











2011

DAEWOO SECURITIES SUSTAINABILITY REPORT



REPORT OVERVIEW

1. About This Report

This is the third, biannual, publication of the Daewoo Securities Sustainability Report. The report, printed in 2006, was the first published by a Korean securities firm. These reports cover Daewoo Securities' endeavors and the progress it has made with its economic, social, and environmental performances. In preparation for this report, we surveyed and interviewed both internal and external stakeholders in order to reflect their voices on the company's sustainability management practices. A materiality test identified and prioritized the sustainability issues. Based on the results, the report disclosed the information on the material issues and the company's performances in economic, social and environmental aspects transparently. An independent agency assured the reliability of the report content.

2. Reporting Guidelines

This report was compiled based on the GRI G3 Guidelines by the Global Reporting Initiative (GRI) and the GRI Financial Services Sector Supplement Guidelines. This year, the ISO26000 on Social Responsibility was added to the reporting guidelines, in consideration of the GRI Index.

3. Characteristics of the Report

This report added the ISO26000 to its reporting guidelines, improving the reported content's substantiality. This report also reflects the stakeholder voices by presenting the findings from their surveys and interviews, as well as though materiality test results, in the content structure.

4. Reporting Scope and Period

Daewoo Securities publishes sustainability reports every two years. The coverage of this report spans the two fiscal years from April 1st, 2009 to March 31st, 2011, covering the current status and achievements of sustainability management practices within Daewoo Securities. As to the key performance indicators, chronological data for three to four years are provided. The reporting scope includes the headquarters of the company, Gwacheon Human Resources Development (HRD) Institute, the IT Center, the domestic branch network and overseas subsidiaries. As for the environmental performance data, however, the scope was limited to several of the company's domestic operations including the headquarters, HRD Institute, and IT Center as data from domestic and overseas operations are not currently available. The base currency used in this report is Korean won (KRW).

5. Assurance Statement

The reliability and inclusiveness of the report content was verified by a third party assurance provider, Korea Productivity Center (KPC) against the AA1000AS (2008) criteria, based on the three principles of the AA1000 APS (2008). Daewoo Securities declares that this report corresponds to the application level A+ rating, which was confirmed following a review by the GRI.

6. For Additional Information..

For further information not included in the report, please contact.

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Daewoo Securities' most invaluable asset is the trust it has earned from its stakeholders over the past 40 years.

Looking ahead, Daewoo Securities will continue to strengthen its advanced financial infrastructure and contribute to the nation's economic development, while fulfilling its corporate social responsibilities.



2011 DAEWOO SECURITIES SUSTAINABILITY REPORT



COVER STORY

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"Share" is the slogan we picked for the 2011 Daewoo Securities Sustainability Report to carry our determination to sharing greater value for our stakeholders through sustainable growth.

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The PDF form of this report is also available at our website.

Daewoo Securities' most invaluable asset is the trust it has earned from its stakeholders over the past 40 years.

Looking ahead, Daewoo Securities will continue to strengthen its advanced financial infrastructure and contribute to the nation's economic development, while fulfilling its corporate social responsibilities.



CEO'S MESSAGE

Daewoo Securities aims to become one of Asia's leading financial investment companies, and will work tirelessly to ensure that it meets its corporate social responsibilities as it helps develop a sustainable society for every stakeholder.



Dear Stakeholders.

Daewoo Securities.

The sustainable growth of a company depends on how well it communicates with stakeholders about its past, present and future plans. When Daewoo Securities became the first Korean securities firm to publish a sustainability report in 2006, we demonstrated that we were serious about communicating clearly and honestly with stakeholders, guaranteeing the transparency of all our economic, social and environmental activities and performance results.

Since our second sustainability report was published in 2009, Daewoo Securities has established itself as Korea's top financial investment company. In fact, we had the honor of representing Korean financial institutions at the G20 Seoul Business Summit, and to accompany President Lee Myung-bak on a state visit to Malaysia. This, of course, also generated new business opportunities for the company.

In order to ensure the sustainable development of a company and to generate profits on a consistent basis, it is just as important to practice social and environmental responsibility as it is economic responsibility. As Korea's leading financial investment company, Daewoo Securities has certain social responsibilities expected of it. As such, we relentlessly put into action our ethical business principle of contributing to the sound development not just of financial markets but also of Korea in a broader context.

As a result, the company has developed several socially responsible investment vehicles and services, such as our "SRI Funds for a Better World." "S&P Clean Energy Funds," and the "Daewoo Green Korea Master Wrap." Developed jointly with Korea Development Bank (KDB), KDB Asset Management, and the Institute for Industrial Policy Studies, our "SRI Funds for a Better World" is an SRI fund product that donates a portion of all profits to social causes, which will ultimately benefit society as a whole.

In line with our ethical obligation to contribute to Korea's development, Daewoo Securities established a social volunteer group in 2009 which actively engages in social contribution activities. In September 2010, the government recognized the group's philanthropic work with multicultural families and underprivileged youth by awarding it the Prime Minister's Award on Korea's 11th Social Welfare Day.

I would like to begin this message by expressing my sincere appreciation for your unwavering support of Today, Daewoo Securities is poised to take another step forward in its commitment to social contribution. In an effort to address rapidly changing financial markets, we are leading the development of Korea's financial markets, while maintaining the trust and support of our stakeholders by achieving sustainable growth through the following strategies.

First, the underlying principle for mutual prosperity with our stakeholders is that we must be held accountable to the very highest global standards for business ethics. As such, we are mobilizing all available resources to train our employees in legal compliance and the prevention of grievances and unfair transactions. In the future, we will commit ourselves even further to maintaining a sense of integrity with respect to our corporate culture.

Second, we will continue to develop customeroriented financial products and services that are also socially and environmentally responsible. As a leader in green finance, we are also looking for ways to financially address climate change and raise socially responsible funds to support eco-friendly businesses.

Third, we are strengthening our social contribution activities to help bring about a better world for everyone. Internally, we are inspiring our employees to share in the spirit of generosity by encouraging them to make donations, as well as in the spirit of volunteerism. Externally, we are extending our support to various community programs, and developing new programs in an effort to increase our returns to society.

This report reflects stakeholder surveys and materiality test results so that it better reflects the diverse opinions and feedback from stakeholders on Daewoo Securities' sustainability management practices. This increased stakeholder engagement further enhances the efficiency and transparency of disclosures concerning the company's economic, social, and environmental endeavors and achievements.

Daewoo Securities will strive to secure future growth engines through relentless management innovation, while fulfilling its social responsibilities through ethical and transparent management practices, incessant volunteerism, and green finance initiatives. I kindly ask all our stakeholders for your continued support and encouragement.

Thank you.

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President & CEO **Kee-Young Im**

COMPANY PROFILE

As Korea's top financial investment company, Daewoo Securities is dedicated to becoming one of Asia's leading IB houses and will continue to change and innovate in order to reach its goals.



COMPANY PROFILE

Since its founding in 1970, Daewoo Securities has maintained its role as Korea's leading securities firm, contributing to the development of the Korean capital markets. It is Korea's top financial investment company, unrivaled in the scale of its revenue and total shareholders' equity, as well as market share.



COMPANY PROFILE **Company Profile**

Share Ownership Business Areas Hit Products

Network

Overview

With an aim to become Asia's leading securities firm, Daewoo Securities actively diversifies its business portfolios. At the same time, the company is committed to its corporate social responsibility and practices sustainability management in all its business activities. As a globally competent total investment company, it devotes itself to creating economic value, to providing the best possible financial services to its customers, to creating jobs, and to preserving the environment for the local communities where it operates.

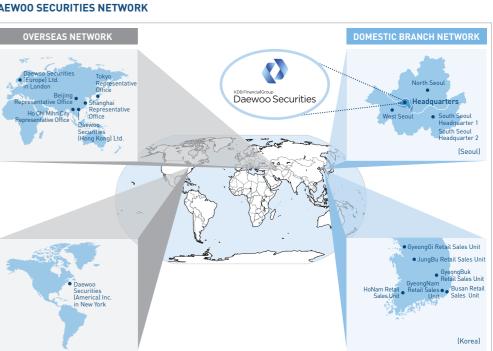
COMPANY DESCRIPTION

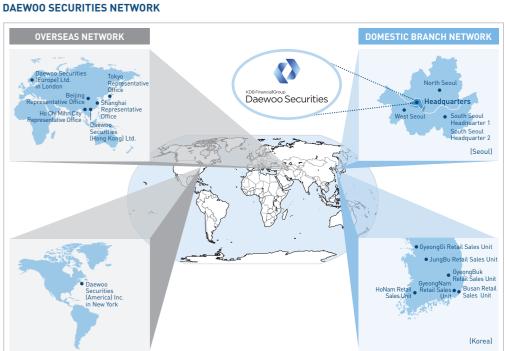
Overview

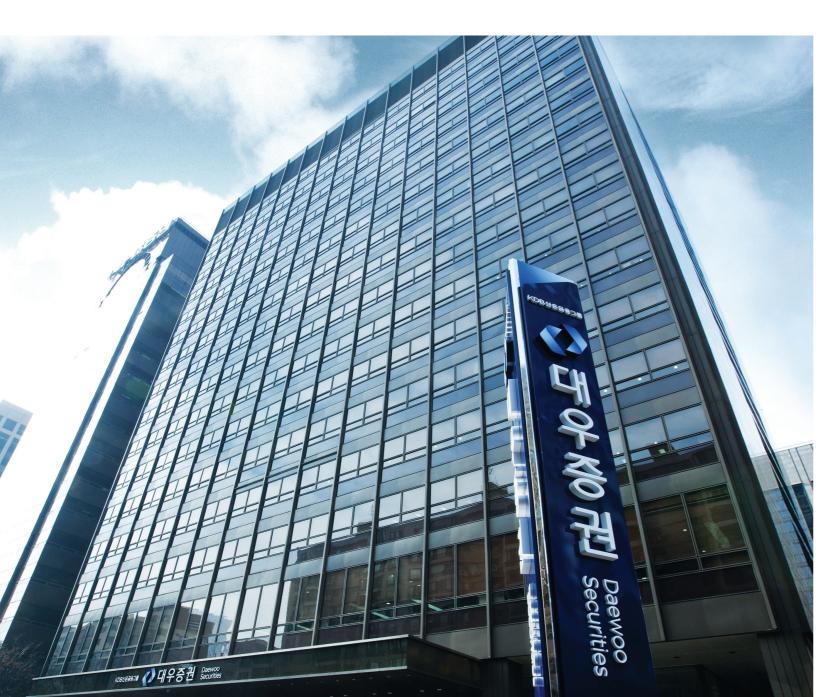
Name	
Establishment	
CEO	
Network	
No. of Employees	
Business Areas	
Flagship Brands,	
Products & Services	
Paid-in Capital	
Total Assets	

Network

Chi Minh City, Beijing, and Shanghai.







(As of the end of March 2011) Daewoo Securities co., Ltd. September 1970 Kee-Young Im Domestic 120 branches, 3 overseas subsidiaries and 4 representative offices abroad 3,125 persons Brokerage, wealth management, IB, securities trading Power Installment Package, Star Portfolio, Super Manager Wrap, Golden Age Trust KRW 1.02 trillion KRW 17.94 trillion

Headquartered on Yeoui-do, in central Seoul, the heart of the Korean financial industry, Daewoo Securities operates 120 branches nationwide, servicing 1.59 million domestic customers. Its 3,247 dedicated employees provide advanced financial services to international customers through a global network of subsidiaries in New York, London, and Hong Kong, as well as four representative offices in Tokyo, Ho

COMPANY PROFILE

COMPANY PROFILE

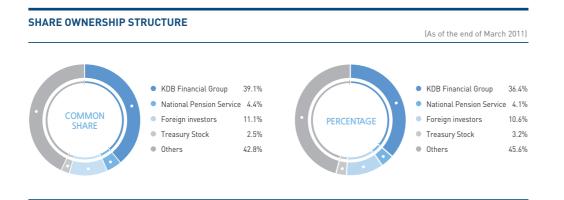
Company Profile

Overview Network Share Ownership **Business** Areas

Hit Products

Share Ownership

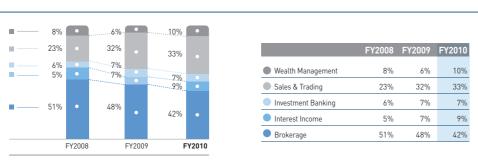
The KDB Financial Group launched in October of 2009, is comprised of five affiliate financial companies, including Daewoo Securities, the Korea Development Bank(KDB), and KDB Asset Management. With the launch, the majority shareholder of Daewoo Securities changed from KDB to the KDB Financial Group, holding 39.1% of the shares in Daewoo Securities.



Business Areas

Daewoo Securities is a comprehensive financial investment company with global competencies in all its business areas, ranging from brokerage, wealth management, investment banking to sales and trading. It commands unrivalled leadership in the brokerage business, of which it has sustained the largest market share in terms of brokerage commissions for seven consecutive years.





Brokerage

Through its brokerage business, Daewoo Securities provides brokerage services related to the buying and selling of stocks, futures, options, ELW, and other financial investment vehicles, and charges commissions on those services. At Daewoo Securities, the brokerage business is divided into retail and wholesale (both domestic and international) customer groups.

Wealth Management

Daewoo Securities' wealth management business provides advisory services on the purchase and sale of financial investment vehicles, such as beneficiary certificates, wrap accounts, ELS, and trust and

COMPANY PROFILE Company Profile

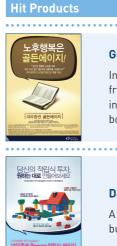
Overview Network Share Ownership Business Areas Hit Products

charges commissions on those services. Leveraging its expertise in trading and financial engineering, as well as its unmatched sales competencies, Daewoo Securities has achieved a significant growth in the business, with WM balance reaching an industry-leading KRW 45 trillion.

Investment Banking

Daewoo Securities' investment banking (IB) business provides a total financial solution ranging from IPOs, rights offerings, bond issuance and structured financing (ABS, ABCP) to consulting services, including business consulting, M&A, project financing, and private equity funds (PEF). The Company's industryleading financial structuring abilities and deal sourcing competencies have enabled the company to successfully carry out several major deals, proving its market leadership as Korea's No.1 IB house.

Sales & Trading











Daewoo Securities generates profits from the sales and trading of diverse financial products, such as stocks, fixed incomes, proprietary trading, and derivatives, such as ELS and ELW. The sales and trading business promises to be the future growth engine of the company, having contributed 33% of the company-wide total revenue for fiscal year 2010, contributing to the overall, balanced growth of the company.

Golden Age

Investors are paid back 0.5% in cash for their monthly investments, starting from the month following their initial investment. The diversified asset portfolio includes equity-type ETF, mixed-type funds, treasury bonds, and AAA-grade bonds, targeting excess earnings on the principals in each type of asset.

Daewoo Securities Power Installment Package

A customer-oriented investment solution, where investors can choose and build investment portfolios that best fit their financial needs.

Daewoo Securities Star Portfolio

Available in two types, "classic" for aggressive investors and "neutral" for conservative investors, this product draws on Daewoo Securities' advanced research infrastructure to manage customers' asset portfolios.

Daewoo Super Manager Wrap

A wrap of wrap accounts for diversified investments in top investment advisors and advisor-wrap accounts, managed by excellent investment advisors and highly competent managers.

CHRONOLOGY

With 40 years of experience creating value for its customers and shareholders, all the while growing along with the Korean financial industry, Daewoo Securities now taking another leap into a brighter future.

1970.09.23 Established Dong Yang Securities Co., Ltd.





984.05.22 Opening of aewoo Research Institute





KDB Financial Group **Daewoo Securities**

정보통신센터 준공기념 대우증권

1993. 10. 23 Completion of the new IT center

1970

1970. Sep. 23 Established Dong Yang Securities Co., Ltd.

1973. Sep. 01 Acquired by Daewoo Corporation 1975. Sep. 26 Initial Public Offering

1980

1983. Oct. 20 Renamed Daewoo Securities Co., Ltd. Dec. 19 Acquired Sambo Securities Co., Ltd., creating Korea's largest securities firm 1984. May. 14 Launched Korea Fund, the first in the

- market to attract foreign investment into the Korean stock markets Sep. 28 Opened an office in New York,
 - a first among Korean companies

1990

- 1998. May. 19 Named brokerage house of the year by Korean authorities and Asia Money Aug. 01 Selected Korea's research firm of the year by Euromoney, Maekyung Economy, and others
- 1999. Aug. 30 Majority shareholder changed from Daewoo Group to bank consortium
 - Oct. 01 Separation from Daewoo Group

2000

2000. May. 16 Majority shareholder changed to Korea Development Bank 2001. Oct. 15 Launched "BESTez Qway," a cyber trading system 2002. Oct. 11 Sales of OTC derivatives business authorized, the first in the industry to be authorized

ibil Market	
2010. 10. 15 Publication of the 40th anniversary corporate history book.	

2004. July. 20	Selected "Korea's brokerage house 2004" by Finance Asia, a Hong Kon based magazine
Nov. 23	Selected "Korea's fixed-income brokerage house of 2004" by International Financing Review
2005. Sep. 23	Revealed new corporate identity
Dec. 13	Topped securities firm category of National Customer Satisfaction Ind (NCSI)
Dec. 16	Received the "Individual investor's favorite securities firm" Paxnet Aw for second year in a row
2006. Apr. 18	Received the deputy primere prize at the "Korea IB Awards" by Money Today for a third year in a row
2007. Aug. 01	Opened the first wealth manageme center in Dogok-dong Seoul
Sep. 26	Credit rating upgraded to AA
Oct. 15	Opened the Wealth Management Consulting Center
Nov. 12	Opened the IB Center in Beomil-do Busan



2010. 08. 23 Launch of Trading Center

e of ng-	2008. Feb. 03 Launched the next-generation IT system named "BESTezOn" June. 13Launched bank-related online service "Direct We"
	Aug. 18 Repurchased the head office building in Yeouido-dong, Seoul
f the	Nov. 25 Regained license on previous business under Capital Market Consolidation Act
dex	2009. Oct. 28 KDB Financial Group launched and became the majority shareholder of Daewoo Securities
ward	2010. Mar. 02 Listing of Daewoo Securities Green Korea SPAC (the first of its kind in Asia)
e y	Oct. 15 Published the 40th Anniversary Corporate History book of Daewoo Securities
ient	Dec. 01 Revealed the integrated corporate identity of KDB Financial Group
	Dec. 08 Established a representative office in Shanghai
ong,	Jan. 17 Earned a Baa2 grade from Moody's for the first time
	Feb. 22 Opened the Shanghai representative office

Sustainability Leadership

Stakeholder Management

VISION & STRATEGY

• Vision

Daewoo Securities' vision is to be the IB leader in Asia by 2015. Not satisfied with its dominant leadership role in the domestic markets, the company is working to reposition itself as a leading global IB house.

