

KnowTheChain 2022 ICT Benchmark

Additional Disclosure

Company Name: Samsung Electronics

Date: 13 September 2022

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

-

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

A) [SR 79 page] Since 2015, we have hosted a range of workshops and training programs related to compliance management every year for the heads and working-level staff of our suppliers. We also provide human rights training on mutual respect, humane treatment, and discrimination elimination based on the Supplier Code of Conduct, as well as industrial safety training for the protection of pregnant and nursing employees¹). We also share global and local legal revisions, audit results and best practices of our suppliers, and environment and safety-related trends of different regions. We conduct training on the safe handling of chemicals and award suppliers with outstanding performance in labor/human rights and environment/safety. In 2021, 342 suppliers²) around the world received our training. We encourage participating suppliers to actively share the details of our training and provisions of the Supplier Code of Conduct with their subcontractors.

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

A) Partner Collaboration Center is one of the member of 'GLI' (Global labor Issue) committee. Partner Collaboration Center is responsible for supply chain and managing the various risks based on the Supplier Code of Conduct.

[Homepage – Governance] 'GLI' Committee manages impacts and risks related to labor and human rights. The GLI Committee, which convenes bi-weekly to discuss labor and human rights issues, consists of executives and working-level employees from eight functions: Human Resources Team, Legal Office, Partner Collaboration Center, Vendor Management Improvement Task Force, Global Technology Research, Corporate Sustainability Center, Global Environment, Health & Safety Center, and Investor Relations Team. Any important matters are escalated to the Sustainability Council, which consists of key executives, and then reported to the top management and approved by the Board of Directors.

A) source : <https://www.samsung.com/uk/sustainability/labor-and-human-rights/>

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

A) **[SR 61 page]** We provide labor and human rights training for all employees. In 2020, the training was provided online for all connected business sites in Korea and beyond in response to the spread of the pandemic, thereby reaching 95% of those subject to training. In 2021, a combination of small-scale offline training and online training was offered for overseas subsidiaries that had to postpone their training efforts due to the pandemic, enabling 92% of the target employees to complete the training. To ensure better understanding of the training content, training was conducted with the local language especially in production sites.

Specialized online training was conducted for 91% of staff members engaging in jobs with greater human rights risks around the world, such as those related to personnel, security, general affairs, and purchasing, around the world. All employees at our domestic business sites completed training on mutual respect at work conducted from July to December 2021.

In order to further highlight the importance of human rights protection and share best practices, we have designated over 50 employees at overseas subsidiaries, mainly personnel, labor management relations, and training staff members, as Human Rights Champions to further integrate a human rights lens into our business activities and serve as human rights trainers at their respective subsidiaries. In 2021, we helped strengthen their expertise in human rights through regular webinars dealing with a range of themes including forced labor prevention, freedom of association, impacts of the pandemic on human rights grievance resolution, and diversity and inclusion.

- (Interview of Human Resources and Purchasing Staff Members on Human Rights Training)

Human rights training allows purchasing staff members to keep up with the latest developments in international human rights requirements and our relevant policies and thereby more effectively identify and prevent human rights risks. As the spread of the COVID-19 pandemic and rapid technological progress continuously pose threats to human rights, the international community is increasingly calling for and driving measures to ensure human rights protection in a more binding manner than simply appealing for voluntary engagement. Regular training is required for purchasing staff members to update their human rights knowledge and comply with the preset purchasing procedures to ensure human rights protection in day-to-day business activities.

- Nguyen Thi Binh Minh(Purchase Team, Samsung Electronics Vietnam) -

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

-

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

-

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

-

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

A1) [Homepage – On-site audits] Square root of total number of employees of suppliers interviewed

A1) source : <https://www.samsung.com/uk/sustainability/sustainable-supply-chain/>

A2) [SR 78 page] To more thoroughly and accurately audit suppliers work environments, we first identify their issues and points of improvement based on the opinions and comments of their employees. The points of improvement are registered on the integrated purchase system, and the respective suppliers are required to establish and implement improvement measures accordingly.

