

PERFORMANCE SUMMARY

Economy				
	2014	2015	2016	Unit
Key Financial Performance¹⁾				
Sales	206.2	200.7	201.9	KRW trillion
Operating profit	25.0	26.4	29.2	KRW trillion
Net income	23.4	19.1	22.7	KRW trillion
Sales by Business Division²⁾/Region				
Consumer Electronics	50.2(22)	46.9(21)	47.0(21)	KRW trillion (%)
IT & Mobile Communications	111.8(49)	103.6(46)	100.3(44)	KRW trillion (%)
Device Solutions_Semiconductor	39.7(18)	47.6(21)	51.2(23)	KRW trillion (%)
Device Solutions_Display	25.7(11)	27.5(12)	26.9(12)	KRW trillion (%)
Americas				
Europe/CIS	43.0(21)	38.6(19)	38.3(19)	KRW trillion (%)
China	33.0(16)	31.0(15)	35.6(18)	KRW trillion (%)
Korea	20.7(10)	20.8(10)	20.2(10)	KRW trillion (%)
Asia/Africa	40.8(20)	41.3(22)	39.1(19)	KRW trillion (%)
Economic Value Distribution				
[Supplier] Procurement costs	139.5	128.8	127.0	KRW trillion
[Local Community] Social contributions	523	523	445	KRW billion
[Shareholder/Investor] Dividends	3,000	3,069	3,992	KRW billion
[Shareholder/Investor] Pay-out ratio	13.0	16.4	17.8	%
[Creditor] Interest expenses	593	777	588	KRW billion
[Employee] Remuneration	22.5	23.5	24.0	KRW trillion
[Government] Taxes and dues by region	5.5	7.8	8.9	KRW trillion
Asia	29	35	19	%
Korea	53	51	67	%
Americas/Europe	17	13	13	%
Others	1	1	1	%

1) Based on the consolidated financial statement, 2) Based on net sales

Ratio of Economic Value Distributed in 2016 (excluding 10.2% in retained earnings)

Supplier ¹⁾	Local Community ²⁾	Shareholder & Investor ³⁾	Creditor ⁴⁾	Employee ⁵⁾	Government ⁶⁾
69.2%	0.2%	2.2%	0.3%	13.1%	4.8%

1) Cost of all products and services purchased by Samsung for its business operations, 2) Sum of all social contributions made through donations and other expense accounts, 3) Dividends paid, 4) Interest expenses paid, 5) Sum of salaries, severance payments, and welfare benefits included in the cost of sales, R&D costs and SG&A costs, 6) Sum of consolidated income taxes, other taxes, and dues calculated on an accrued basis

Society					
	2014	2015	2016	Unit	Page
Customer Value Enhancement					
Ratio of CS Career Path (in-house certification program)-certified employees ¹⁾	97	97	95	%	53
Customer Satisfaction	84.1	83.7	84.0	Point	55
An Eco-friendly and Safe Workplace					
Workplace health and safety					
Frequency rate ²⁾³⁾	0.289	0.240	0.227		74
Injury rate ²⁾⁴⁾	0.054	0.045	0.044		74
Sustainable Supply Chain					
Securing suppliers' sustainable competitiveness _ Comprehensive supplier evaluation					
Suppliers evaluated ⁵⁾	71	86	83	%	79
Suppliers rated excellent		70	70	%	79
Ratio of ISO 14001-certified suppliers ⁶⁾	76	87	86	%	79
Ratio of OSHAS 18001-certified suppliers	40	46	39	%	79
Securing suppliers' sustainable competitiveness _ Partner Collaboration Programs					
Investment in the Partner Collaboration Fund	7,952	8,649	8,232	KRW 100 million	80
1 st -tier suppliers	5,567	6,121	6,015	KRW 100 million	80
2 nd -tier suppliers	2,385	2,528	2,217	KRW 100 million	80
Benefit shared in monetary value ⁷⁾	123	173	162	KRW 100 million	80
Attendees at supplier training	577	615	759	No. of suppliers	80
1 st -tier suppliers	460	517	664	No. of suppliers	80
2 nd -tier suppliers	117	98	95	No. of suppliers	80
Trainees at supplier training ⁸⁾	11,927	12,694	13,089	No. of persons	80
1 st -tier suppliers	10,796	11,002	12,673	No. of persons	80
2 nd -tier suppliers	1,131	1,692	416	No. of persons	80
1 st -tier suppliers supported for their innovation initiatives	60	53	64	No. of suppliers	80
Korea	60	53	45	No. of suppliers	80
Overseas			19	No. of suppliers	80
Beneficiaries of the Industry Innovation Campaign ⁹⁾	428	433	562	No. of companies	80
2 nd -tier suppliers	345	310	436	No. of suppliers	80
SMEs without business transactions with Samsung	83	123	126	No. of companies	80
Beneficiaries of the Smart Factory program ¹⁰⁾		120	479	No. of companies	80
Samsung suppliers		22	31	No. of suppliers	80
SMEs without business transactions with Samsung		98	448	No. of companies	80

