Samsung Electronics Supplier Code of Conduct Guide

Version 4.0
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1. Labor & Human Rights

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Introduction

Samsung Electronics and all its suppliers are fully aware that human beings have inherent human rights, and that the nation, society, and corporations are all responsible for the protection of human rights.

That means, when the development of the industrial economy and corporate activities have more significant impact on the sustainable development of the nation and human society than ever, corporations, along with nations, should do their effort to voluntarily carry out their duties and responsibilities to protect the rights of individuals that are directly or indirectly related to their business activities.

Thus, Samsung Electronics and its suppliers have reflected the principle of protecting human rights, that means, dignity and values as human beings, in their management activities, complied with the laws and ethics based on the Samsung Value that must be shared and kept together, and established and actively implemented policies that could be the basis for thought and action in management activities, fulfilling their roles and social responsibilities.

For this, Samsung Electronics and all the suppliers

- support and protect the internationally proclaimed human rights.

- respect the dignity and diversity of individuals and their fundamental rights.

These efforts also include establishing management policies and systems to strive not to be involved in human rights violations and building coexistent labor-management relations based on mutual trust and successful communication.
1.1 Freely Chosen Employment

1. Definition

All work must be voluntary. Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Employers (Suppliers or Labor dispatch agencies) or Recruitment agencies shall not require workers to pay deposits or recruitment fees as part of their employment. In addition, labor conditions must be provided in written form to the workers in the language that they are able to understand.

< Terms >

Worker A person who is working for wages, regardless of any kind, in the supplier's business or at the supplier's workplace.

Employment contract A contract between the supplier and worker, which stipulates that the worker provides labor and the supplier pays wages for compensation.

Foreign worker A worker whose nationality or country of origin is different from the country where the supplier's workplace is located.

Sending country The country that the foreign worker was born in and resided at.

Labor dispatch agency A company who is hiring, providing, managing workers for supplier under contract and in exchange for financial compensation.

Dispatch worker A worker who is not employed by the supplier but is employed by labor dispatch agency and works at the supplier's workplace.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and Procedures

- Supplier shall establish adequate policies and procedures to ensure that any type of forced, bonded (including debt bondage), involuntary prison, or trafficked labor is not used.
- In the case of hiring workers through a labor dispatch agency, the Supplier shall only conduct business with labor dispatch agencies which have legal and valid licenses and shall enter into a labor dispatch contract with the agency.
- The Supplier shall require a labor dispatch agency to have documented policies and procedures in compliance with this Guide, and systems of monitoring compliance with the relevant policy shall be in place.
- All workers and labor dispatch agencies shall be trained with restrictions on forced labor and have relevant training records.

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.
3) Free to Conclude and Terminate Employment Contract
- Workers shall be free to conclude and terminate an employment contract with the Supplier.
- Termination notice period shall not exceed one month.
- Workers shall not be restricted from voluntary employment termination, and no penalty, including penalty for termination, shall be imposed on relevant workers.

4) Voluntary Overtime Work
- For all overtime work outside regular working hours, the Supplier shall obtain workers’ voluntary consents, and shall not force them to work overtime.
- Procedures for obtaining a prior consent from a worker or employee representative organization shall be established.

5) Repayments of Personal Loans and Education Grant
- In the case of supporting education, grant repayment from workers cannot exceed 10 percent of monthly wage.
- The monthly amount of personal loan repayment cannot exceed 10 percent of monthly wage, and its interest rate cannot be higher than the one set by local regulations.

6) Employment Contract
- Workers including foreign workers shall conclude an employment contract in their native language that is easily understood.
- The following details shall be included in a written employment contract, illegal terms and conditions (e.g. Terminating a worker’s employment solely based on her pregnancy status) that go against local laws shall not be included:
  ∙ Company name, address, legal representative or responsible person
  ∙ Worker’s name, address, identity card or other identification cards’ number
Composition items and calculation method of wage (base pay, other allowances such as overtime allowance, wage deduction, etc.), payment method

Term of Employment, revocation of contract/resignation procedures and clauses

Details of work, regular working hours and break time

Legal holidays or days off

Welfare benefits (Social insurance, accommodation, meal, transportation, working clothes)

Working conditions set by other local regulations

Before the start of worker’s employment or during a period designated by local regulations (e.g. In China, within one (1) month after joining a company), the Supplier shall conclude a written employment contract directly with a worker and give the worker one (1) original contract document.