A2) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A3) [SR 78~79 page /4 cases] 4 cases of first-tier and second tier suppliers

- Special Audits to Eradicate Child Labor, Remedial Action for Overtime Work of Juvenile Workers, Supplier Support for Local Legal Requirements and Amendments, Support through the Child Protection Program

① first-tier supplier - Special Audits to Eradicate Child Labor

We maintain zero tolerance for child labor for our suppliers and perform special audits of their recruitment practices every year to eliminate child labor. Based on our 2021 audits of 141 suppliers, none were found to have recruited child workers. However, some of the audited suppliers failed to implement recruitment practices, such as collecting written identity authentication pledges and including age limit information in their job opening notices. We took immediate action to have the respective suppliers remedy these issues.

② first-tier suppliers - Remedial Action for Overtime Work of Juvenile Workers

We prohibit juvenile workers from engaging in overtime work, night shifts, and hazardous work. Through on-site audits in January 2021, we identified a young worker engaging in overtime work at one of our first-tier suppliers in Central and South America. The findings from follow-up investigations showed that the supplier lacked sufficient understanding of local laws and the Supplier Code of Conduct. As a result, a mandatory pre-recruitment age verification process was adopted, and we performed recruitment-related training for the supplier's staff members in charge of personnel.

③ first-tier suppliers - Supplier Support for Local Legal Requirements and Amendments

We require our suppliers to comply with all local laws as well as the Supplier Code of Conduct. To ensure compliance, we closely monitor any changes made to such laws that may impact their operations. In July 2021, Mexico amended its outsourcing laws that companies can't hire

outsourcing companies for engaging in tasks that overlap with the core business in terms of the companies' corporate purpose and activity. Mexico also mandated the registration of outsourcing companies with the Mexican Secretariat of Labor and Social Welfare. We held presentations on ways to better respond to Mexico's outsourcing regulations scheduled to be implemented in 2022 and provided guidance on the business categories allowed to register with the Secretariat. From 2022, we will focus on relevant items when we audit our Mexican suppliers, and we will continue to support them to comply with local laws and facilitate their operations.

④ second-tier supplier - Support through the Child Protection Program

In August 2021, through the third-party audit of a one of our first-tier suppliers located in East Asia was found to have partnered with a subcontractor that hired a child worker. Pursuant to our principle of zero tolerance for child labor, we immediately had the supplier sever all business connections with the subcontractor and implemented the child protection program based on Samsung Supplier Code of Conduct. Furthermore, we took action to immediately remove the child from the business site, met with the child's parents to pay all wages, and arranged to support the child to stay in school until reaching legal working age. The respective supplier was given the lowest rating for failure to properly manage its subcontractors and given a strict warning that its partnership with us would be terminated in the case of any recurrence of the use of child labor.

A3) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

4.2 details on forced labour risks identified in different tiers of its supply chains; and

A) [SR 78~79 page /4 cases] 4 cases of first-tier and second tier suppliers

- Special Audits to Eradicate Child Labor, Remedial Action for Overtime Work of Juvenile Workers, Supplier Support for Local Legal Requirements and Amendments, Support through the Child Protection Program

① first-tier supplier - Special Audits to Eradicate Child Labor

We maintain zero tolerance for child labor for our suppliers and perform special audits of their recruitment practices every year to eliminate child labor. Based on our 2021 audits of 141 suppliers, none were found to have recruited child workers. However, some of the audited suppliers failed to implement recruitment practices, such as collecting written identity authentication pledges and including age limit information in their job opening notices. We took immediate action to have the respective suppliers remedy these issues.

