is available such as detailed explanation on civil complaints and prevention of financial fraud by revising the UX/UI of the financial consumer protection board on the website.

Diversifying Channels for Listening to Clients' Opinions

Opinion Panel for Client-centric management 	Client satisfaction survey 	VOC 
<ul style="list-style-type: none"> • 2nd term of client-oriented management in 2020 • Recruitment of 12 PB/RM/FM with over 3 years of work experience at the branch and implementation of 'Activity to find inconveniences from the perspective of clients' 	<ul style="list-style-type: none"> • Survey on client satisfaction on a quarterly basis and report to the consumer protection council • Conducting the monitoring on satisfaction about newly launched products more than half a year and reflecting the monitoring results to product development in the future • Ranked first in terms of client satisfaction survey conducted by 3 different external bodies 	<ul style="list-style-type: none"> • Listening to the voices of clients and solving problems through the website • Establishment of division for dealing with VOCs

→ Our Action

Protecting Client Information

Providing Financial Information and Education

Samsung Securities develops and delivers easy-to-follow educational contents to resolve the alienation of financial information, establish an upright perspective on the economy, and build a sound investment culture. The financial education for Youth, which facilitates formation of a proper economic knowledge to young people, is a representative social contribution activity of Samsung Securities. The class was conducted using a real-time online video conferencing program rather than face-to-face due to the COVID-19 situation. As of 2020, YAHU, a university student volunteer group of Samsung Securities, participated as lecturers 616 times, and a total of 840 youth took the course. And YouTube channel provides useful information to help financial investment through various financial and investment contents, encouraging the creation of a healthy investment culture.

ISMS-P (Personal Information Security Management System) Certification

As digital-based financial services and non-face-to-face platforms grow in importance, Samsung Securities is continuously and systematically responding to the trend at the company-wide level, such as obtaining integrated information protection and personal information protection management system (ISMS-P) certification. ISMS-P is a management system that thoroughly analyzes information system services and personal information-related tasks. It evaluates security level of the personal information flow, such as all applicable services, systems, employees, and physical locations according to the data lifecycle (collection, retention, use, provision, and disposal). In 2020, Samsung Securities renewed the certification by meeting 102 certification standards that reflected 80 information protection-related security requirements and 22 personal information protection-related security requirements.



Introduction of Security Solutions

Introduction of a solution to handle Web/Mobile's vulnerabilities



- Enhancing security efficiency by introducing specialized automation solutions to inspect vulnerabilities of website and mobile app systems instead of manual checking
- Minimizing Web/Mobile system vulnerability exposure by periodically and automatically checking vulnerability information

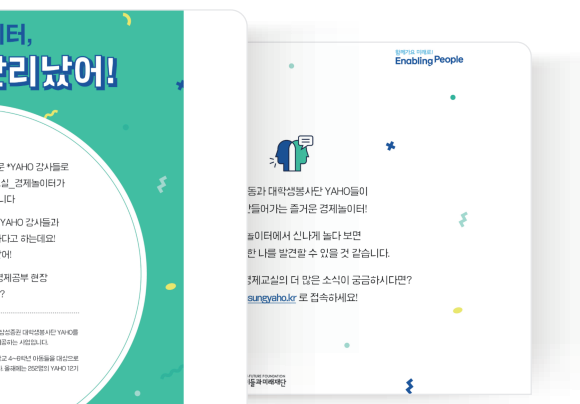
Establishment of online private certification/mobile OTP



- Increase in client convenience by improving self-certification standards and procedures and introducing new certification technology
- Introduction of mobile OTP available to be issued online and application to all online channels including website/HTS/MTS

Looking Forward

Samsung Securities will systematically protect information of financial consumers. Focusing on taking preemptive measures, we will strive to identify client threats in advance in all areas including products, systems, and processes. In accordance with the full-fledged enforcement of the Financial Consumer Protection Act, we will thoroughly educate and familiarize ourselves with the relevant laws to protect our clients' valuable rights and interests. Furthermore, we will respond to increasingly sophisticated scams through continuous enhancement of client information protection and continue to improve the certification system for clients. We plan to shore up security controls so as not to be shaken in the face of changes in a work environment, such as increase of work from home. Samsung Securities will protect clients' valuable assets and information with a more proactive manner.



Transition to Sustainable Future 03.

PURSUING GREEN SOCIETY

As climate change became a global crisis, active climate action was required, starting with the signing of the Paris Agreement in 2016. In addition, the voices of stakeholders who demand appropriate actions for companies have also been raised. In response, global financial companies such as Morgan Stanley and Citibank announced that they would suspend investment in coal-related businesses, one of the major causes of climate change. In addition, BlackRock, the world's largest asset manager, has selected climate change response and environmental sustainability as its core investment goals. These changes mean that the era of eco-friendly financial investment has arrived.

→ Our Commitment

→ 2025 GOAL

Subject of Management	Our Goal	Target Year
Carbon emissions	50% reduction	2030
Conversion of office cars to zero-emission vehicles	100%	2030

Declaration of Coal-Free Finance | As environmental factors such as climate change have emerged as an important factor in investment and corporate evaluation, Samsung Securities decided to declare 'coal-free finance' and suspend financing in coal power generation and additional investment. We also have established the 'ESG investment guideline' including withdrawal of investment in coal mining and coal power generation and applied the guideline to our business activities. Also, we are going to expand investment in eco-friendly assets such as renewable energy while making enormous efforts to take a leading role in overcoming the climate crisis and transforming into an eco-friendly society.

→ Our Action

Green Investment

Withdrawal From Financing Coal

Samsung Securities was one of the finance companies underwriting loans secured by the coal terminal in Australia, a port facility that exports coal from the world's largest Adani Mine. However, the Australian civic society regarded the large-scale wildfires in Australia in September 2019 as a disaster caused by climate change and urged financial companies to withdraw their investments. Accordingly, Samsung Securities immediately sent a letter to the Australian environmental group, acknowledging our lack of awareness about the environmental problems during our investment approval process, and promised to suspend additional financial support for the transaction. As of the end of 2020, we hold KRW 37.1 billion out of the total investment of KRW 61.4 billion for the Australian coal terminal. In addition to the withdrawal from the investment, our future investment will be thoroughly reviewed from an ESG point of view to closely examine environmental impacts.

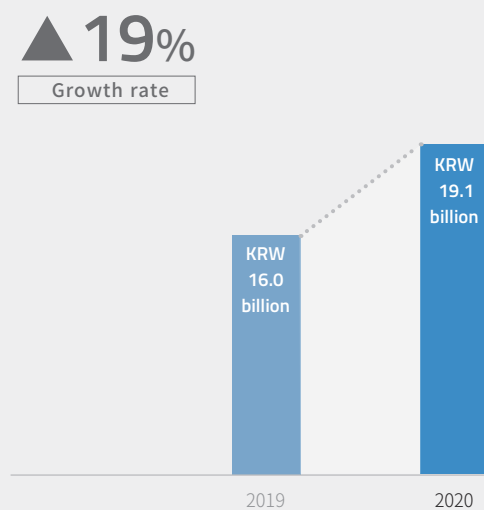
Green Bond Issuance

Samsung Securities issued 'ESG-rated bonds' for the first time in the industry in February 2021 to solidify its commitment to eco-friendly investment and provide responsible finance as a leading securities company. In recognition of our investment in eco-friendly business and climate change response, the bonds worth of KRW 100 billion received the highest grade, 'Green1' among green bonds from NICE Credit Rating. The rating goes through a more rigorous screening process than general ESG certification, such as green bond suitability, use of funds, and business evaluation and selection procedures. Going forward, Samsung Securities will capitalize on ESG bonds for investment in overseas renewable energy businesses, such as the US midstream project and the French solar power project, expanding our eco-friendly project portfolio in the future.

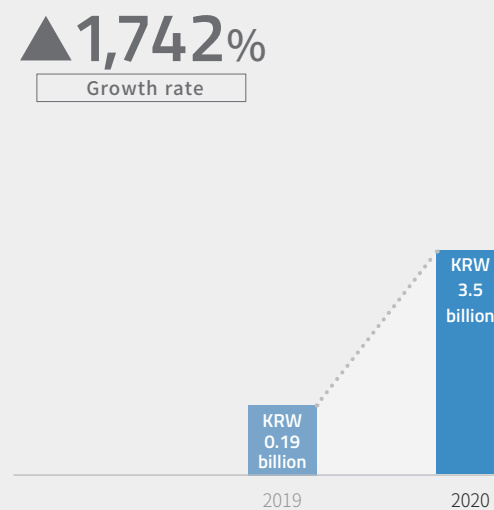
Eco-friendly Products

Samsung Securities develops and provides a variety of products that have a positive impact on the environment with a representative example of the Samsung Energy Transition Fund, launched in 2021. This product invests indirectly in a fund managed by the 'Environmental Strategy Group', which is in charge of the environment-related investment of a global manager 'BNP Paribas Management'. 'BNP Paribas' Environmental Strategy Group' is a management department with a highly profound expertise in climate change and eco-environmental issues. The fund is investing in energy infrastructure-related companies such as renewable energy production, eco-friendly buildings, energy technology and efficiency improvement, and alternative transportation means. Now, we develop products that take into account a variety of environmental factors, thereby supplying them to our clients.

1 Balance of the Green Energy Fund



2 Total Sales of the Green Energy Fund



→ Our Action

Green Management

Environmental Protection Campaign

The Samsung Group is planning and executing environmental protection campaigns in various directions to raise awareness of climate change and environmental issues and the importance of environmental protection among employees. As an example, we have set five environmental protection practices, such as using tumblers and refillable office supplies as well as facilitating eco-friendly changes in the daily life of our employees. In addition, we are carrying out an active recycling campaign beyond the simple reduction of disposable products. In 2020, we upcycled plastic containers collected by our employees into educational supplies such as jumping rope and crayons, and donated them to about 20 youth study rooms and local children's centers. In order to encourage more employees to participate and to form a company-wide consensus on environmental protection, we plan to conduct the 'Green Clean Challenge,' in which individual or organizational unit sets challenging goals and shares their achievement process. According to the cumulative number of participants in the campaign, the company will accumulate donations and give certification marks to employees who have achieved their goals to induce active participation. We also provide incentives such as offering gifts to campaign participants. Our efforts also include reducing paper usage by avoiding unnecessary paper reports and report writing utilizing the electronic approval system. Samsung Securities strives to promote an environmental protection culture within the company through effective campaigns, improving the advantages of employees participating in the campaign.

Looking Forward

Recognizing the climate crisis as an immediate problem we are faced with, Samsung Securities will fulfill our responsibilities as a global financial company, contributing to transitioning into a low-carbon, eco-friendly society. In particular, we plan to continuously expand our portfolio of eco-friendly projects that directly affect the environment, such as renewable energy and alternative means of transportation including electric vehicles, and develop and supply related products such as eco-friendly bonds. At the company level, we will try to reduce carbon by introducing electric (hydrogen) vehicles to prevent air pollution and replacing old equipment with high-efficiency energy equipment. We will spare no effort to pursue a green society in order to establish investment strategies and conduct business activities for the present and future generations.



Transition to Sustainable Future **04.**

PURSUING SUSTAINABLE INVESTMENT

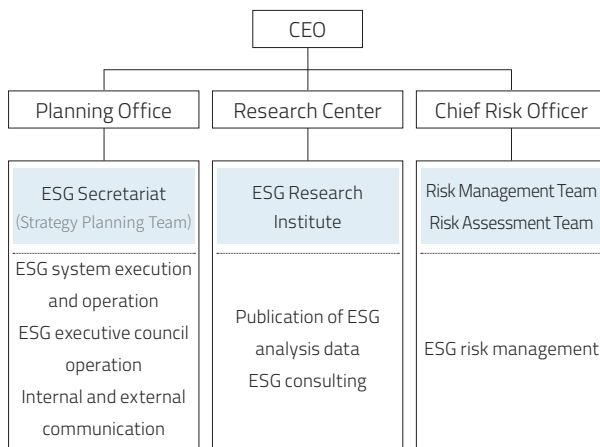
In the past, financial performance determined the value of company, but now ESG, an indicator of non-financial value, has grown in importance. Accordingly, investors require companies to disclose ESG information. And global evaluation agencies are evaluating companies in terms of ESG according to the information. It is clear that ESG presents both risks and opportunities. Companies that respond in an organized manner may make a leap forward, but companies that fail will lose their sustainable competitive advantages.

→ Our Commitment

→ 2025 GOAL

Subject of Management	Our Goal	Target Year
ESG product lineup expansion (Funds → bonds, trusts, etc.)	100 products	2025

Establishment of ESG Management System | Samsung Securities recognizes the gravity of ESG, which represents the voices of various stakeholders, and preemptively establishes and operates an ESG organization system. The ESG Secretariat under the Planning Office manages ESG-related systems and overall operation. The Risk Management and Risk Assessment Teams of the Chief Risk Officer (CRO) measures and monitors the impact of ESG, and the ESG Research Institute produces credible information and conducts corporate consulting. In addition, the ESG Executive Council, an enterprise ESG executive decision-making body, is also operated for final decision-making regarding ESG or when prompt responses are required. Therefore, as the significance of ESG increases and stewardship codes of institutional investors spread, Samsung Securities reflects ESG elements at every level of the provision of products and services, expands related product lineups, and promotes internalization of the ESG culture throughout the company.



Formulation of Global Investment Strategy | Since 2020, Samsung Securities has been actively responding to growing overseas stock trading coming with the expansion of global stock market volatility, the emergence of star stocks, improvement in trading system convenience, and lower transaction costs. In addition, we are playing a leading role in making overseas stock trading popular by proactively rendering various services. In this regard, Samsung Securities has entered the era of overseas investment in earnest and has established 3P strategy, namely, People, Product, and Process for concrete implementation. To this end, we conducted training for employees to sharpen their overseas investment capabilities and revamped our organization to enhance accuracy in our research services. In addition, we have established 14 market-on brokerage infrastructures, the highest level in the industry. In particular, in the US market, we render services for the longest trading hours in this industry with 14 hours of trading support. We have reorganized the trading system, which was restricted when investing overseas, from the perspective of clients. Samsung Securities will continue to lead the global investment culture by providing the concept of overseas investment, a portfolio building method, and accurate research information.

→ Our Action

Creating an ESG investment environment

Establishment ESG Research Institute

Samsung Securities established ESG Research Institute to actively respond to ESG demand and provide high-quality ESG analytics. In particular, the ESG Research Institute's separate brand, 'Sustain-wise', presents an independent and professional ESG research identity that differentiates itself from other companies. We are securing more external experts with experiences in ESG evaluation and voting rights advisory so as to ramp up the level of ESG analysis expertise, and publishing an in-depth report through active collaboration with analysts in the fields of economy (macro), asset class, and industry (sector). In addition, we are putting efforts into making a culture of ESG permeate through the domestic investment industry by holding seminars and conferences including invitations of experts.

Provision of ESG Investment Guidelines

Samsung Securities preemptively recognizes and evaluates the environmental and social impact of Samsung Securities' financial activities through the provision of ESG investment guidelines, and uses them in the investment decision-making process. And this is our basic policy for determining non-financial factors beyond traditional financial risks. The policy serves as preliminary screening guidelines for the transactions regarding equity capital investment, acquisition of securities and assets and supply of financial products that we promote. For example, if the target business has a large proportion of sales related to coal mining and power generation, screening will be conducted before investment, acquisition, and other financing transactions according to the internal guidelines. In addition, the transaction department conducts a pre-screening based on the checklist distributed on the pre-investment review stage and reviews the ESG impact of the transactions. Going forward, Samsung Securities measures the impact of various environmental issues (renewable energy, water resources, mining, biodiversity, forestry, agriculture, transportation, petroleum and natural gas, raw materials, etc.) in addition to the coals of investment target companies or projects, and plans to expand our investment based on the results.

Socially Responsible Investment

Samsung Securities is making social investments to create a sustainable society and a market ecosystem that grows together. We do technology financing that contributes to the growth of SMEs and venture companies with outstanding technology as well as to the formation of an ecosystem by investing in them. In particular, we put our focus on industries, companies, and technologies related to the Fourth Industrial Revolution issues, which will bring us opportunities to realize investment returns and expand new businesses such as listing on KOSDAQ, M&A, and block deals as investment target companies grow in the future. In addition, we are selling a number of responsible investment funds to find companies with excellent and sound governance, investing in undervalued companies with the aim of being socially responsible. Samsung Securities continues to expand the scope of related product lines.