Documents (e.g. receipt confirmation) guaranteeing that a worker receives a written employment contract shall be kept.

For a foreign worker, terms and conditions of employment contract shall be provided to foreign worker before departure from their home country or region.

After conclusion of this employment contract, it cannot be changed to worse conditions (e.g. low wages, relocation to other production facility, imposition of unnoticed fees such as accommodation/meal, etc.).

The Supplier must check if a dispatch worker concluded an employment contract with labor dispatch agency in a legal manner, and a copy of the written contract shall be kept.

Documents about registration of workers and employment contract shall be kept during the statute of limitations.

7) Restrictions on Keeping Workers’ Original Personal Documentation

- Under no circumstances can the Supplier request the transfer of workers’ original personal documentation (e.g., Passport, work visa/permit,
identification, social security/insurance cards/documents, birth certificate, wage cards, bank documents, etc.)

- If needed, the Supplier shall manage a copy of personal documents with a worker’s consent, and if the statute of limitations has expired, it shall destroy the copy of personal documents immediately.

- In the case that local law requires employers to hold foreign workers’ personal documents or in the case of foreign workers’ voluntary request for keeping their personal documents, relevant procedures shall be in place for safe keeping. Personal documents must not be tampered with or damaged in any way. In addition, procedures (e.g. management of personal document access records) ensuring workers are guaranteed the return of their documents within twelve (12) hours of the request shall be in place.

- Under no circumstances shall a fee for the safe keeping of personal documents be imposed on workers.

- A place to keep workers’ personal documents in a safe manner shall be provided.

- Policy and procedures for complying with items mentioned above shall be established and maintained.

8) No Unreasonable Restrictions on Freedom of the Movement

- Except for cases allowed for worker safety or by local regulations, there shall be no unreasonable restrictions on the movement of workers such as toilets, drinking water, external medical facilities, factory/dormitory exit and entry. Movement to/from toilets or drinking water should not be allowed except for at certain times, and non-coercive restrictions system such as toilet passes shall be operated.

- Factory/dormitory exits shall be always open to ensure that workers can escape from these areas in emergency situations such as fire, etc.

- Workers shall freely move to and from dormitory or in/out of the facility when not engaged in work.
4. Practice

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>1) Sharing Policies of Company such as Employment Rules, etc.</strong></td>
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<tr>
<td>- Given that documents containing policies of company including employment rules are important, the documents are locked in file cabinets.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- Documents containing policies of the company are permanently posted in the place where workers can freely read documents in order to ensure the Supplier shares policies of the company with workers.</td>
<td>(O)</td>
<td></td>
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<tr>
<td><strong>2) Consent on Overtime Work</strong></td>
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<tr>
<td>- After notifying workers, a manager on site signs a consent form instead of the workers.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- After requesting prior consent of overtime work from a worker or employee representative organization, obtain the worker’s signature and keep the consent form.</td>
<td>(O)</td>
<td></td>
</tr>
<tr>
<td><strong>3) Conclusion of Employment Contract</strong></td>
<td></td>
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<tr>
<td>- A relative of the worker concludes an employment contract instead of the worker and then the worker re-concludes the contract later.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- Female workers are not allowed to be pregnant during employment. Conclude a special contract containing details that terminate a worker’s employment if a female worker is pregnant.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- A worker must conclude an employment contract by signing the contract in their own handwriting.</td>
<td>(O)</td>
<td></td>
</tr>
<tr>
<td><strong>4) Selection of Labor Dispatch Agency</strong></td>
<td></td>
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</tr>
<tr>
<td>- Select a labor dispatch agency that can quickly supply workers.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- Select a labor dispatch agency with valid certificates, policy and procedures.</td>
<td>(O)</td>
<td></td>
</tr>
<tr>
<td><strong>5) Storage of Personal Documents</strong></td>
<td></td>
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<tr>
<td>- There are some cases in which a labor dispatch agency keeps wage cards of dispatch workers and exploits their wages. In this regard, the Supplier conducts unregistered surveys targeting dispatch workers to check if a similar case exists and then takes appropriate measures.</td>
<td>(O)</td>
<td></td>
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</tbody>
</table>
6) A worker gives notice that he or she will quit a job one month later.