② first-tier suppliers - Remedial Action for Overtime Work of Juvenile Workers

We prohibit juvenile workers from engaging in overtime work, night shifts, and hazardous work. Through on-site audits in January 2021, we identified a young worker engaging in overtime work at one of our first-tier suppliers in Central and South America. The findings from follow-up investigations showed that the supplier lacked sufficient understanding of local laws and the Supplier Code of Conduct. As a result, a mandatory pre-recruitment age verification process was adopted, and we performed recruitment-related training for the supplier's staff members in charge of personnel.

③ first-tier suppliers - Supplier Support for Local Legal Requirements and Amendments

We require our suppliers to comply with all local laws as well as the Supplier Code of Conduct. To ensure compliance, we closely monitor any changes made to such laws that may impact their operations. In July 2021, Mexico amended its outsourcing laws that companies can't hire outsourcing companies for engaging in tasks that overlap with the core business in terms of the companies' corporate purpose and activity. Mexico also mandated the registration of outsourcing companies with the Mexican Secretariat of Labor and Social Welfare. We held presentations on ways to better respond to Mexico's outsourcing regulations scheduled to be implemented in 2022 and provided guidance on the business categories allowed to register with the Secretariat. From 2022, we will focus on relevant items when we audit our Mexican suppliers, and we will continue to support them to comply with local laws and facilitate their operations.

④ second-tier supplier - Support through the Child Protection Program

In August 2021, through the third-party audit of a one of our first-tier suppliers located in East Asia was found to have partnered with a subcontractor that hired a child worker. Pursuant to our principle of zero tolerance for child labor, we immediately had the supplier sever all business connections with the subcontractor and implemented the child protection program based on Samsung Supplier Code of Conduct. Furthermore, we took action to immediately remove the child from the business site, met with the child's parents to pay all wages, and arranged to support the child to stay in school until reaching legal working age. The respective supplier was given the lowest rating for failure to properly manage its subcontractors and given a strict warning that its partnership with us would be terminated in the case of any recurrence of the use of child labor.

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

A) [SR 78~79 page /4 cases] 4 cases of first-tier and second tier suppliers

- Special Audits to Eradicate Child Labor, Remedial Action for Overtime Work of Juvenile Workers, Supplier Support for Local Legal Requirements and Amendments, Support through the Child Protection Program

① first-tier supplier - Special Audits to Eradicate Child Labor

We maintain zero tolerance for child labor for our suppliers and perform special audits of their recruitment practices every year to eliminate child labor. Based on our 2021 audits of 141 suppliers, none were found to have recruited child workers. However, some of the audited suppliers failed to implement recruitment practices, such as collecting written identity authentication pledges and including age limit information in their job opening notices. We took immediate action to have the respective suppliers remedy these issues.

② first-tier suppliers - Remedial Action for Overtime Work of Juvenile Workers

We prohibit juvenile workers from engaging in overtime work, night shifts, and hazardous work. Through on-site audits in January 2021, we identified a young worker engaging in overtime work at one of our first-tier suppliers in Central and South America. The findings from follow-up investigations showed that the supplier lacked sufficient understanding of local laws and the Supplier Code of Conduct. As a result, a mandatory pre-recruitment age verification process was adopted, and we performed recruitment-related training for the supplier's staff members in charge of personnel.

③ first-tier suppliers - Supplier Support for Local Legal Requirements and Amendments

We require our suppliers to comply with all local laws as well as the Supplier Code of Conduct. To ensure compliance, we closely monitor any changes made to such laws that may impact their operations. In July 2021, Mexico amended its outsourcing laws that companies can't hire outsourcing companies for engaging in tasks that overlap with the core business in terms of the companies' corporate purpose and activity. Mexico also mandated the registration of outsourcing companies with the Mexican Secretariat of Labor and Social Welfare. We held presentations on ways to better respond to Mexico's outsourcing regulations scheduled to be implemented in 2022 and provided guidance on the business categories allowed to register with the Secretariat. From 2022, we will focus on relevant items when we audit our Mexican suppliers, and we will continue to support them to comply with local laws and facilitate their operations.