KRW 27.4 billion

Amount of investments in governance and responsible products

KRW 32.8 billion

Amount of investments in technology finance

→ Our Action

Leading the global investment culture

Facilitation of Overseas Alternative Investment

The prolonged trend of recent low interest rate gives rise to the expansion of overseas alternative investment. Against this backdrop, Samsung Securities is responding to the growing investment demand of the wealthy and institutional investors by sourcing quality alternative investment assets on the strength of our competitive global network. In 2020, it was difficult to newly try various alternative investments due to the COVID-19 that hit the world. However, Samsung Securities made an office mezzanine investment in Dockland, London, UK, based on our global network. Dockland is one of the three major office districts in London, and the office located in the area attracted a British quasi-governmental organization as a major tenant, so it is the overseas real estate product worth KRW 43.5 billion that can provide interests in a stable manner. Samsung Securities will endeavor to deliver good investment experience opportunities to clients by attempting various forms of alternative investment in cooperation with global companies, overseas pension funds, etc.

Leading the Popularization of Overseas Stock Investment

The year of 2020 was marked by the increasing number of clients commencing overseas investment. Against this backdrop, we rendered new services and improved processes to enhance the level of convenience and support clients in their investment life. As part of efforts, we broadened the scope of information we provide for clients by adding dividends, shareholders, and competition status in addition to market prices and corporate overview. This activity led us to reach No. 1 position as a securities company with excellent overseas research in 2021 (co-hosted by the Chosun Ilbo and Fn Guide). In addition, the US premarket trading hours were extended from 30 minutes to 2.5 hours for the first session and 5.5 hours for the second session so that investors can trade US stocks from the evening. In the first half of 2021, aftermarket services were also implemented. In 2020, we held two non-contact overseas stock conferences for the first time in Korea. Furthermore, Samsung Securities analysts conduct investment seminars and post videos related to overseas stocks through YouTube Live.

Looking Forward

Companies must identify opportunities and risks in a timely manner. And the strategies should be devised for sustainable growth. With the growing gravity of ESG management, Samsung Securities will objectively analyze the ESG influence that we have, and set and manage the necessary systems, and qualitative and quantitative goals. The BOD will also recognize ESG agenda as a matter of critical resolution while ESG committee will be operated to respond to issues through quick decision-making. In addition, we will carry out client-oriented business such as upgrading related services and providing quality products in line with the trend of expanding global overseas investment. Above all, we will do our best to prevent loss and damage due to incorrect investment from occurring by providing clients with reliable information on overseas investment.



E S G

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Environmental Data

Action on Climate Change

2020 Performance

Greenhouse Gas Emission

Category	Contents	Scope of Reporting	Unit	2018	2019	2020
Greenhouse gas (GHG)	Total emissions (Scope 1 & 2)	Headquarters, company vehicle	tCO ₂ eq	1,413	1,278	1,288
	Direct GHG emissions (Scope 1)*			848	710	654
	Indirect GHG emissions (Scope 2)**			565	568	634
	Other GHG emissions (Scope 3)***	Headquarters, Company-wide		3,001.278	2,528.596	2,115.425
	Total amount of GHGs emitted on business travels	Company-wide (business travel)		335.726	347.366	103.128
	GHG emissions from paper use	Company-wide		2,657.760	2,173.920	2,005.080
	GHG emissions from water use	Company-wide		7.332	6.951	6.610
	GHG emissions from card issuance	Company-wide		0.460	0.359	0.607
Greenhouse gas intensity	City gas (Scope 1)	Headquarters	tCO ₂ eq/m ²	0.02	0.02	0.04
	Electricity (Scope 2)	Headquarters	tCO ₂ eq/m ²	0.02	0.02	0.04

*2020 target direct emission of GHGs: 689 / **2020 target indirect emission of GHGs: 562

***2020 target amount of GHGs emitted from business travels: 330

Energy Consumption

Category	Contents	Scope of Reporting	Unit	2018	2019	2020
General energy (non-renewable energy)	Electricity (headquarters)*	Headquarters	MWh	1,154	1,159	1,360
Renewable energy	Total amount of renewable energy purchased and produced**	Headquarters	MWh	0	0	0
Energy consumption cost	Electricity expenses	Headquarters	KRW 100 million	1.42	1.45	1.67
Energy intensity (emissions per unit area)	City gas	Headquarters	tCO ₂ eq/m ²	8.4	6.9	6.7
	Electricity	Headquarters	tCO ₂ eq/m ²	0.05	0.05	0.08

*2020 target electricity consumption: 1,147 **2020 target amount of purchased and produced: 0

Environmental Data

2020

Performance

ESG Products and Services

Samsung Securities launched four ESG investment strategy funds* in 2020, and plans to expand its lineup in 2021. The sales amount of 21 funds, excluding the two funds having ESG investment strategies changed in 2020, was KRW 9.5 billion, an increase of KRW 2.9 billion from KRW 6.6 billion in 2019.

*Schroeder Global Sustainability Stock/ Woori G Artisan Global Opportunity H/ Woori G Artisan Global Opportunity UH/ Midas Responsible Investment

Product	Unit	Scale
Value by sustainable investment product		
Samsung Global Water Fund 1 (Equity-Fund of Funds)	KRW 100 million	21.0
Samsung Retirement Pension Global Water 40 Securities 1 (Bond-Mixed)	KRW 100 million	0.1
Samsung Global Clean Energy Fund 2 (Equity-Fund of Funds)	KRW 100 million	0.4
Samsung Global Clean Energy Fund 1 (Equity-Fund of Funds)	KRW 100 million	42.4
Samsung Retirement Pension Global Clean Energy 40 Securities Holder 1 (Bond-Mixed)	KRW 100 million	8.8
Woori G Business Value Improvement Long-term Fund (Equity)	KRW 100 million	27.5
Korea Private Carbon Special Asset 1st Investment Company (Monetary Rights)	KRW 100 million	107.9
Samsung Global Water Fund 2 (Equity-Fund of Funds)	KRW 100 million	0.6
Woori G Korea ESG Fund (Equity)	KRW 100 million	4.0
Woori High Plus Short-term High Graded ESG Bond Fund 1 (Bond)	KRW 100 million	8.6
SH Beautiful SRI Green New Deal Security 2 (Equity)	KRW 100 million	5.1
Samsung Classic Global Water Pension Holder Fund H(Equity-Fund of Funds)	KRW 100 million	0.4
Samsung Classic Global Clean Energy Pension Holder Fund H (Equity-Fund of Funds)	KRW 100 million	9.9
Samsung F&T Global Megatrend Holder Fund H (Equity-Fund of Funds)	KRW 100 million	31.6
Samsung F&T Global Megatrend Holder Fund UH (Equity-Fund of Funds)	KRW 100 million	14.3
Samsung Europe ESG Fund H (Equity)	KRW 100 million	116.2
Samsung Governance Plus Specialized Private Fund 1 (Equity)	KRW 100 million	27.2
Samsung ESG Good Responsible Investment Fund 1 (Equity)	KRW 100 million	196.1
VI Social Responsible Investment Fund (Equity)	KRW 100 million	0.7
Midas Responsible Investment Fund (Equity)	KRW 100 million	49.8
Woori G Artisan Global Opportunity Fund H (Equity-Fund of Funds)	KRW 100 million	5.6

2020 Performance

Product	Unit	Scale
Woori G Artisan Global Opportunity Fund H (Equity-Fund of Funds)	KRW 100 million	3.6
Schroder Global Sustainable Growth Fund (Equity-Fund of Funds)	KRW 100 million	6.0
Total	KRW 100 million	687.6

Reduction of Resource Usage and Pollution

Assessment

Third-party Verification and Data Consistency Management

Samsung Securities provides reliable environmental data for its stakeholders. We maintain the consistency of environmental data by periodically notarizing and disclosing information on energy consumption and waste discharge through evaluation by the Korea Quality Foundation and registration in the 'Allbaro System'.

2020 Performance

Samsung Securities is carrying out various activities to contribute to the mitigation of resource usage and pollution. In particular, we continue to recommend the use of electronic payment system to reduce paper use. We plan to continuously reduce paper use in the future by minimizing unnecessary report publication and replacing it with electronic reports suitable for pop-touch devices that have been widely used. These efforts apply not only to paper, but also to water use and waste discharge, and we are curtailing the amount of use and discharge every year.

Category	Contents	Scope of Reporting	Unit	2018	2019	2020
Water*	Water supply	Headquarters	m ³	22,083	20,938	19,909
	City gas	Headquarters	m ³	212,178	176,473	169,912
Fuel	Gasoline	Company vehicle	L	169,546	141,354	123,993
	Diesel	Company vehicle	L	3,006	3,345	2,368
Paper	Reports			1,195	989	835
	Bank slips			238	200	196
	Photocopy paper	Company-wide	10,000 sheets	1,731	1,399	1,356
	Total			3,164	2,588	2,387
General waste	Emissions**		ton	98	39	62
	Recycling amount***		ton	93	36	61

*2020 target amount of use: 20,310 **2020 target emissions: 37 ***2020 target recycling amount: 35

Social Part

Labor

Strategy

Samsung Securities has in place the regulations on systematic HR and recruitment management along with a talent development strategy to attract and nurture talents in the rapidly changing business environment. In addition, we are developing an active talent pool by predicting the demand for necessary manpower in response to changes in the financial industry's business environment. To this end, we adopt the viewpoint of talent attraction as well as talent nurturing when it comes to the operation of our talent pool. Specifically, our recruitment programs include the 'Young Creator' program, which provides special benefits for students with excellent scores at the programs, participations in career fairs at major universities, and an internship program for full-time positions.

Retiree Support System lifetime planning program

We put in place a retirement pension system in accordance with the Employee Retirement Benefit Guarantee Act to stabilize the lives of our employees in their old age. Since the inception in 2009, Financial Career Consulting Center has lent support to retired employees and employees supposed to retire with a job change support program tailored to financial industry workers. In addition, we operate and support age-specific lifetime planning programs for employees aged 50, 55, and 58 for the first time among financial firms. Through these programs, we help our employees positively accept various ways of life, expand their career expertise, and gain confidence after retirement. In particular, from 2018, we are trying to provide more practical help, such as providing lifetime planning education for middle-aged employees over the age of 45, and 1:1 consulting for those who are retiring and those in need of counseling.

Target

In order to stay true to the mission of fostering a culture of learning and nurturing talents that contributes to delivering practical results, we are giving annual target credits for each position and job group. In addition, we are promoting the competency management of our employees through Overall Competency Management System that allows employees to choose and take courses in their own initiative. Based on this, we are managing various education indicators. And as all education is converted to the non-contact form of programs due to COVID-19, we are managing indicators, such as the number of participations in training and education satisfaction, in connection with our management policy and talent training strategy.

Indicator	Unit	2018	2020
Establishment rate of annual credit completion plan	%	99.0	100
Achievement rate of annual compulsory credits	%	93.6	95.2

Assessment

Samsung Securities operates performance-generating evaluation systems such as management by objectives (MBO), multi-faceted evaluation, and comparative evaluation for employees in the same position. In addition, we operate a long-term incentive system for executives and financial investment managers, and conduct annual employee satisfaction surveys to identify and solve problems.

2020 Performance

Employment

Samsung Securities manages human resources by dividing them into new hires, leavers, and retirees. Currently, we are conducting job search and development activities to increase the employment rate of the disabled and veterans, which are below the standard for the non-compulsory employment rate. In addition, we have set a target of having female workforce account for 50% in the total workforce in 2030, and formulated a recruitment policy for female employees to achieve this goal.

Category	Contents	Unit	2018	2019	2020
Total employees	Male (ratio)	Persons (%)	1,357(59.7)	1,443(60.2)	1,436(59.9)
	Female (ratio)	Persons (%)	915(40.3)	951(39.7)	960(40.1)
	Total	Persons	2,272	2,394	2,396
New hires (by gender)	Male (ratio)	Persons (%)	115(59.3)	163(69.4)	74(64.9)
	Female (ratio)	Persons (%)	79(40.7)	72(30.6)	40(35.1)
	Total	Persons	194	235	114
New hires (by job title)	Executives (ratio)	Persons (%)	0(0)	2(0.9)	0(0)
	Middle manager (ratio)	Persons (%)	1(0.5)	2(0.9)	3(2.6)
	Assistant manager (ratio)	Persons (%)	41(21.1)	88(37.4)	44(38.6)
	Staff	Persons (%)	152(78.4)	143(60.9)	67(58.8)
	Total	Persons	194	235	114
Internal Recruitment	Internal Recruitment (ratio)	Persons (%)	9(12.1)	13(8.0)	4(6.1)
Voluntary retirees (by gender)	Male (ratio)	Persons (%)	105(67.3)	71(65.1)	74(71.2)
	Female (ratio)	Persons (%)	51(32.7)	38(34.9)	30(28.8)
	Total	Persons	156	109	104
Voluntary retirees (by position)	Executives	Persons (%)	3(2)	2(1.8)	4(3.8)
	Middle manager	Persons (%)	4(2.5)	2(1.8)	2(1.9)
	Assistant manager	Persons (%)	54(34.6)	42(38.5)	49(47.1)
	Staff	Persons (%)	95(60.9)	64(58.7)	49(47.1)
	Total	Persons	156	109	104
Voluntary retirement rate (by gender)	Male (ratio)	%	4.62	2.97	3.09
	Female (ratio)	%	2.24	1.59	1.25
	Total	%	6.87	4.55	4.34

Social Part

2020 Performance

Category	Contents	Unit	2018	2019	2020
Voluntary retirement rate (by position)	Executives	%	0.13	0.08	0.17
	Middle manager	%	0.18	0.08	0.08
	Associate manager	%	2.38	1.75	2.05
	Staff	%	4.18	2.67	2.05
	Total	%	6.87	4.55	4.34
Total retirees (by gender)	Male (ratio)	Persons (%)	112(68.7)	76(66.7)	77(71.3)
	Female (ratio)	Persons (%)	51(31.3)	38(33.3)	31(28.7)
	Total	Persons	163	114	108
Total retirees (by job title)	Executives (ratio)	Persons (%)	3(1.8)	3(2.6)	4(3.7)
	Middle manager (ratio)	Persons (%)	4(2.4)	3(2.6)	2(1.9)
	Associate manager (ratio)	Persons (%)	59(36.2)	44(38.6)	52(48.1)
	Staff (ratio)	Persons (%)	97(59.5)	64(56.1)	50(46.3)
	Total	Persons	163	114	108
Total retirement rate (by gender)	Male	%	4.93	3.17	3.21
	Female	%	2.24	1.59	1.29
	Total	%	7.17	4.76	4.51
Total retirement rate (by job title)	Executives	%	0.13	0.13	0.17
	Middle manager	%	0.18	0.13	0.08
	Associate manager	%	2.60	1.84	2.17
	Staff	%	4.27	2.67	2.09
	Total	%	7.17	4.76	4.51
Years of service	Average years of service	Years	10.37	10.4	11.34
	Average years of service for male	Years	10.82	11.12	11.62
	Average years of service for female	Years	9.52	9.77	10.72
Employment type	Regular	Persons	2,090	2,128	2,118
	Temporary	Persons	182	266	278

2020 Performance

Workforce Diversity

Currently, female workers account for 40.1%. Samsung Securities make every effort to raise the proportion of women in managerial and executive positions to enhance women's rights and interests at all positions. Our ratio is higher than the domestic industry average, but we still have a long way to go to meet the global level. Therefore, we are managing this as a mid/long-term goal to have female employees to be 50% and female managers to be 40%.