<p>| | |</p>
<table>
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</thead>
<tbody>
<tr>
<td>- Deduct a penalty from monthly wage if a worker does not work until replacement worker is supplemented.</td>
<td>(X)</td>
</tr>
<tr>
<td>- Deal with a worker’s employment termination at the request date of worker and settle wages based on his working days.</td>
<td>(○)</td>
</tr>
</tbody>
</table>
1.2 Young Workers

1. Definition

Child labor is not to be used in any stage of manufacturing. The term "Child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. If any child labor is detected, the Supplier shall immediately take required action steps. The Supplier shall immediately stop such child labor and improve the reviewing process regarding the age of the worker during recruitment. The use of legitimate student intern programs, which comply with all laws and regulations, is supported. Young workers over the legal minimum age for employment may be hired; however, young workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers, including night shifts and overtime.

< Terms >

Young worker A worker older than legal minimum age for employment in the country or 15 years of age, whichever is greatest, but who is younger than 18 years of age.

Student intern A worker regardless of age, who is registered at an educational institution and employed by supplier for a program arranged by the educational institution.

Educational institution An institution which offers programs of that lead to a certification, degree, or diploma which is at least 1 academic term.

Night work Any work carried out between 10:00 p.m. and 5:00 a.m.

Hazardous work Certain sectors and occupations which are more dangerous than others including underground, underwater, dust, high place, high temperature, low temperature work and noise processing, chemicals/radio substance handling, works with vibration equipment, etc.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and Procedures

- Under any circumstances, the Supplier shall prohibit child laborers from being hired, and shall document and hold a child labor prohibition policy specifying the legal minimum working age.
- All workers shall be trained on the child labor prohibition policy, and training materials/records shall be kept.
- The Supplier shall ensure the child labor prohibition policy is permanently posted at the entrance of workplaces, dormitories, cafeterias, and lounges in order to share the policy with all workers. Ways (hotline, etc.) of reporting anonymously if any child labor exists at workplace shall be provided.

2) Employment Process

- An employment process which can check identity of applicants in order to block any attempt to hire a child laborer shall be established and implemented.
- Age-verification shall be based on visual verification of government-issued photographic ID, and its validity shall be verified through cross-checking the following methods.
  - Verification through Internet or local government offices
  - Government-issued birth certificate, voting registration card
  - “Official stamped” copy of a school certificate
  - Government-issued documents which can confirm date of birth, such as foreigner work permits
- In China, the Supplier shall comply with the following employment process.

< China Supplier's Employment process >

<table>
<thead>
<tr>
<th>Step</th>
<th>Requirements</th>
</tr>
</thead>
</table>
| **JobPosting**            | - No discriminative hiring requirements in job posting (Gender, nationality, religion, age, etc.)  
                           | - Specifying the legal minimum working age                                      |
| **Document Screening**    | - Eliminating workers without ID cards  
                           | - Checking if ID card matches submitted documents  
                           | - Receiving a worker’s signature in declaration for identification’            |
| **Identification**        | - Checking a worker’s identity by using electronic equipment (Face recognizer, ID card checker) certified by the government |
| **Interview Screening**   | - Checking an applicant’s face with photographic ID card  
                           | - For an applicant suspected as child laborer, asking additional questions to verify the applicant's identity (date of birth, birthplace, sibling, Chinese zodiac sign) |
| **Physical Examination**  | - Prohibitions on examination items checking ‘hepatitis B’ or ‘pregnancy’  
                           | - Prohibitions on rejecting any applicants with a disease                       |
| **Confirmation of Employment** | - Receiving an employed person’s signature in ‘declaration for hiring requirements’ before concluding a labor contract  
                           | - Ensuring labor contract is concluded within one month after the employment date  
                           | - Storage of employment documents (job application letter, declaration for hiring requirements, a copy of ID card, declaration for identification, records of facial recognition) |
· In the process of document screening for applicants, receive a copy of ID card and declaration for identification, and check if ID card is forged by using ID card checker.
· Check an applicant’s face with photographic ID card by using face recognizer. Only if the match rate is 61 percent or higher based on the standard set by the public security bureau, then the applicant can be hired.

< ID card checker >

< Face recognizer >

- A face to face interview shall be conducted for all applicants. In case any applicant is suspected as a child during an interview, the Supplier shall verify the applicant by asking the following questions based on personal information identified through ID card, etc.
  · Please tell me your ID card number.
  · Which year were you born?
  · Where is your hometown?
  · How old are your siblings?
  · Which year did you enter school?
  · Which school did you attend?
  · Where did you work before you applied here?
- The following documents related to the employment process shall be kept.
  - Job application letter, a copy of ID card
  - For China, additional documents such as records of facial recognition, declaration for identification, declaration for hiring requirements shall be kept.