④ second-tier supplier - Support through the Child Protection Program

In August 2021, through the third-party audit of a one of our first-tier suppliers located in East Asia was found to have partnered with a subcontractor that hired a child worker. Pursuant to our principle of zero tolerance for child labor, we immediately had the supplier sever all business

connections with the subcontractor and implemented the child protection program based on Samsung Supplier Code of Conduct. Furthermore, we took action to immediately remove the child from the business site, met with the child's parents to pay all wages, and arranged to support the child to stay in school until reaching legal working age. The respective supplier was given the lowest rating for failure to properly manage its subcontractors and given a strict warning that its partnership with us would be terminated in the case of any recurrence of the use of child labor.

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

A) [SR 79page] Rate of employees subject to maternity protection at high-risk suppliers: 2.1% (based on G-SRM, 2022)

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

5.2 the percentage or number of supply chain workers who are migrant workers' and

A) [SR 80page] Rate of migrant workers at high-risk suppliers: 1.1% (based on G-SRM, 2022)

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

5.3 the percentage or number of supply chain workers that are being paid a living wage.

-

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

A1) [SR 77page] We have automated the submission of requests for the supply of parts to our suppliers. The system automatically sets the delivery date based on the lead time agreed to by the two parties in advance. As such, we cannot reset the deadline unless we consult with the respective supplier and gain its prior approval for readjustment.

(Standard Supplier Contract)

Our standard supplier contract includes corporate social responsibility requirements, such as compliance with internationally accepted human rights protection standards and labor practices and our company's workplace safety standards and codes of conduct.

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [SR 78 page] (Supplier Code of Conduct)

We update our Supplier Code of Conduct to reflect revisions of the RBA Code of Conduct and other global norms, and require our suppliers to comply with it. We ensure that provisions regarding compliance with the Supplier Code of Conduct are incorporated in every contract and require suppliers to sign a separate written agreement committing to compliance of our code. The Supplier Code of Conduct Guide help suppliers more effectively and easily follow the Supplier Code of Conduct and practice compliance management.

A2) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

A1) We provide payment support fund for our suppliers to help them make payments for goods supplied by their sub-suppliers in cash within 30 days. Furthermore, since 2010, we have offered productivity and safety incentives for employees of outstanding suppliers. We provided KRW 89.3 billion in 2021 alone, with the program providing a cumulative sum of KRW 514.7 billion.

[SR 81 page] (Incentives for Resident Suppliers)

Since 2010, we have offered productivity and safety incentives for employees of outstanding suppliers based on the results of the annual evaluation of resident companies at our semiconductor business sites. We provided KRW 89.3 billion in 2021 alone, with the program providing a cumulative sum of KRW 514.7 billion.

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [SR 77 page] We have automated the submission of requests for the supply of parts to our suppliers. The system automatically sets the delivery date based on the lead time agreed to by

the two parties in advance. As such, we cannot reset the deadline unless we consult with the respective supplier and gain its prior approval for readjustment.

A2) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

A1) [SR 77page] We have automated the submission of requests for the supply of parts to our suppliers. The system automatically sets the delivery date based on the lead time agreed to by the two parties in advance. As such, we cannot reset the deadline unless we consult with the respective supplier and gain its prior approval for readjustment.

(Selection of New Suppliers)

In 2021, we performed registration evaluations on 82 companies. Among them, 76 were selected as new suppliers, and the other six were eliminated due to failure to meet essential labor and human rights criteria.

(Standard Supplier Contract)

Our standard supplier contract includes corporate social responsibility requirements, such as compliance with internationally accepted human rights protection standards and labor practices and our company's workplace safety standards and codes of conduct.

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [SR 78page] (Supplier Code of Conduct)

We update our Supplier Code of Conduct to reflect revisions of the RBA Code of Conduct and other global norms, and require our suppliers to comply with it. We ensure that provisions regarding compliance with the Supplier Code of Conduct are incorporated in every contract and require suppliers to sign a separate written agreement committing to compliance of our code. The Supplier Code of Conduct Guide help suppliers more effectively and easily follow the Supplier Code of Conduct and practice compliance management.