Core Value

Daewoo Securities values its "trusted relationships with customers," which the company has built up over the past 40 years based on a customer-oriented founding philosophy.

• Management Strategies

With an aim to become the top regional IB house of Asia, Daewoo Securities channels all of its available resources into securing sustainable growth engines through close collaboration and balanced growth among all its business divisions, both domestic and overseas. By actively embracing and responding to market challenges through bold innovation, every member of Daewoo Securities is ready to compete with leading global financial institutions.



02 SUSTAINABILITY LEADERSHIP

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At Daewoo Securities, sustainability management is firmly rooted in the trust given and engagement afforded by its stakeholders and it is this trust-based relationship that provides a basis for Daewoo Securities' sustainability management initiatives.

KOB Financial DaeWC



SUSTAINABILITY MANAGEMENT SYSTEM

SUSTAINABILITY LEADERSHIP Sustainability Management System

Sustainability Management Strategic Scheme Sustainability Management Organization

Sustainability Management Performance Highlights

Sustainability Management Strategic Scheme

The sustainability management strategies of Daewoo Securities are comprised of six sustainability management strategy missions, based on the six core values. The company will continue to improve and upgrade its strategic sustainability management system.

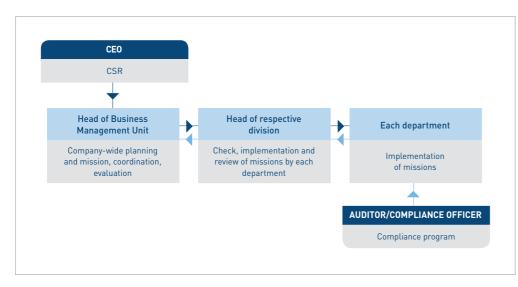
DAEWOO SECURITIES SUSTAINABILITY MANAGEMENT STRATEGIC SCHEME



Sustainability Management Organization

Daewoo Securities organized the Corporate Social Responsibility (CSR) Committee for a company-wide integrated approach to sustainability management. Chaired by the CEO, the Committee encourages its employees to participate actively and creatively in sustainability management initiatives. The company also strives to establish a process for inter-departmental collaboration, to create synergies among them.

ORGANIZATION



SUSTAINABILITY LEADERSHIP

Sustainability Management System

Sustainability Management Strategic Scheme Sustainability Management Organization

Sustainability Management Performance Highlights

Sustainability Management Performance Highlights

Daewoo Securities realized tangible results in several of its sustainability management evaluations, living up to its responsibilities as a global leader.

Listed on the KRX SRI Index

Daewoo Securities was listed on the Korea Exchange Socially Responsible Investment Index (KRX SRI) in 2010. The KRX SRI is Korea's first SRI index, which reviews and selects the 70 best performers in terms of socially responsible investing among Korean companies listed on the KOSPI and KOSDAQ.

Named to DJSI Asia Pacific

benchmark for sustainability.

of corporate social responsibility.



DJSI Asia Pacific

Appendix



Daewoo Securities was listed among the Dow Jones Sustainability Indexes (DJSI) Asia Pacific financial institutions, in 2010. By bringing together the expertise of the leading index providers, Dow Jones Indexes and the world-renowned pioneer in sustainability investing in SAMs, the DJSI reviews the performances in terms of sustainability in the Asia Pacific markets. It also serves as a reliable

Received Official Commendation by Korea's Prime Minister

Daewoo Securities launched an official volunteer corps in 2009, which engages in various community programs, including volunteering to teach at afterschool programs for the underprivileged. In recognition of its commitment to making social contributions, Daewoo Securities received official commendation from Korea's Prime Minister at the "11th Social Work Day" ceremony for being a model

CORPORATE GOVERNANCE

SUSTAINABILITY LEADERSHIP Corporate Governance

oorporate oovernance

Organization Board of Directors

Organization

Daewoo Securities has an advanced corporate governance that meets global standards. For instance, the CEO also sits as the chair of the board of directors. Consisting of one executive and one outside director, the Audit Committee ensures the independence of the board. Management activities are under the strict control of a strong legal framework and code of ethics. The top management applies their respective expertise to the sustainable development of the company as a financial leader.

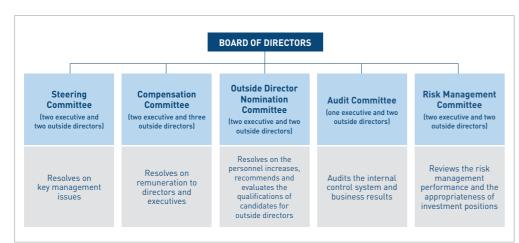
CORPORATE GOVERNANCE



Board of Directors

Daewoo Securities BOD is comprised of two standing and five non-standing directors (one executive and four outside directors). Under the BOD, five subcommittees, including the Steering Committee, the Compensation Committee, the Outside Director Nomination Committee, the Audit Committee, and the Risk Management Committee operate to ensure independence and professionalism in the decision-making process. The BOD deliberates and resolves on matters prescribed in the relevant regulations and the company's Articles of Incorporation, the agenda commissioned by the general shareholders' meeting, and the basic policy and business matters related to management activities. At all times, the BOD works hard to maximize shareholder value and ensure the sustainable development of the company.

BOD SUBCOMMITTEES



SUSTAINABILITY LEADERSHIP

Corporate Governance

Organization Board of Directors

		1			
2	3	4	5	6	7

(i) Kee-Young Im
 (ii) Hae-Sung Ryu
 (iii) Seung-Han Yoon
 (iii) Jin-Gyu Park
 (iii) Jin-Ho Kim
 (iii) Seong-IL Hong

BOD Composition

BOD PROFILE Position | Nan

President & CEO Kee-Youn

Statutory Auditor Seung-Ha

Non-standing Jin-Ho Ki Director

Senior Outside Director

Outside Director Hae-Sung

Outside Director Jin-Gyu P

Outside Director Chan-Sec



me	l Career	Duties
me		Duties
ing Im	 Former vice chairman of Deutsche Securities Korea Former CEO of IBK Securities (Present) Vice president of Korea Financial Investment Association 	President & CEO, Chairman of the board
Han Yoon	 Head of the Coordination Planning Secretariat of Financial Supervisory Service Head of Financial Supervisory Service Tokyo Representative Office in Japan Research member of committee at Financial Supervisory Service Coordination Planning Secretariat 	Regular Auditor Committee member
Kim	 General manager of the corporate financing department, UBS Seoul branch Head of the IB/PE division of KTB Investment Securities (Present) Senior managing director & CFO of KDB Financial Group Inc. 	Non-standing Director
l Hong	 Vice president of Samsung Securities CEO of Korea Investment & Securities Outside director of IBK Securities 	Senior Outside Director
ng Ryu	 (Present) Chairman of Korea Corporate Development Consulting Committee (Present) Vice chairman representing Seodaemun-gu at the National Unification Advisory Council 	Outside Director
Park	 Director of Asian Development Bank Senior Advisor of Deloitte Anjin Accounting Firm (Present) Senior Researcher of Korea Institue of Development Strategy 	Outside Director
eok Oh	 Finance director of Korea Institute of Certified Public Accountatns (Present) Independent director of LG Hausys (Present) Adjunct professor of Ewha Women's University Business School 	Outside Director

Sustainability Leadership

RISK MANAGEMENT

CORPORATE GOVERNANCE

SUSTAINABILITY LEADERSHIP

Corporate Governance

Organization Board of Directors

Operation of the BOD

Daewoo Securities' BOD develops management goals for each fiscal year and determines management policies and makes decisions on key managerial issues based on those goals. The company provides related data and information to the BOD in advance, so that they can make an informed decision. When necessary, the executive responsible briefs the BOD on related matters. A monthly report is made to the BOD on general management and business issues, and the BOD offers feedback, enhancing efficiency in the management system.

Decision-Making Process

In order to ensure a fair decision-making process, resolutions are passed by the affirmative votes of the majority of directors with voting rights, where the majority of directors are in attendance. Any director who has a related interest in the agenda at the meeting shall abstain from voting, but can suggest his/her opinion. In the event that some or all of the BOD members are unable to be present at the meeting, they can attend through telepresence.

Professionalism of Non-Standing Directors

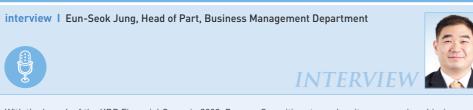
Daewoo Securities entrusts the process of searching, interviewing and evaluating the candidates for its outside directors to the Outside Director Nomination Committee. The committee recommends candidates from among experts in the areas of finance, economy, management, law, accounting, and media. The recommended candidates are reviewed and confirmed at the General Shareholders' Meeting. The four outside directors of Daewoo Securities contribute their expertise to the decisionmaking process of the BOD.

Performance Evaluation Process

Comprised of the majority of the members, including outside directors, the Compensation Committee ensures objective evaluation of each director's performance and the calculation for remuneration to the directors accordingly. The committee sets the executive remuneration limit and determines the amount of compensation given to each director. It can also review the remuneration limits with the directors before submitting them to the General Shareholders' Meeting.

Active Communication with Shareholders and Employees

Daewoo Securities employees report on the key management issues and complaints regarding human rights issues to the BOD for extensive discussion and consultation with the BOD.



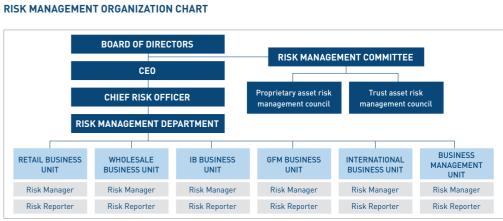
With the launch of the KDB Financial Group in 2009, Daewoo Securities stepped up its progress in achieving greater transparency in its corporate governance and in putting a specialized management board in place. The outside directors contribute their extensive knowledge and experience in financial markets to assist in a balanced and wellinformed decision making process. The monthly BOD meetings provide a venue for the BOD to discuss and reflect on market developments, to further reinforce the business competencies of the company. All these activities and efforts are ultimately focused on maximizing shareholder and corporate value.

Risk Management Organization

Risk Management Organization Risk Management Overview Liquidity Contingency Plan

SUSTAINABILITY LEADERSHIP

Risk Management



Risk Management Committee

management performance. is selected from among the members.

Risk Management Department

The Risk Management Department implements and oversees risk policies and procedures in practice, as determined by the committee and council, and reports the results and performance to the Risk Management Committee · Council, and to top management. The department also monitors and reports on general asset management within the company, as well as risk management practices.

Risk Manager

The risk manager, assigned from among the transaction-related business unit staff, works independently of transaction-related departments to assess the operational positions and profit/loss of transactions, and all related risk factors of each business division. The risk manager then reports the assessment results to the head of the division and notifies the risk management department.

Risk Reporter

Daewoo Securities' risk management organization ensures that the risk management policies of the top management are well understood and put into practice.

Consisting of more than three directors, including at least one outside director, the Risk Management Committee is at the head of the risk management-related decision-making structure. The committee develops risk management strategies in line with corporate management strategies and audits risk

Major issues that the committee reviews and resolves on include enacting and revising risk management regulations, guidelines, and systems, setting adequate capital ratio levels including risk appetite, approving criteria for judging liquidity crisis and contingency plans, enactment or changes to key risk management systems, setting the total risk limits of the company by year and quarter, approving total risk limits by year and quarter, setting liquidity risk limits, extending large-size credit lines, and approval of improvements and major changes to the risk management system.

The nomination and dismissal of committee members is determined by the BOD. The committee chair

Risk reporters are selected from each transaction-related department to report on the current status of their departments' risk activities to the immediate supervisor and to the Risk Management Department.

RISK MANAGEMENT

SUSTAINABILITY LEADERSHIP

Risk Management

Risk Management Organization **Risk Management Overview** Liquidity Contingency Plan

Risk Management Overview

Committed to a company-wide comprehensive risk management system, Daewoo Securities has enacted regulations, guidelines, and criteria for efficient risk management through operational methods and risk assessment.

Risk Management Systems

DAEWOO SECURITIES RISK MANAGEMENT SYSTEM

	TOTAL RISK MANAGEMENT SYSTEM	NEW RISK MANAGEMENT SYSTEM	OPERATIONAL RISK MANAGEMENT SYSTEM	LIQUIDITY RISK MANAGEMENT SYSTEM
RISK TYPE	TOTAL RISK	MARKET/CREDIT RISK	OPERATIONAL RISK	LIQUIDITY RISK
ASSESSMENT RESULTS	Consolidation of individual risks	Market/Credit VaR, sensitivity, etc.	Operational VaR	Liquidity gap, liquidity ratio
FUNCTIONS	Capital adequacy management (RAPM) Risk-adjusted performance measure Stress testing DB Risk data integrated database	 Risk data integrated database Market/credit risk measuring system Risk analysis by department, product and type Reviewing and reporting the resultsdatabase 	Risk & Control Self Assessment (RCSA) Key Risk Indicators (KRI) Loss of data control Risk measuring & reporting	 Calculating liquidity amount by account and maturity Liquidity gap and calculating liquidity ratio Risk assessment and reporting
OUTSIDE CONSULTING	PWC	SunGard	PWC	In-house development
IMPORTED ENGINE	Self-developed engine	Adaptive Panorama	Self-developed engine	Self-developed engine

Total Risk Management System

Daewoo Securities established a comprehensive risk management system in February 2011 to meet the Minimal Requirement for Risk Management at Securities Firms recommended by the Financial Supervisory Board, and remain in line with the initiatives by the KDB Financial Group to establish a comprehensive risk management system. The system also sets guidelines for calculating the integrated risk capitals and risk management, as well as risk-adjusted performance measurement (RAPM).

New Risk Management System

Daewoo Securities developed the New Risk Management System (hereinafter referred to as "the New System") in May of 2008. The New System allows the company to flexibly respond to rapidly changing financial markets and business environments with the advent of complex financial products such as ELS, the enforcement of the Capital Market Act, the introduction of risk-based supervision (RBS) approach by financial authorities, and the growing need for risk management in new business areas. The New System adopts a real-time risk management process on OTC derivatives such as ELS and ELW, a first among Korean financial institutions. In particular, the key to the process is the "transplant of internal evaluation models," to which Daewoo Securities has adjusted its internal model of SunGard, the world's renowned risk management company, to the needs of the company.

Operational Risk Management System

The Operational Risk Management System consists of the process management system, which allows company-wide control over the risk management process, self-assessment of the operational risk control, the management of loss events, key risk indicator control, and the measuring of operational risk

SUSTAINABILITY LEADERSHIP Risk Management

Risk Management Organization Risk Management Overview Liquidity Contingency Plan

VaR. The system has three benefits. First, it provides the company with a platform for an exhaustive analysis of the company-wide process, so as to eliminate any operational inefficiency. Second, the company is now able to determine and prioritize the operational risks at each level of process levels, allowing intensive scrutiny of major risks. Finally, it allows the company to calculate the operational risk VaR with internally-developed metrics.

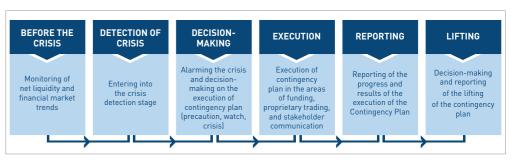
Liquidity Risk Management System

In response to regulatory requirements, Daewoo Securities developed the liquidity risk management system to address the growing liquidity risk in proportion to growing uncertainty in the financial markets. The system allows the company to meet the minimal regulatory requirements of liquidity ratio and liquidity gap measurements, with the capacity of scenario testing in the event of a crisis.

Liquidity Contingency Plan

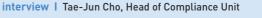
mentation of the crisis plans.

LIQUIDITY CONTINGENCY PLAN





Daewoo Securities has instituted a liquidity contingency plan in the event of an unforeseen liquidity crisis, such as one arising from abrupt changes in financial market conditions or an abrupt shock to the market system. The company monitors the net liquidity-to-equity capital ratio to ascertain the crisis level and then considers external factors to determine whether the crisis requires a rating of "precaution," "watch," or "severe." The contingency plan provides guidelines for funding and trading, proprietary trading, and stakeholder communication depending on the nature of the crisis, and allocates responsibilities to each of the related departments for efficient imple-





With the enforcement of the Capital Market Consolidation Act in 2009, the investment banking business has grown in significance as it relates to the financial markets. In proportion to the broadening scope of businesses, however, the need for advanced risk management and internal control system continues to rise. As a leading financial investment company, Daewoo Securities has established a company-wide, its stable risk management system and internal control system place customer and investor protection as the top priority. In the future, Daewoo Securities will continue its effort to retain its position as an advanced financial system and increase the sustainable growth of the industry.

BUSINESS ETHICS & TRANSPARENCY

SUSTAINABILITY LEADERSHIP **Business Ethics & Transparency**

Ethical & Transparent Management System **Business Ethics Organization** Performance Internal Contro

Ethical & Transparent Management System

In a bid to internalize ethical business practices, Daewoo Securities has set up a dedicated team and enacted a code of ethics.

Business Ethics Organization

Daewoo Securities has a dedicated team that encourages ethical business practices companywide, and enhances transparency in its management activities. The team encourages employees to study the code of ethics and to implement the code's ethical practices while fulfilling their duties.

BUSINESS ETHICS ORGANIZATION CHART



Performances

At Daewoo Securities, business ethics and transparent management mean employee-led ethical practices, system-based ethical business practices, the propagation of business ethics, and mutually beneficial partnerships with suppliers.

Enactment of Code of Ethics

Daewoo Securities enacted the Code of Conduct in December 1995, as a set of behavioral guidelines for its employees. Since then, employees have been required to follow the Code of Ethics, which stipulates detailed behavioral guidelines. With the amendment to the preface in July of 2004, the company distributed posters about "Our pledge and code of ethics," including the provisions, as well as the preface, to its branches and departments.

Compliance Training

Daewoo Securities has consistently given training to its entire workforce on regulatory compliance and the prevention of complaints or unfair transactions. The company distributes updates and notifications on compliance requirements through the intranet, as well as cyber courses on reducing complaints and preventing accidents. In addition to the visit-and-training programs by the Compliance Department, each department also regularly alerts its staff to the importance of business ethics and legal compliance in terms of human rights protection practices and consequences.

Human Rights Training

Daewoo Securities gave training in the prevention of sexual harassment to its entire staff, including security quards, in 2010. The company makes it a priority to give such training at least once a year. During the reporting period, there were no complaints of disciplinary actions taken regarding sexual harassment.