Category	Contents	Unit	2018	2019	2020
Executive management position*	Male (ratio)	Persons (%)	23(92.0)	24(92.3)	23(88.5)
	Female (ratio)	Persons (%)	2(8.0)	2(7.7)	3(11.5)
	Total	Persons	25	26	26
Middle management position*	Male (ratio)	Persons (%)	156(90.2)	162(89.5)	163(87.6)
	Female (ratio)	Persons (%)	17(9.8)	19(10.5)	23(12.4)
	Total	Persons	173	181	186
Junior management position**	Male (ratio)	Persons (%)	803(72.5)	887(72.2)	926(72.2)
	Female (ratio)	Persons (%)	304(27.5)	341(27.8)	356(27.8)
	Total	Persons	1,107	1,228	1,282
Management position in revenue-generating departments***	Male (ratio)	Persons (%)	735(74.5)	788(75.0)	779(75.6)
	Female (ratio)	Persons (%)	252(25.5)	262(25.0)	252(24.4)
	Total	Persons	987	1,050	1,031
Non-management position	Male (ratio)	Persons (%)	375(38.8)	370(38.6)	324(35.9)
	Female (ratio)	Persons (%)	592(61.2)	589(61.4)	578(64.1)
	Total	Persons	967	959	902
STEM(Science, technology, engineering, mathematics) related departments**	Male (ratio)	Persons (%)	190(64.4)	202(65.4)	238(70.8)
	Female (ratio)	Persons (%)	105(35.6)	107(35.6)	98(29.2)
	Total	Persons	295	309	336
Minorities	The disabled	Persons	60	60	53
	Veterans	Persons	49	51	53

*2030 target rate of female workforce in executives and middle managers: 30%

**2030 target rate of female workforce in junior managers, managers of revenue generating departments, STEM related departments: 50%

***Excluding support departments and jobs such as HR, IT, laws, etc

Social Part

2020 Performance

Age

Category	Contents	Unit	2018	2019	2020
Under 30	Male	Persons	154	134	117
	Female	Persons	276	234	219
30-39	Male	Persons	509	568	536
	Female	Persons	407	431	429
40-49	Male	Persons	549	490	484
	Female	Persons	224	265	282
50 or over	Male	Persons	145	251	299
	Female	Persons	8	21	30
Total	Male	Persons	1,357	1,443	1,436
	Female	Persons	915	951	960

Nationality

Category	Contents	Unit	2018	2019	2020
Korea	Employees (% of all employees)	%	99.47	99.33	99.42
	Managers (% of all managers)	%	99.00	99.02	99.06
USA	Employees (% of all employees)	%	0.31	0.33	0.21
	Managers (% of all managers)	%	0.54	0.56	0.33
Canada	Employees (% of all employees)	%	0.04	0.04	0.17
	Managers (% of all managers)	%	0.08	0.07	0.27
UK	Employees (% of all employees)	%	0.04	0.08	0.13
	Managers (% of all managers)	%	0.08	0.14	0.20
China	Employees (% of all employees)	%	0.04	0.04	0.04
	Managers (% of all managers)	%	0.08	0.07	0.07
New Zealand	Employees (% of all employees)	%	0.04	0.04	0.04
	Managers (% of all managers)	%	0.08	0.07	0.07

2020 Performance

Category	Contents	Unit	2018	2019	2020
Spain	Employees (% of all employees)	%	0.04	0.00	0.00
	Managers (% of all managers)	%	0.08	0.00	0.00
Vietnam	Employees (% of all employees)	%	0.04	0.04	0.00
	Managers (% of all managers)	%	0.08	0.07	0.00

*Reporting scope is limited to domestic personnel.

Pay

Category	Contents	Unit	2018	2019	2020
Gender equal pay*	Equal pay rate of executives	Times	1.09	1.08	0.99
	Equal pay rate of managers	Times	0.94	0.94	0.96
	Equal pay rate of non-managers	Times	1.00	1.00	1.02
Compensation differential between CEO and employees	Total CEO compensation	KRW 100 million	9.55	13.74	17.1
	Mean employee compensation	KRW 100 million	1.21	1.08	1.31
	Compensation differential rate	%	7.89	12.72	13.05

*Women's average basic pay/Men's average basic pay

Labor Union and Collective Bargaining

Category	Contents	Unit	2018	2019	2020
Labor union	Ratio of unionized employees	%	13	12	11
	No. of unionized employees	Persons	269	264	251
	No. of target employees	Persons	2,074	2,187	2,184
Collective bargaining application	Ratio of collective bargaining application to all employees	%	13	12	11

Social Part

2020 Performance

Welfare

Category	Contents	Unit	2018	2019	2020
Welfare*	Welfare benefits	KRW 1000	50,592,694	58,022,121	56,760,165
	Welfare benefits to sales	%	1.05	0.89	0.53

*Separate

Talent Nurturing

Education method has transitioned into non-face-to-face one, which, in turn, has removed physical constraints. Consequently, we are seeing the growing number of employees who participate in training courses. However, due to the nature of non-face-to-face training, it was mainly operated as a short-time course rather than a full-day course, so training time and training costs were somewhat reduced. Samsung Securities conducts various activities such as jobs, humanities, and foreign language education to establish a culture of self-directed learning where employees learn and grow on their own. A regular learning platform is also in operation to promote knowledge sharing so that employees can share their professional knowledge and talents each other. Above all, we strive to strengthen job training in order to respond nimbly to the external environment to keep up with the changes in the financial industry. In order to sharpen the professionalism of employees, job training is divided into SS On Air, which is an immediate special lecture on market conditions, and Expert Academy, which is conducted as an in-depth job course for each subject. In addition, we are working hard to nurture financial experts by jointly operating a finance master's program with Sungkyunkwan University (7 people participated), and we are also supporting our employees in acquiring global certificates. As part of efforts to foster next-generation leaders, we run a training course for candidates for department heads every year. As a result, 6 out of 18 participants (33.3%) of the course were selected as new department heads in 2020.

Category	Contents	Unit	2018	2019	2020
Education	No. of participation in education per capita	Cases	8.4	14.0	20.8
	Hours of participation in education per capita	Hours	109.1	179.8	121.8
	Education fee per capita	KRW 10,000	170.2	176.6	104.2
	Total number of participation in education	Cases	19,168	33,047	48,103
	Total hours of participation in education	Hours	249,470	423,606	281,537
	Total education fee	KRW 100 million	38.9	41.6	24.1
	Total employees	Persons	2,286	2,356	2,312

*Because of non-face-to-face training, short-time delivery reduces training time and cost compared to the number of participants.

2020

Performance

Main Education Programs

Category	Programs	Program details	No. of participated	Participation hours
Job competency programs	Legal qualification support system	Program for support the acquisition of legally required license for employees in charge of financial product sales and investment management. Support investor protection education, online qualification preparation classes, and workbooks.	2,343	45,797
	Advanced qualification support system	Program for support of acquisition of first-recommended certifications such as for CFA, CFP, etc. Operate online qualification preparation classes and support self-study acquisition	127	25,400
	Professional qualification support system	Support program for acquiring 32 certifications that are recognized for financial and job-related expertise. Operate some qualification preparation classes and support self-study acquisition	12	2,400
	Expert Academy	Regular course that combines theoretical lectures and practical practice to raise job professionalism	739	3,695
	SS On Air	Special lecture to enhance the level of understanding and practical application of timely job-related issues	9,816	9,816
Self-directed learning programs	E-learning	Various topics, such as leadership, liberal arts, and foreign languages, are conducted online, and one course per employee is allowed per month	9,145	248,453
	Lunch & Learn	Special lectures on humanities and trends using lunchtime (non-contact)	2,845	2,845
	In-house language class	Operate OPIc evaluation test preparation classes by grade and support external language training (non-contact) for executives/ department heads	124	4,310
	Learning creator	Program in which employees directly create and share content in various fields of specialty and interest.	16	480
	SS challengers	Non-contact learning group that shares the goal achievement process with employees who have a common learning goal and then shares the results	104	1,824
	S Trebari	Non-contact reading group with experts in each field	76	912
	Knowledge Festa	Company-wide general knowledge sharing event for audiences, such as sharing event of in-house learning outcomes and special lectures by celebrities by theme	863	3,452

Social Part

2020 Performance

Work-Life Balance

With an aim of helping our employees achieve a work-life balance, Samsung Securities has operated a variety of programs including flexible working hours, childcare leave* and maternity leave. The type of flexible working hours system we have adopted is selective working hours, which allows our employees to adjust their work schedules within the 40-hour work week system. The system came into force in July 2019, and the participation rate stood at 96.1% in 2020. Furthermore, we have selectively allowed our employees to work from home in order for the prevention of the spread of COVID-19 as well as for the protection of our employees. We examine our working system and related issues to make sure that our employees can work under the same working conditions even when they work from home.

Two daycare centers are also operated within our headquarters for children aged 1 to 5 so that our employees can fully concentrate on their works without any worry. Admission to the centers is granted in order of female employees, single parent employees and male employees of dual-income families. The number of children attending the centers is on the increase, and a total of 286 children were registered in 2020. In addition, Samsung Securities puts in place many other programs including a family friendly program, a tuition and school uniform reimburse program and support for medical check-ups.

*Children born after March 2016 may be used for up to two years.

Category	Contents	Unit	2018	2019	2020
Maternity leave	Those supposed to return after maternity leave for the year	Persons	17	21	20
	No. of employees on childcare leave (male)	Persons	8	4	2
	No. of employees on childcare leave (female)	Persons	63	59	56
Childcare leave	No. of employees returning to work after childcare leave	Persons	66	65	60
	Ratio of returning	%	96	91	95
	Ratio of employees working for more than 1 year after returning	%	85	88	88

Performance Evaluation

Category	Contents	Unit	2018	2019	2020
	Ratio of employees receiving regular performance evaluation	%	91.68	91.09	95.65
	No. of employees subject to regular performance evaluation	Persons	2,248	2,368	2,370
	No. of employees receiving regular performance evaluation	Persons	2,061	2,157	2,267
Evaluation system	Ratio of employees subject to regular incentive	%	2.60	3.01	2.00
	No. of senior managers (above managing director)	Persons	26	26	26
	No. of employees in charge of financial investment	Persons	33	46	48

**2020
Performance**
Employees' Satisfaction Level

Category	Contents	Unit	2018	2019	2020	
Satisfaction level	All*	Points	72.0	73.5	76.1	
	Satisfaction level (by gender)	Male	Points	74.4	76.4	78.1
		Female	Points	68.4	68.8	72.6
	Satisfaction level (by job title)	Executive	Points	82.9	84.1	84.2
		Senior manager	Points	73.6	75.2	77.8
		Junior manager	Points	70.3	73.4	72.6
		Employee	Points	67.7	66.7	72.8

*2020 target score: 75

Industrial Accident

Category	Contents	Unit	2018	2019	2020
Rate of absenteeism	Rate of absenteeism*	%	0	0	0
	No. of employees having an industrial accident	Persons	0	0	0
	Date of absence	Days	0	0	0

*2020 target rate of absenteeism due to industrial accidents: zero

Activities for Occupational Safety and Health

Samsung Securities conducts health check-ups on a regular basis with the purpose of helping our employees enjoy a healthy and safe life while providing CPR education and emergency evacuation training.

Category	Contents	Unit	2018	2019	2020
Education on occupational safety and health	Hours of CPR education	Hours	725	93	32
	Hours of and emergency evacuation training		42	74	30

Social Part

2020

Performance

Consumer Protection

Category	Contents	Unit	2018	2019	2020
Breach of displaying and advertising regulations	No. of violations against displaying and advertising regulations	Cases	20	10	11
	No. of measures taken against the breach of regulations on displaying and advertising	Cases	20	10	11

Human Rights

Strategy

System for Human Rights

Human Rights Policy

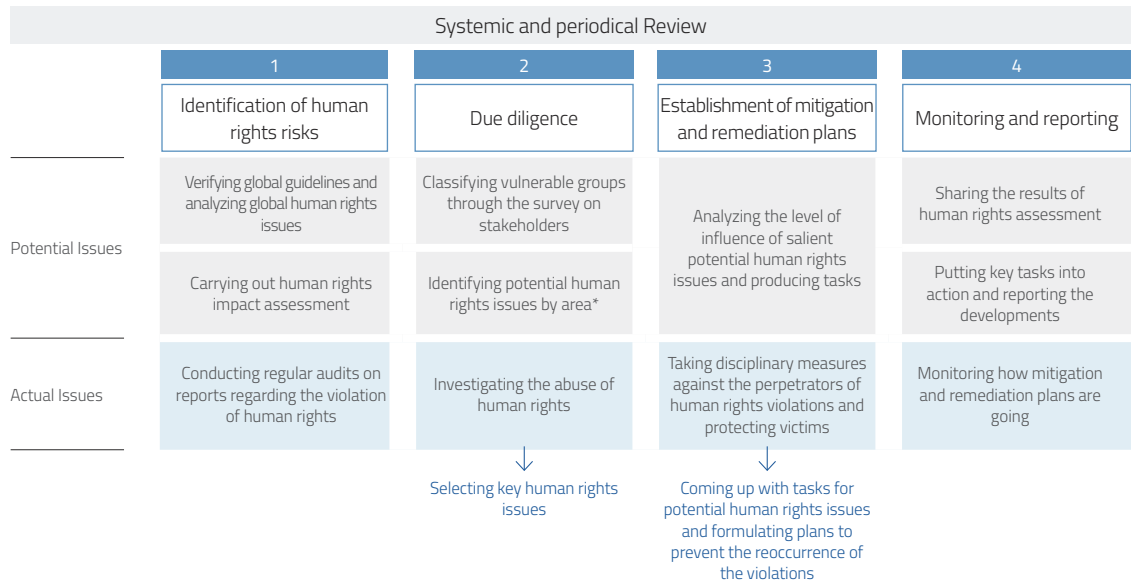
As part of endeavors to protect and respect the human rights of stakeholders involved in our management operation, Samsung Securities endorses the standards and principles of international human rights and labor which are embodied in the Ten Principles of UN Global Compact. To align with this, we have drawn up our policy for human rights built on UN Guiding Principles on Business and Human Rights. The policy governs regulations on various issues including ban on discrimination, forced labor, child labor and human trafficking, equal remuneration, freedom of association, and the guarantee of the right to collective bargaining. And all of our stakeholders engaged with our management, such as our employees, local residents, consumers, suppliers and partner companies are subject to this policy.

Management of Workplace Harassment

Samsung Securities has set up and announced our internal regulations on sexual and non-sexual harassment in the workplace, which are common types of human rights abuse that can frequently occur at work, thereby creating a safe work environment where our employees' human rights are protected. As part of the efforts, we have adopted and declared zero-tolerance policy for workplace harassment and discrimination. In the event of occurrence, we take measures, such as change of work place, redeployment or paid leave, according to the opinions of victims after investigations, thereby putting the protection of victims as our top priority. As a result, the number of cases regarding harassment was zero in 2020.

Strategy

Conducting Human Rights Assessment



*Employees, partner companies, new partnership

Identification of Human Rights Risks and Due Diligence

Samsung Securities makes every effort to respect the human rights of diverse stakeholders. To this end, we have formulated a process for due diligence for human rights, which allows us to deliver our human rights policy, figure out actual and potential human rights issues company-wide and prevent these issues from occurring. Accordingly, regular audits targeting the headquarters and all branches are conducted while the status of client management and workplaces are regularly monitored. Moreover, actual and potential human rights issues within our operation are examined. As part of efforts to curtail the risks of human rights abuse, we incorporate potential issues of branches and partner companies we newly establish partnerships with into the scope of our due diligence and the selection of salient human rights issues.

Mitigation Process for Human Rights Risks

We analyze the level of leverage of salient human rights issues selected through the process of identification and due diligence, and then produce tasks to be done to relive these risks. And the tasks, such as establishment of revision of regulations, operation of programs, or the provision of human rights education, are conducted at each division level. How tasks are implemented is reported and inspected in a constant manner. Especially for the case of human rights violation occurred, we take a disciplinary action in accordance with the internal regulations. On top of that, plans for the prevention of reoccurrence are also established in order to recover the rights of victim as well as prevent the risks of human rights.

Social Part

Impact

Results of Human rights Assessment

Identification of Salient Human Rights Issues and Establishment of Mitigation Plans

Vulnerable Group	Human Rights Issues	Mitigation Plans	Remediation Measures Taken	
Our employees	Female employees Discrimination and equal pay	Expanding women representation at work	Setting up target female ratio by job title	
		Educating all employees on sexual harassment prevention	Conducting company-wide education on sexual harassment prevention	
		Preventing career disruption due to childbirth and child care, narrowing gender pay gap	Childcare leave Maternity leave Infertility leave	
		Ensuring free unionization and related activities	Providing spaces for labor union office Utilizing internal bulletin board	
Third-party contract worker	Client service employees Physical/mental Fitness	Freedom of association, guarantee of collective bargaining	Making sure the human rights protection and safety of client service employees	Establishing and applying protection measures and standards for client service employees Operating EAP program designed for emotional laborer protection Running fitness/mental health centers Supporting medical expenses
Clients	Information Human Rights	Reinforcing the protection of clients' personal information	Passing the related verification of a system for information protection management Training all of employees on data protection (partner companies included)	
		Protecting financial consumers and guaranteeing their rights and interests through the establishment of a financial consumer protection system and communication with clients	Developed comprehensive consumer protection system (in 2021) Improved client inconvenience	
	Accessibility to service	Refining mobile service	Launching visual ARS service (2020)	
		Improving financial inclusion for the vulnerable	Furnishing a commission discount for the disabled	
Local community	Inclusive education	Promoting financial education for students from disadvantaged families	Offering financial classes for adolescents from low income families	

2020

Performance

Prevention Programs for Human Rights Abuse

Category	Contents	Unit	2018	2019	2020
Prevention Programs for Human Rights Abuse	Operation of EAP program for the protection of emotional laborers and ratio of beneficiaries	case	1 (For all employees)	2 (For all employees)	0 (COVID-19 issue)
Human Rights Education	No. of employees subject to regular performance evaluation	Persons	2,313	2,501	2,584
	No. of employees receiving regular performance evaluation	Hours	2,313	2,501	2,584
Education on sexual harassment prevention	Ratio of employees subject to long-term incentive	Persons	2,313	2,501	2,584
	No. of senior managers (above managing director)	Hours	2,313	2,501	2,584

Reporting and Redress

Category	Contents	Unit	2018	2019	2020
Reporting of human rights-related issues	No. of human rights-related grievances reported	Case	2	3	0
	No. of human rights-related grievances handled	Case	2	3	0

Shared Growth and Social Contribution to Local Community

Strategy

Social Contribution System

Samsung Securities carries out educational support projects which underpin fair and quality education as well as provide more opportunities for life-long education with an aim of contributing to the accomplishment of UN SDGs. Under the social contribution vision of 'Go Together to the Future! Enabling People', we make multi-faceted efforts to provide fair education opportunities for the youth from disadvantaged families. In particular, taking advantage of the nature of finance business, we organized and have operated economic education programs, which are our representative contribution activities, to help teenagers nurture the right economic awareness and make rational decisions on the matter. And all of employees take part in our social contribution activities.