1) Among all CS staff, 2) Based on all domestic employees and employees at the overseas manufacturing subsidiaries, 3) (No. of injuries ÷ No. of annual work hours) x 1,000,000, 4) (No. of injured workers ÷ No. of workers) x 100, 5) All suppliers excluding those registered less than two years ago (annual registration) are subject to evaluations conducted in eight categories, 6) Demand that suppliers comply with ISO 14001 or other corresponding standards in the standard contract form, 7) Supported a total of 92 suppliers in 2016, 8) Including redundancies, a portion of the 2nd-tier suppliers became 1st-tier suppliers between 2015 and 2016, 9) 2014: 2nd year (Aug. 2014~Jul. 2015), 2015: 3rd year (Aug. 2015~Jul. 2016), 2016: 4th year (Aug. 2016~Jul. 2017), 10) Aim to support more than 1,000 companies by 2017

Responsible management of the supplier work environment

Third-party Initial Audits on the supplier work environment*

(Unit: No. of occasions)



Third-party Closure Audits on the supplier work environment*

(Unit: No. of occasions)



Transparency in mineral management

On-site inspections for suppliers' conflict minerals management*

(Unit: No. of sites)



* Accumulated since 2013

Supplier Compliance by Key Third-party Verification Item*

(Unit: %)

Category	Item	2014	2015	2016
Labor & Human Rights	Freely chosen employment	99	99	97
	Prohibition of child labor	100	100	100
	Protection of underage workers	90	100	100
	Work hour management	94	89	83
	Guarantee of one-day off per week	96	95	94
	Wages and benefits	94	98	99
	Humane treatment	100	100	98
	Non-discrimination	100	100	100
Health & Safety	Occupational safety	83	89	98
	Emergency preparedness	88	94	91
	Occupational injury and illness	95	96	99
	Physically-demanding work	98	90	100
	Machine safeguarding	90	100	100
	Food, sanitation & housing	91	98	98
Environment	Pollution prevention	88	100	100
	Hazardous substance management	87	99	100
	Wastewater/solid waste management	96	88	100

(Unit: %)

Category	Item	2014	2015	2016
Environment	Air pollution	96	98	100
	Restriction of product materials	100	100	100
Ethics	Business integrity	95	100	100
	No improper advantage	93	100	100
	Disclosure of information	100	100	100
	Intellectual property	98	100	100
	Protection of identity	95	100	100
	Protection of personal information	95	100	100
Management	Non-retaliation	100	100	100
	Company commitment	95	100	100
System	Management responsibility	93	100	100
	Risk assessment	93	100	100
	Training	95	100	100
	Communication	93	100	100
	Employee feedback	100	100	100
	Corrective action	98	100	100
	Management of Business Improvement Goal	83	100	100