SUSTAINABILITY LEADERSHIP

Business Ethics & Transparency

Ethical & Transparent Management

Business Ethics Organization

Performance

Internal Contro

No. of cases

Integrity Pact-Signing

Business Ethics Day

Compliance Program

윤리·준법 서약서



대우중관주식회사 ==



() 대우중권 대우증권 윤리 · 준법의 날 5월 4일(수)은 금융사고 예방 및 준법문화 조성을 위한 윤리 · 준법의 날 입니다. 고 타고의 고등을 위한 코너 '포디' 프리' 걸 다 각 부정에서는 전직원을 대상으로 음리 · 준법 교육과 금융사고 예방을 위한 지체 점검 활동을 실시하여 주시기 바랍니다 올리 · 준법의 날 자료게시 : OFFICE 감사준법 → 윤리준법 → 교육자료

매월 첫번째 수요일은 윤리 · 준법의 날 입니다.

Business Ethics Day



responsibilities.



Enactment of Code of Ethics

운 리 원 칙

회사에 대한 윤리 # 이 아금 10년은 지수는 현고 신뢰, 지구를 해 강요니에 전력이 이미트가 공구는 2015년 지역한 일급을 통해 주신인 당시 귀엽을 문서가, 당시고 신뢰 2015년 지역한 일급을 통해 주신인 당시 가격에 위해 문서가 소리되었다.

BUSINESS ETHICS & COMPLIANCE TRAINING PERFORMANCE



On every anniversary of its founding, Daewoo Securities holds an integrity pact signing ceremony in order to raise employees' awareness to business ethics and compliance. During the event, employees explicitly affirm their commitment to business ethics and compliance with laws and regulations.

Daewoo Securities designated a "Business Ethics Day" to provide its employees with opportunities for regular review of the compliance practices and the ethical requirements expected. Every first Wednesday, employees check if any possibility of breaches of law or other legal issues, in the due courses of daily business activities, have occurred and make proper corrections or improvements when necessary.

Daewoo Securities runs various Compliance Programs to ensure fair transactions and mutually beneficial partnerships with its suppliers, checking and preventing any breach or irregularity in its transactions with suppliers. In order to ensure a fair and transparent process of purchase and procurement, the company has put in place the Procurement Audit Committee. In addition, the company continuously checks and improves its internal policies, bylaws, systems, and institutions to ensure transparent and fair transactions with suppliers. There were no violations of fair competition or antitrust provisions during the reporting period.

interview I Chang-Wook Ban, Head of Part, Audit Department



The 21st century business environment requires that ethical business practices be the essential factor for the sustainable growth of businesses. In anticipation of this, Daewoo Securities declared a Code of Business Ethics as early as 1995, when the concept was new to the nation. Every subsequent year, the company has held a ceremony encouraging all of its employees to pledge their commitment to the Code of Business Ethics. It also has a designated "Business Ethics Day" once a month, to remind employees of their responsibility to use ethical practices in all aspects of their work. While applying high ethical standards, Daewoo Securities strives to fulfill its corporate social

BUSINESS ETHICS & TRANSPARENCY

SUSTAINABILITY LEADERSHIP **Business Ethics & Transparency**

Ethical & Transparent Management Business Ethics Organization Performance

Internal Control

Internal Control

Daewoo Securities has set up a company-wide internal control system to prevent financial irregularities and to instill the importance of following ethical guidelines. In addition to regular monitoring of exposure to the risk of corruption at all company premises, the code of ethics and related regulations strictly prohibit employees from engaging in political activities or making donations to political parties.

Anti-Money Laundering System

Committed to preventing money laundering and establishing transparent financial transactions, Daewoo Securities enacted the bylaws on the anti-money laundering and prohibition against the financing of terrorism under the Act on the Report on and the Use of Specific Financial Transaction Information. It also applies the Transaction Monitoring System (TMS) as a risk-based consistent transaction-monitoring program to detect illegal transactions by customers, review the risks, and record and report the results to the related authorities.

Customer Information Security System

Daewoo Securities enacted the customer information protection bylaws, providing the basic guidelines for the effective protection and management of customer information. In addition, the company prepared detailed guidelines on the maintenance of programs with access to customer information in order to prevent leakage or the illegal use of customer information. No cases of complaints or violations regarding customer information security or database management occurred during the reporting period.

Compliance Officer

Daewoo Securities assigns the general managers of each department and branch to be the compliance officers. The compliance officers keep in check the legal and financial risks associated with the normal course of business activities at the branch and department level. Each sales branch also has separate compliance officers, who look for irregular customer transactions, assess the risk potential, record and report the results to external authorities.



SUSTAINABILITY LEADERSHIP **Business Ethics & Transparency**

Ethical & Transparent Management

Business Ethics Organization

Performance

Internal Control

Unethical Behavior Reporting Program Daewoo Securities uses its reporting program to incorporate ethics and compliance practices into its corporate culture, thereby preventing risks and minimizing damage and losses in the event of financial irregularities. The reporters can use phones, e-mails, and interviews to report on unethical behavior or regulatory breaches to the Compliance Department. The reporters' identity remains confidential and, when they want, they can be transferred to different departments or branches. In addition, incentives and rewards are offered to motivate and encourage the reporting of wrongdoing.

Financial Irregularities & Corruption Reporting Center (Website)

Daewoo Securities has installed a separate reporting center on its website, called the "Voice of Customers." Anyone who detects financial irregularities can report via this center. The subject of reporting shall include all information related to the financial irregularities in question, such as unfair transactions, leakage of financial information, manipulation of document accounting, embezzlement, malpractice, blackmail, or any other practice that can give rise to financial irregularity, bribery and entertainment, lending and borrowing between customer and employee, or other illegal behaviors.

Mystery Shopping Program

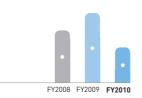
Daewoo Securities initiated its own undercover monitoring program called "Mystery Shopping" in 2009. In a bid to promote sound fund sales practices and to protect investor's value, the undercover agent checks if employees abide by the solicitation rules in their day-to-day business activities and, when necessary, advises them to make proper corrections. The results of the check are reflected in the evaluations made by compliance officers. Detected breeches of ethical guidelines shall be subject to training courses on preventing the incomplete selling of financial investment products.

Internal Control Checklist



management.

(Unit : cases)



12 —



Daewoo Securities regularly checks the internal control checklist as part of its company-wide internal control system. Assigning detailed missions to each department, compliance at the departmental level is rigorously enforced. The checklist for sales branches checks practices by the branch manager, customer service team manager, and individual seller of derivatives daily, weekly and monthly. The departments at the back-office check their practices at each department daily, weekly, monthly, quarterly, semi-annually and yearly. The checklist results are tracked and monitored on the computer system.

interview | Jin-Sung Choi, Head of Part, Compliance Department



As a financial investment company that offers financial products to customers, the ethical principles of its employees are particularly important to Daewoo Securities. Therefore, we regard anti-trust and transparent management standards not just as a mere legal compliance, but as a part of our corporate social responsibilities. In addition to the existing infrastructure, such as the company's whistleblowing programs, which protect the rights of customers and their personal information, we monitor potential risks or irregularities at the department level through self-audit checklists. Maintaining a trust-based relationship with our customers is the key to the sustainable growth of our business, and we will make every effort to realize the highest standards of business ethics and transparency in our

STAKEHOLDER COMMUNICATION

SUSTAINABILITY LEADERSHIP Stakeholder Communication

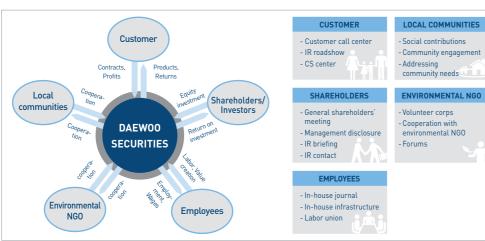
Stakeholder Engagement Stakeholder Communication Channel Stakeholder Engagement Process Stakeholder Survey Materiality Test

Stakeholder Engagement

Daewoo Securities ran extensive interviews and surveys with external and internal stakeholders at the planning stage of this sustainability report. Through materiality tests of the findings from this research, the key sustainability issues of greatest concern to its stakeholders are included in this report. Trustbased, long-term relationships with stakeholders play a key role in the sustainable growth of any business. Fully aware of this, Daewoo Securities is committed to maintaining a partnership based on mutual trust with its stakeholders.

Stakeholder Communication Channel

Daewoo Securities classifies its stakeholders into customers, shareholders/investors, employees, local communities, and environmental NGOs, based on their significance to and influence with the company, and operates different communication channels for each of the groups. Each communication channel keeps track of material issues and takes appropriate action, whenever necessary.

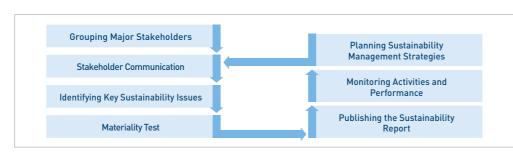


DAEWOO SECURITIES STAKEHOLDER COMMUNICATION CHANNELS

Stakeholder Engagement Process

Daewoo Securities has put in place regular communication channels with its stakeholders. Findings from these interactions are used and reflected in identifying key sustainability issues, and developing and implementing responsive actions, when needed. In addition, the monitoring of the performance results is reported in the sustainability reports for greater transparency with stakeholders.

STAKEHOLDER ENGAGEMENT PROCESS



SUSTAINABILITY LEADERSHIP Stakeholder Communication

Stakeholder Engagement Stakeholder Communication Channel Stakeholder Engagement Process Stakeholder Survey Materiality Test

STAKEHOLDER SURVEY RESULTS

- Means : intranet, e-mail, regular mail, etc.

01

its stakeholders?

decisions



Is Daewoo Securities is a sustainable company which cares about environmental and social issues?

03



Stakeholder Survey

The company interviewed and surveyed internal and external stakeholders as to their understanding of the practices of sustainability management from March to April of 2011. After researching the stakeholders by group: customers, shareholders/investors, employees, local communities, and environmental NGOs, an extensive analysis of their expectations and major concerns regarding the company's sustainability management practices was made. Based on the findings, the results were presented, along with future plans for those issues related to their feedback in this report.

• Respondents : 1,580 persons from employees, customers, media, environmental NGOs, and local communities • Respondents : Daewoo Securities sustainability management practices and their interes

- Evaluation : 1. Stakeholder communication / 2. Business ethics & transparency / 3. Sustainability management activities and performance

02

Does Daewoo Securities communicate well with

About 50% of respondents answered affirmatively to the question. The company will continue to reflect stakeholder opinions gathered through diverse communication channels in its reports and management



About 31% of respondents answered affirmatively to the question, while 58% had no opinion. Fully aware that transparency is integral to sustainability management, the company will step up efforts to maintain sound and transparent corporate governance and management activities.

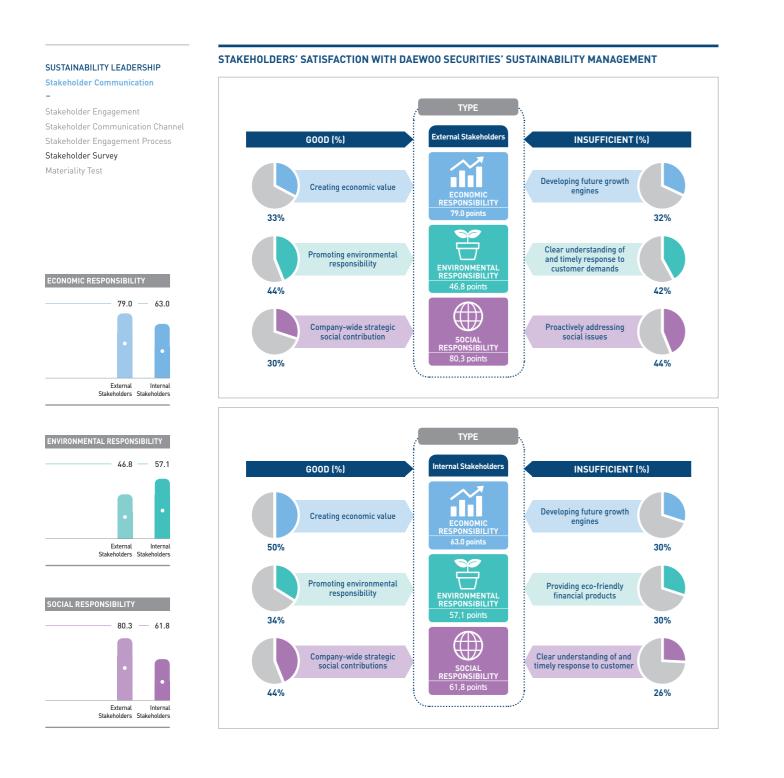


A large number of external stakeholders answered affirmatively to the question. According to the findings, they appreciated the company's consistently sound economic performances and community engagement activities. However, they advised the company to continuously develop future growth engines and take the initiative in green finance, as well as to take a more positive response to social issues. Among internal stakeholders, 42% of respondents answered affirmatively to the question, while 38% held no opinion, showing a need for more engagement. Based on these results, Daewoo Securities understands the current status of its sustainability management practices and will apply what is required to better address the major issues needing improvement.



Sustainability Leadership

STAKEHOLDER COMMUNICATION



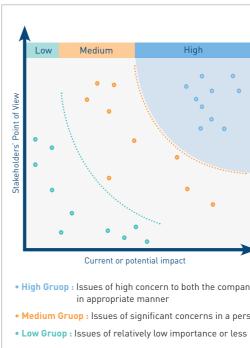
SUSTAINABILITY LEADERSHIP Stakeholder Communication

Stakeholder Engagement Stakeholder Communication Channel Stakeholder Engagement Process Stakeholder Survey Materiality Test

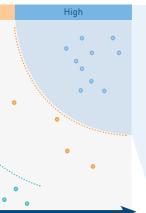
Materiality Test The materiality test took place from both the stakeholders' and the company's point of views. Through stakeholder surveys and interviews, a review of internal policies, peer benchmarking and media analysis, and analysis of international sustainability standards such the GRI and DJSI, the impact of key sustainability issues on the company and the stakeholder's concerns on key sustainability issues were prioritized.

MATERIALITY TEST PROCESS

IDENTIFYING ISSUES	PRIORITIZING ISSUES	MATERIALITY TEST	FINALIZING REPORTING CONTENT
 Media Analysis Stakeholder interviews / surveys Best practice benchmarking Management Strategies Analysis 	 Impact on the company Concern to stakeholders 	 Materiality Issues Analysis Finalizing Issues Level 	- Classifying Group and Issues by Significance



DAEWOO SECURITIES KEY SUSTAINABILITY ISSUES



I Key Sustainability Issues
Enhancing customer satisfaction management
Tailored customer relationship management
Continued generation of economic performance
Fair distribution of created value
Retaining and fostering talent
Promoting trust-based communication
Engaging in community engagement programs
Proactively addressing social issues
Providing eco-friendly financial products
Establishing transparent corporate governance

Current or potential impact

- High Gruop : Issues of high concern to both the company and its stakeholders, requiring immediate counteraction in appropriate manner
- Medium Gruop : Issues of significant concerns in a perspective, requiring continued addressing

STAKEHOLDERS INTERVIEW

Daewoo Securities maintains various communication channels with its stakeholders in order to reflect their opinions in its management decisions.

Unlike previous reports, this report was compiled based on the findings of stakeholder surveys, interviews, and materiality tests, strengthening the stakeholder's engagement in the process.



STAKEHOLDERS **INTERVIEW**

STAKEHOLDERS INTERVIEW (7Persons)

- .
- 1 Local Community | Seong-Jung Park, Secretary General of the Community Chest of Korea
- 2 Shareholder | Jin-Woo Hong, KDB Financial Group's Synergy Team
- 3 Employees | Chang-Hui Kim, Strategy Planning Office Manager of Korea Financial Trade Union
- 4 Shareholder | Ki-Hwan Eun, Manager of Hi Asset Management
- 5 Environmental NGO | Young-Jin Park, Director of UNICEF Korea Committee
- 6 Customer | Pyeong-Kyun Jeong, business owner and client of the Euijeongbu branch of Daewoo Securities
- 7 Local Community | Hyun-Sook Lee, Director of Hanvit Social Welfare Center

Appendix

Daewoo Securities maintains various communication channels with its stakeholders in order to reflect their opinions in its

What do you think of Daewoo Securities and its sustainability management practices?

STAKEHOLDERS INTERVIEW

The Joy of Promoting a Better World for All

Daewoo Securities engages the underprivileged through tangibly beneficial programs, such as free groceries for people in low-income brackets and programs for the elderly, migrants, low-income brackets, disabled, and children. Made apparent by the fact that Daewoo Securities was the first Korean securities firm to publish a sustainability report, the company sets the standard for corporate social responsibility through its various programs, through its volunteer corps, and various other organized volunteer activities, all based on a long-term relationship with the local communities they benefit.

The number of corporate social responsibility programs by Korean companies have increased over the past several years, but Daewoo Securities is now expanding its role as it departs from simple donations to more advanced forms of social contribution. CSR has become an integral part of its business activities and a strategy for future growth. Daewoo Securities has set a model for employees' spirit of volunteerism and community engagement. I expect that it will soon lend its business acumen to plan more practical social contribution programs.

If the Daewoo Securities Sustainability Report can cover the changes that its social contributions have made to the lives in the communities where it has worked, it would further enhance the reporting content. I hope this report reflects well upon the leadership of the company and its sustainability initiatives.



Local Community Seong-Jung Park,

Secretary General of the Community Chest of Korea



Shareholder Jin-Woo Hong, KDB Financial Group's Synergy Team

2 **STAKEHOLDERS** Proud to be the Heart of the Company's Synergies **INTERVIEW**

The launch of the KDB Financial Group in September of 2009 raised Daewoo Securities to the next level: from a leading securities firm to the flagship company of a leading financial group. Leveraging on its world-class competencies, Daewoo Securities has developed the potential for sustainable growth. Due not only its unrivaled marketing competencies which generate industry-leading financial results, but also its globally competent talent management, advanced work system, and passionate corporate culture that the company has been able to succeed despite challenges and hardships it had stood up to over the past forty years.

It is now time for the company to create new synergies, as a member of the KDB Financial Group. By interacting with peer subsidiaries and generating synergies by the crossing their respective expertise, we can now make concerted effort to develop complete financial services and products, as well make a concerted approach towards activities that increase customer satisfaction. At the center of this integration and synergy creation is Daewoo Securities, which will play the pivotal role in the achievement of sustainable growth for the group.



Employees

Chang-Hui Kim, Strategy Planning Office Manager of Korea Financial Trade Union

3 **STAKEHOLDERS** A Great Workplace that Respects Human Rights **INTERVIEW**

I meet a lot of people from many different companies in my job. The Daewoo Securities people whom I have met over the past ten years have been enterprising and committed to their jobs. I believe this to be the case due to the company's people-oriented business philosophy which encompasses its dedication to be a market leader, its distinct talent management principles, its training programs, and its and corporate culture that seeks to create mutual financial benefit.