3) Measures Taken if Child Labor is found

- If a child laborer is found at the workplace, the Supplier shall immediately stop the child from working and notify Samsung.
- To protect the well-being of the child as much as possible, the Supplier shall implement child protection programs by discussing this matter with SEC.
- With regards to the child protection program, if a child and her/his family consent to attending school, the Supplier shall support educational fees and living expenses corresponding to the minimum wage until the child becomes the legal minimum working age, and offer the child opportunity to be re-employed after becoming the legal minimum working age.
- The Supplier shall verify the employment process again and improve the process.

4) Protection of Young Workers

- The Supplier can hire workers under the age of 18, except for children. However, considering that it is difficult to take protective measures for young workers (prohibition on overtime work, etc.) in reality, it is recommended that hiring young workers shall be carefully considered.
  - If the Supplier hires young workers, the Supplier must comply with a process for protecting young workers.
- To protect the health and safety of young workers, a young worker protection process prohibiting overtime, night work or hazardous work and requires health checks according to local regulations shall be complied with.
- Working records of young workers shall be separately managed, and young
workers shall be distinguished from others through working clothes or name tags, etc.

- In case of requesting the registration/report of young workers in accordance with local regulations when hiring young workers, the Supplier shall comply with relevant requirements.

5) Protection of Student Interns

- It is possible to hire student interns only under internship programs according to local regulations.

- Student interns are not allowed to perform overtime, night work or hazardous work.

- Before concluding an internship agreement, the Supplier shall check if an educational institution (school) is officially certified, and a student intern is actually registered at the educational institution.

- Tri-party agreements (between Supplier, educational institution, and student intern/parent) shall be concluded, and the Supplier shall assign student interns to a working process suitable for the internship training program.

- Student interns shall not be hired via labor dispatch agencies.

- Financial disadvantage (non-payment of accurate wage, etc.) and academic disadvantage (inability to graduate from a school in the case of early termination) for student interns are prohibited.

- Student interns shall be insured against accident or liability and shall be fully covered for any other forms of insurance required by law or regulation.
### 4. Practice

1) An applicant who looks like an adult by appearance does not have his or her ID card.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>(X)</td>
<td>Hire the applicant first, then require him or her to submit ID card later.</td>
</tr>
<tr>
<td>(O)</td>
<td>Require the applicant to visit the workplace again with ID card</td>
</tr>
</tbody>
</table>

2) In accordance with local regulations, the legal minimum working age is 16. As a result of ID card check, it is discovered that there is one week left before the applicant becomes 16.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>(X)</td>
<td>Hire the applicant first and then conclude employment contract one week later.</td>
</tr>
<tr>
<td>(O)</td>
<td>Require the applicant to visit the workplace again with an ID card one week later.</td>
</tr>
</tbody>
</table>

3) A supplier in China checked an applicant’s ID card by using a face recognizer. As a result, it is confirmed that the applicant is an adult with the age of 18 or above and identifies himself/herself.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>(X)</td>
<td>As the identity of applicant is checked, it does not need to store records of facial recognition</td>
</tr>
<tr>
<td>(O)</td>
<td>Store records of facial recognition on a computer and manage them on a regular basis.</td>
</tr>
</tbody>
</table>

4) A young worker has had experience in working for X-ray testing process.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>(X)</td>
<td>Provide appropriate PPE(Personal Protective Equipment) to the young worker and deploy the worker to X-ray testing process.</td>
</tr>
<tr>
<td>(O)</td>
<td>Assign general working processes, such as assembly, to young workers.</td>
</tr>
</tbody>
</table>
5) During the summer months, there are many applicants about the age of 20 who come from the same region. As a result of checking their ID cards, all applicants are confirmed to be adults who are the age of 18 or older.

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<tbody>
<tr>
<td></td>
<td>As they are adults who are the age of 18 or older, hire them immediately and assign them overtime and night work.</td>
</tr>
<tr>
<td></td>
<td>For student workers, it is possible to hire them only through internship programs. For the case mentioned above, these applicants are suspected to come from the same school. In this case, check if applicants are students or not. If they claim not to be students, get their signature in an application form and declaration for hiring requirements in order to ensure they pledge not to be students. Then, hire these applicants. ※ In case these applicants are confirmed as students later, cancel employment contract right away by reason of entering false facts.</td>
</tr>
</tbody>
</table>
1.3 Working Hours

1. Definition

Working hours are not to exceed the maximum set by local law. Standard weekly working hours are not to exceed 48 hours based on ILO convention C001 on working hours. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days.