Social Part

Strategy

Vision

“Go Together to the Future! Enabling People”

Theme

“Education for the Future Generation”

Focus Strategies

Supporting Education for Youth	Seeking for Mutual Growth with Local Communities	Spreading a Culture of Sharing
<ul style="list-style-type: none"> - Economy Playground - Future Scholarship Fund - Youth Study Rooms, ‘Vision Maru’ 	<ul style="list-style-type: none"> - Rural Sister Village - Year-End Financial Assistance to Neighbors in Need - Emergency Funds for the Recovery from Covid-19 and Flood Damage 	<ul style="list-style-type: none"> - Volunteer Group, ‘Nanumi’ (executives and employees) - Volunteer Group, ‘YAHO’
UN SDGs - 4	UN SDGs - 10	UN SDGs - 4 10

Financial Education for Youth **Economy Playground**

This is an economic educational program designed to help adolescents nurture a solid base of economy awareness and make rational decisions. We dispatch university student instructors to welfare centers to educate teenagers on economy through fun activities and experiences. This program has been operated in partnership with ‘Kids and Future Foundation’, a social welfare corporation, and other 101 social welfare centers across the nation, and supported a total of 240,000 students since its inception in 2005.

Financial Education for Youth **Future Scholarship Fund**

This program aims to select scholarship students among those who participated in Economy Playground and help them create a better future for themselves.

Financial Education for Youth **Volunteer Group, ‘YAHO’**

We select the members for YAHO once a year through a contest, and they act as student instructors for Financial Education for Youth, Economy Playground. The volunteer group takes part in a variety of activities including economy education twice a month, Economics Golden Bell Camp, and the creation of contents since its launch in 2009.

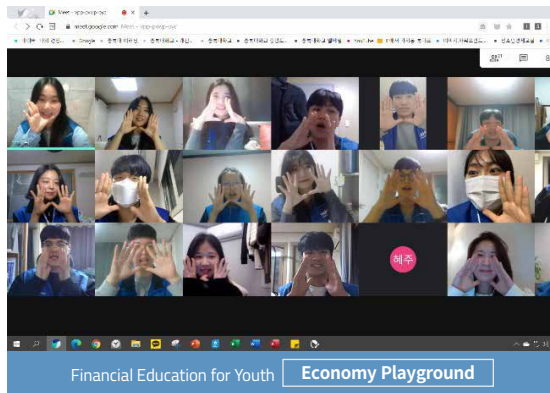
Strategy

Youth Study Rooms, 'Vision Maru'

Vision Maru aims to lend support to social welfare centers with outdated facilities for their remodeling as well as to assist adolescents with the provision of after-school learning, emotional counseling, and career research.

Volunteer Group, 'Nanumi'

Nanumi, the volunteer group operated by voluntary participation of our employees, consists of 164 teams nation-wide as of 2020. Each team sets up a social contribution theme tailored to their regions, and conducts a variety of activities. In addition, our employees donate certain amount of money to Nanumi Fund on a monthly basis. This fund is matched with company expenses to be executed as CSR donation.



Social Part

Target

Social Contribution Program	KPIs on Business Side	KPIs on Social and Environmental Side				
Financial Education for Youth	Raised awareness of Samsung Securities among participants in financial education Securing future clients	<ul style="list-style-type: none"> Increase in economic understanding indicator of vulnerable youth <table border="1"> <tr> <td>Pre-test</td> <td>Post-test</td> </tr> <tr> <td>55.55</td> <td>58.84</td> </tr> </table>	Pre-test	Post-test	55.55	58.84
Pre-test	Post-test					
55.55	58.84					
Employees' volunteer works and donations	Raised internal awareness of Samsung Securities' social contribution brand Forming a consensus on social contribution vision among employees Raised awareness and enhanced reputation of Samsung Securities in local community Securing potential clients through expanded exchange with local community Having more partnerships with businesses in local community	<ul style="list-style-type: none"> Increase rate of beneficiaries of employee volunteer works Donation growth rate of employees 				
Volunteer Group, 'YAH0'	Rate of job applicants having an experience of YAH0 Securing a pool of talents sympathizing with our vision	<ul style="list-style-type: none"> Rate of financial education increment for vulnerable youth 				

Assessment

Due Diligence of Donations

For the sake of enhanced transparency of our donation policy, we make it mandatory that the donation of KRW 10 million or more goes through a deliberation by the External Deliberation Council and the donation of KRW 500 million or more undergoes not only the deliberation of the External Deliberation Council but also the resolution process of the BOD. In addition, external audits are conducted for welfare centers benefitting from our donation programs. And we visit in person all of the sites where we operate the programs when auditing.

Monitoring Procedure



2020
Performance

Social Contribution Activity

Category	Contents	Unit	2018	2019	2020
	Total amount of social contributions (cash)	KRW 100 million	32.5(32.1)	34.2(25.1)	33.6(33.1)
	Education (cash)	KRW 100 million	21.6(21.3)	19.8(10.8)	16.9(16.5)
	Welfare (cash)	KRW 100 million	7.2(7.1)	10.2(10.1)	10.0(9.9)
	Others (charitable groups, NGOs, educational/research institutes, etc.)(cash)	KRW 100 million	3.7(3.7)	4.2(4.2)	6.7(6.7)
	Matching grant expenses (executives and employees/Nanumi Fund)	KRW 100 million	2.9	2.9	2.7
	In-kind donations	KRW 100 million	0.4	1.0	0.5
Social contribution expenditure	Political Contributions*	KRW 100 million	0	0	0
	Policy related Contributions (major association membership dues and donations)	KRW 100 million	3.7	3.8	3.8
	Korea Center for International Finance	KRW 100 million	0.5	0.5	0.5
	Korea Capital Market Institute	KRW 100 million	2.85	2.85	2.85
	Korea Securities Association	KRW 100 million	0.3	0.3	0.3
	Global Finance Networks (GFIN)	KRW 100 million	0	0.1	0.1
	Business support payment of local communities	KRW 100 million	1.7	1.4	0.6
Employee social contribution activities	No. of employees participating in social contributions	Persons	4,240	4,890	3,378
	Hours of participation	Hours	11,228	10,692	6,095
Social contribution programs	No. of students participating in Financial Education for Youth (cumulative)	Persons	207,991	223,716	236,935
	No. of classes participating in Financial Education for Youth (cumulative)	Classes	7,194	7,278	7,462
	No. of university students belonging to YAHO Volunteer Group	Persons	252	252	252

*We impose a ban on the support or donation for political campaigns and election campaign funds, and lobbying organizations in accordance with our management principles as well as relevant laws.

All donations are subject to the review and deliberation to check their compliance in line with 'external sponsorship review regulations'.

Social Part

2020

Performance

Inclusive Financial Products

Samsung Securities strives to make it easy to use services for vulnerable social groups with poor accessibility to financial institutions. As part of the efforts, we have raised the service grade of clients with registration cards from the lowest to 'preferential' so that they can be exempt from fees for financial services, including money withdrawal, transfer and the issuance of certificates, when they use the services at the windows of branches. Furthermore, we apply online trade commission (half of offline trading fee) even to offline orders through ARS service or phone calls with PB to help handicapped clients deal in shares without inconvenience. Notifications on order execution are provided through pop-up messages in the transaction system to make it more convenient to confirm the execution.

On top of that, various efforts have been made to remove inconvenience when clients with disability make business-related requests or have consultations. A chatting service and 'Visual ARS' available for the hearing-impaired, and ATM with Braille buttons are among our representative supporting systems. Security card having a Braille feature is also adopted to make it easier for the visually-impaired do financial transaction. We have also refined our process and regulations to allow the disabled to submit their complaints through voice recording, thereby contributing to improved rights of handicapped financial consumers. The details of our support services for the disabled are available in the section of 'Financial Guidelines for Client with Disability' at our website. And our window dedicated to client with disability gives priority to handicapped people when they visit in person.

Data Protection and Client Management

Strategy

We put Data Protection Team and IT Security Team under the umbrella of Chief Information Security Officer (CISO), and these teams assume the roles of formulating and operating data protection policy, and conducting IT audits. In addition, we always endeavor to counteract accidents in a swift manner with a strategic response process for accidents while upgrading our manual for response to security accidents on a regular basis. By doing so, we try to minimize the damage to our client in the event of accidents related to information protection and personal data protection.

Target

With the aim of growing into a leading player in information protection, Samsung Securities carries out a variety of activities for raised awareness of information protection and enhancement of vulnerable points on this matter.

Assessment

We renewed the certification of Personal Information Security Management System (ISMS-P) in 2020, we maintain an internally recognized information security system. Along with this, security breach response training (training on response to server hacking, DDoS and APT attacks, and cyber shelter conversion) in accordance with Article 37, Items 1 of Electronic Financial Transaction Act.

2020 Performance

Data Protection Education

Samsung Securities shares our data protection policies and related internal regulations with all of our employees through an internal electronic book to ensure their compliance with them. Online education is also provided twice a year for our all employees and partner companies in order to raise the awareness of the gravity of information protection. In addition, we conduct regular security breach response training (training on response to server hacking, DDoS and APT attacks, and cyber shelter conversion) in accordance with Article 37, Items 1 of Electronic Financial Transaction Act, thereby preparing ourselves for any attack. And tests are also conducted for the prevention of intrusion from outside and control performance with the Financial Security Service and Samsung Integrated Security Center on an ongoing basis.

Category	Contents	Unit	2018	2019	2020
Data Protection Education	No. of employees completing data protection education	Persons	2,285	2,417	2,422
	Hours of data protection education	Hours	14,135	14,365	14,947

Client Data Protection

Samsung Securities has obtained Information Security Management System (ISMS-P) for the sake of reinforced data protection and personal data protection. For the acquisition, we meet a total of 102 standards required for the certification, including 80 criteria for data protection and 22 for personal data protection.

Category	Contents	Unit	2018	2019	2020
Client data management	No. of complaints regarding infringe on client personal data	Cases	-	10	10
Client Satisfaction	% of satisfied clients*	%	75	77	78
Certification	Whether to go through ISMS-P certification	Certification	✓	✓	✓

*2020 Client satisfaction target: 80

Governance Data

Board of Directors (BOD)

Strategy

Samsung Securities operates the Board of Directors (BOD) for the sake of stable and transparent governance. And we seek for the expertise and diversity of BOD members to make the governance more efficient. The BOD aims to make decisions on salient management policies and to keep the management in check. To this end, the board is granted the authority to appoint and dismiss the CEO and takes the roles of deliberating and resolving many issues including matters delegated from general shareholders' meeting, and basic directions of our management. The above is stipulated and disclosed in the regulations on the BOD.

Assessment

Samsung Securities conducts self-evaluations of BOD operation and its directors. Each member of the BOD assesses 12 items including BOD composition, the roles and responsibilities of the BOD, and BOD operation. The result of the evaluation in 2020 was very good. Along with this, we won B+ for the basic score and B for the in-depth assessment grade in the sector of governance in the evaluation by KCGS.

Impact

With an objective to strengthen the rights of shareholders, the BOD checks whether it receives shareholders proposals. At the general shareholders' meeting convened in 2021, we decided to institute an electronic voting system so that small-scale shareholders can exercise their voting rights more conveniently.

2020 Performance

BOD composition

Samsung Securities makes it mandatory for non-executive directors to account for more than 50%, and has appointed a chair of the BOD from among non-executive directors to ensure BOD independence. Especially, we strive to appoint directors equipped with expertise and coming from various backgrounds to provide diverse perspectives. Currently, the minimum attendance rate of the board is not specified, but 85% is based on internal criteria in board evaluation and in fact, the attendance rate of the board of directors in the last three years is 100%. Going forward, we continue to report our governance and remuneration system in order to raise the level of transparency and accountability.

Category	Contents	Unit	2018	2019	2020
Independence	All directors	Persons	5	7	7
	Executive directors	Persons	2	3	3
	Non-executive directors (ratio)*	Persons (%)	3(60.0)	4(57.1)	4(57.1)
Diversity	Male	Persons	5	7	7
	Female (ratio)	Persons (%)	0(0)	0(0)	0(0)

2020 Performance

Category	Contents	Unit	2018	2019	2020
Expertise	No. of financial experts	Persons (%)	2(40.0)	2(28.6)	2(28.6)
	No. of ESG experts	Persons (%)	0	0	0
Efficiency	No. of job restrictions	Numbers	2	2	2
	Average term	Years	2	2	2
	Attendance rate	%	1.7	1.3	1.9
	Average attendance rate of non-executive directors	%	100	100	100

*Target ratio of non-executive directors for 2024: 67%

BOD operation

The convocation of the BOD is notified at least two weeks before. In March, we form a new board of directors every year, and draw up a yearly plan for the BOD to allow directors to adjust their schedules to attend BOD meetings in advance. Agendas to be discussed at the BOD are released at least seven days before so that directors review these issues enough ahead of the meeting. The agenda for the BOD incorporates the convocation of general shareholders' meetings, management plan for the next year as well as ESG-related issues for sustainability.

Category	Contents	Unit	2018	2019	2020
BOD operation	No. of meetings convened	Times	14	12	13
	Reporting and resolved agenda items	Cases	54	48	57

BOD responsibility

The BOD sets standards for the establishment and operation of an internal control system in accordance with internal control standards. In addition, the corporate governance regulation and the articles of association defined the powers and responsibilities of the BOD and the scope of its major activities. Accordingly, we ensure clarity of the executives' managing and supervising duties. For instance, we check whether the executives comply with the internal control standards in relation to their responsibilities while preparing preventive measures and taking action in case of accidents.

Governance Data

2020 Performance

Committee activity

Category	Contents	Unit	2018	2019	2020
Management Committee	No. of members	Persons	2	3	3
	Ratio of non-executive directors	Persons (%)	0(0)	0(0)	0(0)
	No. of committee meetings convened	Times	8	10	9
Nomination Committee	No. of members	Persons	3	3	3
	Ratio of non-executive directors	Persons (%)	2(66.7)	2(66.7)	2(66.7)
	No. of committee meetings convened	Times	4	4	3
Audit Committee	Attendance rate	%	100	100	100
	No. of members*	Persons	3	3	3
	Ratio of non-executive directors	Persons (%)	3(100)	3(100)	3(100)
	No. of financial experts	Persons	2	2	2
Risk Management Committee	No. of committee meetings convened	Times	5	5	5
	No. of members*	Persons	3	3	3
	Ratio of non-executive directors	Persons (%)	2(66.7)	2(66.7)	2(66.7)
	No. of financial accounting experts	Persons	2	2	2
Compensation Committee	No. of committee meetings convened	Times	7	4	5
	No. of members	Persons	3	3	3
	Ratio of non-executive directors	Persons (%)	2(66.7)	2(66.7)	2(66.7)
Internal Trading Committee	No. of committee meetings convened	Times	6	6	9
	No. of members*	Persons	3	3	3
	Ratio of non-executive directors	Persons (%)	3(100)	3(100)	3(100)
	No. of committee meetings convened	Times	6	9	6

*As of March, 2021

2020 Performance

Evaluation and Remuneration

Category	Contents	Unit	2018	2019	2020
Compensation for CEO and the management	Ratio of CEO's deferral bonus and period	% (years)	60(4)	60(4)	60(4)
	Actual ratio of amount paid to limit on remuneration	%	25.0	20.3	36.3
Shares held by major shareholders	Shares held by directors and CEO	Shares	10,196	13,420	13,420
	Average number of shares held by other executives	Shares	4,000	3,612	3,612
	Shareholding ratio of the government	% (shares)	10.1(9,013,600)	12.0(10,732,146)	13.4(11,987,834)
	Shareholding ratio of the founding family	%	6.15	6.15	6.15
	Shareholding ratio of dominant stockholders	%	29.4	29.8	29.6
	No. of shares of shareholders having 5% or more shares except for the largest shareholder and special interest parties	Shares	9,013,600	10,723,146	11,987,834
	Combined shareholding ratio of all affiliates	% (shares)	29.7 (26,556,715)	29.7 (26,562,373)	29.8 (26,595,231)

Ethical Management and Compliance

Strategy

Samsung Securities puts in place three teams (Compliance Team, Compliance Operation Team, Legal Affairs Team) dedicated to ethical management and compliance. With these teams, we establish internal control standards, the company's regulations and guidelines for ethical management and compliance, and constantly revise them. Regular monitoring is also conducted to inspect the compliance with the regulations and guidelines while education is also provided for our employees on this matter.