A2) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

A1) [SR 80Page] We prohibit forced labor and the collection of recruitment fees from our suppliers' migrant workers through the Supplier Code of Conduct.

In 2021, we established the Responsible Recruitment Procedure training course to improve our suppliers' understanding of the procedure, help them eliminate relevant risks, and offer a self-diagnosis tool.

We also performed training on diverse subjects including recruitment criteria, risk recognition and assessment, improvement and risk prevention and mitigation targeting 143 labor and human rights managers at 75 suppliers in local languages such as English, Chinese, Thai, and Malaysian.

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [Supplier Code of Conduct Guide_4Page] 2) Deposits and Recruitment fees

Employers(Suppliers or Labor dispatch agencies) or Recruitment agencies shall make it a rule not to require workers to pay deposits or recruitment fees. If any such deposits or recruitment fees are found to have been paid by workers, those shall be repaid to the worker.

A2) source : https://images.samsung.com/is/content/samsung/assets/global/our-values/resource/Samsung-Electronics-Supplier-Code-of-Conduct-Guide_ver3.1.pdf

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

A1) [SR 80Page] We prohibit forced labor and the collection of recruitment fees from our suppliers' migrant workers through the Supplier Code of Conduct.

In 2021, we established the Responsible Recruitment Procedure training course to improve our suppliers' understanding of the procedure, help them eliminate relevant risks, and offer a self-diagnosis tool.

We also performed training on diverse subjects including recruitment criteria, risk recognition and assessment, improvement and risk prevention and mitigation targeting 143 labor and human rights managers at 75 suppliers in local languages such as English, Chinese, Thai, and Malaysian.

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [Supplier Code of Conduct Guide_4P] 2) Deposits and Recruitment fees

Employers (Suppliers or Labor dispatch agencies) or Recruitment agencies shall make it a rule not to require workers to pay deposits or recruitment fees. If any such deposits or recruitment fees are found to have been paid by workers, those shall be repaid to the worker.

A2) source : https://images.samsung.com/is/content/samsung/assets/global/our-values/resource/Samsung-Electronics-Supplier-Code-of-Conduct-Guide_ver3.1.pdf

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

A1) [SR 80Page] We prohibit forced labor and the collection of recruitment fees from our suppliers' migrant workers through the Supplier Code of Conduct. Based on this policy, a total of USD 389,921 was reimbursed to 1,199 migrant workers from nine countries recruited by our suppliers from 2017 to 2021.

(Training Details)

- Recruitment Criteria: Correcting and supplementing suppliers' policies based on the provisions related to forced labor prohibition in the Supplier Code of Conduct
- Risk Recognition and Assessment: Identifying the entire recruitment process related to recruiting agencies in departure countries, recruiting agencies in destination countries, and suppliers and assessing risks using the selfdiagnosis tool
- Improvement: Collecting data through migrant worker interviews and submitted grievances, reaching conclusions in a transparent manner, and establishing improvement plans
- Risk Prevention and Mitigation: Analysing fundamental causes, establishing subsequent corrective measures, and performing training for migrant workers and recruiting agencies

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [Supplier Code of Conduct Guide_4P] 2) Deposits and Recruitment fees

Employers(Suppliers or Labor dispatch agencies) or Recruitment agencies shall make it a rule not to require workers to pay deposits or recruitment fees. If any such deposits or recruitment fees are found to have been paid by workers, those shall be repaid to the worker.

A2) source : https://images.samsung.com/is/content/samsung/assets/global/our-values/resource/Samsung-Electronics-Supplier-Code-of-Conduct-Guide_ver3.1.pdf

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

-

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

A) [SR 80Page] In 2021, we established the Responsible Recruitment Procedure training course to improve our suppliers' understanding of the procedure, help them eliminate relevant risks, and offer a self-diagnosis tool.