* Figures that reflect the improvements made

	2014	2015	2016	Unit	Page
People First					
Total employees ¹⁾	319,208	325,677	308,745	No. of persons	86
Korea	99,386	96,902	93,204	No. of persons	86
Overseas	219,822	228,775	215,541	No. of persons	86
Employees on permanent contracts	310,036	318,965	304,715	No. of persons	86
Employees on fixed-term contracts ²⁾	9,172	6,712	4,030	No. of persons	86
Under 30	187,052	191,986	172,272	No. of persons	86
30's	92,874	92,701	93,348	No. of persons	86
40 and older	39,282	40,990	43,125	No. of persons	86
Product development	70,398	65,602	62,546	No. of persons	86
Manufacturing	188,235	204,943	194,669	No. of persons	86
Sales/Marketing	31,785	27,788	25,836	No. of persons	86
Others	28,790	27,344	25,694	No. of persons	86
Staff ³⁾	263,093 ⁴⁾	265,944	248,415	No. of persons	86
Managers	54,420 ⁴⁾	58,105	59,014	No. of persons	86
Executives	1,695 ⁴⁾	1,628	1,316	No. of persons	86
Korea	99,386	96,902	93,204	No. of persons	86
Southeast Asia/Southwest Asia/Japan	112,041	140,437	134,386	No. of persons	86
China	56,492	44,948	37,070	No. of persons	86
North America/Central & Latin America	27,996	23,947	25,988	No. of persons	86
Europe/CIS	18,602	15,487	14,445	No. of persons	86
Middle East	3,565	2,998	2,810	No. of persons	86
Africa	1,126	958	842	No. of persons	86
Domestic turnover ⁵⁾	3.1	5	5.5	%	86
Overseas turnover ⁵⁾	19.1	15.9	16.9	%	86
Human rights _ diversity and tolerance					
Employees who took childcare leave ^{6) 7)}	3,376	3,816	3,818	No. of persons	91
Employees who return to work after childcare leave ^{6) 7)}	91	93.3	93.8	%	91
Daycare center capacity ⁶⁾	2,551	2,551	2,905	No. of persons	91
No. of daycare centers ⁶⁾	12	12	14	No. of centers	91
No. of mentally/physically-challenged employees ⁶⁾	1,668	1,649	1,550	No. of persons	91
Ratio of mentally/physically-challenged employees ⁶⁾	1.68	1.7	1.7	%	91

1) As of the end of the year, excluding supplier employees stationed in Samsung, those who are taking leave, interns, and those who are taking full-time degree courses, 2) Korea: Non-regular + part-time, Overseas: Contractor + apprentice, 3) Including those working flexible work hours and other positions, 4) Numerical errors corrected, 5) As for employees on permanent contracts, ratio of employees who resigned against the average No. of employees during the concerned fiscal year, 6) Scope of data collection: Domestic employees, 7) As for employees on permanent contracts

	2014	2015	2016	Unit	Page
Ratio of female employees¹⁾	42	46	44	%	91
Product development	17	17	17	%	91
Manufacturing	54	58	56	%	91
Sales/Marketing	30	29	29	%	91
Others	38	39	37	%	91
Korea	26.9	26.2	25.3	%	91
Southeast Asia/Southwest Asia/Japan	57.2	63.5	63.2	%	91
China	45.2	43.2	41.4	%	91
North America/Central & Latin America	36.6	35	34.9	%	91
Europe/CIS	33.6	34.3	35	%	91
Middle East	15.1	13.4	14.1	%	91
Africa	34.1	32.8	32.5	%	91
Staff	48.3	53.1	51.8	%	91
Managers	12.4	12.4	12.7	%	91
Executives	4.2	4.5	6.3	%	91
Career development					
Employees who received training ²⁾	348	419	477	10,000 persons	92
Korea	129	107	109	10,000 persons	92
Overseas	219	312	368	10,000 persons	92
Average training hours per person ³⁾	74	78	71	No. of hours	92
Korea	95	80	80	No. of hours	92
Overseas	64	77	67	No. of hours	92
Total training expenditures ⁴⁾	1,281	1,294	1,117	KRW 100 million	92
Training expenditures per person ⁵⁾	1,299	1,335	1,198	KRW 1,000	92
Training expenditure against sales ⁶⁾	0.06	0.06	0.06	%	92
Training expenditures against remuneration costs ⁷⁾	1.1	1.1	1.1	%	92
Employees who applied for re-employment through the Career Development Center ⁸⁾		5,500	6,400	No. of persons	92
Employees re-employed through the Career Development Center ⁸⁾		4,823	5,508	No. of persons	92
Employees re-employed through the Career Development Center		87.7	86.1	%	92
Organizational culture					
Welfare and benefit expenditure in domestic and global sites	3,479	3,853	3,459	KRW billion	93
Compliance Management					
Employees who received compliance training ^{4) 9)}	247,985	190,919	210,229	No. of persons	97
Reports of the violation of business integrity ¹⁰⁾	894	903	628	No. of reports	98
Reports of corruption	19	13	18	%	98
Reports of consumer complaints	56	58	52	%	98
Other	25	29	31	%	98
Employees who received anti-corruption training ¹¹⁾	336,287	320,399	313,590	No. of trainees	98