Our code of ethics stipulates our responsibilities for shareholders and clients. And a corruption reporting and internal reporting system is up and running. In details, we define unethical management behaviors in Article 2 on money laundering, corruption, tax evasion, insider trading (market price manipulation, use of undisclosed information), Article 3 on antitrust (collision, anti-competition, Fair Trade Act), Article 6 on conflicts of interest, and Article 7 on protection of client information (prohibition of unauthorized use and leakage) of Samsung Securities' Code of Ethics, and encourage our employees to promptly report to the company when they are forced to do against the Code of Ethics or detect illegal conducts. Meanwhile, the principles of fair trade with competitors and consumers are stated in Articles 1 and 3 of the Code of Ethics. In the event of a reward-related complaint or VOC occurred, the Financial Consumer Protection Team conducts a self-investigation and decides who should take responsibility taking into consideration the opinions of the Legal Affairs Team, and then goes through a reimbursement process with the consent of civil petitioners when we have to bear the liability for compensation.

Governance Data

Target

The breach of the Code of Ethics is liable to disciplinary actions by type of violations, followed by personnel disadvantages. As part of endeavors to prevent any form of violations from occurring in advance, we furnish ethical educational programs to all employees.

Assessment

Our Audit Team carries out an assessment of the internal control system and its operation once a year at the company level. And audits from the perspective of illegality and anti-corruption are conducted as well during a regular audit by division. We make each division report their internal control activities and monitoring results to the compliance officer through monthly report. The report should embody employees' trading, property benefit provision, and interest conflicts. Internal Control Committee also reports this to the BOD on a semi-annual basis. Meanwhile, Internal Control Committee, comprised of Internal Control Management Team and related divisions by agenda item, takes charge of discussing a new work process in advance, deliberating the change or abolition of process, and reviewing the alteration of critical working systems.

2020 Performance

Ethical Management Programs

The development of an integrated compliance system systemizes the way of monitoring, based on which we lay the foundation for a strategic management of compliance review and educational data. We have also refined Risk Management System to improve the level of convenience in management while having advanced our Risk-based Anti-Money Laundering System to not only raise work efficiency but also produce improved standards for the detection of suspicious transaction regarding money laundering. As part of efforts to help our employees build their capabilities required for money laundering prevention, we provided online education (once every half-year) for all employees. In addition, we hired more staff to expand the scope and depth of internal control operation while constantly establishing and revising corporate rules in response to changing laws. Furthermore, ethical education was conducted for all employees in 2020 with an objective of corruption prevention. Samsung Securities also provided our partner companies with our business guidelines and educational materials of standard code of ethics for listed companies so that a culture of ethics can permeate through the company as well as our suppliers. On top of that, anti-corruption risks were assessed during regular audits by division, and the result showed us that there was nothing significant to report.

Category	Contents	Unit	2018	2019	2020
Ethical Education	Hours of ethical education per capita	Hours	2.64	1.09	2.30
	Total hours of anti-corruption education	Hours	6,607	4,595	6,755
	Total number of education participants	Persons	2,502	4,216	2,936
Anti-corruption Risk Assessment	Ratio of business sites receiving the evaluation of corruption risks	%	100	100	100
	No. of business sites receiving the evaluation of corruption risks	Numbers	74	69	69
	Total number of business sites	Numbers	74	69	69

2020
Performance

Fair Trade

Category	Contents	Unit	2018	2019	2020
Client fair trade practice	No. of opinions and grievances received from clients	Cases	139	92	235
	No. of clients' opinions and grievances handled	Cases	139	92	235

Reports and Violations

Category	Contents	Unit	2018	2019	2020
Ethical management breach	No. of violations against the Code of Ethics	Cases	145	140	137
	No. of corruptions and bribe-taking cases		0	0	0
Compliance violation	No. of legal actions on unfair transactions including anticompetitive practices and monopoly/oligopoly	Cases	0	0	0
	Amount of fines and settlement payments incurred by anti-trust and anti-competitive practices	KRW	0	0	0
	Ratio of fines and settlement payments incurred by anti-trust and anti-competitive practices (compared to sales)	%	0	0	0
	Number of monetary sanctions due to breaches of regulations	Cases	7	5	1
	Number of lawsuits due to breaches of regulations	Cases	0	0	0

*There was a change in the standards for corporate disclosure form in December 2019. Accordingly, we report corrected data for 2018 and 2019.

Governance Data

Tax Policy

Strategy

Samsung Securities is well cognizant that the assessment and management of diverse tax-related risks becomes an integral part of sustainable management along with the fulfillment of our obligations to faithfully file our taxes and make payments. To this end, we are strict about the compliance with the tax laws of the countries where we do business through domestic and overseas branches, thereby discharging our tax duties. Under certain circumstances, we file our taxes on the basis of authoritative interpretations released by external experts and tax authorities. In addition, Samsung Securities makes sure that we do not take advantage of the differences in tax laws among countries and the loopholes of the international tax policy for income transfer among countries or tax avoidance. Our employees in charge strain every nerve to maintain a constructive and transparent relationship with tax authorities. The tax-related information is reported to all of our stakeholders in accordance with reporting standards.

2020 Performance

Tax Reporting

Category	Contents	Unit	2018	2019	2020
Tax reporting	Earnings before Tax	KRW	440,209,413,239	496,724,253,883	640,775,292,810
	Reported taxes (Income tax)	KRW	119,475,956,245	126,510,873,111	167,630,775,911
	Cash taxes paid (Income tax expenses)	KRW	159,856,463,874	58,871,524,196	145,455,213,408
	Effective tax rate	%	27.1	25.5	26.2
	Cash tax rate	%	36.3	11.9	22.7

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Financial Data

Consolidated Financial Statements

A. Consolidated Financial Position

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries	39 th	38 th
Items	2020.12	2019.12
I . Cash and cash equivalents	2,870,503,086,190	1,351,167,790,517
II . Financial assets measured at fair value through profit or loss	35,502,944,479,778	28,546,759,977,330
III. Financial assets measured at fair value through other comprehensive income	5,135,812,097,472	3,102,386,384,355
IV. Financial assets measured at amortized cost	20,034,465,896,585	11,419,621,191,053
V . Investment in associates	95,796,362,342	80,918,146,032
VI. Fixed assets	118,395,141,916	86,720,737,087
VII. Intangible assets	79,869,764,591	79,909,150,976
VIII. Prepaid tax	7,909,247,344	22,578,230,555
IX. Deferred income tax assets	986,473,639	1,796,576,785
X . Other assets	23,039,543,998	37,733,214,123
Total asset	63,869,722,093,855	44,729,591,398,813
I . Financial liabilities measured at fair value through profit or loss	10,157,321,552,338	12,576,226,205,133
II . Deposits	15,073,907,421,955	7,040,450,566,624
III. Borrowings	24,091,698,537,684	17,322,239,333,073
IV. Debenture issued	1,842,917,063,736	739,502,947,947
V . Defined benefit liabilities	24,067,421,273	21,357,750,346
VI.. Reserve for contingent liabilities	14,092,307,992	14,352,453,951
VII. Accrued income taxes	63,661,343,221	4,107,225,273
VIII. Deferred income tax liabilities	128,414,828,572	97,931,988,711
IX. Other liabilities	7,156,567,948,720	1,964,144,402,331
Total liabilities	58,552,648,425,491	39,780,312,873,389

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries		
	39 th	38 th
Items	2020.12	2019.12
Equity attributable to owners of parent	5,317,073,668,364	4,949,278,525,424
I . Share capital	458,478,080,000	458,478,080,000
II . Capital surplus	1,743,464,342,352	1,743,464,342,352
III. Capital adjustment	(58,577,164,985)	(58,577,164,985)
IV. Accumulated other comprehensive income (loss)	193,275,538,157	181,457,758,757
V . Retained earnings		
(Reserves for credit losses		
Dec. 31, 2020: KRW 60,206,237,696		
Dec. 31, 2019: KRW 56,190,861,537	2,980,432,872,840	2,624,455,509,300
Expected reserves for credit losses		
Dec. 31, 2020: KRW 38,558,123,345		
Dec. 31, 2019: KRW 4,015,376,159)		
Non-controlling interests	-	-
Total equity	5,317,073,668,364	4,949,278,525,424
Total liabilities and equity	63,869,722,093,855	44,729,591,398,813

Financial Data

B. Consolidated Comprehensive Income

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries	39 th	38 th
Items	2020.12	2019.12
I. Net commission fees	910,858,659,089	514,548,597,187
1. Commissions received	1,073,560,759,002	637,705,383,217
2. Commissions expense	162,702,099,913	123,156,786,030
II. Net Interest Income	645,956,853,311	508,678,844,407
1. Interest in cash and cash equivalents	22,123,747,398	33,317,441,169
2. Interest on loans and receivables	409,056,630,162	312,077,149,697
3. Interest on financial assets available for sale	59,558,021,440	53,774,021,937
4. Interest on trading securities	391,963,699,954	417,938,961,960
5. Interest expenses	236,745,245,643	308,428,730,356
III. Net trading income (loss) at fair value through profit or loss	(326,235,344,310)	73,615,875,614
1. Trading income from trading instruments	439,717,990,672	227,863,972,790
2. Trading income from debt instruments	636,633,368,732	386,807,365,106
3. Trading income from derivatives	5,329,514,514,867	3,686,565,359,173
4. Gain on derivative-combined security designated at FV	722,843,542,648	219,401,953,962
5. Foreign exchange gain	380,242,407,664	165,604,374,579
6. Trading loss from trading instrument	464,476,297,654	138,673,042,616
7. Trading loss from debt instruments	310,441,646,713	185,203,163,508
8. Trading loss from derivatives	5,962,053,817,809	2,858,839,646,050
9. Loss on derivative-combined security designated at FV	759,225,750,586	1,265,814,726,002
10. Foreign exchange loss	338,989,656,131	164,096,571,820
IV. Other operating profit and loss	262,052,476,143	124,957,048,104
1. Gain (loss) in related to equity instruments at fair value through other comprehensive income	24,860,526,733	7,374,334,020
2. Reversal of credit losses on financial assets	7,649,255,474	2,357,081,450
3. Other operating revenue	1,504,670,968,470	505,363,854,667
4. Expenses related to financial assets at fair value through other comprehensive income	15,369,818,404	39,633,157
5. Credit losses on financial assets	5,143,069,960	12,955,973,723
6. Other operating expenses	1,254,615,386,170	377,142,615,153

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries		39 th	38 th
Items	2020.12	2019.12	
V. Net operating revenue (I + II + III + IV)	1,492,632,644,233	1,221,800,365,312	
VI. Personnel expenses	489,765,195,199	388,619,583,182	
VII. General and administrative expenses	324,906,121,020	315,621,727,022	
VIII. Operating profit	677,961,328,014	517,559,055,108	
IX. Non-operating income	15,763,656,086	10,158,657,532	
X. Non-operating expenses	7,958,532,132	5,004,352,949	
X I. Net income (loss) before income tax from continuing operations	685,766,451,968	522,713,359,691	
X I I. Income tax expenses	177,979,088,428	130,884,435,461	
X III. Net income (loss) from continuing operations	507,787,363,540	391,828,924,230	
1. Net income (loss) attributable to owners of parent (Net income after reserves for credit losses Dec. 31. 2020: KRW 469,229,240,195 Dec. 31. 2019: KRW 387,813,548,071)	507,787,363,540	391,828,924,230	
2. Non-controlling interests	1,492,632,644,233	315,621,727,022	
X IV. Other comprehensive income	11,817,779,400	20,363,560,916	
Items not subsequently reclassified to profit or loss			
1. Remeasurement of the defined benefit liabilities	(1,145,461,456)	(8,675,331,959)	
2. Gain (loss) in related to equity instruments at fair value through other comprehensive income	12,697,855,060	19,740,877,953	
3. Change in value of financial liabilities measured and designated at fair value through profit or loss	5,871,714,183	(771,937,221)	
Items subsequently reclassified to profit or loss			
1. Gain (loss) in related to liability products measured at fair value through other comprehensive income	5,249,848,124	1,610,898,151	
2. Cumulative translation adjustment for overseas subsidiaries and branches	(11,775,054,942)	7,700,124,439	
3. Gains/losses on valuation of investment stock using the equity method	918,878,431	758,929,553	
X V. Total comprehensive income	519,605,142,940	412,192,485,146	
1. Comprehensive income attributable to owners of parent	519,605,142,940	412,192,485,146	
2. Non-controlling interests	-	-	
X VI. Earnings per share attributable to owners of parent			
Basic and diluted earnings per share	5,686	4,388	

Financial Data

Separate Financial Statements

A. Separate Financial Position

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries		39th	38th
Items	2020.12	2019.12	
I . Cash and cash equivalents	2,824,473,599,747	1,265,975,700,726	
II . Financial assets measured at fair value through profit or loss	35,515,739,847,469	28,366,142,061,093	
III. Financial assets measured at fair value through other comprehensive income	5,119,405,236,606	3,089,007,616,755	
IV. Financial assets measured at amortized cost	14,288,057,824,673	7,744,668,678,778	
V . Investment in associates	381,111,340,077	579,062,822,873	
VI. Fixed assets	109,647,139,205	77,007,064,971	
VII. Intangible assets	75,954,288,584	76,019,946,448	
VIII. Prepaid tax	-	17,072,257,372	
IX. Other assets	26,117,092,621	12,779,375,270	
Total asset	58,340,506,368,982	41,227,735,524,286	
I . Financial liabilities measured at fair value through profit or loss	10,157,321,552,338	12,576,226,205,133	
II . Deposits	12,792,308,540,764	5,529,122,011,299	
III. Borrowings	21,030,494,670,089	15,464,298,568,354	
IV. Debenture issued	1,842,917,063,736	739,502,947,947	
V . Defined benefit liabilities	24,097,138,314	21,193,716,563	
VI. Reserve for contingent liabilities	13,806,904,539	14,437,035,209	
VII. Accrued income taxes	57,837,897,285	-	
VIII. Deferred income tax liabilities	126,612,380,587	97,486,644,360	
IX. Other liabilities	7,088,252,387,799	1,920,498,206,525	
Total liabilities	53,133,648,535,451	36,362,765,335,390	

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries	39 th	38 th
Items	2020.12	2019.12
I . Share capital	458,478,080,000	458,478,080,000
II. Capital surplus	1,743,470,991,091	1,743,470,991,091
III. Capital adjustment	(36,410,301,212)	(36,410,301,212)
IV. Accumulated other comprehensive income (loss)	189,417,225,215	168,864,097,479
V . Retained earnings		
(Reserves for credit losses		
Dec. 31, 2020: KRW 60,206,237,696		
Dec. 31, 2019: KRW 56,190,861,537	2,851,901,838,437	2,530,567,321,538
Expected reserves for credit losses		
Dec. 31, 2020: KRW 38,558,123,345		
Dec. 31, 2019: KRW 4,015,376,159)		
Total equity	5,206,857,833,531	4,864,970,188,896
Total liabilities and equity	58,340,506,368,982	41,227,735,524,286

Financial Data

B. Separate Comprehensive Income

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries	39 th	38 th
Items	2020.12	2019.12
I. Net commission fees	911,027,899,942	495,908,121,471
1. Commissions received	1,045,462,380,679	612,325,531,283
2. Commissions expense	134,434,480,737	116,417,409,812
II. Net Interest Income	552,255,963,321	422,197,270,790
1. Interest in cash and cash equivalents	7,091,744,518	9,676,425,083
2. Interest on loans and receivables	277,119,621,753	226,165,074,824
3. Interest on financial assets available for sale	59,558,021,440	53,774,021,937
4. Interest on trading securities	388,483,744,649	407,033,676,813
5. Interest expenses	179,997,169,039	274,451,927,867
III. Net trading income (loss) at fair value through profit or loss	(316,353,922,340)	90,229,322,397
1. Trading income from trading instruments	438,063,145,796	227,863,972,790
2. Trading income from debt instruments	646,741,778,660	402,250,150,629
3. Trading income from derivatives	5,314,569,642,065	3,687,745,716,795
4. Gain on derivative-combined security designated at FV	722,843,542,648	219,401,953,962
5. Foreign exchange gain	380,242,407,664	165,604,374,579
6. Trading loss from trading instruments	463,505,364,540	138,542,145,262
7. Trading loss from debt instruments	309,865,365,226	185,200,255,512
8. Trading loss from derivatives	5,947,228,302,690	2,858,983,147,762
9. Loss on derivative-combined security designated at FV	759,225,750,586	1,265,814,726,002
10. Foreign exchange loss	338,989,656,131	164,096,571,820
IV. Other operating profit and loss	265,755,900,352	128,661,238,669
1. Gain (loss) in related to equity instruments at fair value through other comprehensive income	24,860,526,733	7,374,334,020
2. Reversal of credit losses on financial assets	6,071,663,694	2,357,081,450
3. Other operating revenue	1,505,520,570,781	505,605,142,104
4. Expenses related to financial assets at fair value through other comprehensive income	15,369,818,404	39,633,157
5. Credit losses on financial assets	3,384,489,336	10,888,974,901
6. Other operating expenses	1,251,942,553,116	375,746,710,847