We also performed training on diverse subjects including recruitment criteria, risk recognition and assessment, improvement and risk prevention and mitigation targeting 143 labor and human rights managers at 75 suppliers in local languages such as English, Chinese, Thai, and Malaysian.

(Training Details)

- Recruitment Criteria : Correcting and supplementing suppliers' policies based on the provisions related to forced labor prohibition in the Supplier Code of Conduct
- Risk Recognition and Assessment : Identifying the entire recruitment process related to recruiting agencies in departure countries, recruiting agencies in destination countries, and suppliers and assessing risks using the selfdiagnosis tool
- Improvement : Collecting data through migrant worker interviews and submitted grievances, reaching conclusions in a transparent manner, and establishing improvement plans
- Risk Prevention and Mitigation : Analyzing fundamental causes, establishing subsequent corrective measures, and performing training for migrant workers and recruiting agencies

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

A) Samsung Electronics joined the United Nations Global Compact, a global initiative to encourage businesses to align their operations and strategies with universal sustainability principles, in March 2022.

By joining the UN Global Compact, we expressed our commitment to embedding its principles in all aspects of our management and corporate culture and expanding our cooperation with global stakeholders, including the United Nations.

As a global corporate citizen, we remain committed to sustainability and take shared responsibility to preserve the environment and build an inclusive world in partnership with stakeholders.

[SR 2022 p.20] United Nations Global Compact

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

-

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

-

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

-

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

A) Manager complaints, wages, and working hours data released by Samsung Electronics are all related to forced labor and we disclosed below cases.

[SR Page 80] (Grievance Resolution Cases)

- ① A grievance regarding improper monitoring and disciplinary action committed by a superior was submitted from one of our suppliers in Central and South America. Based on the findings from subsequent investigations and interviews for fact-finding, the victim was relocated to a new position, and the superior was banned from physically approaching or taking retaliatory action against the victim. We conducted monitoring for three months to prevent the occurrence of any similar incidents.

- ② An employee at one of our suppliers in Southeast Asia submitted a grievance about the hygiene of bedding and food provided by the company. After investigating the dormitory and restaurant environment in cooperation with the supplier, the supplier immediately remedied the situation and conducts monthly employee surveys to make continued improvements.
- ③ There was a case that an employee's wage was deducted at one of our suppliers in Europe to repair a cleaning tool kit that he damaged. We explained to the employee first that wage deduction is not a permitted form of disciplinary action based on the Supplier Code of Conduct, and verified it through an interview of the supplier's manager and other evidential documents. The deducted amount was immediately reimbursed to the employee on the date of submitting the grievance. The employee was satisfied with the results, and the case was closed.

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

A) [SR 80Page] Our organizational unit dedicated to grievance management verifies the factual grounds of all reports within one week, notifies informants of the findings and steps to be taken, and monitors respective suppliers to ensure that they take remedial actions. In 2021, grievances related to the misconduct of superiors and wages accounted for the largest share of cases. We implemented measures to prevent recurrence, provided communication improvement training for the respective suppliers, and confirmed that all grievances were remedied.

In addition, in order to establish a more reliable grievance handling system, we are collecting opinions on the improvement of the hotline system from suppliers through interviews with workers during on-site audits, and compliance management workshops. As a result, we have been conducting a survey on the satisfaction of informants since 2020, and we have confirmed that all measures have been satisfactorily handled in an environment where informants' confidentiality is guaranteed. We will strive to ensure the continued improvement of the system in collaboration with our suppliers.

A) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

A1) Samsung Electronics on-site audits of suppliers is Based on RBA's criteria and it include the review of all related documents. Also Samsung Electronis employs the CMA method according to the VAP protocol.