< Terms >

**Rest day** Twenty-four (24) consecutive hours where workers do not work.

**Emergency or unusual situations** Incidents or situations which are difficult to produce goods in a normal way due to natural disasters (e.g. earthquake, flood, fire), state of national emergency, political instability, etc. or cause production line to stop due to unpredictable equipment breakdown, power failure, raw material/component shortages or quality issues. Situations (e.g. demand increase, changes to the contract, etc.) that suppliers can predict or adjust through negotiation are not included.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and procedure

- Excessive working hours may not only have a bad impact on the health of workers, but may also do harm to both workers and the Supplier such as
accidents, quality problems, reduced productivity, etc. Therefore, policy and procedures that can record, operate and manage working hours and holidays of workers shall be established.

- Working hours shall be recorded and managed accurately through working hour recording systems including commuter card checks, etc.
- Working hour recording system shall be able to identify workers who are expected to work more than the maximum working hours per week, and to prevent these workers from working more than the maximum hours by warning the workers and managers in advance.
- If it is expected that production will increase, the Supplier shall establish measures including supplementing workers to meet the needs in advance so as to meet the requirements relating to working hours and holidays.
- Workers shall be able to check their working hour records. If any problem is found, they may be able to raise objections to it so as to modify it.
- Procedures for receiving a worker’s consent in advance regarding overtime work shall be established. For all overtime work, the Supplier shall get workers’ consent voluntarily, and should not force them to work overtime against the will of workers. In the case a worker refuses to work overtime, the Supplier must accept it. It shall ensure that workers who refuse to work overtime do not have any disadvantages, such as depriving these workers of overtime opportunity later or being punished like penalty, disciplinary actions, etc.
- Adequate policy and procedures for legally mandated annual holidays, sick leave, maternity leave, mandated meal and rest breaks shall be in place, and relevant details shall be shared with all workers in worker training, worker handbooks, notice board posting, etc.

2) Working Hours

- Working hours are not to exceed the maximum set by local law.
  Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations.
Like the following examples, the calculation of working hours including workers’ waiting time under the direction and supervision of the Supplier, etc. shall be reflected in their monthly wages.

- Time which a worker spends staying at production lines regardless of operation of production facilities
- Waiting time before and after training, production planning meeting, daily meeting and shiftwork
- Time which a worker spends staying at the place managed by suppliers to perform tasks

3) Guaranteeing at least one day off every seven days

- Workers shall be provided with at least one day off every seven days except for emergency or unusual situations.
- In the case that the Supplier does not offer days off to workers, reasonable reasons shall be provided.
- The maximum consecutive days worked shall not exceed six days.

4) Guaranteeing legal holidays and rest breaks

- The Supplier shall guarantee that workers can use 100% of legally mandated annual holidays and compensate them for unused holidays in accordance with local regulations.
- Sick and maternity leave shall be provided in accordance with local regulations.
- Rest breaks shall be guaranteed in compliance with local regulations. If there is no local regulation, it is recommended that workers shall be given a 10-minute break or more every two hours.
- Time allotted for lunch shall be guaranteed according to local regulations. If there is no local regulation, it is recommended that workers shall be given one hour.
### 4. Practice