1) Based on the total number of global employees, 2) Based on online/offline training, including redundancy, 3) Based on online/offline training, 4) Scope of data collection: Domestic employees, 5) Total training expenditure ÷ total No. of employees in Korea, 6) Total training expenditure ÷ consolidated sales, 7) Total training expenses ÷ labor expenses, 8) On an accumulated basis between 2001 and 2016, 9) including redundancy, 10) Based on the data collected from the Samsung Electronics business integrity website (sec-audit.com)

	2014	2015	2016	Unit	Page
Corporate Citizenship					
Total corporate citizenship management expenditures	523,109	523,395	444,789	KRW million	100
Total hours of domestic and global sites employee work	1,162,824	1,044,847	1,083,849	No. of hours	100
Total domestic employee volunteer teams	1,997	2,263	1,860	No. of teams	100
Volunteer hours per person ¹⁾	3.64	3.21	3.51	No. of hours	100
Corporate Citizenship Program					
Samsung Smart School expenditures	73,690	47,198	28,579	KRW million	101
Accumulated No. of Samsung Smart School beneficiaries		667,326	1,401,776	No. of persons	101
No. of Samsung Smart School program ²⁾	1,209	2,360	3,231	No. of programs	102
Europe	460	1,378	1,997	No. of programs	102
North America	21	24	35	No. of programs	102
Central & Latin America	114	137	166	No. of programs	102
China	3	4 ³⁾	4	No. of programs	102
Southeast Asia	85	102 ³⁾	129	No. of programs	102
Middle East	137	139 ³⁾	167	No. of programs	102
CIS	39	44 ³⁾	51	No. of programs	102
Southwest Asia	201	376 ³⁾	508	No. of programs	102
Africa	55	62	66	No. of programs	102
Japan	18	18	18	No. of programs	102
Korea	76	76	90	No. of programs	102
Samsung Tech Institute expenditure	2,876	18,598	15,033	KRW million	103
Accumulated No. of Samsung Tech Institute beneficiaries		39,659	74,192	No. of persons	103
No. of Samsung Tech Institute program ²⁾	123 ³⁾	191	231	No. of programs	103
Europe	42 ³⁾	65	71	No. of programs	103
North America	4	10	10	No. of programs	103
Central & Latin America	20	39	46	No. of programs	103
China	4	10 ³⁾	10	No. of programs	103
Southeast Asia	14	21 ³⁾	37	No. of programs	103
Middle East	10	12	19	No. of programs	103
CIS	3	3	3	No. of programs	103
Southwest Asia	19	22	24	No. of programs	103
Africa	6	8	10	No. of programs	103
Japan	1	1	1	No. of programs	103
Solve for Tomorrow expenditures	21,395	16,367	12,674	KRW million	104
Accumulated No. of Solve for Tomorrow beneficiaries		212,135	324,961	No. of persons	104
Total No. of Solve for Tomorrow Contests	18	17	18	No. of sessions	104