(Unit: KRW)

Samsung Securities Co., Ltd and its Subsidiaries	39 th	38 th
Items	2020.12	2019.12
V. Net operating revenue (I + II + III + IV)	1,412,685,841,275	1,136,995,953,327
VI. Personnel expenses	467,907,905,017	368,515,548,810
VII. General and administrative expenses	303,745,586,142	274,667,953,090
VIII. Operating profit	641,032,350,116	493,812,451,427
IX. Non-operating income	7,135,515,813	7,592,632,693
X. Non-operating expenses	7,392,573,119	4,680,830,237
X I. Net income (loss) before income tax from continuing operations	640,775,292,810	496,724,253,883
X I I. Income tax expenses	167,630,775,911	126,510,873,111
X III. Net income (loss) from continuing operations (Net income after reserves for credit losses Dec. 31. 2020: KRW 434,586,393,554 Dec. 31. 2019: KRW 366,198,004,613)	473,144,516,899	370,213,380,772
X IV. Other comprehensive income	20,553,127,736	11,806,064,221
Items not subsequently reclassified to profit or loss		
1. Remeasurement of the defined benefit liabilities	(1,004,303,961)	(8,137,979,146)
2. Gain (loss) in related to equity instruments at fair value through other comprehensive income	10,435,869,390	19,105,082,437
3. Change in value of financial liabilities measured and designated at fair value through profit or loss	5,871,714,183	(771,937,221)
Items subsequently reclassified to profit or loss		
1. Gain (loss) on related to liability products at fair value through other comprehensive income	5,249,848,124	1,610,898,151
X V. Total comprehensive income	493,697,644,635	382,019,444,993
X VI. Earnings per share		
Basic and diluted earnings per share	5,298	4,146

Materiality Assessment

Materiality assessment is a critical part of our business operation to establish a strategy for sustainable management as well as to gain a better understanding of stakeholders' interests. Materiality evaluation allows us to figure out stakeholders' matters of concern, and reflect them in our business including strategies and goals, which, in turn, culminates in us contributing to a more sustainable society. Samsung Securities decided on the contents for 2020 integrated report and conducted a materiality assessment to identify and manage issues we need to focus on. And we selected overarching issues and prioritized them based on the result. The details of the process for the assessment are as below. .

Materiality Assessment Process

STEP 1

Issue Identification and Issue Pool Creation

Sustainable management / ESG standards and evaluation (DJSI, MSCI, SASB, KCGS, etc.)

Analysis of management environment, investor groups, business strategy and performance, the media, and competitors and global leading players

▶ Collecting 250 issues

STEP 2

Salient Issue Selection

Categorization of issues (removal of overlapping issues and integration)

Impact Analysis from Risk and Opportunity Perspectives

▶ Narrowing down to final 16 issues regarding sustainable management

STEP 3

Influence Breakdown

Analysis of the impacts on stakeholders

Surveying stakeholders online to evaluate the significance of 16 material issues

- Survey period: Feb.16, 2021 ~ Feb. 22, 2021
- Questionnaire consists of questions regarding the gravity of 20 critical issues

Analysis of the impacts on business

Evaluating the connectivity between each topic and our management strategies as well as finance

- Survey period: Feb.16, 2021 ~ Feb. 24, 2021
- Questionnaire is comprised of two types of questions; from strategy perspective (strategies, long-term goals, reward), and finance perspective (cost, revenue, risk probability)

▶ Prioritizing the selected issues

STEP 4

The Third-Party Verification

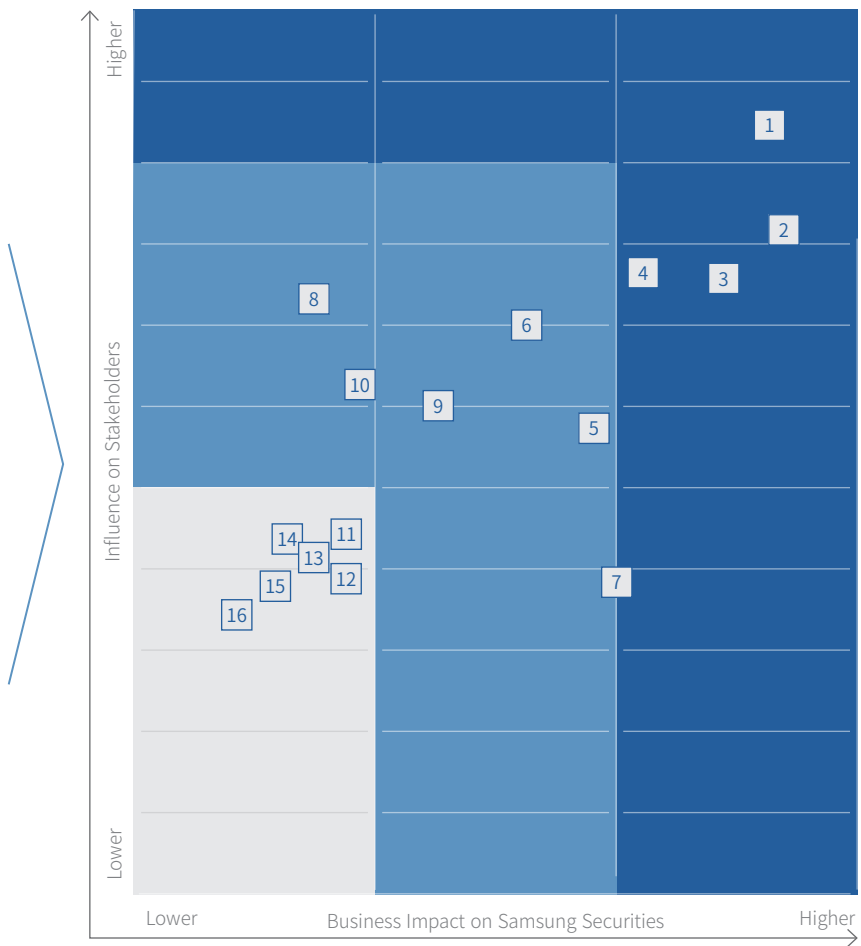
Making the process for materiality assessment verified by the third-party

Verifying whether it is a critical topic-centered report or not

▶ Completing the third-party verification

Materiality Assessment Result

The result of materiality assessment showed us that digital innovation is of most importance. It is attributed to the spread of a non-face-to-face and non-contact culture, which accelerates the transition into digitalization. In addition, economic performance, financial consumer protection and ESG management reinforcement are selected as overarching issues.



Material Issues

- 1 Digital Innovation
- 2 Economic Performance
- 3 Financial Consumer Protection
- 4 Client Data Protection
- 5 ESG Management Reinforcement
- 6 Compliance
- 7 Climate Action
- 8 Ethics and Integrity
- 9 Leading Global Investment
- 10 Human Rights Management
- 11 Occupational Health and Safety
- 12 Stakeholder Engagement
- 13 Governance
- 14 Management and Labor Relations
- 15 Training and Education
- 16 Contribution to Local Community

Materiality Assessment

Material Issue Management

Category

1 Digital Innovation

2 Economic Performance

3 Financial Consumer Protection

4 Client Data Protection



Background of Material Issue

Due to the 4th Industrial Revolution such as AI and big data and the accelerated transformation into mobile platform as well as the spread of the non-contact culture derived from the spread of COVID-19, the capability to provide services capitalizing on digital technology has become highly significant. In addition, competition is intensifying as big tech and fintech companies are making inroads into the comprehensive financial platform market with their technological prowess at the fore.

Continued creation of economic performance offers better direct and indirect benefits to employees, investors, and local communities. We are currently witnessing unlimited competition in the financial investment field. Under these circumstances, it is necessary for us to secure a competitive advantage by generating business synergies on the foundation of differentiated strengths, risk management, and balanced growth in business sector.

One of the main causes of the so-called private equity crisis was 'incomplete sales', which focused solely on product sales. Protecting financial consumers is a sense of responsibility that all financial companies should have, and now, it is time to require not only the eradication of incomplete sales, but also the measures to prevent unjust investment practices such as financial fraud and debt investment.

Client data leakage is highly likely to lead to second and third damages. A single accident in any industry can result in great damage to both the company and its clients, bringing damages such as a fall in client trust and compensation for damages. Particularly current days as digital innovation accelerates, its gravity is intensifying even more.

Ways of Managing Material Issue

To take lead in the changing industry trends, Samsung Securities is reorganizing the digital division, pushing forward digital innovation in line with the company-wide master plan. We continue to advance our products and services, such as recruiting manpower to enhance our data capabilities, and launching digital wealth management APP and new MTS.

We are effectively responding to the increased demand for individual investment while raising profitability in the IB/management sector.

The Retail sector expands and improves products and services from a client-centered perspective, and the IB/Management sector promotes balanced growth by supplying and reinforcing professional manpower and competency.

We operate the consumer protection center under the CCO under the direct control of the CEO so as to reorganize various systems and activities for safeguarding financial consumers. We strive to prevent incomplete sales by complying with the Financial Consumer Protection Act and the Financial Consumer Protection Charter, always paying attention to the voices of our clients and reflecting them in our business activities.

Samsung Securities watches over clients' valuable personal information by organizing a dedicated executive organization and security system.

We are providing security training for all employees and conducting activities to preemptively identify security areas to be improved.

Despite changes in the working environment, such as work-at-home, our security system is still seamless.

2020 Performance Evaluation

- Accumulated no. of new clients through non-face-to-face means: 1.14 million
- Digitally managed client assets: KRW 53.9 trillion

- Achieved all-time high performance for 3 consecutive years
- Return on Equity (Annualized ROE): 9.9%

- Received 3 awards in client satisfaction survey
- Received A+ in 2020 fund seller evaluation for 4 consecutive years
- Complaint handling rate: 100%

- Renewed ISMS-P Certification in 2020
- Participation rate of data security education: 91%
- Training hours per person: 6.2 hours

Material Issue Management

Category **5** ESG Management Reinforcement

6 Compliance

7 Climate Action

8 Ethics and Integrity



Background of Material Issue

With the growing stakeholders' demand, ESG, which grew out of shareholder-oriented mindset, is taking its place as a key management strategy. Global asset and pension management companies disclose ESG-related indicators as investment criteria. Accordingly, we are seeing an increase in demand for ESG bonds and related products, which is forming a new market.

Awareness of compliance is a basic consciousness that employees and management must have as a ground for coexistence and growth together with society. It is needed to break the performance-based mindset focusing only on net profit. Global companies are striving to continue more responsible management, not only by tightening internal monitoring but also external monitoring.

A climate crisis beyond climate change is becoming a reality. Against this backdrop, environmental regulations and policies are now in effect. In particular, investors advise corporations to disclose climate change-related data equivalent to the level of financial information. In other words, responding to climate change has become a long-term investment management beyond our environmental responsibility as a member of society.

Ethics and integrity is being in the spotlight as we are faces with more demand for the fulfillment of social responsibility as a corporate citizen. Against this backdrop, we are asking entire employees and companies in our value chain to have a sense of ethics and integrity. Unethical behavior can bring us a bad reputation and a negative image. Therefore, it must be managed properly.

Ways of Managing Material Issue

Recognizing the significance of ESG, we have organized and managed a dedicated department for it. The three organizations, ESG secretariat, ESG research center, and risk management department, embrace ESG in all areas of the company by mobilizing their best expertise and competencies.

We make strenuous efforts for compliance management led by the top management through regulations that clarify responsibility for internal control management and supervision toward executives.

Besides, a compliance team under the internal control committee under the direct control of the CEO is formed, and an internal control manager is appointed to train each department.

Together with Samsung Group's financial affiliates, we declared coal-free finance and began to run responsible management responding to climate change. Ongoing coal investment was suspended, and we issued ESG bonds while investing in eco-friendly projects. We also raise environmental awareness among our employees through internal environmental campaigns.

We established the code of ethics for our employees and detailed rules and details strictly complying with them. Ethics education is provided for our employees every year, and we are renewing our commitment by signing a pledge of practice. We receive reports of embezzlement, bribery, and violations of the code of ethics through the internal fraud reporting channel.

2020 Performance Evaluation

- Establishing ESG Investment Guidelines
- Establishing a dedicated ESG organization

- Ratio of business sites receiving anti-corruption risk assessment: 100%
- Participation rate of online education for preventing money laundering: 100%

- Issued 'Green 1 grade' bonds amounting to KRW 100 billion
- Suspended investment in coal terminal in Australia

- Ethics education hours per capita: 2.3 hours
- No. of corruption and bribery case against code of ethics: zero

Materiality Assessment

Material Issue Management

Category **9** Leading Global Investment **10** Human Rights Management **11** Occupational Health and Safety **12** Stakeholder Engagement



Background of Material Issue

Under the circumstances of low interest rates, prolonged low growth, and trade conflicts, opportunities for profit through overseas investment have emerged. However, the information given to investors was insufficient and the convenience of investors is deteriorated owing to environmental constraints. Yet, it is clear that failure to keep up with global investment trends will result in loss of potential revenue and clients.

A company, which undermines human values and rights in the course of its management, cannot be considered a good company. And it is crucial to care for the human rights of not only our internal employees but also our partner companies and consumers. Therefore, it is necessary to check the level of impact on human rights from our organization to business, and put it right.

A company is obliged to safeguard its internal employees from risks, diseases, and accidents related to work. Creating an environment conducive to work inspires employees to work better and have loyalty to the company beyond protecting employees. In such environment, employees can put their competencies into their work and create higher efficiencies.

Nowadays, a company must engage all stakeholders including shareholders in corporate activities. One-sided corporate activities cannot lead to a sustainable future. By accurately defining stakeholders, securing various communication channels, and reflecting their expectations in management, we can create a company that satisfies everyone.

Ways of Managing Material Issue

We declared 'overseas investment 2.0' and took strategy of raising competency of employees, diversifying products, and advancing systems to exercise concrete practices. On top of that, we formed a global research network with leading foreign financial companies to promote the expansion of overseas alternative investment business.

In order to prevent human rights violations including sexual harassment and abuse of power, we annually implement related education programs. We also assist in relief if issues related to human rights are reported from employees or partner companies while strictly safeguarding the identity of informants.

We help our employees maintain physical and mental health by supporting comprehensive health checkups, a gym, and a psychology consultation center. In particular, we provide healing meditation programs to release stress from work, inducing active lifestyle through healthy mind.

We classified our stakeholders into 6 groups; client, shareholder, government and related agency partner (supplier), local community and NGO, employee, and future generation. Based upon the definition, we operate communication channels tailored to each group, managing them in line with their interests and expectations.

2020 Performance Evaluation

- No. 1 excellent securities company in overseas research in 2021
- Held Overseas Stock Contact Conferences twice

- Participation rate in education on human rights policies and procedures: 97 %

- Absence due to occupational accidents: zero
- Safety and health education hours: 61.5 hours in total

- Reflected stakeholders' opinions on management activities

Material Issue Management

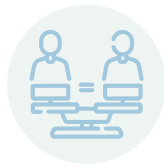
Category

13 Governance

14 Management and Labor Relationship

15 Training and Education

16 Contribution to Local Community



Background of Material Issue

The establishment of a transparent corporate governance structure is the foundation of management activities and it further affects the lives of various stakeholders. With an aim to support balanced management activities that take into account the interests of all stakeholders, a sound and diverse governance structure must be formulated to fulfill its original role for the management.

The key to creating a sustainable future for a company is securing human resources. Besides, it is necessary to establish a fair and transparent recruiting process, a corporate culture going hand in hand, and a labor-management relationship based on mutual respect, aiming for securing potential talent and preventing the outflow of internal human resources.

The desire for achievement through self-development is quite high among human needs. If employees are continuously provided with educational opportunities to help them grow, the loyalty to the company will also rise. A desirable culture for companies and individuals is to grow together.

After all, a company is an essential pillar of society. Therefore, a company's performance would be the result of the interest and support received from society. Amid growing requests for corporate responsibility, companies can secure new growth opportunities by playing a role that meets the needs of a society.

Ways of Managing Material Issue

In accordance with laws and articles of association, we organized the Board of Directors (BOD) and committees to support the management's sensible decision-making, while playing the role of checks and balances. BOD-related information is disclosed through our website, and we appoint directors in consideration of many factors including expertise and diversity.

