

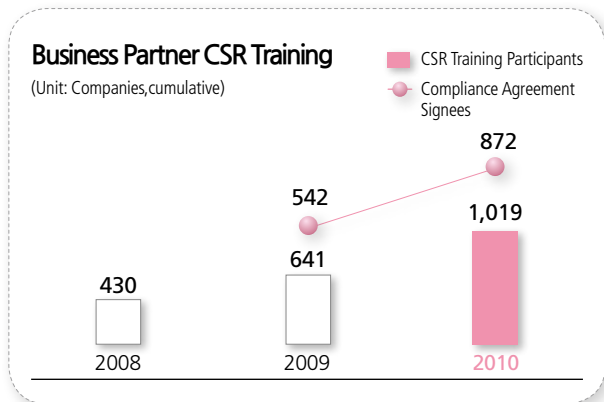
CSR Support for Business Partners



We help business partners recognize the importance of CSR and incorporate CSR in their business activities. According to our mid/long-term policy for partner company CSR support, we promoted the importance of CSR to all direct suppliers in Korea. This policy was adopted in 2009. In 2010, we extended the scope of support to partners in China and Southeast and Southwest Asia. Related activities spanned from CSR training based on the EICC Code of Conduct, to self-assessment and signing of the compliance agreement. In 2011, we will move beyond our emphasis on raising awareness and come up with more refined CSR support measures. We plan to focus our energy on selected partners taking into account the size of a company and its transaction volume with Samsung Electronics. For these firms, we will expand self-assessments as well as onsite inspection and guidance. In addition, CSR self-assessment results will be incorporated in partner assessments that are conducted by the purchasing department.

CSR Culture

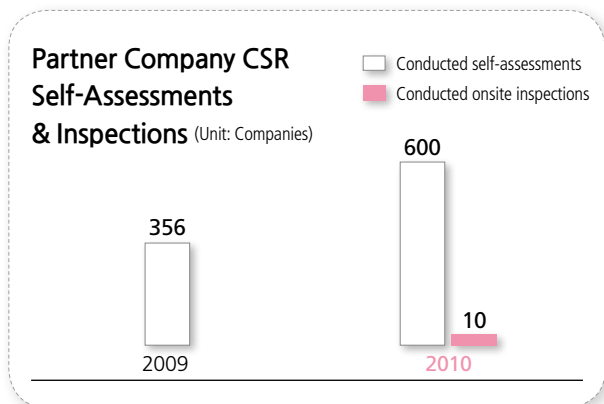
We conducted training to disseminate our CSR principles for 567 companies in Korea and 345 companies in China and Southeast/Southwest Asia. For systematic implementation of CSR, we appointed CSR personnel in each of the major business divisions who are responsible for training and other related activities. We have distributed Korean, English and Chinese versions of CSR training materials to partner companies.



CSR Evaluation & Improvement

Self-Assessment

Samsung Electronics has a CSR support system that partner companies can directly access to sign compliance agreements and check self-assessment results. Companies that conduct self-assessments using this system are drawing up plans to improve on shortcomings. Onsite guidance is offered to business partners for their improvement activities. In 2010, ten partner firms were chosen for each of the eight business units in Korea to receive onsite guidance on CSR. This initiative will be expanded in 2011. Furthermore, we will ensure credibility through the EICC's Validated Audit Program (VAP).



Incorporating CSR in Partner Assessments

Samsung Electronics is in the process of enhancing partner assessments with greater incorporation of CSR performance to encourage partner firms to take part in CSR activities.

CSR Items Included in Partner Assessments

- Labor: Work hours, prohibition of child labor, legal wage and welfare standards
- Health & safety: Industrial safety and worker protection, preparing for and responding to emergency situations
- Ethics: Upholding ethics in business transactions
- Environment: Environmental approval, hazardous substances



Ban on Conflict Minerals

The Democratic Republic of Congo and other regions of conflict in Africa have vast reserves of natural resources. However, armed groups are reportedly exploiting the continent's underground resources and using profits from illegal mineral trade to fund violence. Brutal conflicts have resulted in the loss of an estimated 5.4 million lives through 2007.

Exploitation, massacres and other human rights violations are rampant in the regions of conflict which are home to large mineral deposits. The minerals found in these areas include tantalum, tungsten, tin and gold, all of which are essential for the electronics industry. Accordingly, diverse stakeholders are calling for more stringent scrutiny over parts suppliers by global electronics companies.

As a full member of the extractives working group of the EICC, Samsung Electronics has been addressing the issue of minerals from conflict areas.

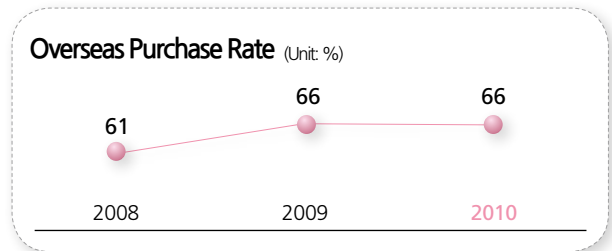
The EICC is highly aware of the problems related to mining of minerals in high-risk regions such as Congo and developing countries. A special task force comprising member companies is examining the mineral supply chain and formulating guidelines on conduct that should be observed by companies in the supply chain. Separately, Samsung Electronics prohibits the use of coltan from Congo in all of its business units and has distributed a letter recommending suppliers for the semiconductor business to refrain from using coltan, tin and tantalum from regions of conflict.

Samsung Electronics will continue to work together with the EICC to restrict the use of conflict minerals and to address the social issues throughout the supply chain.

Fair and Transparent Purchasing Policy

Open Sourcing

Samsung Electronics operates production plants in 14 countries outside of Korea. In operating those plants, we take a localized and community-friendly stance while maintaining a purchasing policy of giving priority to competitive local suppliers, thereby contributing to the development of local communities.



Fair Trading

We make every effort to prevent excessive competition among suppliers and violation of trade ethics by adhering to local laws while striving for fair and rational purchasing. In addition, we evaluate partners' capabilities through objective assessments, helping them find and correct their deficiencies by themselves. Furthermore, we deliver know-how and lease our facilities on demand.

Win-Win Purchasing

We pursue mutual advances with suppliers based on mid- to long-term partnerships. To this end, we work together with partners in order that they may provide high quality products and strengthen competitiveness. We promote an open and interactive environment in which our partners can freely express their views.