In particular, Daewoo Securities has demonstrated a revolutionary approach to the labor issues in order to address conflicts of interest, such as job creation and conversion of temporary workers to regular employees. Departing from the cost-efficient approach, Daewoo Securities places a priority on talent, through candid communication between the labor and management.

Still, there is room to improve in the communication channels in the labor-management relationship in order for the company to achieve sustainable development. It will be required to build a trust-based partnership with the labor union and to maintain active communication channels responsive to labor's opinions and suggestions in order to better the company's management practices. Related, it is highly recommended that the company further enhance its interactive communication and liberal corporate culture within the organization.

I believe Daewoo Securities can become a great workplace for its employees, in much the same way it has achieved industry-leading financial performance. At the same time, I hope the company will take the lead to establish socially responsible investment practices in the Korean capital markets.

STAKEHOLDERS INTERVIEW

STAKEHOLDERS INTERVIEW (7Persons)

1 Local Community | Seong-Jung Park, Secretary General of the Community Chest of Korea 2 Shareholder | Jin-Woo Hong, KDB Financial Group's Synergy Team **3 Employees** I Chang-Hui Kim, Strategy Planning Office Manager of Korea Financial Trade Union

4 Shareholder | Ki-Hwan Eun, Manager of Hi Asset Management 5 Environmental NGO | Young-Jin Park, Director of UNICEF Korea Committee

6 Customer | Pyeong-Kyun Jeong, business owner and client of the Euijeongbu branch of Daewoo Securities

7 Local Community | Hyun-Sook Lee, Director of Hanvit Social Welfare Center

Daewoo Securities maintains various communication channels management decisions.

What do you think of Daewoo Securities and its sustainability management practices?

STAKEHOLDERS INTERVIEW

A Company with a Promising, Sustainable Future

If you ask me which the most enterprising and passionate securities firm is, I would unhesitatingly name Daewoo Securities. It is not only because of its industry-leading financial performance, but also because of its intangible assets: the dedication and passion of its employees, the creative corporate culture, and its solid foundation for sustainable growth.

Still, there is always room to improve. I expect that Daewoo Securities has the underlying power to achieve further growth, and I see a promising future due to the company's present level of preparedness. It will be equally important to fairly distribute value currently generated as it will be to create further innovative value through innovative products and services. Closely connected by various interests, any economic imbalance would lead to rifts in the overall balance of the company's fundamental structure. And that's the last thing we would ever want to see in our company.

Through the insightful analysis and future direction taken, in regard to the securities business and capital market issues, Daewoo Securities will be a pioneer in providing Korean financial success.



Shareholder

Ki-Hwan Eun, Manager of Hi Asset Management



5

Environmental NGO Young-Jin Park,

Director of UNICEF Korea Committee

STAKEHOLDERS INTERVIEW

Passing Down a Clean Planet to the Next Generation

In October of 2010, I was present when UNICEF and Daewoo Securities initiated the "Dirty Water Drive." Coordinated by Daewoo Securities as part of its environmental initiative and UNICEF, the event triggered an instant sensation among the public when it was announced through online media sources, and rapidly gained traction through word of mouth sources such as blogs and twitter feeds. The buzz it generated brought a citizen a long way to to buy a bottle of dirty water from the vending machine in order to teach her children the importance of the environment and the hunger that children from all corners of the world suffer.

Many companies lay claim to corporate social responsibility through various social contribution programs. Most of them, however, are only self-promotions or one-time events, having little impact or making lasting change for the beneficiaries. However, Daewoo Securities takes a far-sighted approach to awaken the public to the significance of environmental stewardship and social contribution, as well as allowing them to have meaningful participation in the campaigns. This was a model campaign for corporate social responsibility.

Furthermore, the company is engaged in programs that promote "Multi-Cultural Family Support" and "Equal Education for Underprivileged Youth." I hope the company can develop many more representative social contribution programs that further motivate the company towards sustainable growth through social contributions. In proportion to the growth of the company as a global leader, I hope that Daewoo Securities expands the scope of its social contributions on a global front. I will be happy to observe Daewoo Securities as it grows as a global leader that cares for the societies it supports.



My Lifelong Partner, Daewoo Securities

For over three decades, I have engaged Daewoo Securities in trusted transactions. During that time, I have met with six managers. I have remained loyal to the same company for that long period because I was particularly fond of the open-minded and customer-oriented attitude of Daewoo Securities' people. That trust has led my children to also become regular clients of Daewoo Securities. Living up to its reputation as the industry leader, Daewoo Securities offers me a wide array of financial investment vehicles and customized services, as well as up-to-date financial management systems. Most importantly, the human network that goes beyond the customer-company relationship is the key to the success that Daewoo Securities now enjoys. I know that Daewoo Securities aims to become Asia's leading financial institution. To that end, I think it is important that the company cultivates open-minded employees who are ready to be responsive and engaged with their customers, to continue to live up to its unique customer satisfaction services. I also recommend the company further expand the number of customer contact points. Although online trading has become the norm for the stock-trade, rather than transacting through clerks sitting at branches, this has isolated investors from the vast pool of available information networking. If Daewoo Securities fills this niche and increases the points of human contact, where customers can sit down with experts for consultation, it will set the company apart from its competitors. The unique advantage to working with Daewoo Securities is its people, which will play the key role in solidifying the market confidence in the company.



Interactive Community Programs

It was in 2009 that I first encountered with Daewoo Securities, at a "Stepping Stones Festival" for North Korean refugees. Daewoo Securities was responsible for helping the refugees settle down in South Korea and allowing their children to catch up in their new academic environment. In the time since, the company has expanded the scope of its sponsorship to supporting the underprivileged in local communities and to providing equal opportunities in educational access for underprivileged children

I was impressed with the company's "Interactive Community Programs" and soon discovered that Daewoo Securities takes a different approach to the support it provides. It first listens to the beneficiary charities and listens to what the people they benefit really need before taking action to provide a helping hand. Consequently, the satisfaction among its beneficiaries is very high. In addition, the company invites the financially-distressed to various cultural events and on theme park outings. Departing from one-time event sponsorship or just volunteering for a few hours, Daewoo Securities is prepared to have meaningful interactions with the communities it supports. In the future, I recommend that Daewoo Securities analyze the performance and results of its social contributions while simultaneously identifying new social welfare issues through proactive communication with the communities it supports. By diversifying its community programs, the company will be able to realize greater achievements through its social contributions activities.

Customer

Pyeong-Kyun Jeong, business owner and client of the Euijeongbu branch of Daewoo Securities

6 **STAKEHOLDERS INTERVIEW**

Local Community

Hyun-Sook Lee, Director of Hanvit Social Welfare Center

STAKEHOLDERS INTERVIEW

03 STAKEHOLDER MANAGEMENT

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At Daewoo Securities, we classify our stakeholders into customers, shareholders & investors, employees, local communities, and environmental NGOs and maintain communication channels with each.



TRUST MANAGEMENT



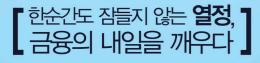
Daewoo Securities"

As a trusted wealth management partner, Daewoo Securities provides premium services and product portfolios to maximize customer assets and engages in customer marketing processes to enhance satisfaction.

The "Passion Week" promotion rejuvenated the corporate image of Daewoo Securities revealing a young and dynamic organization. Its slogan, "Hey Passion, Wake up" unleashed a dedicated, passionate response from Daewoo Securities.









열정은 고객을 위한 것



Our Approach & Principle

monitoring systems.

Key Performance

Daewoo Securities performs various evaluation processes to continue to improve upon its customer relations and enhance customer value. Since 2008, new customers' satisfaction survey results have continued to show progress. The overall satisfaction score was 98.1 points in 2010, up 2.4 points from 2008. We will continue to upgrade our customer satisfaction management system through constant CS monitoring.

Customers constitute the foundation and the destination for Daewoo Securities. Daewoo Securities offers differentiated value through its customer satisfaction management, while actively reflecting customer opinion in its management activities, through advanced customer

* Unit: points, on a scale of 100 points

TRUST MANAGEMENT



STAKEHOLDER MANAGEMENT

Trust management

Customer Satisfaction Customer Marketing Activities

Customer Satisfaction

At Daewoo Securities, customer satisfaction is of top priority. Therefore, the company cultivates a customer-oriented mindset in its employees. Checking the quality of customer service using quarterly self-monitoring, the Customer Marketing Department uses the findings to enhance the quality of its customer service.

Communication Channels

Customers of Daewoo Securities can give their feedback via the sales branch, customer service center, its website, and the home trading system (HTS). The received feedback undergoes exhaustive review and analysis in search of the best solution, and is recorded for reflection in future business activities.

CUSTOMER FEEDBACK FLOWCHART

CLASSIFICATION OF FEEDBACK	RECEIVING DEPARTMENT/ MEDIA	DETAILS OF FEEDBACK	RESPONSE
Outside	Financial Supervisory Service, Korea Consumer Protection Board, etc.		
Compliance	Compliance office, audit department	Complaints Whistleblowing	Prompt handling Handling of suggestions at the related department
Department	Sales branches Customer service center Headquarters departments	Voice of Customers Website Customers' suggestions Grievances	Handling of grievances at the related department Compliance & complaints Review by related department Case studies
Media	Website HTS Phone/post		
In-house	Systems	CS monitoring, CS education, customer satisfaction survey, etc.	Feedback & review

Voice of Customers (VOC)

Daewoo Securities operates the "Voice of Customers (VOC)" program to reflect customers' opinions in its business activities. Received through various channels, the Voices of Customers are delivered to the departments and executives of immediate relevance, and are then used to better the company's customer service. The VOCs are shared not only within the Customer Service Center, but also across the company on a daily, weekly and monthly basis. Upon reception, via the Customer Service Center, the VOC are posted on the intranet for review by all employees. Excerpts of important issues are compiled into the Customer Daily Report for the executives, as well as the CEO, and are then used to enhance the quality of customer service.



STAKEHOLDER MANAGEMENT	CONTACT POINT	rs
Frust management Customer Satisfaction Customer Marketing Activities		d Office(+82-2- tomer Service !-1588-3322)
	WORK PROCE	SS
	Туре	
	Praise	 Reception Reception
	Suggestions	 1 Recep 2 Collec council -
	Complaints	 First n for answe reception
	Compensation	 Receprelated d Feedb
2008-2010 CS Monitoring Evaluation Results (Unit: Points) 92.7 94.4 97.1 (Unit: Points) 82.8 86.6 91.3 (Unit: Points) 87.8 90.5 94.2	CS Performan Daewoo Securiti faction activities. consistently coll uses the finding regarding its CS	es operates Departing f ects custom s to realize
	Cat	egory
	Customer Satisf	action Surve
FY2008 FY2009 FY2010	CS Monitoring	
Phone call Visit Total Visit Total Visit Visit	VOC	

Research on the CS index of competitors

CS support at sales branch

CS Manager

CS consulting for sales bra

Appendix



-82-2-768-3355) vice Center



Postcard provided at each of Daewoo Securities sales branches



HTS and website

Process	Duration
eption at the center \rightarrow \bigcirc Notification sent to departments I to the issue \rightarrow \bigcirc Processed at center \rightarrow dback / Rewards	Immediate (3 - 4 days)
eption at the center (guide on how to use the services) \rightarrow ection \rightarrow \bigcirc Consulting with customer service improvement l \rightarrow \bigcirc Feedback	Within two weeks
t reception at the center $\rightarrow \bigotimes$ Delivered to related department wers $\rightarrow \bigotimes$ Handled at the center (secondary on when necessary) $\rightarrow \bigotimes$ Feedback	Immediate (1 - 2 days)
eption at the center (mis-reception) \rightarrow \textcircled{O} Compensation to department \rightarrow \textcircled{O} Insurance care at the center level \rightarrow dback	2 days (3 - 5 days)

rates a variety of communication channels and programs for systematic customer satisting from one-time public relations events or customer satisfaction surveys, the company stomer opinions through active CS Monitoring and CS consulting at sales branches, and alize customer satisfaction. As a result, there were no cases of violations or sanctions es during the reporting period.

	I Descriptions
rvey	 Customer satisfaction survey to capture customer needs and make proper corrections to inconveniences
	 Regular monitoring by phone calls and visits to sales branches
	 Collecting voice of customers via various media and striving to find solutions
	 Developing CS indexes for application at the branch level of competitors
hes	 Building customer relationships with small-sized corporations, community credit cooperatives, and supporting aggressive marketing (in-house CS lecturer)
	 Internalizing CS within the corporate culture and providing pinpointing service (customized special lectures provided twice a year)
anches	 Providing systematic CS trainings by identifying the chronic CS issues and the appropriate responsive action

TRUST MANAGEMENT



STAKEHOLDER MANAGEMENT

Trust management

Satisfaction

Customer Satisfaction Customer Marketing Activities

> 95.7 — 96.3 — **98.1** 2 — 1 — **0**

FY2008 FY2009 FY2010

••••• No. of branches scoring under 90 points

New Customer Satisfaction Survey

Daewoo Securities checks its new customers' CS level. This immediate, round-the-clock observation serves to keep the sales branches vigilant to their customer service practices. While making proper corrections immediately upon receiving customer complaints, the results are also reflected in their CS evaluation. According to the new customer satisfaction survey results, the scores continued to improve with the customer satisfaction level increasing accordingly, while complaints decreased.

NEW CUSTOMER SATISFACTION SURVEY

Туре	1	FY2008	FY2009	FY2010
Satisfaction		95.7	96.3	98.1
No. of branches scoring under 90 poin	ts	2	1	0

STAKEHOLDER MANAGEMENT

Trust management

Customer Satisfaction Customer Marketing Activities

ship.

Financial Investment Solutions

Daewoo Securities holds seminars to provide customers with quality investment information services and investment solutions with investment strategies, in response to market trends.

SEMINARS BY TYPE

Туре

VVIP Investment Strate

Asset management ser

PB consulting seminar





2011 Stock Market Forum



Customer Marketing Activities

Daewoo Securities conducts seminars on asset management, customer promotion activities, cultural, and sporting events as a means of increasing customer loyalty and building upon its customer relation-

e	I.	Descriptions
egy Seminars		Suggesting investment strategies for VVIP customers
minars by branches		Each branch suggests investment strategies to customers
rs		Providing solutions to customers who needs PB consulting
15		(portfolio, taxation, real estate, etc.)

Sustainability Leadership

TRUST MANAGEMENT



STAKEHOLDER MANAGEMENT

Trust management

Customer Satisfaction Customer Marketing Activities





• VITAMIN PASSION PROMOTION

Daewoo Securities held a unique promotional event, where it gave away ten vitamin tablets, the symbol of passion, in gold bar-shaped cases. Distributed at each branch concurrently with the launch of new products, the gold bar-shaped cases represent the company's determination to enhance customer value.

SOCIAL COMMERCE AFFILIATE MARKETING

Daewoo Securities ran a "passion week" promotional event in collaboration with a Korean social commerce site "WeMakePrice," selling five products related to passion through the "WeMakePrice" website for a week. Among the products offered, Bentz was sold out in only 44 seconds. While the other securities firms are bent on operating their own Twitter and Facebook pages, Daewoo Securities handily generated buzz through an alternative, sensational promotional method.

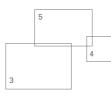
interview | Young-Ju Lee, Assistant Manager, Customer Marketing Department



At Daewoo Securities, customer satisfaction is at the top of our priority list. Customer satisfaction builds trust, driving the engine that will propel us forward towards sustainable growth. Departing from one-time events, we have been pursuing the development of practical programs that best reflect customer needs. Consequently, customer satisfaction survey results have trended upward for the past several years. Committed to customer satisfaction, everyone at Daewoo Securities will strive to build trust-based relationships with their customers.







ORGANIZING THE ISRAEL PHILHARMONIC & **ZUBIN MEHTA CONCERT** Celebrating its 40^{th} anniversary, Daewoo Securities organized the Israel Philharmonic and Zubin Mehta concert for its VIP customers. The event served to raise customer satisfaction in the company while raising its image as a culture leader. It also raised the brand value of the company as a title sponsor with the world-renowned artists.



Cultural & Sports Events for Customers



4

• HELD A CONCERT FOR YOUTH

Daewoo Securities invited 600 young customers and 60 couples selected from its employees to Korean pop star, Lee Seung-Cheol's, concert. Installing its own information booth outside the concert venue, the company received its invitees and offered them souvenirs, while running company commercials on the front of the information booth and within the concert hall, where about 50,000 members of the audience could see them.

DAEWOO SECURITIES HELD KLPGA GOLF TOURNAMENT

In celebration of its 40th anniversary, the company held the "Daewoo Securities Classic 2010 Golf Tournament," also enhancing customer satisfaction. As part of its commitment to social contribution, Daewoo Securities offered 400 80kg-weighted sacks of rice for a hole-in-one on no. 12, to be donated under the name of the hole-in-one player to UNICEF. In the event that no hole-in-one was shot, the company donated 100 sacks of rice to UNICEF.

VALUE MANAGEMENT



"Generating Transparent and Sound Economic Performance" Daewoo Securities strives to achieve transparent and sound economic performance by providing differentiated value. Equal distribution of the created value to its stakeholders will further propel the company towards greater development. At all times, active communication channels are maintained with shareholders and investors on all management activities.

On October 28th, 2009, the KDB Financial Group was launched. The six group affiliates bring their respective expertise and capabilities to form a powerful alliance able to leave an impact on the financial landscape. A twig may snap easily, but bundled together they can withstand great forces. The six members of KDB Financial Group- Daewoo Securities, KDB, KDB Asset Management, KDB Capital and Korea Infrastructure Investments Asset Management- are "All for one."





Our Approach & Principle

future growth engines.

Key Performance

Daewoo Securities has maintained balanced growth across all business areas and achieved a diversified revenue structure. As a result, it recorded KRW 319.1 billion in net income during 2009 and KRW 256.2 billion for 2010, an industry leading revenue stream that proves its market stature as Korea's leading financial investment company.

Shareholders and investors own Daewoo Securities. Active communication channels are maintained with them through various management disclosures and IR activities. Sound performance will be maintained through ceaseless management innovation in order to secure

Credit Ratings

VALUE MANAGEMENT



STAKEHOLDER MANAGEMENT

Value Management

Major Economic Value Creation Operating Size Credit Ratings Stakeholder Distributions Shareholder/ Investor Communications

Major Economic Value Creation

Daewoo Securities has been the market leader in the brokerage business for the past seven years. The AUM and profitability in its wealth management business also continue to grow upon the groundwork it laid previously. An increasing number of highly profitable IPO deals and right offerings, among others, contributed to overall growth in the IB business. Market leadership in the sales and trading business is growing, based on unrivaled competencies in trading fixed-incomes and derivatives. Since 2009 backed by balanced growth in all of these business areas, the company has achieved the top performances in the industry for two years in a row.