In recruiting new and experienced employees, fairness against discrimination and prejudice is our principle. We also practice 7 principles for creating a happy corporate culture, putting no limitation in joining labor union for win-win and co-existing management-labor relationship. In addition, we strive to make a communication-based corporate culture.

For systematic and voluntary talent nurturing, we developed a portal for comprehensive competency management and a platform for mobile education programs. Job training system is also reinforced to raise work competencies and employees are encouraged to acquire professional certificates such as CFP and CFA.

Capitalizing on our financial expertise, we run a financial class program for youth in collaboration with YAHU, a university volunteer group. Also, we promote Vision Maru, a youth study rooms, and Nanumi Volunteer Group so as to disseminate a sharing culture with our employees.

<p>2020 Performance Evaluation</p>	<ul style="list-style-type: none"> Ratio of outside directors: 57.14 % No. of board meetings held: 13 -Attendance rate: 100% 	<ul style="list-style-type: none"> No. of newly hired employees: 114 Labor union membership ratio: 10% 	<ul style="list-style-type: none"> Training hours per capita: 121 hours Education cost per capita: KRW 2.13 million 	<ul style="list-style-type: none"> Total amount of social contribution: KRW 3.36 billion No. of employees participating in social contribution activities: 3,378 No. of students participating in Financial Education for Youth: 840
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Risk Management

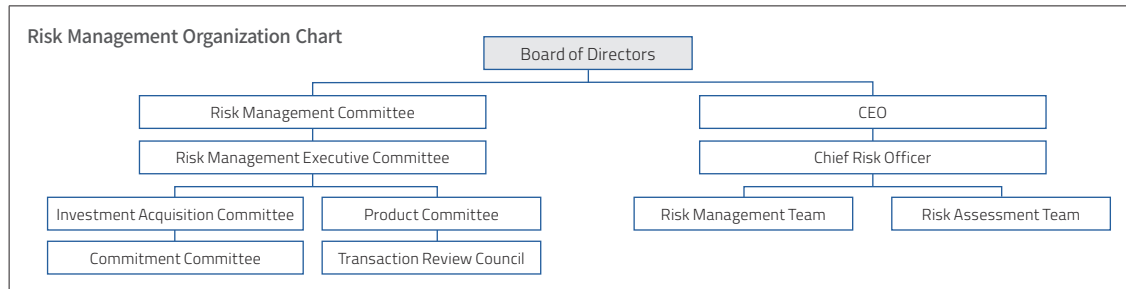
Risk is an inevitable part of business operation. When we do business in sales and wealth management, we are naturally exposed to various risks such as market risk, credit risk, and liquidity risk. As we can only make profit by properly manage and respond to risks, risk management defining risks and monitoring them while putting a risk management system in place that manages, evaluates, and controls risks in an adequate level is extremely critical in management activities. All employees, including the top management have a firm belief that ‘financial business is a risk management business’, so we analyze diverse risks that may occur in each business area throughout the company in advance. Aligning with it, we have also established an efficient management system maximizing profits while managing risks at a certain level.

Risk Management by Risk Type

Financial Risk			Non-financial Risk		
Market Risk	Credit Risk	Liquidity Risk	Client Information Protection	Financial Consumer Protection	ESG
<ul style="list-style-type: none"> • Risk factors causing market price volatility • Management of VaR and maximum loss • Sensitivity analysis of price fluctuation 	<ul style="list-style-type: none"> • Risk incurred when a counterpart fails to uphold their obligations • Credit rating and credit line management • OTC derivatives risk management 	<ul style="list-style-type: none"> • Risk posed by liquidity and maturity • Liquidity ratio management • Liquidity stress testing 	<ul style="list-style-type: none"> • Risk of client data leakage • Compliance with client data-related laws • Implementation of personal information protection policy • Monitoring of mandatory security regarding client information 	<ul style="list-style-type: none"> • Incomplete sales and consumer rights violation risk • Appointment of CCO directly under CEO and operation of consumer protection center • Obligation to consult work related to consumers in advance 	<ul style="list-style-type: none"> • All social and environmental risk incurred by our financial activities • Compliance with ESG investment guidelines • ESG risk analysis

Risk Management System

At Samsung Securities, the Board of Directors, the highest decision-making body, oversees risk management and operates a body for each decision-making process. This is an optimal way to respond to risks in a timely and appropriate manner. The Risk Management Executive Committee makes decisions in regard of risk management for each business division. On top of that, the sub-committee reports the approved items to the higher-level committee, and when approval is needed beyond the authority granted to the sub-committee, the upper committee approves it. For the most objective risk determination and independent work, the Chief Risk Officer is directly under the CEO. In other words, the head of the transaction department and the executive in charge cannot concurrently serve as the head of the risk management department and the executive in charge.



Risk Cost System

As part of RAPM, Samsung Securities implemented a specialized risk cost system where risk costs are calculated for each division and reflected in the performance bonus of executives and divisions (Retail, IB, Sales & Trading, Channel Sales, etc.), while incorporating risk management into financial performance.

Risk Indicator

VaR (unit: KRW 1 billion)

Category	FY 2020				FY 2019
	Daily Avg.	Min.	Max.	Year End	Year End
Total VaR	15.6	5.2	54.2	14.1	11.4
Stock	5.3	0.7	43.2	3.6	4.6
Interest Rate	13.3	5.8	17.7	11.9	10
FX	0.1	0	0.2	0.2	0
Diversification Effect	-3.0	-1.2	-6.9	-1.5	-3.3

Net Capital Ratio (unit: %, %p, KRW 1 billion)

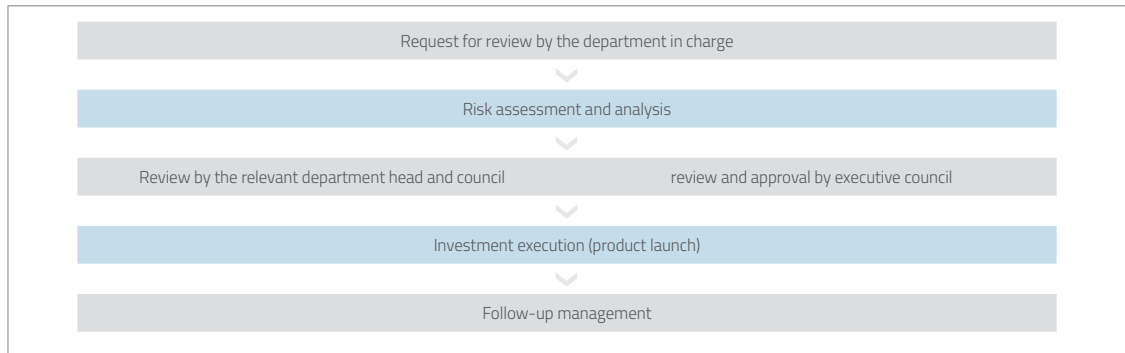
Category	FY 2020	FY 2019	YoY
Net Operating Capital	4,324	3,466	+858
Risk Amount	2,353	2,327	+26
Required Equity	130	130	0
Net Capital Ratio	1,516%	876%	+640%p

*RAPM (Risk Adjusted Performance Measurement): an indicator for assessing revenue creation against risk taken

Risk Management

Reinforced Risk Management Assessment

Risk management and screening system



Role and Responsibility of Risk Management Department

Risk Management Team	Risk Assessment Team
Allocating risk limits companywide and monitoring them	Assessing corporate, real estate, alternative assets
Holding risk management meetings	Managing credit grade and limits of transaction counterparts
External reporting (net operating capital ratio, etc.)	Post-management of holdings

Background of Enhanced Risk Assessment

The domestic financial market is expanding its scope to alternative investment assets, such as domestic and overseas corporate loans, real estate finance, and infrastructure assets, beyond the existing investment trend focusing on domestic stocks and bonds. Coping with such changes, we beef up our assessment capabilities by securing more professional review personnel. Based on their respective fields of expertise, the assessment personnel are responsible for assessing the risk and return of target assets for the company's investment and product supply.

Effects of Strengthening the Assessment Capacity

- Better response to new asset investment by increasing professionals for each asset such as real estate and infrastructure
- Advanced expertise in assessing each asset and refined assessment methodology
- Improved risk assessment capability through cross-review by specialized area

Potential Risk

Risk Definition/Description	Potential Impact on Business	Countermeasures
Expansion of investment in overseas and alternative assets	As we have seen the obvious limitations in the growth of traditional investment assets and the emergence of new growing industry such as the 4th industrial industry, there was a growing need to expand investment in overseas assets and alternative assets. However, the expansion of investment portfolio directly leads to the greater exposure of risks, because new risk factors that have not been managed in the existing investment assets can be added. As a result, there is a possibility that there may be issues concerning increasing losses or worsening ratio of financial soundness.	<ul style="list-style-type: none"> • Strengthening of pre-assessment based on investment regulations • Establishing post-monitoring and exit measures • Securing assessment personnel
Diversified risks derived from accelerated digital innovation in the financial industry	<p>The mobile-centric platform continues and the 2030 generation, who are proficient in using mobile devices, is entering the investment market. Simply put, digital transformation is an opportunity to attract new clients.</p> <p>However, there is a high possibility that problems with the IT system may occur, which may not adequately support business internally or cause client dissatisfaction. The importance of information security has also raised as the amount of information retained in companies has grown as most of them have been computerized. One security incident causes additional losses and deteriorates internal and external reliability of a company.</p>	<ul style="list-style-type: none"> • Enhancing internal capabilities on investment and products converging digital technologies • Building IT risk management system as a global investment firm
Reputational and regulatory risk from urging response to climate change such as investment and wealth management considering environmental impacts such as greenhouse gases, energy, and raw materials	Scale of ESG investment has been expanded led by growing investor demand. In particular, investment only from a financial point of view with no consideration the environment increases risks due to the stricter environmental regulations by country. For instance, risks such as cost increase and cancellation of the implementation process can occur. In addition, when the National Pension Service selects an investment institution, ESG reporting level is evaluated through company reports. If the company failed to be selected as the level is unmet, it can become a reputational and financial risk. The ESG standards presented to securities companies by financial authorities in and outside Korea are being all the more stringent, and regulatory risks are expected to rise as the effectiveness of ESG investments will be monitored through sophisticated data analysis in the future by effectiveness of pre-screening on investments and products.	<ul style="list-style-type: none"> • Suspending coal terminal investment and declaring zero-coal finance • Newly establishing a department for ESG including ESG research center and hiring professionals • Implementing ESG impact through pre-screening review of investment and products
Consolidating financial consumer protection following the private equity fund crisis and enforcement of the Financial Consumer Protection Act	As the 'Financial Consumer Protection Act' comes into force in 2021 in Korea, securities firms have tightened their obligations to comply with the six sales principles when selling all financial products, and to establish and manage internal control standards for safeguarding financial consumers. Besides, the level of sanctions has been strengthened, such as granting consumers the right to cancel illegal contracts and imposing punitive penalties for violations of the law. Against this backdrop, failure to adequately respond to incomplete sales and financial fraud is expected to bring about compliance risks and a damaged corporate reliability and profitability.	<ul style="list-style-type: none"> • Forming a Consumer Protection Center under CCO directly controlled by CEO • Advancing incident response system and development, sales, post-handling process applying Financial Consumer Protection Act • Reinforcing preemptive prevention activities through conducting financial consumer protection education and mystery shopping

Stakeholder Communication

Samsung Securities operates communication channels that consider the characteristics of each stakeholder, and defines clients, shareholders, government and related business partners (suppliers), local communities and NGOs, employees and future generations as our key stakeholders, checking the interests of each stakeholder group. We strive to continue our sustainable management by building a profound trust with each other through constant communication with stakeholders, and at the same time by reflecting the opinions and needs of stakeholders in our business activities.

Stakeholder Group	Major Communication Channels	Interests and Expectation
1 Client	VOC	<ul style="list-style-type: none"> • Protecting personal information • Safeguarding financial consumers • Creating a proper investment culture • Improving client-centric services • Ethical and compliance management
	Client satisfaction survey	
	Annual seminar	
	Homepage	
	YouTube	
2 Shareholder	General shareholders' meeting	<ul style="list-style-type: none"> • Raising shareholders' value • Enhancing risk management
	IR activity	<ul style="list-style-type: none"> • Establishing upright governance • Making sustainable economic performance
3 Government, Related Agency Partner (Supplier)	Public hearing	<ul style="list-style-type: none"> • Creating value in win-win cooperation • Ethical and compliance management
	Seminar and meeting	
4 Local Community, NGO	Social Volunteer Group	<ul style="list-style-type: none"> • Vitalizing local communities • Reinforcing social responsibility • Diversifying local contribution programs
	Nanumi Fund	
5 Employees	VOE	<ul style="list-style-type: none"> • Raising corporate value • Sustainable economic performance • Fair performance evaluation and rewards • Supporting work and life balance • Self-development and welfare benefits
	Company broadcasting, company messenger	
	Meeting for sharing management status	
	Multifaceted evaluation	
6 Future Generation	YAHU Volunteer Group	<ul style="list-style-type: none"> • Climate finance and eco-friendly investment • Providing adequate financial education • Facilitating local communities
	Financial Education for Youth	
	Vision Maru	



The Sustainability Accounting Standard Board (SASB) is a non-profit organization that sets non-financial reporting standards. Founded in 2011, it has developed and disseminated sustainability accounting standards. SASB presents sustainability risk topics that are highly relevant to each industry and recommends companies to continuously report on the topics to communicate with investors and stakeholders. Samsung Securities discloses related information in line with the investment banking & brokerage industry topic index according to the SASB classification.

Employee Diversity & Inclusion

Code	FN-IB-330a.1
Description	Percentage by gender, race, and ethnic group of (1) Executives, (2) Outside Executives, (3) Professionals, (4) All Other Employees Percentage by gender, race, and ethnic group
Unit	%
Our Response	We disclose diversity index including gender and nationality in Social Data_ labor _ 2020 Performance.

Incorporation of ESG Factors in Investment Banking & Brokerage Activities

Code	FN-IB-410a.1
Description	(1) Acquisition, (2) Advisory, (3) Securitization transaction revenue considering ESG factors by industry
Unit	N/A
Our Response	We conduct ESG consulting for corporate clients to spread ESG factors in the market.

Code	FN-IB-410a.2
Description	(1) number and (2) total value of investment and loan products taking ESG factors by industry into account
Unit	(1) number, (2) KRW
Our Response	Related information is disclosed in Environment Data_Climate Action.

Code	FN-IB-410a.3
Description	An approach to integrate ESG factors with the industry
Unit	N/A
Our Response	Samsung Securities established a new management strategy prioritizing ESG factors while establishing organizations for it. The ESG secretariat and ESG research center were newly established to manage ESG according to each competency and expertise, and risks are reviewed by the risk department. In addition, we have established ESG investment guidelines to preemptively consider the impact of our financial activities on the environment and society. This is used as a basic policy in the decision-making process, and the impact is reviewed through pre-screening before all transactions. Details are disclosed in the Pursuing Sustainable Investment part.

SASB

Business Ethics

Code	FN-IB-510a.1
Description	Total monetary loss due to violations of financial market laws including fraud, insider trading, anti-corruption, market manipulation, and others
Unit	KRW
Our Response	The monetary sanctions occurred in 2020 were fines for negligence caused by simple business mistakes, and there were no serious sanctions such as fraud and anti-corruption violations of the Financial Investment Services and Capital Markets Act.
Code	FN-IB-510a.2
Description	Internal reporting policy and procedures
Unit	N/A
Our Response	We are making ourselves a clean and honest company through the internal reporting system. We classified reports into 10 types, and we are receiving reports from external stakeholders on unjust acts taking advantage or fraudulent acts causing losses to the company. Reports can be made through all possible methods including the website, telephone, fax, and mail, and we reply with results of the processing as quickly as possible. In terms of the response system, relevant department responds on its own or convenes a crisis management committee, and the CEO is responsible for overall response depending on the severity of the issue. On top of that, we thoroughly protect the informant and ensure that there is no disadvantage posed to identity.

Professional Integrity

Code	FN-IB-510b.1
Description	(1) number and (2) percentage of employees having a history of receiving investment-related investigations, consumer complaints, civil litigation, and other violations
Unit	(1) persons (2) %
Our Response	(1) 133, (2) 4.99%
Code	FN-IB-510b.2
Description	Number of mediations and arbitrations related to work ethics, including due diligence
Unit	Case
Our Response	All 137 cases of disciplinary action for violating the Code of Conduct in 2020 were simple violations, and none of them were subject to mediation or arbitration.
Code	FN-IB-510b.3
Description	Total amount of money lost due to proceedings related to work ethics, including due diligence
Unit	KRW
Our Response	As disclosed in Governance Data_Ethical Management and Compliance part, the number of lawsuits was 0.
Code	FN-IB-510b.4
Description	Principles of guaranteeing work ethics, including due diligence
Unit	N/A
Our Response	We have standards for value judgment and code of conduct for fair and transparent corporate management while internalizing them throughout the company. Our management principle is composed of five core principles and detailed contents. In particular, the code of ethics and detailed principles have been separately established to stipulate ethical and social responsibilities and obligations. Based on this, we provide ethical education for our employees to actively practice them. If the code of ethics is violated, we conduct a thorough and fair investigation, followed by measures and training for the prevention of recurrence.