1) Total domestic employee volunteer hours : 11.3 hours in 2014, 9.9 hours in 2015, 10.4 hours in 2016, 2) Accumulated since 2013, 3) Numerical errors corrected

Environment					
	2014	2015	2016	Unit	Page
Product Innovation					
Environmental innovation					
Development of eco-friendly products ¹⁾	58	74	86	%	61
Environmental innovation _ Improving efficiency in energy use					
Estimated GHG emissions reduction in the product ²⁾ use phase ³⁾	123	156	188	Million tCO ₂ e	65
Estimated GHG emissions reduction in the product ²⁾ use phase of the concerned year ⁴⁾	34,500	32,805	32,232	Thousand tCO ₂ e	65
Estimated reduction ⁴⁾ in energy consumption for products ²⁾	42	47	49	%	65
Environmental innovation _ Improving efficiency in resource use					
Accumulated recovery of end-of-life products ³⁾	191	226	264	10,000 tons	64
Recovery of end-of-life products in the concerned year	371,931	355,683	381,667	Ton	64
Asia/Oceania	59,890	86,102	105,429	Ton	64
Europe	259,906	215,227	222,620	Ton	64
Americas	52,135	54,354	53,618	Ton	64
Recycling of packaging materials ⁵⁾	6,549	7,040	7,911	Ton	64
Recycling of products ⁵⁾	59,044	73,677 ⁶⁾	93,852	Ton	64
Refrigerators		41,609 ⁶⁾	52,163	Ton	64
Washers		17,089 ⁶⁾	21,639	Ton	64
Display		11,987 ⁶⁾	13,659	Ton	64
Other		2,992 ⁶⁾	6,391	Ton	64
Conversion into resources ⁵⁾	50,965	69,010	79,165	Ton	64
Scrap metal	23,938	32,414	37,184	Ton	64
Nonferrous metal	8,875	12,017	13,786	Ton	64
Synthetic resin	14,454	19,572	22,452	Ton	64
Glass	1,056	1,430	1,640	Ton	64
Other	2,642	3,577	4,103	Ton	64
Consumption of recycled plastics	33,628	34,322	30,849	Ton	64
Adoption of recycled plastics	5	6.3	5	%	64

1) Product development projects rated Good Eco-Product or above, 2) Scope of data collection: Eight major product categories (mobile phones, notebooks, TVs, monitors, refrigerators, washers, air conditioners, and printers), 3) Accumulated since 2009, 4) Average annual energy consumption against the average annual energy consumption in 2008, 5) Scope of data collection: Korea, 6) Numerical errors corrected

	2014	2015	2016	Unit	Page
Eco-friendly and Safe Workplace					
Environment and safety Investment ¹⁾	6,883	6,590	9,334	KRW 100 million	68
Violation of environmental regulations	0	0	0	No. of violations	68
Climate change					
Use of renewable energy	31.6	92.06	181.77	GWh	70
GHE emissions generated in the workplace ²⁾	9,290	10,192	11,600	1,000tCO ₂ e	70
Scope 1	2,620	2,445	2,554	1,000tCO ₂ e	70
Scope 2	6,670	7,747	9,046	1,000tCO ₂ e	70
CO ₂	7,366	8,524	9,909	1,000tCO ₂ e	70
CH ₄	2	2	2	1,000tCO ₂ e	70
N ₂ O	290	305	264	1,000tCO ₂ e	70
HFCs	207	218	218	1,000tCO ₂ e	70
PFCs	1,271	1,018	1,115	1,000tCO ₂ e	70
SF ₆	153	124	92	1,000tCO ₂ e	70
GHG emissions intensity ³⁾	2.72	2.64	3.04	tCO ₂ e/KRW 100 million	70
Scope 3 emissions	23,470	18,528	7,649	1,000tCO ₂ e	70
Emissions from suppliers ⁴⁾	12,741	7,942	N/A ⁵⁾	1,000tCO ₂ e	70
Emissions from logistics	10,608	10,478	7,562	1,000tCO ₂ e	70
Emissions from business trips ¹⁾	121	108	87	1,000tCO ₂ e	70
Energy consumption in the workplace ⁶⁾	17,082	19,478	21,073	GWh	70
Power	13,315	15,368	16,587	GWh	70
Others	3,767	4,110	4,486	GWh	70
Energy consumption intensity ³⁾	4.5	4.8	5.0	MWh/KRW 100 million	70
Environmental resource management _ Water resource management					
Water consumption	74,684	92,414	104,253	1,000 ton	71
Industrial water	49,806	58,444	62,986	1,000 ton	71
Municipal water (tap water)	23,659	32,830	40,147	1,000 ton	71
Underground water	1,219	1,140	1,120	1,000 ton	71
Intensity of water consumption ⁷⁾	41	53	60	t/KRW 100 million	71
Wastewater discharge	55,428	72,583	81,716	1,000 ton	72
Reuse of water	37,594	46,200	48,602	1,000 ton	72
Rate of water reused	50.3	50	46.6	%	72
Supply of ultra-pure water for reuse	31,782	34,397	37,770	1,000 ton	72
Recovery of ultra-pure water for reuse	14,067	14,632	15,529	1,000 ton	72
Rate of recovery of ultra-pure water	44.3	42.5	41.1	%	72
Suppliers' water consumption ⁴⁾	327,638	134,733	N/A ⁵⁾	1,000 ton	72

