

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 goals 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

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