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>1)</strong> Sharing a company policy related to workweek hours, holidays, rest breaks, etc. with all workers</td>
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</tr>
<tr>
<td>- There is no need to notify the relevant policy to workers separately, as it is described in handbooks of workers.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- Notify the relevant policy at orientation for new employees and share it with all workers by constantly posting the policy at the entrance of workplace, dormitory, restaurant, lounge, etc.</td>
<td>(O)</td>
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<tr>
<td><strong>2)</strong> As volume of orders increases, overtime work is required. In accordance with local regulations, workweek hours do not exceed 60 hours including overtime hours.</td>
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<tr>
<td>- Assign all workers to work overtime at once without exceeding 60 working hours</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- Assign workers to work overtime without exceeding 60 working hours only if workers wish to work overtime.</td>
<td>(O)</td>
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<tr>
<td><strong>3)</strong> As the volume of orders is expected to increase one month later, a certain process is predicted to run around the clock</td>
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<tr>
<td>- As volumes constantly fluctuate, operate production lines only using workers who hope to work overtime.</td>
<td>(X)</td>
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<tr>
<td>- Establish proper measures. For example, production automation or changing working patterns (shifts).</td>
<td>(O)</td>
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<tr>
<td><strong>4)</strong> There are operators in charge of facilities which should be run around the clock.</td>
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<tr>
<td>- As operators should constantly manage the facilities, they are guaranteed a meal near the facilities.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- Guarantee all operators’ meal time through work shifts.</td>
<td>(O)</td>
<td></td>
</tr>
<tr>
<td><strong>5)</strong> In accordance with local regulations, a 10 minute paid break every morning and afternoon is regulated. However, some workers asked for an earlier closing time after working consecutively without break time.</td>
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</tr>
<tr>
<td>- Shorten the closing time after consecutive work without break time, as the workers requested.</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>- Continue to operate the morning and afternoon breaks in compliance with local regulations.</td>
<td>(O)</td>
<td></td>
</tr>
</tbody>
</table>
1.4 Wages and Benefits

1. Definition

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub, similar documentation or supplier intranet.

< Terms >

**Minimum wages** Legally mandated minimum pay per hour/week/month, excluding allowance, overtime pay, and bonuses.

**Regular hours** Normal hours worked determined by local law and regulations, or in the absence of such laws, as defined by contractual agreement between supplier and worker (e.g. 8 hrs/day, 40 hrs/week).

**Overtime hours** Amount of time worked beyond regular hours.

**Overtime pay** Wages for overtime hours. Workers shall be compensated for overtime at pay rates higher than regular hourly rates. In the case that local regulations exist, overtime pay shall be paid in accordance with relevant regulations.

**Benefits** Except for wages of regular working hours and overtime hours, benefits additionally provided to workers. Allowance, paid/unpaid holidays, social insurance, retirement allowance, performance-related pay, bonus, housing, and transportation are included.

**Disciplinary deductions** Fines or wage cuts as a disciplinary measure, non-payment due to late arrival or absence, is not included.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and Procedure

- Adequate policy and procedures which accurately record working hours of all workers and pay accurate wages for working hours shall be established.
- The Supplier shall establish adequate policies and procedures for regulations on wages, social insurance, allowance and other benefits, calculation methods, payment date, payment method, etc. All relevant details shall be shared with workers in training sessions, worker handbooks, notice board posting, etc.
- When errors in wage calculation occur, policy and procedures which correct errors shall be established and managed. Procedures ensuring that any workers can make objections to errors and correct them shall be provided.
- The Supplier shall require labor dispatch agencies to hold documented policy and procedures in order to comply with this Guide and continuously evaluate if agencies comply with relevant policy and procedures.

2) Accurate Wage Payment

- All workers shall be paid at or above the minimum wage for regular working hours.
- All workers shall be compensated for overtime by reflecting overtime pay rate into an hourly rate based on total amount of wages or regular wages according
to local regulations.
- In the case that the Supplier’s pay system is performance-based wages, all workers shall be guaranteed at or above minimum wages for regular working hours regardless of achievement of target. Overtime pay shall be paid according to local regulations.
- In the following instances, the workers’ waiting time under the direction and supervision of the Supplier to perform tasks shall be reflected in their monthly wages.
  - Time that a worker spends staying in production lines, regardless of operation of production facilities
  - Waiting time before and after training, production planning meeting, daily overview meeting and shiftwork
  - Time that a worker spends staying at the place managed by the Supplier to perform works
- Wages shall be paid at the designated date once a month or more, and its payment date cannot be delayed.
- All payments, including wages and severance pay, shall be made no later than 30 days after worker’s final working day or in compliance with local regulations.
- Allowances such as overtime pay, pay for work in high temperatures, shift pay, etc. shall be accurately paid to all workers according to local regulations.
- Wages shall be paid to a worker’s bank account or directly to a worker, and should not be paid to a third party.
- The Supplier shall ensure that labor dispatch agencies pay accurate wages to dispatch workers and continuously check if agencies comply.
- Pay slips or other equivalent proof of payment shall be kept during a statute of limitations, and any workers shall be able to freely read them.