(Unit : KRW in billions)

	FY2008	FY2009	FY2010
Operating Revenue	4,445.1	4,591.9	3,524.4
Operating Income	203.8	412.0	332.6
Net Income	180.5	319.1	256.2
ROE	7.25%	11.94%	8.96%
SG&A	478.3	593.8	638.7



Operating Size

Daewoo Securities manages the largest amount of assets in the industry— a total of KRW 17.9 trillion in total assets, KRW 2.9 trillion in total shareholders' equity, and KRW 90.7 trillion in customer assets under management (AUM).

		(onic: ratio artaon)
FY2008	FY2009	FY2010
2.5	2.9	2.9
14.2	17.5	17.9
2,090,139	1,607,753	2,082,512
27.9	39.7	45.1
58.9	81.5	90.7
	2.5 14.2 2,090,139 27.9	2.5 2.9 14.2 17.5 2,090,139 1,607,753 27.9 39.7

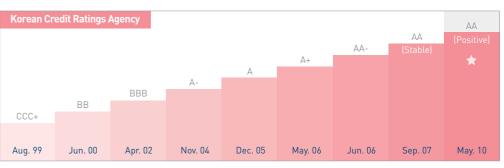
STAKEHOLDER MANAGEMENT Value Management

Major Economic Value Creation

Operating Size

Credit Ratings Stakeholder Distributions

Shareholder/ Investor Communications





Trading Center



Appendix

Daewoo Securities has maintained one of the best credit ratings in the industry. In May 2010, its credit ratings were upgraded to AA (positive) for its stable profitability and sound financial structure. In January 2011, Daewoo Securities achieved its first credit ratings to Baa2 (stable) from Moody's.

* Korea Investors Services and Korea Ratings

				FITCH			Moody's	
	AAA				AAA			Aaa
	AA+				AA+			Aa1
	AA				AA			Aa2
	AA-		_		AA-	_		Aa3
	A+	1	Pos		A+	Positive		A1
	Α		ositive		A	itiv		A2
	A-		P		A-	e		A3
	BBB+				BBB+			Baa1
••	BBB				BBB			Baa2
	BBB-				BBB-			Baa3
	BB+		z		BB+	Ne		Ba1
	BB	9	ega		BB	ega		Ba2
	BB-		ative		BB-	gative		Ba3

Sustainability Leadership

VALUE MANAGEMENT



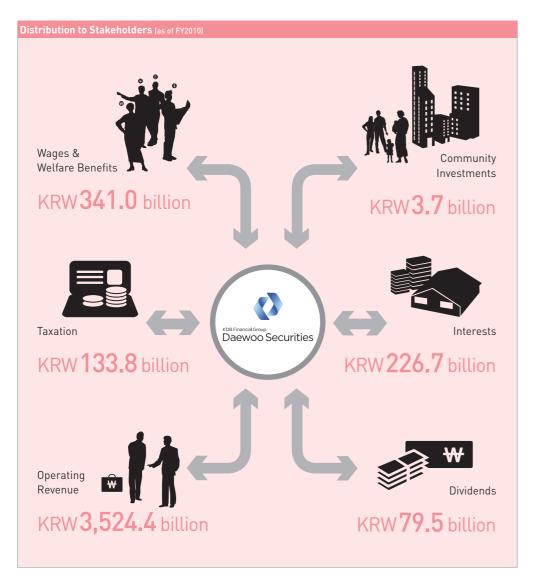
STAKEHOLDER MANAGEMENT

Value Management

Major Economic Value Creation Operating Size Credit Ratings Stakeholder Distributions Shareholder/ Investor Communications

Stakeholder Distributions

Daewoo Securities recorded an operating revenue of KRW 4,592 billion in 2009, and KRW 3,524 billion in 2010. Its net income before tax, reached an industry leading KRW 319 billion in 2009 and KRW 256 billion in 2010. The company ensures that the profit generated is fairly distributed to its stakeholders, including the government, shareholders, employees, customers, and communities. In the future, it will continue to increase its value for its stakeholders by striving to achieve sustainable growth and further development.



STAKEHOLDER MANAGEMENT Value Management

Major Economic Value Creation Operating Size Credit Ratings Stakeholder Distributions Shareholder/ Investor Communications

Shareholder/Investor Communications

Enhancing Transparency

Daewoo Securities disclosed its management information 47 times in 2009 and 81 times in 2010. During the reporting period, the company has maintained transparent disclosure activities without a single instance of breaching of fair disclosure.

	FY2008	FY2009	FY2010
No.Disclosures	55	47	81
IR meetings	138	125	152
Conferences	Domestic 3 / International 2	Domestic 4 / International 3	Domestic 7 / International 5

Daewoo Securities has sustained balanced growth in each of its business areas, which allowed it to achieve industry-leading operation results from 2009 to 2010, and solidify its market dominance as Korea's top financial investment company. Recognized for such, it received the gold prize in the securities industry category of Korea's renowned "Dasan Financial Awards," in 2010. Its participation in the G-20 Business Summit as Korea's financial investment business representative attests to its current market position in the Korean financial industry. These stellar achievements would not have been possible without the trust we have earned from our shareholders and investors. We are keenly aware that the mutual trust between a company and its shareholders and investors is essential to the respect and sustainable development of the company. In the future, Daewoo Securities will maintain active communication channels with its stakeholders in a timely and transparent manner. This will provide the foundation for transparent corporate governance and further reinforce the trust-based relationship with shareholders and investors.





Shareholders/Investors Relations Management

Investor relations (IR) have evolved from offhand disclosures of management information into robust, interactive communication between the company, its shareholders and investors to more capably share the goal of enhancing corporate value. Daewoo Securities has maintained consistent IR activities to share its vision and goals on sustainability issues, as well as general management issues with its shareholders and investors. In addition to IR meetings for institutional investors and analysts, the company participates in various investor roadshows and conferences to further expand the scope and frequency of its contact with investors and shareholders.

SUPPORTING INDONESIA'S FINANCIAL DEVELOPMENT

Daewoo Securities is the second largest shareholder in Indonesia's largest online brokerage house, E-Trading Securities, holding 38.35% shares in the company. Despite the high growth potential of the Indonesian capital markets, the country's shallow capital and history hindered the development of the local markets. Without question that the local market was in need of an advanced financial system and experienced business know-how. With that in mind, since 2007, Daewoo Securities has shared IT and business know-how to E-Trading Securities, helping them construct the infrastructure necessary to become the Indonesian market leader.

Interview | Sung-Choon Ryoo, Managing Director(CFO), Head of Business Management Unit





"A Global financial leader that creatively embraces challenges"

Daewoo Securities People embrace challenges with global standard competences. Growing despite fierce competition, they empower innovation and face down challenges.

"Creating a Healthy atmosphere"

We are building a healthier atmosphere for everyone. We built a fitness center at the workplace and mounted a smoking cessation campaign to promote a healthier lifestyle for our employees. Customized career development programs have been designed to help employees realize their full potential.





Our Approach & Principle

Key Performance

As of 2010, employment of minority groups (women, the disabled and the National Meritorious People) accounts for 44%, or 1,440 out of a workforce of 3,247 and the figure continues to grow. Committed to workplace diversity, Daewoo Securities has developed an employee management system to ensure fair and transparent opportunities for all.

Employees are the core asset of Daewoo Securities. Daewoo Securities focuses on retaining and fostering globally competent financial leaders who are able to creatively embrace challenges.



STAKEHOLDER MANAGEMENT

Talent Management

Workforce

Cultivating Global Competencies in Employees Fair Human Resources Management Employee Communication Welfare Programs Labor-Management Relations

Workforce

Daewoo Securities' workforce must represent the most advanced financial business competencies to stay in its top-tier position. Therefore, Daewoo Securities operates advanced human resources management and development programs to help its employees build up their competences. Employing innovative, creative talent, the company strives to provide fair and exceptional opportunities to all its employees.

WORKFORCE

Daewoo Securities' total workforce stands at 3,247 people as of the end of 2010. Of this, 2,542 are regular staff and 705 are temporary or permanent contract-based employees; approximately 21.8% of the total workforce. In a bid to boost the morale of its employees, the company continues to convert contract-based employees to regular employees.

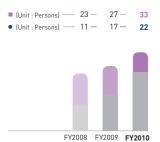
				(Unit : Persons
		2008	2009	2010
Total workforce		3,192	3,226	3,247
Type of	Regular	2,164	2,418	2,542
employment	Temporary	1,028	808	705

DIVERSITY IN THE EMPLOYMENT

At Daewoo Securities female workers account for 39.5% of the total workforce and the number is on the rise. In proactively seeking diversity among its workforce, the company works to increase opportunities for the disabled, international employees, and National Meritorious People.

			(Unit : Person
	2008	2009	2010
Female	1,170	1,223	1,284
Disabled	21	50	56
National Meritorious Persons	64	64	70
International	20	24	30

* International: the company employees of foreign nationalities



No. of locally hired staff No. of locally hired managers

* Locally-hired: employees locally hired for regional and overseas operations

LOCAL EMPLOYMENT

To secure competent workers, well acquainted with local communities, Daewoo Securities makes it a principle to employ local talent. The company continues to increase the number of locally hired managers as well.

TURNOVER RATE

As of 2010, the turnover rate for Daewoo Securities' workforce stood at 11.08%, relatively high compared to that of other industries. Given the typically high turnover rate of the knowledge-based industry in general however, this figure is not particularly high. Nevertheless, the company makes strenuous efforts to retain talent by offering various career and welfare benefits.

		20	08	20	09	2010		
		Turnover Rate	No. of Separation	Turnover Rate	No. of Separation	Turnover Rate	No. of Separation	
Gender	Male	10.58%	214	6.50%	130	12.43%	244	
Oender	Female	9.66%	113	4.25%	52	7.48%	96	
	20s	10.23%	111	4.36%	42	4.70%	43	
Age	30s	12.02%	149	6.75%	85	9.61%	122	
5	40s	7.45%	54	5.16%	41	13.50%	113	
	Over 50s	9.15%	13	6.73%	14	27.3%	62	
Compan	ywide	10.24%	327	5.64%	182	11.08%	340	

STAKEHOLDER MANAGEMENT Talent Management

Workforce

Cultivating Global Competencies in Employees

Fair Human Resources Management

Employee Communication

Welfare Programs

Labor-Management Relations

Cultivating Global Competencies in Employees

Daewoo Securities Talent

Daewoo Securities' Talent are "Global financial leaders who put customer value before everything, possesses the dignity and competencies of global leaders, and creatively embrace challenges."

1
HUMAN RESOURCES DEVE
- Career Development Progra
- Coaching for Success
- Coaching for Success
- Coaching for Success Daewoo Securities' pri

Human Resources Development (HRD) Policy

management.

PROFESSIONAL CURRICULUM

development planning.



In our quest to become Asia's leading global IB house, competent people are the key factor to achieve sustainable growth in the fast-changing financial markets. With this in mind, the company designed a new HRD program to embrace the changed market environment in 2011. With a focus on fostering financial leaders among employees, the company has established an advanced HRD system that will cultivate leadership, reinforce expertise, propagate the company's core values, and facilitate in-house lectures.



The HRD policy of Daewoo Securities works to cultivate capabilities by providing holistic solutions in employees development, in order to better provide reliable, quality asset management services. The HRD scheme applies different policies to each job position and ensures that its expert courses focus on fostering competent staff members in the areas of retail financing, investment banking, and asset

 The Daewoo Securities Academy is home to future financial leaders of the Korean securities business. New employees receive a primer course that helps them acquire a general background knowledge of the brokerage business and the competencies to autonomously fulfill their duties until they are promoted to assistant manager level. The "Expert Course" is for senior staff to upgrade their job competencies, assisting employees with self-directed career



STAKEHOLDER MANAGEMENT

Talent Management

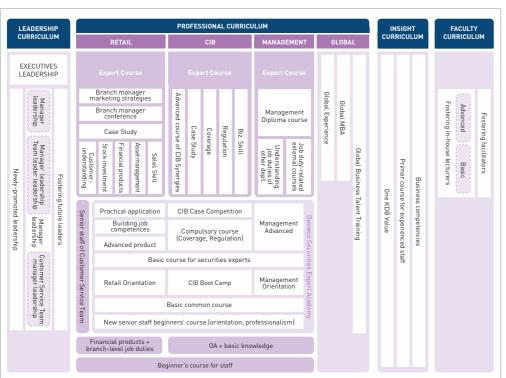
Workforce Cultivating Global Competencies in Employees Fair Human Resources Management Employee Communication Welfare Programs

Labor-Management Relations

Human Resources Development Programs

Daewoo Securities has recently developed new HRD programs to foster "leading global financial experts" to flexibly respond to the fast-changing financial markets. The new program articulates the details of a competency-building roadmap, customized to different job duties and positions. The selfdirected learning programs offer segmented curricula for each of different areas, broken down into Leadership, Professionalism, Insight, and Faculty.

TRAINING PROGRAM CURRICULUM



Training Hours and & Courses

• [Unit : Hour] ---- 142 ---- 119 ---- 107 • [Unit : Case] ---- 396 ---- 349 ---- 407 [Unit:KRW]-831.988 - 591.843 - 717.525

FY2008

--• No. of

training

courses

- Δnnual

average

hours

FY2009

FY2010

capita

average

training

Per

HRD Performance

Daewoo Securities runs a variety of training courses for its regular staff. Although the annual average training hours slightly decreased from the previous year, down to 107 hours in 2010, 407 training courses were run, up 20% from the previous year, increasing diversity in choice.

TRAINING HOURS & COURSES

	Unit	2008	2009	2010
Annual average training hours (total training hours / total workforce)	Hour	142	119	107
No. of training courses	Case	396	349	407
Per capita average training expenses (Total training expenses / total workforce)	KRW	831,988	591,843	717,525

STAKEHOLDER MANAGEMENT Talent Management

Workforce

Cultivating Global Competencies in Employees

Fair Human Resources Management

Employee Communication Welfare Programs

Labor-Management Relations

Female Managers ratio

■ [Unit:%] ----- 36.65 - 37.91 - 39.54 • [Unit : %] ---- 11.00 - 18.24 - 18.44



Female workers to total workforce ratio -- Female managers to total managers ratio

Conversion ratio

[Unit : Person] — 646 — 335 — 381

■ (Unit : Person) — 776 — 751 — 526

• (Unit : %) -----

Conversion -- Percentage

- 44.60 - 72.43 - **83.20**

EY2008 EY2009 EY2010

Candidates

International Employment

Daewoo Securities does not discriminate based on nationality or disability, nor does it practice any discriminatory regulations or customs towards any minority group. Furthermore, the company is determined to increase the employment of minority groups in the future. As of the end of 2010, Daewoo Securities had 55 disabled employees, up 10% from the a year earlier. Although this figure falls short of the 2.3% legally required mandatory employment rate of the disabled under the Act on Employment Promotion and Vocational Rehabilitation for Disabled Persons, it plans to hire more disabled persons in 2011, thereby meeting the legal requirements and will continue to expand the percentage of disabled employees in the future.

Temporary Employment

The financial investment business typically has a high employee turnover ratio, and relies heavily on highly-knowledgeable experts. Therefore, the portion of contract-based temporary employment is particularly high in those job duties requiring expertise. Nevertheless, Daewoo Securities does not discriminate either in terms of HRM or welfare benefit offers to these temporary workers, ensuring their equality with its regular employees. Unless caused by dereliction of duties or punishment, temporary contracts are renewed and extended indefinitely. Provided that the temporary worker satisfies all required competencies, the company may, in principle, turn them into a regular employee.

Assistant Manager Manager Deputy General Mar General Manager

Female Employment

Staff

Chief

Daewoo Securities ensures fair opportunities regardless of gender when considering promotions. As of the end of 2010, female managers accounted for 18.44% of the managerial staff within the company, up 67% from 2008.



Fair Human Resources Management

Daewoo Securities grades the accomplishments and competencies of individual employees based on criteria that review innovation, customer-oriented interactions, compliance with legal and ethical requirements, expertise, and teamwork. Their feedback is cross-checked against individual performance to ensure fairness and objectivity in the evaluation and management of personal accomplishments. Executives, managers, and team leaders are subject to upgraded evaluations of their leadership, internalization of corporate culture, and competencies and legal and ethical compliance, ensuring interactive communication and career development at the managerial level, and improving the organizational discipline.

Equality and Diversity in the Workplace

Daewoo Securities advocates equal opportunities for promotion within its organization. The influence on the human rights of employees is the first priority of consideration in all our personnel management decisions. In addition to non-discrimination management policies of personnel, regardless of their gender, race or age, and the application of fair HRM policies, the company strives to enhance employee satisfaction by actively taking into account personal circumstances. As a result, there were no cases of discrimination or related disciplinary measures during the reporting period. As of end of 2010, the initial annual pay of a Daewoo Securities employee with bachelor's degree amounted to KRW 38.08 million, 377% higher than legal minimum wage, given to all employees on a pay scale that does not discriminate against gender of employees.

	2008	2009	2010
	104.9	112.0	99.7
	99.3	99.5	100.0
	98.3	101.0	100.3
	95.2	98.1	97.1
nager	83.2	87.8	93.4
	94.5	97.2	90.2

Percentage of Female Workers Basic Salaries to those of Male Workers



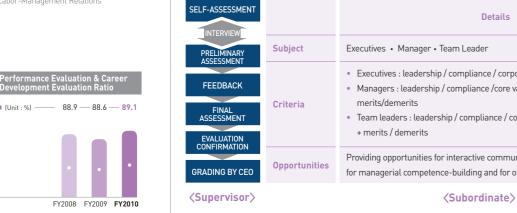
Fair Evaluation of Performance

STAKEHOLDER MANAGEMENT **Talent Management**

Workforce Cultivating Global Competencies in Employees

Fair Human Resources Management Employee Communication

Welfare Programs Labor-Management Relations



Through grading the performance of individual employees, the company strives to make fair compensation in base salaries, incentives, and various welfare benefits. Conducted annually, personnel evaluation and grading is done both by supervisors and subordinates. Supervisors look at performance and competencies of employees and mark them on a five-point scale. Subordinates assess their senior's leadership, contribution to corporate culture, promotion of core values, and application of job competencies and mark them on a five-point scale.

