Labor & Human Rights

Work & Life Balance

Work hours are continuously monitored at Samsung Electronics to promote work-life balance. In particular, we have introduced a flexible time program for administrative staff so they can set their own work hours to enhance quality of work life. Work hours at the global production subsidiaries are adequately managed according to local employment standards and the Electronic Industry Citizenship Coalition (EICC) guidelines.

Labor Union Policy and Labor Council

Samsung’s basic HR policy is summarized in the following statement: “The workers and the company will cooperate for mutual advancement based on the principles of co-existence, co-prosperity and harmony.” Samsung Electronics strives to provide superior working conditions relative to its peers so that employees do not feel the need for a labor union. All of our business sites across the globe have a labor council to facilitate dialogue between labor and management. Other major communication channels include the GWP committee and safety council.

Each of our business sites in Korea has a worker council. Each worker council holds at least one regular meeting per quarter. The council also gathers when the need arises to discuss matters such as salary adjustments. It enables grievances and requests to be swiftly conveyed to management so that the necessary corrective measures can be pursued. Due consideration was given to employees’ requests to improve the work environment. In 2010, the worker council addressed several issues through expanding the flexible time program, establishing infrastructure for stress relief, and improving office environment.

Retirement

Outplacement Program

Up through 2010, we provided assistance for 2,216 retiring employees find new jobs or start a business through the career development centers. In 2010, we signed an agreement with the Korea Federation of Small and Medium Business to help seasoned specialists find new jobs at small and mid-size enterprises. In 2011, we plan to offer career planning courses for incumbent employees.

Turnover Rate

(Unit: Persons, %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Korea</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>17.0</td>
<td>15.3%</td>
</tr>
<tr>
<td>2009</td>
<td>7.7</td>
<td>4.9%</td>
</tr>
<tr>
<td>2010</td>
<td>11.0</td>
<td>11.0%</td>
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</tbody>
</table>

* Overseas figures are based on voluntary retirement

Major Discussion Items

- Expanding the flexible time program
- Encouraging the use of holidays (personal time off)
- Improving overtime supervision
- Building infrastructure to help employees relieve stress
- Revising labor council regulations
- Improving the office environment
Expenditure on Employee Benefits (Unit: KRW billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Korea</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>433.7</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>570.1</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>825.2</td>
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</tbody>
</table>

* Figures reported in the previous sustainability report were corrected and restated.

**Talent Management**

**Performance Evaluation & Benefits**

In 2010, Samsung Electronics made upward adjustments in the salaries of all employees and applied a system of accumulated annual salary for individual workers to differentiate compensation according to performance. We offer benefits required by law as well as internal benefit programs to enhance quality of life for employees. Both regular employees and those working on contract basis can take advantage of numerous benefits which include group insurance, physical exams, financial aid for medical costs, congratulatory/condolence pay, and use of leisure facilities. In 2010, we increased the physical exam components to promote the health of employees.

**Child Labor and Forced Labor**

Discrimination, forced labor and child labor are prohibited in accordance with articles 4, 6 and 16 of the company's rules of employment. In addition, we strictly abide by the 24 ILO conventions ratified by the Korean government. In 2010, there were no violations of laws and regulations related to child labor and forced labor.