- **[SR 78Page]** Use third-party audit specialists accredited by RBA to randomly select suppliers and conduct initial audits based on RBA's criteria

Remediating any issues identified on-site following the initial audit and checking overall results of remedial actions taken through the closure audit

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) **[Samsung Homepage]** RBA-certified third-party audit firms randomly select suppliers and conductInitial audits based on RBA criteria

A2) source : <https://www.samsung.com/uk/sustainability/sustainable-supply-chain/>

A3) **[SR 93Page]**

- Prohibition of forced labor and establishment of relevant policies, mandating of written labor contracts in native language, guarantee of freedom of movement, prohibition of keeping the original copy of an employee's identification document, etc.
- Accurate calculation and payment of wages, provision of wage statements, prohibition of delay in the payment of wages, prohibition of unfair penalty imposition, proper payment of any social insurance fees or withholding taxes, etc.
- Prohibition of discrimination based on gender and other personal traits to ensure access to equal opportunities and pay, establishment of anti-discrimination policies and procedures, provision of spaces for religious gathering, etc.
- Guarantee of the right to establish and join labor unions, right to collective bargaining, freedom of assembly and association, prohibition of discrimination against labor union members, etc.

A3) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

A1) Samsung Electronics is releasing three years' worth of data in sustainability report about forced labor, including freely chosen employment and non-discrimination. In addition, we are disclosing monitoring efforts and solutions related to forced labor for first-tier and second-tier suppliers based on Samsung Electronics' on-site audit.

- **[SR 93Page]** Voluntary labor, Guarantee of freedom of movement, Prohibition of child labor, Protection of underage workers, Working hour management, Guarantee of one day off per week, Wages and benefits, Humane treatment, Non-discrimination, Freedom of association

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [SR 78~79Page] 3 cases of first-tier and second tier suppliers

- Special Audits to Eradicate Child Labor, Remedial Action for Overtime Work of Juvenile Workers, Support through the Child Protection Program

① first-tier supplier - Special Audits to Eradicate Child Labor

We maintain zero tolerance for child labor for our suppliers and perform special audits of their recruitment practices every year to eliminate child labor. Based on our 2021 audits of 141 suppliers, none were found to have recruited child workers. However, some of the audited suppliers failed to implement recruitment practices, such as collecting written identity authentication pledges and including age limit information in their job opening notices. We took immediate action to have the respective suppliers remedy these issues.

② first-tier suppliers - Remedial Action for Overtime Work of Juvenile Workers

We prohibit juvenile workers from engaging in overtime work, night shifts, and hazardous work. Through on-site audits in January 2021, we identified a young worker engaging in overtime work at one of our first-tier suppliers in Central and South America. The findings from follow-up

investigations showed that the supplier lacked sufficient understanding of local laws and the Supplier Code of Conduct. As a result, a mandatory pre-recruitment age verification process was adopted, and we performed recruitment-related training for the supplier's staff members in charge of personnel.

③ second-tier supplier - Support through the Child Protection Program

In August 2021, through the third-party audit of a one of our first-tier suppliers located in East Asia was found to have partnered with a subcontractor that hired a child worker. Pursuant to our principle of zero tolerance for child labor, we immediately had the supplier sever all business connections with the subcontractor and implemented the child protection program based on Samsung Supplier Code of Conduct. Furthermore, we took action to immediately remove the child from the business site, met with the child's parents to pay all wages, and arranged to support the child to stay in school until reaching legal working age. The respective supplier was given the lowest rating for failure to properly manage its subcontractors and given a strict warning that its partnership with us would be terminated in the case of any recurrence of the use of child labor.

A2) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

A1) [SR 78Page] On-Site Audit

To more thoroughly and accurately audit their work environments, we first identify their issues and points of improvement based on the opinions and comments of their employees.

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [Samsung Homepage] Square root of total number of employees of suppliers interviewed

A2) source : <https://www.samsung.com/uk/sustainability/sustainable-supply-chain/>

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

A1) [SR 78~79page] 3 cases of first-tier and second tier suppliers.