MENT		Details
.RY NT	Subject	Executives • Manager • Team Leader
CK INT DN	Criteria	 Executives : leadership / compliance / corporate culture / + merits/demerits Managers : leadership / compliance /core value /corporate culture + merits/demerits Team leaders : leadership / compliance / core value / job competency + merits / demerits
CEO	Opportunities	Providing opportunities for interactive communication and used for managerial competence-building and for organizational discipline
sor\		(Subordinato)

Rational Compensation

Daewoo Securities ensures fair compensation in proportion to its employees' individual performance and competencies through its annual payment system. The merit-based annual pay scheme increases employee commitment and enhances corporate competitiveness. Beyond basic salaries, the company offers incentives to individual employees and to teams as motivation. Without discriminating based on seniority or age, the individual incentives motivate employees to realize their full potential. Team incentives are paid in proportion to excess corporate profits.

Total Compensation



STAKEHOLDER MANAGEMENT Talent Management

Workforce Cultivating Global Competencies in Employees Fair Human Resources Management

Employee Communication

Welfare Programs Labor-Management Relations **Employee Communication** Daewoo Securities has established regular interviews for departments and sets guidelines for the interview process. Inquiries or suggestions on personnel management policies are promptly addressed and answered in order to enhance employee understanding and awareness. The career development programs' standards are set according to individual job duties, and the company actively supports its employees with career development plans.

HOT CHANNEL

Daewoo Securities has established a hotline, connected to the director of the Business Management Unit, part of its in-house HR system, that serves as the channel for employees to voice their opinions.

IN-HOUSE MESSENGER SERVICE

ployees with interactive communication at work.

With the belief that employees are the creators of corporate value, Daewoo Securities has put forth tremendous effort to retain and foster talented employees over the past 40 years. As a result, Daewoo Securities has earned a reputation as the home to the financial leaders in the Korean securities business. In the rapidly-changing financial markets, sustainable growth requires far-sighted goals and the concerted effort of all employees. At Daewoo Securities, we consider our employees to be members of the Daewoo Securities Family and consistently strive to provide excellent working conditions, where employees can realize their full potential, while still achieving a balance between their working hours and private lives.



RETAIL COMMUNITY

 In 2011, Daewoo Securities opened its retail community service in an effort to enhance its employees' knowledge in markets, clients, and products, as well as to promote interactive communication. While providing model portfolios by the Retail Investment Strategy Consulting Department, it serves as a venue for interactive communication among its employees.

The company-wide messenger ser-vice helps em-

IN-HOUSE PUBLICATION

Daewoo Securities' in-house publication "Daewoo Securities People" was launched in 1984. Over the past 26 years, it has served as an established communication channel for the company and its employees, and their families, receiving the top prize for the in-house publication category at the "2010 Korea Communications Awards."

Interview | Kuk-Yong Kim, Executive Managing Director, Head of Global Financial Markets



INTERVIEV

Labor Union

good faith principle.

on demand.

TALENT MANAGEMENT



STAKEHOLDER MANAGEMENT

Talent Management

Workforce Cultivating Global Competencies in Employees Fair Human Resources Management Employee Communication Welfare Programs Labor-Management Relations

Welfare Programs

grams, including time-share condominiums and subsidies for club activities. Other financial support includes housing loans, grants, and medical subsidies. Furthermore, the company upholds the right to maternity leave. Through these programs, the company strives to reduce absentee rates and the resultant loss in days of productivity. As of the end of 2010, the absentee rate stood at 0.22% and the loss in days of productivity at 0.00104%.

In support of the work-life balance for its employees, Daewoo Securities offers various welfare pro-

WELFARE BENEFITS

	Descriptions
Leisure Supports	Time-shares / Club subsidies
Maternity Rights Protection	Paid maternity leave / Congratulatory gifts
Housing Loans	Housing loan / Lease loan
Medical Subsidies	Medical subsidies / Health check-ups
Grants	Grants
Legal benefits	Special monthly leave for women / Pre- and post-natal leave /
	Paternity leave / Yearly paid leave / Holiday-work allowances

100% Female 2008 2009 2010 0% - 100% - **100%** Male 2008 2009 2010

Stress Management Programs

Daewoo Securities runs stress management programs in order to help its employees effectively manage the stress from their work and in their lives through psychological consulting programs. It helps employees to allay their anxiety, improving productivity and reducing safety accidents in the fulfillment of their business activities.

Health Check-ups

Characteristic to the knowledge-based financial industry, the working conditions of Daewoo Securities are not unaffected by physical and mental strain, although it is not as demanding as manufacturing labor. Therefore, the company has put in place several preemptive measures to prevent of such risks. In addition, the company gives biannual health check-ups for employees and their spouses aged 35 and over.

Retirement Life Planning Programs

In the event of restructuring or early retirement, the company supports its employees' retirement preparations through its "Retirement Life-Planning Program." In order to secure a high quality of living for its retiree-to-be, the program provides education and training information, as well as job information and business start-up consultation services. This comes at the end of a life-long career development plan for its employees.

Paternity Leave

Beginning in 2009, Daewoo Securities began a paternity leave program, in compliance with the Act on Equal Employment and Support for Work-Family Reconciliation. This program promotes gender equality for family rights after childbirth.

Labor-Management Relations

Daewoo Securities recognizes the legal activities of labor unions. The labor union participates through clear communication in the decision-making process on material management issues that have significant impact on employment with the executive management. The company does not endorse any discrimination against labor union activities as they relate to its employees' career.

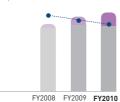
STAKEHOLDER MANAGEMENT Talent Management

Workforce Cultivating Global Competencies in Employees Fair Human Resources Management Employee Communication

Welfare Programs Labor-Management Relations

Union Membership

■ (Unit: Persons) - 2,164 - 2,418 - 2,537 ■ [Unit: Persons] - 2,043 - 2,127 - 2,105 • [Unit: %] - 94.4 - 88.0 - 83.0



No. of employees qualified for nion membershir No. of employees who joined -- Membership ratio





main a great workplace.



Daewoo Securities upholds the three labor rights as stipulated in Article 33 of the Constitution of Korea and does not have any bylaws or regulations that counter or curtail the application of the law. Its bylaws detail the rights of labors, including the right of collective bargaining, the right to organize, and the right to participate in collective actions.

Labor-Management Communication

Daewoo Securities enacted its labor-management council regulations in 1990. Under these regulations, six representatives from both the management and labor union meet at the Labor-Management Council once every quarter. In 2010, the council convened four times in total. There is no explicit time limit in the notification of major changes to the management issues, provided that each party fully abides by the

Labor-Management Council

In addition to the regular labor-management council meetings, Daewoo Securities operates an established communication channel at the Human Resources Department under the Chief Personnel Officer, head of the Business Management Unit. The weekly meetings between managers and the labor union discuss and consult on general management and personnel issues, and special meetings are convened

Interview | Shi-On Kim, Clerk, Human Resources Department



Without mentioning the equal opportunities in career development, the generous welfare programs that help employees achieve a balance between work and home are the most valuable assets of Daewoo Securities. The "Happiness Program," along with the consulting center, assists employees with stress management. As the company commits to interactive communication and a more liberal corporate culture, I believe Daewoo Securities will re-

COMMUNITY ENGAGEMENT



Daewoo Securities' volunteer corps received a prize from the Korean Prime Minister at the 11th Social Work Day ceremony for its social contribution activities. Having started off at a monthly donation plan to raise KRW 20 million, in 2010 the employees' monthly donations reached KRW 75 million. Accordingly, the number of charities benefiting from their generosity also increased from 27 to 76. Daewoo Securities is committed to building a happier world for everyone.

Daewoo Securities launched a campaign to secure clean drinking water for African children. The company sells bottled, dirty water for KRW 1,000: equivalent to the cost to supply clean water to an African child for 36 days. We hope that one day all needy African children can get year-round access to clean drinkable water.





management for mutual growth.

Key Performance

Our Approach & Principle

Local communities are our closest partners for building a sustainable future. As a responsible corporate citizen, Daewoo Securities commits itself to mutually beneficial and engaged

A total of 2,600 Daewoo Securities employees have donated KRW 43 million per month to causes such as "Keep the Backing on" and "Beautiful Donation." In following the employees' commitment to sustainability management and social contribution, Daewoo Securities invests the donated funds towards social causes in order of priority.

Social Contribution Schemes Social Contribution Organization

Mutual Prosperity Participation

Donations

COMMUNITY ENGAGEMENT



STAKEHOLDER MANAGEMENT **Community Engagement**

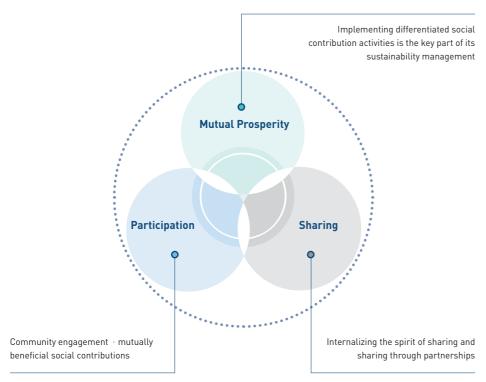
Daewoo Securities' Social Contributions Social Contribution Schemes Social Contribution Organization Mutual Prosperity Participation Donations

Daewoo Securities' Social Contributions

Daewoo Securities is well aware that volunteer activities form the foundation of corporate social responsibility (CSR). Therefore, the company encourages its employees to participate in various volunteer programs. For its part, it actively looks for more opportunities to give back to society, and continues to expand its social contribution programs to build a "better society for all."

Social Contribution Schemes

As a responsible corporate citizen, Daewoo Securities has established a social contribution scheme resting on three pillars, "mutual prosperity," "participation," and "sharing." Departing from sporadic donations or one-off volunteer activities, this scheme integrates social contributions into a companywide approach to promote the mutual growth of the company and local communities.





STAKEHOLDER MANAGEMENT **Community Engagement** Daewoo Securities' Social Contributions

CSR ORGANIZATION CHART

BOD CEO VOLUNTEER CORPS CSR EXECUTIVE OFFICE

CSR Steering Committee

once every quarter.

Volunteer Corps

Daewoo Securities' Volunteer Corps was launched in July of 2009 under the principle that "Social contributions are the best way for companies to communicate with society, its origin," and transferred CSR duties over from the General Affairs Department. Serving as the control tower for a company-wide approach to sustainability management, the volunteer corps implements and oversees differentiated social contributions, community engagement programs at regional headquarters, and employee volunteer activities. In line with the basic principle that its volunteers should "support those most in need first," the company increased its social contribution budget for 2010 by 15% on the previous year, at the same time expanding the number of beneficiaries and the subsidy amount.

Donation Beneficiary Selection Committee

didates.



Social Contribution Organization

Under the CSR slogan "A company that puts its customers before everything, building a great workplace for employees, and a better world for everyone," Daewoo Securities created the volunteer corps as a company-wide approach to social contribution activities in July of 2009.



Consisting of five executives, the CSR Steering Committee plans and implements social contribution strategies, allocates the CSR project budget, and audits the spending of contributions and its budget

Consisting of the general managers of the General Affairs Department, Human Resources Department, and Business Management Department, the committee deliberates and determines the beneficiaries and the donation conditions, based on the due diligence reports by the volunteer corps about the canSTAKEHOLDER MANAGEMENT

Daewoo Securities' Social Contributions

Community Engagement

Social Contribution Schemes

Mutual Prosperity Participation

Donations

Social Contribution Organization

COMMUNITY ENGAGEMENT



Daewoo Securities has implemented education programs for teenagers from low-income families and blind university students with strong academic motivations, helping them cherish and realize their dreams. Committed to providing equal opportunities in education, the company supports university students' voluntary teaching programs and afterschool programs for underprivileged children.

SCHOLARSHIP PROGRAMS FOR UNDERPRIVILEGED TEENAGERS

dle schools in Seoul. The company donated Braille their strong academic motivations.



AFTERSCHOOL PROGRAMS & SUBSIDIES TO DAYCARE CENTERS

Committed to educational equality for future generations, Daewoo Securities provides afterschool programs to children from low-income families.



Mutual Prosperity

Daewoo Securities Volunteer Corps supports a volunteering theme that focuses on multi-cultural families and equal education for underprivileged teenagers. It has assigned 50% of the total budget to these projects, sponsoring 61 beneficiaries. The multi-cultural family support projects include distributing recipe books and recipe calendars as well as the International Multi-Cultural School projects. Under the equal education for underprivileged teenagers project, the company sponsors the educational university volunteer corps, "People Sharing Education," as well as helping the Community Daycare Centers.

Supporting Multi-cultural Families

In proportion to the growing number of international marriages, multi-cultural families are emerging in a greater number in Korea than in the past. In a bid to help them integrate into society, Daewoo Securities has implemented various programs.



 In collaboration with Sookmyung Women's University Institute of Korean Food, Daewoo Securities distributed 22,500 copies of 2009 calendars with Korean recipes in seven different languages to 195 Multi-Cultural Family Support Centers and Migrant Worker's Shelters across the nation. In 2010, the company distributed 73,000 copies of the calendars with 12 Korean recipes in seven languages to 171 Multi-Cultural Family Support Centers, 14 Immigration offices, 35 Migrant Worker's Shelters, and 25 Migrants Human Rights Centers for Women, helping foreign residents better understand Korean foods



Daewoo Securities published recipe books containing 45 Korean side dishes and an introduction to Korean food culture in seven languages. Publishing a total of 10,300 copies, the company distributed the book to migrants in Korea. In 2011, the company plans to publish the book in nine languages.

% Nine languages selected for 2011 calendar include Chinese, English, French, German, Indonesian, Mongolian, Tagalog, Thai, and Vietnamese.





Community Education

Daewoo Securities provides KRW 100,000 for each scholarship and mentoring program to 100 students from low-income families, attending a select 10 midnote-taking devices to ten blind students selected for

SUPPORTING EDUSHARE

In 2009, Daewoo Securities has sponsored EduShare. Edushare is a volunteer corps of university students who went to Seoul Science High School. Daewoo Securities subsidizes educational materials, PCs and servers, and invites the volunteer teachers and their students to workshops as well as various cultural and artistic events. As a result, the Edushare program increased from two branches to six branches including Yong-san, Mapo, Goyang, Geumcheon, Guro, and Daejeon Yuseon



MENTORING PROGRAM

Selecting local university students to be volunteer teachers, Daewoo Securities provides mentoring programs to middle- and high-school students from low-income backgrounds. Additionally, it provides work-study scholarships to the volunteer teachers. The mentoring program includes a free tutoring service, winter camps, and various other field trip programs.



COMMUNITY ENGAGEMENT



STAKEHOLDER MANAGEMENT

Community Engagement

Daewoo Securities' Social Contributions Social Contribution Schemes Social Contribution Organization Mutual Prosperity Participation Donations

Participation

Daewoo Securities encourages and promotes company-wide participation in its social contribution activities. The company sponsors 44 beneficiaries, mostly multi-cultural families and youth education programs. The company encourages its employees and their families to participate in these programs at least once a year.

Encouraging Volunteerism

At Daewoo Securities, everyone is well aware that volunteer activities constitute the first step to social contribution activities. Launched in March of 1984, the volunteer corps of Daewoo Securities female employees, Haetsalhoe, visited underprivileged citizens at orphanages and in elderly care homes to provide volunteer services. Since 2006, the company has encouraged all of its employees to participate in volunteer activities on an average of at least four hours per year.

ENCOURAGING VOLUNTEERISM





Since 2009, Daewoo Securities has run various monthly, themed volunteer programs in which its employees and their families' can participate. Through such programs as Habitat for Humanity, Lending Farming Hands, Making Kimchi for Humanity, and Delivering Briquettes for Humanity, employees and their families can experience unforgettable memories and foster a spirit of volunteerism in society.





Appendix



Monthly Themed Volunteer Programs

COMMUNITY ENGAGEMENT



STAKEHOLDER MANAGEMENT

Community Engagement

Daewoo Securities' Social Contributions Social Contribution Schemes Social Contribution Organization Mutual Prosperity Participation Donations

Donations

The "Lovemeter" has its origin in the "Make Donations" intranet posting, a voluntary donation page set up on the company's intranet. A total of 2,600 employees, or 85% of the total workforce, have participated, establishing the Lovemeter as a symbol of the company's unique donation practices.

Lovemeter

Daewoo Securities initiated the donation drive called "Keep the backing on" in October of 2005. In July of 2009, the company transformed the initiative into a company-wide approach to its donation practices when it opened the Lovemeter page on its intranet. The number of voluntary donations and number of donators continued to grow, each year after that. As a result, the number of regular donators has grown from an initial 1,300 employees in July of 2009 to 2,600, or 85% of total workforce, in 2010, providing about KRW 43 million every month. In collaboration with the Community Chest of Korea, the funds help families who are caring for grandparents, children with incurable diseases, to subsidize the volunteer groups managed under the regional headquarters.



Donation Spent

become reality.

Volunteer Corps Budge **Employee Donations** Total

Multi-Cultural Family Su
Underprivileged Youth Ec
Disabled, childcare, etc
Contribution to the Holdi
One-time donation & vol
Emergency and Distress
Socially Responsible Bus
Total





Daewoo Securities fulfills its corporate social responsibility through win-win management, participative management, and sharing management practices. As part of win-win management, we support a variety of multi-cultural family oriented programs. As part of the participative management, we encourage employees' to join in various volunteer programs. Sharing management ensures an increase the scope and benefit to our social contribution programs. At the same time, the company supports and promotes socially responsible businesses and generates jobs for local communities, in pursuit of mutually beneficial partnerships with its stakeholders.

Appendix



The funds raised through the Lovemeter are spent on various social contribution programs and activities, allowing the company's CSR vision of building a happier and brighter future for the society to

DAEWOO SECURITIES SOCIAL CONTRIBUTION BUDGET

			(Onit : KRW mittion)
	2009.7~2010.3	2010.4~2010.12	2011.1~2011.12
et	13.5	27.0	36.00
	65.0	55.0	60.0
	20.10	32.5	42.0

DAEWOO SECURITIES VOLUNTEER CORPS BUDGET

(Unit : KRW million

	2009.7~2010.3	2010.4~2010.12	2011.1~2011.12
ly Support	3.3	9.1	14.0
th Education Support	1.2	4.7	8.2
etc	3.0	3.7	4.4
Holding Group	1.9	3.0	4.0
& volunteerism support	0.4	4.0	2.5
ress Relief	2.5	6.3	5.9
e Business	-	-	3.0
	12.3	30.8	42.0

* Figures represent the accumulated data since the launch of the volunteer corps in July of 2009.

Interview | Sung-Chul Kim, Executive Office Chief, Social Service



INTERVIE

GREEN MANAGEMENT



Committed to preserving the environment, Daewoo Securities engages in various initiatives. From the energy conservation campaign to green financial initiatives that promote eco-friendliness in business, the utmost efforts will be taken towards building a brighter and greener future for the planet.