1) Scope of data collection: Domestic worksites, 2) Calculated in accordance with nation-specific GHG management guidelines, IPCC guidelines, and ISO 14064 standards, 3) (total emissions/total consumption/total generation) ÷ consolidated global sales, excluding sales of the Display Business Division, Price index: Producer price index as disclosed by the Bank of Korea for the concerned year (Base: 2005 = 1), 4) Concerns all 1st-tier suppliers, their consumption of power, fuel, or water during the previous year was examined in 2015 and 2016 respectively, and then calculations were made in consideration of their respective share of business conducted with Samsung, 5) Not applicable, 6) Based on global worksites, the 2014 and 2015 numbers were modified due to the change in reporting unit from TJ to GWh, 7) Total consumption ÷ consolidated global sales, excluding the sales of the Display Business Division

	2014	2015	2016	Unit	Page
Environmental resource management _ Waste management					
Waste generation	778,430	937,341	1,078,309	Ton	72
General waste	606,495	680,614	728,905	Ton	72
Hazardous waste ¹⁾	171,935	256,727	349,404	Ton	72
Waste processed	778,430	937,341	1,078,309	Ton	72
Conversion into resources	718,251	875,828	1,022,686	Ton	72
Incineration (outside the Company)	32,089	31,123	26,622	Ton	72
Landfill (outside the Company)	28,090	30,390	29,001	Ton	72
Conversion of waste into resources	92	93	95	%	72
Environmental resource management _ Pollutant management					
Emission of air pollutants	1,019 ²⁾	1,222 ²⁾	2,062	Ton	73
NOx	612	642	635	Ton	73
SOx	164	117	196	Ton	73
Dust	225	438	1,197	Ton	73
NH ₃ ²⁾	12	18	27	Ton	73
HF ²⁾	6	7	7	Ton	73
VOC emissions	106,695	118,258	130,576	Kg	73
Discharge of water pollutants	1,086	1,936	3,055	Ton	73
COD	540	970	1,639	Ton	73
BOD	128	277	520	Ton	73
SS	200	436	598	Ton	73
F	211	240	253	Ton	73
Heavy metal	7.2	12.7	45	Ton	73
Consumption of ozone-depleting substances (CFC-eq) ³⁾	10	13	5	Ton	73
Workplace health & safety _ Chemicals management in the workplace					
Consumption of chemicals ³⁾	472	588 ⁴⁾	577	1,000 ton	75
Leakage of major harmful substances	0	0	0	No. of occasions	75

1) Based on the calculation criteria adopted by the country of respective worksites, 2) Reported additionally by collecting data from 2014 and 2015, 3) Scope of data collection: Korea, 4) Numerical errors corrected