Special Audits to Eradicate Child Labor, Remedial Action for Overtime Work of Juvenile Workers, Support through the Child Protection Program

① first-tier supplier - Special Audits to Eradicate Child Labor

We maintain zero tolerance for child labor for our suppliers and perform special audits of their recruitment practices every year to eliminate child labor. Based on our 2021 audits of 141 suppliers, none were found to have recruited child workers. However, some of the audited suppliers failed to implement recruitment practices, such as collecting written identity authentication pledges and including age limit information in their job opening notices. We took immediate action to have the respective suppliers remedy these issues.

② first-tier suppliers - Remedial Action for Overtime Work of Juvenile Workers

We prohibit juvenile workers from engaging in overtime work, night shifts, and hazardous work. Through on-site audits in January 2021, we identified a young worker engaging in overtime work at one of our first-tier suppliers in Central and South America. The findings from follow-up investigations showed that the supplier lacked sufficient understanding of local laws and the Supplier Code of Conduct. As a result, a mandatory pre-recruitment age verification process was adopted, and we performed recruitment-related training for the supplier's staff members in charge of personnel.

③ second-tier supplier - Support through the Child Protection Program

In August 2021, through the third-party audit of a one of our first-tier suppliers located in East Asia was found to have partnered with a subcontractor that hired a child worker. Pursuant to our principle of zero tolerance for child labor, we immediately had the supplier sever all business connections with the subcontractor and implemented the child protection program based on Samsung Supplier Code of Conduct. Furthermore, we took action to immediately remove the child from the business site, met with the child's parents to pay all wages, and arranged to support the child to stay in school until reaching legal working age. The respective supplier was given the lowest rating for failure to properly manage its subcontractors and given a strict warning that its partnership with us would be terminated in the case of any recurrence of the use of child labor.

A1) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

A2) [SR 80Page]Grievance Resolution Cases

- ① A grievance regarding improper monitoring and disciplinary action committed by a superior was submitted from one of our suppliers in Central and South America. Based on the findings from subsequent investigations and interviews for fact-finding, the victim was relocated to a new position, and the superior was banned from physically approaching or taking retaliatory action against the victim. We conducted monitoring for three months to prevent the occurrence of any similar incidents.
- ② An employee at one of our suppliers in Southeast Asia submitted a grievance about the restaurant environment in cooperation with the supplier, the supplier immediately remedied the situation and conducts monthly employee surveys to make continued improvements.
- ③ There was a case that an employee's wage was deducted at one of our suppliers in Europe to repair a cleaning tool kit that he damaged. We explained to the employee first that wage deduction is not a permitted form of disciplinary action based on the Supplier Code of Conduct, and verified it through an interview of the supplier's manager and other evidential documents. The deducted amount was immediately reimbursed to the employee on the date of submitting the grievance. The employee was satisfied with the results, and the case was closed.

A2) source :

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/sustainability_report_2022_en.pdf

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

A)

Samsung has been engaged with RBA in addressing findings of the ASPI report and follow up due diligence process which includes dialogue with a variety of stakeholders

Samsung Electronics replied to questions from the UN OHCHR and UN working group on Working Group on Business and Human Rights regarding to forced labor issue in Uyghur area

A) Source : <https://spcommreports.ohchr.org/TMResultsBase/DownloadFile?gId=36201>

B.1.2 outcomes of the remedy process in the case of the allegation

A) Samsung electronics has taken action including the RBA-lead investigation, due diligence conducted internally on our suppliers and the outcome that a supplier was dropped as a consequence

Samsung Electronics replied to questions from the UN OHCHR and UN working group on Working Group on Business and Human Rights regarding to forced labor issue in Uyghur area

A)Source: [https://spcommreports.ohchr.org/TMResultsBase/DownloadFile?gId=36201\(s\)](https://spcommreports.ohchr.org/TMResultsBase/DownloadFile?gId=36201(s)); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources from China or Malaysia. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.