Daewoo Securities has set up the 'Green Finance Promotion Committee," dedicated to finding new growth engines for green finance and practicing green management. Composed of nine executive members, the Committee discovers new growth engine business models for green finance through the Working Council, a group of general managers from related departments. The Working Council develops green funds, new CDM projects, investments in alternative energy source businesses, and emissions trading schemes.





Our Approach & Principle

Key Performance

The launch of the integrated groupware e-workflow system laid the groundwork for realizing a paperless office at Daewoo Securities. The new system has reduced the volume of paper use for 2010 to 83% of that used in 2008. Reining in copy paper expenses, we have controlled resource waste and improved office eco-friendliness.

Daewoo Securities strives to build an environmentally friendly corporate culture to foster harmony between human society and nature. As a leader in green financing, the company actively promotes green finance knowledge and services in addressing climate change, while establishing green management practices within and outside the workplace.

GREEN MANAGEMENT



STAKEHOLDER MANAGEMENT

Green Management

Spreading Green Management Practices Environmental Management Performance A Green Workplace Green Finance

Spreading Green Management Practices

At Daewoo Securities, we care about the planet and the sustainable prosperity of society. Daewoo Securities strives to awaken its customers to the significance environment issues through multiple green financing products and services. As a responsible corporate citizen, it works to financially address climate change.

Environmental Management Policies

Daewoo Securities laid the foundation for its environmental management system in 2006, putting into practice and establishing a company-wide environmental management process. The three-pronged environmental management policies set forth missions against which the company assesses the practices and performance. The results are used in setting future goals. In addition, we abide by global standards and regulations when developing environmental management policies and in response to changes in global environmental regulations and systems.

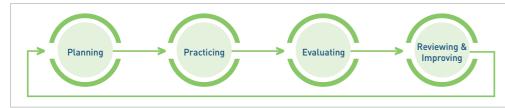


Environmental Management Goals

Daewoo Securities has established and put in place environmental management goals in order to achieve its environmental management policies. In 2010, the company reinforced its environmental management system and theme-based environmental protection activities. In 2011, it plans to introduce many more green financial products and services. At the same time, it plans on reinforcing its employees' competences to promote the implementation of its environmental management policies.

Environmental Management System

Daewoo Securities operates a comprehensive environmental policy process encompassing procedures for the planning, practicing, evaluation, reviewing and improving of a balanced environmental management development within the company. In the future, the company plans to expand the application of the environmental management system to all business activities on its premises, including overseas subsidiaries as well as domestic branches and the head office.



STAKEHOLDER MANAGEMENT Green Management

Greenhouse Gas

37,059.7 - 38,098.8 - 39,622.7

37.807.6 - 38.820.6 - 40.372.1

749.9 - 721.8 - 749.4

FY2008 FY2009 FY2010

Indirect Greenhouse Gas Emission

Direct Greenhouse Emission

--- Total Emissio

[Unit - tCO2en]

Spreading Green Management Practices Environmental Management Performance A Green Workplace Green Finance

initiatives.



Environmental Management Performance

Green Energy

Daewoo Securities has established detailed checklists on its energy consumption and worked on ways to reduce energy waste and water consumption. Although the new fitness center and newly opened branches increased the overall electricity use, Daewoo Securities continues to take charge of unnecessary energy waste. For instance, indoor temperature at the main office is kept below the legal limit and employees are encouraged to turn off lights when they go out for lunch.

Direct Energy Use

Indirect Energy Use

Total Energy Use (TJ)

Water Supply (m³)



GREEN FINANCE PROMOTION COMMITTEE

Daewoo Securities launched the Green Finance Promotion Committee in 2010 to develop ideas for green financial products and raise its corporate image as a green financing leader. Comprised of nine executive members, the Committee collaborates with the Working Council, a group of general managers from related departments, for swift decision-making and an organized workflow through an integrated channel for the company-wide green financial

Being a financial investment company that provides advanced financial engineering services, Daewoo Securities' business activities do not generate adverse impact, potential or actual, on the local communities. Committed to environmental management, however, the company strives to enhance work efficiency and raise employees' awareness of the significance of environmental issues. During the reporting period, there was not a single violation of environmental regulations or resultant sanctions.

(At the main office in Seoul and Gwacheon office)

	2008	2009	2010
City Gas(TJ)	4.0	4.3	4.2
Electricity(TJ)	214.0	220.0	228.8
District Heating(TJ)	10.3	9.4	10.1
	228.3	233.7	243.1

* The indirect energy use, electricity and district heating, are supplied by the Seoul Thermal Power Plant, which uses natural gas as fuel source, and there is no other renewable energy supply.

2008	2009	2010
80,215	79,701	81,137

* Water resources come from the public water supply system, without on-site wastewater treatment or recycling facilities.

Sustainability Leadership

GREEN MANAGEMENT



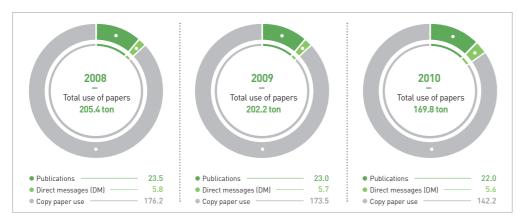
STAKEHOLDER MANAGEMENT

Green Management

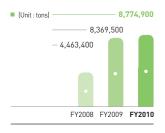
Spreading Green Management Practices Environmental Management Performance A Green Workplace Green Finance

Reducing Paper Waste in the Office

Beginning in April of 2010, the company switched to using recycled papers and tape through the procurement MRO system. Green consumption is a mandatory item to be reviewed for procurement planning, with a weighted adjustment. The company encourages the use of green products and the list is to be expanded in the future. Papers containing customer information are shredded after use and not reused. Introduced in 2011, the KDB Financial Group's Integrated Groupware e-Workflow System is expected to realize a paperless office.



ne of Waste



Reducing Waste

Waste generated at the head office and branches of Daewoo Securities is mostly paper and office supplies. In an attempt to increase waste recycling, the company donates scrap iron and worn out office supplies for recycling. In 2011, a company-wide campaign was mounted to eliminate the use of disposable paper cups.

Environmental Investments & Costs

Daewoo Securities earmarks a sum of money to purchase poly bags, to discharge waste from the main office and Gwacheon office separately, according to their use. It helps the company to precisely measure the waste discharge and reduction at the headquarters and at all branch locations, to maintain vigilance over the accomplishments of its environmental management initiatives.

DAEWOO SECURITIES CHALLENGES EMPLOYEES TO NOT USE DISPOSABLE PAPER CUPS AT WORK

 As part of its green management initiative, Daewoo Securities began encouraging use of personal mugs, instead of disposable paper cups at its headquarters, HRD Center, and IT Center in April of 2011. Posted in elevators, the company notified its staff of the annual consumption of disposable paper cups and the resultant volume of carbon emissions, under the slogan "Save the Earth."

STAKEHOLDER MANAGEMENT Green Management

Spreading Green Management Practices Environmental Management Performance Mitigating Climate Change

Green Purchase Performances

■ (Unit : KRW million) — 2.44 — 2.41 — 2.58

FY2008 FY2009 FY2010

A Green Workplace Green Finance

Mitigating Climate Change

Declaration.

.....

SIGNING TO THE CARBON DISCLOSURE PROJECT (CDP)

.....

Global Compact every year.

A Green Workplace

In a proactive response to the pending issue of climate change, Daewoo Securities endeavors to establish a green workplace. Committed to its environmental responsibilities for its stakeholders, the company implements various eco-friendly initiatives such as the green office initiative, a green purchasing system, preferred purchase of recycled products, and the purchase of eco-friendly hybrid vehicles for official use.

.....

Daewoo Securities joins in the Green Bag campaign by the retail business and uses recycled-paper bags made by local environmentally-friendly companies. Afterwards, it expanded the use of recycled paper to copy paper, business cards, handouts, and other office supplies, establishing itself as a green office initiative leader.

GREEN OFFICE, GREEN BUILDING

.....

PHASING IN HYBRID VEHICLES

In order to reduce the exhaust emissions during its employees' daily commute, Daewoo Securities encourages the use of mass transportation and car pooling. Committed to minimizing the environmental impact of all its business activities, both inside and outside its premises, Daewoo Securities phased in eco-friendly hybrid vehicles, which have 90% reduced greenhouse gas emissions, for official use.



Different from manufacturing companies, Daewoo Securities has less impact on the environment or climate change. Nevertheless, the increasing expense to address climate change and the resultant reduction in profitability will have an adverse impact on the financial markets. Fully aware of this, the company has made positive progress towards mitigating climate change. In addition to its participation in the carbon disclosure project (CDP), the company has recently adopted the Caring for Climate

With the rising concern over growing carbon emissions and the consequent global warming, a growing number of international financial institutions are signing on to the Carbon Disclosure Project (CDP). As a responsible corporate citizen, committed to propagating the importance of greenhouse gas emissions control and addressing climate change for its stakeholders, Daewoo Securities is also working to sign on to the CDP.

ADOPTED THE UN CARING FOR CLIMATE DECLARATION

In a bid to alert society to climate change issues and to fulfill its responsibilities, Daewoo Securities adopted the "Caring for Climate" Declaration in 2009, and has reported on its environmental management performance to the UN

INCREASING GREEN PURCHASE AND RECYCLING

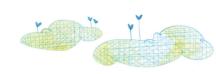
Cigarettes contain a notorious number of pollutants, hazardous to both people and the environment, such as nicotine, tar, phenol and dioxin. In order to eliminate these hazardous substances from its premises, Daewoo Securities has mounted a six-month long smoking cessation campaign. With funds raised through the campaign, the company supports environmental activities inside and outside the company.

Energy Saving

Sustainability Leadership

GREEN MANAGEMENT





STAKEHOLDER MANAGEMENT

Green Management

Green Finance

Spreading Green Management Practices Environmental Management Performance A Green Workplace

ENERGY SAVING INITIAL	
	Missions
Reducing Electricity	 Turning office lights off at lunch and after work Turning lights off throughout the building, except at the desks of those working overtime Turning off the lights on exterior signboards and standing signboards Replacing lights with LEDs (sales branches and rest rooms)
Reducing Water Use	 Lowering the water pressure and checking for water leakage in rest rooms Checking for leakage along the water pipes
Reducing Fuel use	 Cost-efficient operation of air-conditioners Discouraging personal heaters Preferred use of hybrid vehicles for official use
Others	 Installing bike-racks for our bike commuters Reducing the number of overseas and out-of-city business trips through video conferences

Green Finance

Daewoo Securities realizes a green financial environment through socially responsible investment (SRI) products that support eco-friendly companies, guided by its fair transaction principle. As part of its green finance initiative, it introduces green products in collaboration with local communities, and holds forums to help its customers better understand the concept and purpose of green finance.

Green Financial Products

DAEWOO SECURITIES GREEN KOREA SPAC

Daewoo Securities became the first Asian financial company to administer the enlisting of Green Korea SPAC stocks, special purpose acquisition companies. Green Korea SPAC was established in December of 2009 for the purpose of a merger with a company that leads green growth business initiatives and the new growth engines industry. Participating shares include Daewoo Securities, Korea Teachers Pension Fund (KTPF), an insurance company, and the British hedge fund "Arrowgrass."

SRI EQUITY-TYPE BENEFICIARY CERTIFICATES

Daewoo Securities provides "KDB SRI Funds for a Better World," jointly developed by the company, KDB, KDB Asset Management, and the Institute for Industrial Policy Study (IPS). The Funds make investments in consideration of financial performance, CSR performance, environmental policies, and the ethical practices of the investees. In contributing to the SRI funds, the company donates some of the revenues from the operating and selling of the mutual fund products. As of the end of March of 2011, the assets under management (AUM) amounted to KRW 9.31 billion.

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S&P CLEAN ENERGY EQUITY-TYPE BENEFICIARY CERTIFICATE

Daewoo Securities offers "KDAP S&P Clean Energy Equity-type Funds," which invests in global clean energy businesses. In alliance with the world's renowned index agency S&P, the company developed the product using the "S&P Global Clean Energy Index" benchmark as one of its environmentally responsible products. In March of 2011, the AUM stood at KRW 5.3 billion

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ONUBIJA DONATION WRAP

Spreading Green Management Practices Environmental Management Performance A Green Workplace Green Finance

STAKEHOLDER MANAGEMENT

Green Management

DAEWOO GREEN KOREA EQUITY-TYPE MASTER WRAP

Propagating Green Finance

PROMOTING ON THE USE OF RENEWABLE ENERGY

During the reporting period, Daewoo Securities held the Green Forum twice in March of 2009 and again in April 2010, inviting 140 Korean and international organizations, as well as businesses with achievements in "Low-Carbon Green Growth" initiatives. During the forum, companies operating in carbon footprint reduction, wind power, solar power generation, and other eco-friendly businesses gave briefings on industrial trends, their technologies, and strategies. An official from the Ministry of Knowledge Economy gave a special lecture on "Understanding of the National Drive to Address Climate Change" and the "Green Energy Development Plan," awakening the public to the significance of climate change.

NEW GROWTH ENGINE INVESTMENT PEF

Daewoo Securities was designated as the administrator for the green technology business of the New Growth Engine Private Equity Fund (PEF) by the Ministry of Knowledge Economy, investing in the capital growth for promising businesses, such as renewable energy, carbon-free technologies, LEDs, and green transportation systems. This project contributes to the development of green technologies, the efficient reduction of greenhouse gasses, and addressing climate change, as well as establishing the best practice for green growth initiatives.

Environmental responsibility is the greatest challenge and most urgent issue that the human society faces in this century. In addressing environmental issues, Daewoo Securities adopted hybrid vehicles for official company use and has reduced paper use at its workplaces. Leveraging its experienced knowledge in the industry, the company also makes aggressive investments in eco-friendly projects. In the future, we will continue our research activities and commit to eco-friendly products and business as a leading global financial company.

Appendix



"Nubija Donation Wrap" is a financial product which donates a portion of the excess profits to the community project created by Changwon City to expand common-use infrastructure for bicycle riders called, "Nubija." As of now, 1,230 Nubija bicycles are operated at 101 terminals with the number of daily users approaching 8,000.

* Nubija is the name for common-share bicycles offered by Changwon City. Begun in October of 2010, Changwon City has successfully operated its unmanned bike-rental service as part of its eco-friendly green city initiative.

Daewoo Securities became the first Korean financial institution to introduce the "Green Korea Wrap" that invests in green growth businesses, laying the groundwork for future green finance in Korea. Leveraging on the features of wrap accounts, which have no asset portfolio limits, the product concentrates investments on ten selected companies in the green business sector, such as solar power, LEDs, wind power and carbon footprint reduction. The aggressive investment operation realized high economic performance, as well as social and environmental value.

Interview | Kyung-Seok Woo, Assistant Manager, General Affairs Department



04_{APPENDIX}

APPENDX

- **091** Associations & Memberships

UN GLOBAL COMPACT

Principles & Pledges

Daewoo Securities joined the UN Global Compact in October 2006, pledging its commitment to the international standards of business ethics and sustainability management. Since then, the company has abided by the ten principles in the four categories of human rights, labor, environment, and anti-corruption. Daewoo Securities prohibits child labor, guarantees prenatal and postnatal leave in protection of maternity rights, sick leave and annual leave. In the future, it will proactively work to improve stakeholder relations, maintain cooperative labor-management relations, and actively participate in the environmental causes and disclose its performance in these areas to its stakeholders.

UN GLOBA	L COMPACT		
l	Principle	Performance Indicators	G3
Human Rights	 Businesses should support and respect the protection of internationally proclaimed human rights. 	 Employee education Human Rights Protection training, business ethics training Sexual harassment prevention training 	HR1, HR2, HR3, HR4, HR5, HR6, HR7
	Businesses ensure that they are not complicit in human rights abuses.	- Total number of discrimination cases	HR4, HR8
	 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. 	- Labor union & membership - Labor disputes	HR5, LA4, LA5
Labor	 Businesses eliminate all forms of forced and compulsory labor 	- Compliance with the Labor Standards Act, International Labor Organization Convention, collective bargaining rights	HR7
	5. Businesses effectively abolish child labor.	- Compliance w or Organization Convention, collective bargaining rights	HR6
	 Businesses eliminate discrimination in respect to employment and occupation. 	- Disabled employment and female employment rates	HR4, LA2, LA10, LA13, LA14
	 Businesses should support a precautionary approach to environmental challenges. 	- UNEP FI, environmental risk management system	4.11
Environment	 Businesses undertake initiatives to promote greater environmental responsibility. 	- Green financial products, carbon neutrality program environmental performance management and greenhouse gas reduction	EN12, EN13, EN14, EN18, EN21, EN22, EN26, EN30
	 Businesses encourage the development and diffusion of environmentally-friendly technologies. 	- Energy saving campaigns, environmental investments, fostering green growth industries	EN5, EN6, EN7, EN10, EN18, EN26
Anti- Corruption	 Businesses should work against corruption in all its forms, including extortion and bribery. 	- Integrity pact and signing, business ethics self-assessment	S02, S03, S04



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THIRD PARTY'S ASSURANCE STATEMENT



To the stakeholders of the Daewoo Securities

Upon request, Daewoo Securities (hereinafter referred to as the "Company") and the Korea Productivity Center (hereinafter referred to as the "Assurance Provider") present the following third party assurance statement for the 2011 Daewoo Securities Sustainability Report (hereinafter referred to as the "Report").

Accountability and Independence

Daewoo Securities may be held accountable for all information and claims contained in the Report. The Assurance Provider is responsible only for this statement. As an independent assurance agency, the Assurance Provider has not been involved in the preparation of the Report and has no stake in Daewoo Securities that can undermine its independence from the Company.

Criteria for Assurance

The Assurance statement is based on the AA1000 Assurance Standard (2008), which checks the report content against the requirements of Type 1 and Moderate Level quidelines. The Assurance Provider verified that the data compiled in the Report was based on the three core principles of AA1000APS, namely Inclusivity, Materiality and Responsiveness. In addition, the Assurance Provider evaluated the content of the Report to ensure that it adheres to the GRI Sustainability Reporting G3.1 Guidelines.

Limitations

This assurance engagement does not provide an evaluation on the credibility of the offered data in the Report. On-site due diligence was conscribed only to the head office in Seoul, excluding the overseas branches and domestic offices. Accordingly, the statement is open to change, depending on the results of any additional due diligence.