SASB

Systemic Risk Management

Code	FN-IB-550a.1
Description	Score for each G-SIB item
Unit	Basis points(bps)
Our Response	N/A

Code	FN-IB-550a.2
Description	Explanation of the methods and results of stress testing for capital adequacy plans, long-term management strategies, and other business activities.
Unit	N/A

Our Response	<p>We carry out a risk situation analysis at a company-wide level assumed over the market, credit and liquidity risks more than once every six months. The results of risk situation analysis are reported to the management through the Risk Management Committee or other organizations so that the results are taken into account in the important decision-making process.</p> <p>The comprehensive market crisis scenario for risk situation analysis assumes the changes in market variables such as stock prices, volatility, correlation coefficients, exchange rates, and credit spreads, and estimates losses due to changes in fair valuation.</p> <p>The liquidity risk scenario assumes a crisis situation caused by market and internal factors, and calculates the size of liquid asset holdings under the assumptions of funding restrictions, a certain level of RP, the redemption of OTC derivatives, and liquidity outflow due to contingent liabilities such as debt guarantees.</p> <p>Along with that, we operate a response plan (contingency plan) for each stage of crisis by reflecting the results of crisis situation analysis and market conditions. Based on the worst volatility during the past financial crisis, we classify crisis situations into three stages using stock prices, interest rates, and credit spreads as common indicators, and reflect the characteristics of each sector. On top of common indicators, separate criteria such as liquidity and counterparty's credit risk are applied to establish risk assessment criteria. With an aim to recognize crisis stage and implement countermeasures for each sector, a step-by-step response plan are being prepared.</p>
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Employee Incentives and Risk Taking

Code	FN-IB-550b.1
Description	Rate of total remuneration change (incentive ratio) after appointing material risk takers (MRTs)
Unit	%
Our Response	Incentive is paid according to the remuneration system, and there is no incentive based on the classification of MRTs. However, we pay the deferred portion (60 %) in a fixed amount without linking the company stock price to executives responsible for risks, unlike other executives.
Code	FN-IB-550b.2
Description	Percentage of incentives for Material Risk Takers (MRTs) subject to cuts or redemptions
Unit	%
Our Response	Although there is no specific ratio, if reduction or redemption is necessary, the remuneration committee decides on the matter.

Activity Metrics

Code	FN-IB-000.A								
Description	(1-a) number of acquisition transactions, (1-b) number of advisory transactions, (1-c) number of securitization transactions, (2-a) amount of acquisition transaction, (2-b) amount of advisory transaction, (2-c) amount of securities transaction								
Unit	Case, KRW								
Our Response	<table border="1"> <thead> <tr> <th>Classification</th> <th>Unit</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Acquisition (brokerage)*</td> <td rowspan="2">KRW 1 million</td> <td>22,658,572</td> </tr> <tr> <td>Advisory**</td> <td>1,053,780</td> </tr> </tbody> </table>	Classification	Unit	Amount	Acquisition (brokerage)*	KRW 1 million	22,658,572	Advisory**	1,053,780
	Classification	Unit	Amount						
	Acquisition (brokerage)*	KRW 1 million	22,658,572						
Advisory**	1,053,780								

*Based on acquisition and arrangement transactions (including Asset Backed Securities, not including loans)

**Based on completed M&A transactions

TCFD

TCFD (Task Force on Climate-related Financial Disclosures) is an initiative enacted in 2015 by the Financial Stability Committee, commissioned by the G20 finance ministers and central bank governors, aiming at urging companies to voluntarily and consistently disclose data related to climate change. It developed an international information disclosure framework, and climate change-related information released in accordance with TCFD's recommendations is used for decision-making by international stakeholders and investors.

TCFD Recommendation	Status of Samsung Securities	CDP
Governance		
a) Describe the board's oversight of climate-related risks and opportunities	Samsung Securities considers climate change a major risk and manages it within the board of directors (BOD). Major ESG agendas including climate change are submitted to the BOD for reporting and resolution. Particularly ESG-related risks are analyzed and managed by the risk management committee and a team under the CRO. These agendas are reflected in climate change-related indicators in the major decision-making process, such as the management plan and goal setting for the next year, and these are regularly reported. The CEO and other key executives are also members of the BOD and are familiar with the contents. In some cases, an ESG executive council is formed to discuss, monitor, and supervise the ways to address each issue.	CDP_C1.1b
b) Describe management's role in assessing and managing climate-related risks and opportunities		CDP_C1.2, C1.2a
Strategy		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	There are diverse crises derived from climate change. In the short term, the most serious risk is the company's reputation for being stingy in responding to climate change. Reputation is directly linked to a decline in consumer preference, which leads to a decrease in human and material resources. As the country pursues the transition to a low-carbon society, related legal sanctions have increased. Furthermore, there are risks of introducing additional low-carbon and eco-friendly facilities instead of outdated facilities. Besides, frequent natural disasters caused by physical climate risks can bring about damage to tangible assets. This may pose harm to the business service and operation of the branch in the affected area, and may soon result in a negative impact on sales. On the other hand, there is a new market opportunity where costs can be reduced through new energy sources and higher energy efficiency. Climate-related product markets and investments are also rapidly growing.	CDP_C2.3, C2.3a, C2.4, C2.4a
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	We declared 'coal-free finance' by comprehensively considering risks and opportunities. Our agile declaration of coal-free finance and suspension of coal investment came first in a swift manner among domestic securities companies. Also, we established ESG investment guidelines, introduced pre-screening to decide on investment or product sales. We issued G1 grade ESG bonds to invest in projects related to renewable energy, natural gas, and water resources while continuously expanding our product lineup.	CDP_C3.1

TCFD Recommendation	Status of Samsung Securities	CDP
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Aiming at introducing a climate change response strategy, we analyzed physical risk and transition risk based on RCP 2.6, 8.5, IEA 2 DS, and NDCs scenarios.	CDP_C3.2a
Risk Management		
a) Describe the organization's processes for identifying and assessing climate-related risks	We identify and evaluate the risks of transitioning to a low-carbon economy and physical risks caused by natural disasters using the ESG secretariat, ESG research center, and risk organizations. The ESG secretariat is in charge of internal and external communication to maintain active engagement with stakeholders, while the ESG research center analyzes all issues including climate change, and evaluates them through risk assessment process.	CDP_C2.1, C2.2
b) Describe the organization's processes for managing climate-related risks	The final responsibility for risk management rests with the Board of Directors (BOD). The BOD confirms the materiality test results for the identified risks, and the regular board meeting and Risk Management Committee deal with it as an agenda to be reported. The materiality assessment marks scored through the process involving the financial and non-financial impact of identified risk factors, management strategy, and stakeholder evaluation.	CDP_C2.1, C2.2
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Samsung Securities defines and manages climate change and environmental risks as one of the potential risks. The newly enacted ESG investment guidelines by Samsung Securities are the basic framework for evaluating products and projects we provide, including excluding investment in the criminal industry, such as coal investment ratio, tobacco and weapons manufacturing. In addition, we are making efforts to recognize the level of crisis awareness of climate change as the same as existing market risks or credit risks.	CDP_C-F53.6a
Metrics and Targets		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	We report greenhouse gas emissions and reduction amounts through the annual integrated report. Since 2019, ESG-related product names and amounts, including the expansion of the ESG ratio in products, have been disclosed to stakeholders. GHG emissions* in 2020 are Scope1 654, Scope2 634 , and Scope3 306.576. The total amount of ESG products including climate change is KRW 68.76 billion.	CDP_C4.2
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	We will make our utmost efforts to mitigate greenhouse gas emissions by facilitating eco-friendly bond issuance and investment by putting our financial and investment capabilities and using pollution-free vehicles inside.	CDP_C5.1, C6.5
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets		CDP_C4.1, C4.2

*Unit: tCO₂eq

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Third Party Assurance

Independent Assurance Statement

To readers of SAMSUNG SECURITIES REPORT 2020;

Introduction

Korea Management Registrar (KMR) was commissioned by SAMSUNG SECURITIES to conduct an independent assurance of its SAMSUNG SECURITIES REPORT 2020 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of SAMSUNG SECURITIES. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with SAMSUNG SECURITIES and issue an assurance statement.

Scope and Standards

SAMSUNG SECURITIES described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process. We also confirmed that the report was prepared in accordance with the TCFD recommendations and SASB.

- GRI Sustainability Reporting Standards

- Universal standards

- Topic specific standards

Management Approach

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Anti-Corruption : 205

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• Topic specific standards	Employment : 401
	Occupational Health and Safety : 403
	Training and Education : 404
	Human Rights Assessment : 412

As for the reporting boundary, the engagement excludes the data and information of SAMSUNG SECURITIES' partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

Reviewed the overall report;
Reviewed materiality assessment methodology and the assessment report;
Evaluated sustainability strategies, performance data management system, and processes;
Interviewed people in charge of preparing the report;
Reviewed the reliability of the report's performance data and conducted data sampling;
Assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by SAMSUNG SECURITIES to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Third Party Assurance

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with SAMSUNG SECURITIES on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.



- **Inclusivity**

SAMSUNG SECURITIES has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.



- **Materiality**

SAMSUNG SECURITIES has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.



- **Responsiveness**

SAMSUNG SECURITIES prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of SAMSUNG SECURITIES' actions.



- **Impact**

SAMSUNG SECURITIES identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with SAMSUNG SECURITIES and did not provide any services to SAMSUNG SECURITIES that could compromise the independence of our work.

June 2021 Seoul, Korea

E.J Hwang, CEO



A handwritten signature in black ink that reads 'E. J. Hwang'.

UN SDGs

In 2015, the UN announced 17 Sustainable Development Goals (SDGs) along with 169 detailed targets to be implemented by 2030. As a representative securities company in Korea, Samsung Securities has made endeavors to fulfill the UN SDGs goals and raise awareness of it. In particular, we put our emphasis on economic and financial fields, striving to implement the UN SDGs directly or indirectly throughout our business models. Going forward, we will expand our scope of activities for the purpose of achieving more goals.

SUSTAINABLE DEVELOPMENT GOALS



17 Sustainable Development Goals

Goal 1	No Poverty (End poverty in all its forms everywhere)	Goal 10	Reduced Inequalities (Reduce income inequality within and among countries)
Goal 2	Zero Hunger (End hunger, achieve food security and improved nutrition, and promote sustainable agriculture)	Goal 11	Sustainable Cities and Communities (Make cities and human settlements inclusive, safe, resilient, and sustainable)
Goal 3	Good Health and Well-Being (Ensure healthy lives and promote well-being for all at all ages)	Goal 12	Responsible Consumption & Production (Ensure sustainable consumption and production patterns)
Goal 4	Quality Education (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all)	Goal 13	Climate Action (Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy)
Goal 5	Gender Equality (Achieve gender equality and empower all women and girls)	Goal 14	Life below Water (Conserve and sustainably use the oceans, seas, and marine resources for sustainable development)
Goal 6	Clean Water and Sanitation (Ensure availability and sustainable management of water and sanitation for all)	Goal 15	Life on Land (Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss)
Goal 7	Affordable and Clean Energy (Ensure access to affordable, reliable, sustainable, and modern energy for all)	Goal 16	Peace, Justice and Strong Institutions (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels)
Goal 8	Decent Work and Economic Growth (Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all)	Goal 17	Partnerships for the Goals (Strengthen the means of implementation and revitalize the global partnership for sustainable development)
Goal 9	Industry Innovation and Infra (Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation)		

UN SDGS	Our Activities		Page
<p>4 Quality Education</p>	<p>4.1 4.2 4.4</p>	<ul style="list-style-type: none"> • Operating Vision Maru, youth study rooms • Providing Financial Education for Youth • Increasing participation of employees in education and expanding opportunities for capacity building 	<p>42, 62-63, 70-73</p>
<p>8 Decent Work and Economic Growth</p>	<p>8.2 8.3 8.5 8.10</p>	<ul style="list-style-type: none"> • Expanding or retaining new employment amid COVID-19 situation • Adding professionals in retail(digital), IB, management, and ESG field • Assisting SMEs through technology finance • Widening access to digital-based financial services 	<p>12-19, 50, 57, 74</p>
<p>9 Industry Innovation and Infra</p>	<p>9.3 9.4</p>	<ul style="list-style-type: none"> • Expanding social responsibility investment • Promoting sustainable industrialization and innovation by expanding ESG products 	<p>46, 50, 54-55</p>
<p>12 Responsible Consumption & Production</p>	<p>12.5 12.6</p>	<ul style="list-style-type: none"> • Reducing disposable items and paper use through eco-friendly campaigns for employees • Publishing reports integrating sustainability information 	<p>47, 121</p>
<p>13 Climate Action</p>	<p>13.3</p>	<ul style="list-style-type: none"> • Declaring zero-carbon finance and suspending coal investments • Adding environment-related products in the lineup 	<p>44-47</p>
<p>16 Peace, Justice and Strong Institutions</p>	<p>16.5 16.6 16.7</p>	<ul style="list-style-type: none"> • Complying with ethics management principles and responsible management • Operating anti-money-laundering system • Establishing sound and transparent governance • Building communication channels for reflection expectations of stakeholders in our management 	<p>24-27, 76-82, 102</p>

Association Membership

Association	Association
KOREA FOREX CLUB	Seoul Financial Forum (SFF)
PD Council	New Industry Organization for Investment
FX Market Operation Council	Korea Association for Chief Financial Officer
Seoul IB Forum	Korea IR Service
Korea Enterprises Federation	Korea Management Association
Korea Fair Competition Federation	Korea Developer Association
Baby Bond Members Council	Korea Service Forum
Capital Market Council	Korea Securities Law Association
Financial Information Security Council	Korea Fintech Industry Association
Korea Listed Companies Association	The Korea Chamber of Commerce & Industry
Association of Compliance Officers	Korea Center for International Finance
Retirement Pension Development Council	Korea Capital Market Institute
Financial Security Institute	Korea Securities Association
Korean Pension Association	Global Financial Networks (GFIN)
Committee on Financial Informationization Promotion	

※ 2020 dues payment criteria

About this report

Samsung Securities shares our future vision, strategies, and performances with our various stakeholders encompassing shareholders, clients, and employees through the publication of the Annual Integrated Report. Communicating through the disclosure of our corporate philosophy and data is an integral part for us to take a leap forward towards sustainable growth. This is an integrated report prepared in accordance with the IIRC (International Integrated Reporting Council) <IR> framework.



Reporting Period

The reporting period for financial performance and sustainable management activities in this report is from January 1, 2020 to December 31, 2020. In terms of quantitative data that requires trend reporting, we reported the performance over the three years (2018-2020), and some qualitative data includes activities up to the first half of 2021 if necessary.



Reporting Scope and Boundaries

The reporting scope of this report covers all of Samsung Securities' business sites, including the headquarters, domestic branches, and overseas subsidiaries. Yet, some social and environmental indicators of overseas business sites that have physical restrictions on data collection were excluded from the reporting scope.



Reporting Principles

This report complies with the core requirements of the Global Reporting Initiative (GRI) Standards, the international reporting guidelines for sustainability management, and also reflects the GRI Financial Services Sector Supplement (FSSS) standards. In addition, the 2020 report reflects the Task Force on Climate-related Financial Disclosures (TCFD), a recommendation for disclosure of data on climate change, and the Sustainability Accounting Standards Board (SASB), an accounting standard for sustainability topics.



Report Reliability

The financial and non-financial data contained in this report have been verified by a third party to ensure the accuracy and objectivity of the information.

Corporate Information

Our Flagship Service Brand

Representative Wealth Management Brand

POP

POP is an acronym of 'Platform of Private Banking Service'. It is Samsung Securities' representative wealth management brand standing for 'wealth management for everyone'

Representative VIP Wealth Management Brand

삼성증권 **SNI**

Referring to 'Success & Investment', it is a comprehensive wealth management service brand for super rich owning more than KRW 3 billion

Product/System Brand

POP UMA[®]

1:1 client-tailored discretionary wealth management service

POP Robo

Wealth management service based on Robo-advisor

POP 골든에그

Retirement wealth management service

Smart Advisor

Online service platform for wealth management

삼성ETN

Samsung Securities ETN Brand

POP 골든랩

Wrap account

Client Service Brand

Individual VIP Service

HONORS

Corporate VIP Service

POP Corporate Service



We help enrich the lives of our clients
and grow together



This report is made use of FSC® International Forest Certification Paper and printed with soy-based ink, avoiding spot color and coating, with an aim to reduce waste and environmental pollution produced during design and printing stages.

**SAMSUNG
SECURITIES**



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