Methodology

The Assurance Provider evaluated the content of the Report following the process outlined:

- 1. Reviewed the appropriateness of the process for identifying and stating the material issues in the Report, which were determined through media research and benchmarking
- 2. Verified that the Report content meets all the requirements for the GRI Application Level A by reviewing the reporting rate and statements of the indicators and financial supplementary indicators of the GRI G3.1 Guidelines
- 3. Verified that the Report content adhere to the principles set for reported content and quality as provided in the GRI G3.1 Guidelines
- 4. Comparative analysis for appropriateness and statement errors of the Report statement by comparing it against the sources
- 5. On-site due diligence at the head office in Seoul to verify the sources of data and information of the Report and to check the related internal process and system

Conclusions

The Assurance Provider verifies that the Report covers the sustainability management activities and performance of Daewoo Securities objectively and substantially. The Report meets all the requirements for the self-declaration of the GRI Application Level A.

Inclusivity : Stakeholder Engagement

The Assurance Provider found that Daewoo Securities classifies its stakeholders into customers, shareholders, local communities, and environmental NGOs, and operates various communication channels and methods to reflect their different voices in its management activities. To collect customer feedback, the Company uses the VOC, website, home trading system (HTS), customer service center, and customer satisfaction survey. In particular, it evaluates the Company's commitment to interactive communication with stakeholders through IR seminars for investors, various promotion and marketing campaigns for customers, and cultural and sports sponsorships for local communities. The Assurance Provider advises Daewoo Securities to evolve its stakeholder communication channels to be more diverse and systematic, and to keep managing and reporting the procedures and performance of such activities.

Materiality: Material Issue Identification & Coverage

The Assurance Provider found that Daewoo Securities has identified the major stakeholders in the financial industry and their key sustainability management issues. In the process, the Company aggregated issues from extensive research and analysis, including stakeholder surveys and interviews, review of internal policies, media analysis, best practices benchmarking, and analysis of international sustainability management standards. It ran materiality tests to finalize the key sustainability issues. The Assurance Provider found that the key sustainability issues in the financial industry were identified as customer satisfaction management, talent retention and training, trust-based communication with employees, and eco-friendly financial products. The Assurance Provider confirms that the Report fairly states these issues and the related information. The Assurance Provider advises Daewoo Securities to consult with external specialists and refer to government policies when the company identifies issues, to fully reflect the issues and related information in future publications.

Responsiveness: Organization's Responsiveness to Issues

The Assurance Provider has confirmed that Daewoo Securities engages in a variety of activities to properly respond to various sustainability issues. The Company implements CS Monitoring, CS Indicators, CS Manager System, and new customer satisfaction surveys to realize customer-oriented management and enhance customer satisfaction. In order to secure and foster talented workers, the Company has established a new education system and strives to further advance its HRD system through the "Daewoo Securities Academy." Dedicated to trust-based communication with employees, the Company has in place such programs as Hot Channel, Retail Community, and an in-house magazine. In particular, the Assurance Provider wishes to emphasize the fact that the Company has launched the Green Finance Promotion Committee to implement its green finance initiatives. The Assurance Provider advises Daewoo Securities to present mid- and long-term strategies, plans to address present issues, as well as the performance of such activities in the future publications.

Recommendations

The Assurance Provider recognizes the Company's commitment and achievements in enhancing sustainability. It recommends the following factors to be considered for the future publications:

- - ment system
 - this to financial performance
 - dexes, and use it to improve the substantiality of future publications



Direcot D.S. Kim

Korea Productivity Center (KPC), established in 1957, has been at the forefront of increasing industry productivity through its accumulated experience as a specialized training and consulting agency. Recently, KPC has set up the Sustainability Management Center, which supports businesses' sustainability management activities, thereby improving the overall sustainability of the nation's major industries. Since 2009, the Center has announced the DJSI Korea list in collaboration with Dow Jones Indexes and SAM. The DJSI Korea list helps Korean companies to put their sustainability management practices into perspective, against global best practices. The KPC Sustainability Management Center holds certification conferred by Accountability to conduct independent assurance service domestically. Accountability is a globally renowned standard agency, which enacted the AA1000, the international standards for stakeholder engagement and assurance. The Assurance Committee consists of experts in their respective fields who have profound experience in sustainability management consulting and assurance, and have completed related training courses.

1. Establish a company-wide sustainability management system, including overseas operations and domestic offices, and expand the scope of reporting to include the performance and activities at these locations

2. Develop long-term sustainability management plans and goals, and present them in future publications

3. Establish more systematic channels for stakeholder engagement and link it to the Company's sustainability manage-

4. Develop various indicators and indexes for measuring the sustainability management performance and seamlessly tie

5. Establish a company-wide system for integrated control and management of diverse sustainability management in-

AS of May 2011

Dong-Kyu Choi

President of Korea Productivity Center Dong Kyu Choi

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Reserch Fellow T.H. Park

Resercher J.M. Park

7 0 by

Resercher Y.H. Kim

Company profile

Company Overview

GRI G3 GUIDELINES

Strategy and	d Analysis			
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Leve
1.1	CEO's message	6.2	5	•
1.2	Risks and opportunities	6.2	5	۲
Organizatior	n Profile			
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level
2.1	Company name		9	•
2.2	Flagship products and brands		9	۲
2.3	Organizational structure	6.2	20	•
2.4	Location of headquarters		9	•
2.5	Countries where the company operates		9	•
2.6	Ownership and legal form		10	•
2.7	Markets served		9	•
2.8	Scale of the company		9	•
2.9	Significant changes during the reporting period regarding size, structure, or ownership		10	•
2.10	Awards received in the reporting period		12 - 13	٠
Report Para				
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level
3.1	Reporting period		1	•
3.2	Date of most recent previous report		1	•
3.3	Reporting cycle		1	

3.1 3.2 3.3	Reporting period Date of most recent previous report	1	
	Date of most recent previous report	1	•
33	Date of most recent previous report	1	•
0.0	Reporting cycle	1	•
3.4	Contact point for questions regarding the report or its contents	1	•
3.5	Process for defining report content	1, 33	•
3.6	Boundary of the report	1	•
3.7	Limitations on the scope or boundary of the report	1	•
3.8	Basis for reporting that can significantly affect comparability from period to period and/or between organizations	1	•
3.9	Data measurement techniques and the bases of calculations	1	•
3.10	Restatement of information provided in earlier reports	1	•
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	1	•
3.12	GRI Content Index	84 - 90	•
3.13	Policy and current practice with regard to seeking external assurance for the report	82 - 83	٠

Governance					
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level	
4.1	Corporate governance	6.2	20 - 21	•	
4.2	Explanation of whether the chairman of the board also holds the executive officer position	6.2	20 - 21	•	
4.3	Board of directors organization	6.2	20 - 21	•	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	6.2	22	•	
4.5	Linkage between compensation for BOD members and executives and the business results	6.2	22	•	
4.6	Process in place for BOD to ensure conflicts of interests are avoided	6.2	22	•	
4.7	Process for determining the qualifications and expertise of the BOD members for guiding the corporate strategy on economic, environmental, and social topics	6.2	22	•	
4.8	Management principles	18	18	•	
4.9	Procedures of BOD for overseeing the company's identification and management of economic, environmental, and social performances	22, 75	22, 75	•	

GRI APPLICATION LEVEL CHECK STATEMENT



Statement GRI Application Level Check

GRI hereby states that **Daewoo Securities** has presented its report "2011 Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 23 June 2011



Nelmara Arbex Deputy Chief Executive Global Reporting Initiative

The "+" has been added to this Application Level because Daewoo Securities has submitted this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 7 June 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

The content of "Daewoo Securities Sustainability Report 2010' meet all the criteria to qualify for GRI-G3 Application level A and this was assured by an independent assurance provider. (The + mark in the "A+" means that the application level was assured by a third party.)

[● Reported, ● Partially reported, ○ Not reported, N/A]

GRI G3 GUIDELINES

(ullet Reported, ullet Partially reported, \bigcirc Not reported, N/A)

Governance	Governance				
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level	
4.10	Process for evaluation the BOD's own performance, particularly with respect to economic, environmental and social performance	22, 75	22, 75	٠	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the company	23	23	٠	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the company subscribes or endorses	6.2	77, 81	•	
4.13	Memberships in associations and/or national/international advocacy organizations	6.2	91	•	
4.14	List of stakeholder groups engaged by the company	6.2	30	•	
4.15	Basis for identification and selection of stakeholders with whom to engage	6.2	30	٠	
4.16	Approaches to stakeholder engagement	6.2	31	•	
4.17	Key issues and concerns that have been raised through stakeholder engagement, and how the company has responded to those key issues and concerns	6.2	31	•	

Disclosure on Management Approach Economic				
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level
EC	Disclosure on Management Approach		46 - 47	٠
EC1	Direct economic value generated and distributed	6.8, 6.8.3, 6.87, 6.89	48	٠
EC2	Financial implications and other risks and opportunities for the company's activities due to climate change	6.5.5	74 - 79	•
EC3	Coverage of the company's defined benefit plan oblications		60	•
EC4	Financial assistance received from government		No subsidies received	N/A
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	6.4.4, 6.8	57	٠
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	6.6.6, 6.8, 6.8.5, 6.8.7	77	٠
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	6.8, 6.8.5, 6.8.7	54, 57	٠
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9	63 - 71	•
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts (including the scope of impact)	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9	54, 57, 65 - 71	•

Disclosure on Management Approach Environmental						
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level		
EN	Disclosure on Management Approach		72 - 73, 75 -76	•		
EN1	Materials used by weight or volume	6.5, 6.5.4	76	•		
EN2	Percentage of materials used that are recycled input materials	6.5, 6.5.4	76	•		
EN3	Direct energy consumption by primary energy source	6.5, 6.5.4	75	•		
EN4	Indirect energy consumption by primary source	6.5, 6.5.4	75	•		
EN5	Energy saved due to conservation and efficiency improvements	6.5, 6.5.4	No data available	0		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	6.5, 6.5.4	No data available	O		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	6.5, 6.5.4	No data available	O		

GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level
EN8	Total water withdrawal by source	6.5, 6.5.4	75	٠
EN9	Water sources significantly affected by withdrawal of water	6.5, 6.5.4	Public water service only	N/A
EN10	Percentage and total volume of water recycled and reused	6.5, 6.5.4	Not use recycled water	N/A
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5, 6.5.6	No applicable lands owned	N/A
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	6.5, 6.5.6	No applicable lands owned	N/A
EN13	Habitats protected or restored	6.5, 6.5.6	No applicable lands owned	N/A
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	6.5, 6.5.6	Not applicable	N/A
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	6.5, 6.5.6	Not applicable	N/A
EN16	Total direct and indirect greenhouse gas emissions by weight	6.5, 6.5.5	75	•
EN17	Other relevant indirect greenhouse gas emissions by weight	6.5, 6.5.5	In the pipeline	0
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	6.5, 6.5.5	In the pipeline	0
EN19	Emissions of ozone-depleting substances by weight	6.5, 6.5.3	Not applicable	N/A
EN20	NOX, SOX and other significant air emissions by type and weight	6.5, 6.5.3	Not applicable	N/A
EN21	Total water discharge by quality and destination	6.5, 6.5.3	75	•
EN22	Total weight of waste by type and disposal method	6.5, 6.5.3	No classification available	O
EN23	Total number and volume of significant spills	6.5, 6.5.3	No spills occurred	N/A
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	6.5, 6.5.3	Not applicable	N/A
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	6.5, 6.5.4, 6.5.6	Not applicable	N/A
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5, 6.5.4, 6.6.6, 6.7.5	78 - 79	٠
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5, 6.5.4, 6.7.5	Not applicable	N/A
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	6.5	75	•
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	6.5, 6.5.4, 6.6.6	78	•
EN30	Total environmental protection expenditures and investments by type	6.5	76	•

Disclosure on Management Approach Social : Labor Practices and Decent Work						
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level		
LA	Disclosure on Management Approach	6.2, 6.3.10, 6.4	52 -57	•		
LA1	Total workforce by employment type, employment contract, and region	6.4, 6.4.3	No data by region available	0		
LA2	Total number and rate of employee turnover by age group, gender, and region	6.4, 6.4.3	54	٠		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	6.4, 6.4.3, 6.4.4	54	٠		
LA15	Return to work and retention rates after parental leaves, by gender		60	•		
LA4	Percentage of employees covered by collective bargaining agreements	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	61	•		

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GRI G3 GUIDELINES

($ullet$ Reported, $ullet$ Partially reported, \bigcirc Not				○ Not reported, N/A]
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	6.4, 6.4.3, 6.4.4, 6.4.5	61	•
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	6.4, 6.4.6	Not relevant	0
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	6.4, 6.4.6	60	•
LA8	Support programs in place to assist workforce members, their families, or community members regarding serious diseases	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	60	٠
LA9	Health and safety topics covered in formal agreements with trade unions	6.4, 6.4.6	60	•
LA10	Average hours of training per year per employee by employee category	6.4, 6.4.7	27, 56	٠
LA11	Lifelong learning programs that support the continued employability of employees and assist them in managing career endings	6.4, 6.4.7, 6.8.5	60	•
LA12	Percentage of employees receiving regular performance and career development reviews	6.4, 6.4.7	58	•
LA13	Composition of BOD and breakdown of employees	6.3.7, 6.3.10, 6.4, 6.4.3	No specific classification available	O
LA14	Ratio of basic salary of men to women by employee category	6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4	57	•

GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level
HR	Disclosure on Management Approach	6.2, 6.2	52 - 53, 60 - 61	۲
HR1	Percentage of significant investment agreements that include human rights clauses or that have undergone human rights screening	6.3, 6.3.3, 6.3.5, 6.6.6	No data available	O
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6	No data available	0
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights	6.3, 6.3.5	27	٠
HR4	Total number of incidents of discrimination and actions taken	6.3, 6.3.6,6.3.7, 6.3.10, 6.4.3	57	٠
HR5	Actions taken to support the right to exercise freedom of association and collective bargaining	6.2, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5	61	•
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	81	•
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	81	•
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights	6.3, 6.3.5, 6.4.3, 6.6.6	26	٠
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7	75	٠
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		27	٠
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		26	٠

Disclosure on Management Approach Social : Society					
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level	
SO	Disclosure on Management Approach	6.2, 6.6, 6.8	26 - 29, 62 - 63	•	
S01	Programs and practices that assess and manage the impacts of operations on communities	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	64 - 65, 75	٠	
S02	Percentage and total number of business units analyzed for risks related to corruption	6.6, 6.6.3	28	٠	
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	6.6, 6.6.3	27	٠	
S04	Actions taken in response to incidents of corruption	6.6, 6.6.3	26	•	
S05	Public policy positions and participation in public policy development and lobbying (prohibition on political donations)	6.6, 6.6.4, 6.8.3	28	٠	
S06	Total value of financial and in-kind contributions to political parties and politicians	6.6, 6.6.4, 6.8.3	28	٠	
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.6, 6.6.5, 6.6.7	27	٠	
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	6.6, 6.6.7, 6.8.7	27	٠	
S09	Operations with significant potential or actual negative impacts on local communities	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	75	٠	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	Not relevant	0	

Disclosure on Management Approach Social: Product Responsibility					
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level	
PR	Disclosure on Management Approach	6.2, 6.6, 6.7	38 - 41	•	
PR1	Customer health and safety policies	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	78 - 79	•	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	Not applicable	N/A	
PR3	Type of product and service information required by procedures	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	11, 78	٠	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	41	•	
PR5	Customer satisfaction policies and procedures	6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9	40 - 42	٠	
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	6.7, 6.7.3, 6.7.6, 6.7.9	41	٠	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	6.7, 6.7.3, 6.7.6, 6.7.9	41	٠	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7, 6.7.7	28	•	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	6.7, 6.7.6	41	•	

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GRI G3 GUIDELINES

	($ullet$ Reported, $ullet$ Partially reported, \bigcirc Not reported, N/A					
Financial Se	Financial Services Sector Supplement					
GRI Index No.	GRI Index Details	ISO 26000	Page & Remarks	Reporting Level		
FS1	Policies with specific environmental and social components applied to business lines		77	•		
FS2	Procedures for assessing and screening environmental and social risks in business lines		75	•		
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions		78 - 79	•		
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines		26, 79	•		
FS5	Interactions with clients/investors/business partners regarding environmental and social risks and opportunities		79	•		
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector		10	•		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose		78 - 79	•		
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose		78 - 79	•		
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures		65, 75	•		
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues		Not applicable	0		
FS11	Percentage of assets subject to positive and negative environmental or social screening		No data available	O		
FS12	Voting polic(ies) applied to environmental or social issues for share over which the reporting organization holds the right to vote shares or advises on voting		Not applicable	0		
FS13	Access points in low-populated or economically disadvantaged areas by type		Not applicable	0		
FS14	Initiatives to improve access to financial services for disadvantaged people		51	•		
FS15	Policies for the fair design and sale of financial products and services		41	•		
FS16	Initiatives to enhance financial literacy by type of beneficiary		Not applicable	0		

ASSOCIATIONS & MEMBERSHIPS

No.	Organization	No.	Organization
1	Financial Security Agency	15	21 st Century Finance Vision Forum
2	Korea Chamber of Commerce and Industry	16	Federation of Korean Industries
3	Korea Listed Companies Association	17	Korea Management Association
4	Korea Capital Market Institute	18	Korean Securities Association
5	International Financial Center	19	Korea Securities Law Association
6	World Economic Forum	20	Center for Financial Law of Seoul National
7	Global Finance Forum		University
8	Institute of Global Economics	21	Internal Auditor's Society of Korea Listed
9	Korea Economic Research Institute		Companies Association
10	Korea International Finance Association	22	Financial Securities Forum
11	The Korean Financial Engineering Society	23	Financial Information Security Council
12	Korea Employers Federation	24	Infomation Sharing & Analysis Center (ISAC)
13	Korea Money & Finance Association	25	International Swaps and Desivatives
14	Seoul IB Forum		Association(ISDA)

FEEDBACK

qp A

Feedback • Daewoo Securities seeks to collect and reflect the value opinions of our stakeholders on the its third issue of sustainability report. Your invaluable opinions and suggestions shall be reflected in the future sustainability management activities and reports of Daewoo Securities. We deeply appreciate your time and interest.						
1. Which of the following	stakeholder groups do you belong	to?				
□ Customers	□ Shareholders & Investors	Employees	Local Communities			
Environmental NGO	Business Partners	□ None above ()				
2. Which of the following	sections do you find is most intere	sting? (open to multiple ch	oices)			
□ About this report	🗆 Sustainability Management	□ Customers	Shareholders/ Investors			
🗆 Talent Management	Local Communities	🗆 Green Management				
3. Which of the following	sections do you find requires impr	ovements? (open to multip	le choices)			
About this report	🗆 Sustainability Management	Customers	Shareholders/ Investors			
🗆 Talent Management	Local Communities	🗆 Green Management				
4. Feel free to state your opinions regarding the company's sustainability management activities and						
the overall structure and content of this report.						





• CONTACT POINTS

Questions or comments on this report can be referred to

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