3) Provision of Pay slips

- Workers shall be provided with pay slips that clearly indicate compensation, including regular working hours, overtime hours, hourly rate, legal pay, detail of
deductions, detail of benefits, etc. in an understandable language, form or with wage information via on-line system in which workers can freely read relevant information.

4) Provision of Legal Social Insurance

- Social insurance shall be paid by complying with payment standard according to local regulations.
- All the relevant details including payment standard of social insurance, burden charge of worker shall be shared with workers in worker training, worker handbooks, notice board posting, etc.
- Relevant documents including details of payment of social insurance shall be kept during the statute of limitations.
- The Supplier shall require labor dispatch agencies to pay social insurance for dispatch workers in an accurate manner and continuously evaluate if agencies comply.

5) Prohibitions on Unfair Penalty and Disciplinary Deductions

- Practices such as penalty, wage cuts, reduced benefits, etc. by disciplinary means are prohibited.
- Under no circumstances, except for deductions in compliance with local regulations including tax, social insurance, and service expenses (meal, laundry, etc.) provided with a worker’s consent, can the Supplier deduct wages of workers. With regard to services provided to the workers mentioned above, workers must have a right not to select these services, and worker’s prior consent shall be required.
- Deductions relating to working clothes, PPE and working tools supplied to workers are prohibited.
### 4. Practice

1) A supplier concluded a contract with a temporary part-time worker to pay $1.5 per hour for a regular working hour. The legal minimum wage is $1 per hour. According to local regulations, overtime pay on week days is 1.5 times of regular pay. The temporary part-time worker did regular works for eight hours every day and overtime works for two hours.

| - As a hourly rate is set as 1.5 times of the minimum wage, pay $1.5 per hour for overtime pay. | (X) |
| - Pay $1.5 per hour for eight regular working hours and $2.25 (1.5 times of $1.5 per hour) per hour for two overtime hours. | (○) |

2) Monthly wages consist of base pay including legal minimum wage and fixed allowance for every month. Overtime pay should be set. According to local law, overtime pay is 1.5 times base pay.

| - 1.5 times an hourly rate based on minimum wage is applied to overtime pay | (X) |
| - 1.5 times an hourly rate based on amount of minimum wage and fixed allowance according to local law is applied to overtime pay | (○) |

3) Local regulations provide that both supplier and worker pay 10% of last year’s monthly average wages respectively in social insurance. Some of the newly employed workers refuse to pay social insurance, and others request to pay it based on the minimum wage.

| - Follow what workers requested as company’s burden charge can be decreased. | (X) |
| - Explain the appropriateness of social insurance payment to workers through conclusion of employment contract, orientation for new employees, etc. and pay social insurance in compliance with local regulations. | (○) |

4) Local regulations provide that both supplier and worker pay social insurance at the same rate. As the supplier’s business is getting worse, it considers a measure asking workers to pay a certain amount of social insurance which the Supplier has to pay.

| - Let workers additionally pay a certain amount of social insurance through an agreement with the work representative organization. | (X) |
- Burdening workers with additional charge which Supplier has to pay is against the law. The supplier will face more difficult situations because workers may go on strikes or file a suit against the supplier, and governmental office may impose a punishment on the supplier later. Due to the consequences, the supplier should pay social insurance in compliance with regulations. (○)

5) A worker continues to be late for work.

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>- Notify the deduction of one day's wages every time the worker is late for work.</td>
<td>(X)</td>
</tr>
<tr>
<td>- The Supplier warns the worker of disciplinary action according to the procedure, and does not pay wages for times the worker is not working due to being late.</td>
<td>(○)</td>
</tr>
</tbody>
</table>

6) Local regulations state that with regard to wage calculation of termination workers, payment shall be given to the worker without specifying a clear time limit of payment. A worker who wants to leave his job two days later asks the Supplier to calculate and pay his wages on that day.

<p>| | |</p>
<table>
<thead>
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</thead>
<tbody>
<tr>
<td>- Notify the worker of wage payment one month later as it takes a long time in calculating the worker’s wages.</td>
<td>(X)</td>
</tr>
<tr>
<td>- Register the wage payment time (within one month after the final working day) according to company rules by agreement with the worker representative organization and then pay the calculated wages according to company rules.</td>
<td>(○)</td>
</tr>
</tbody>
</table>

7) A worker continues to be absent from work without notice. A supplier shall pay wages for working hours to a resigned worker.

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<table>
<thead>
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<tbody>
<tr>
<td>- Until the worker proceeds termination procedure through a personal visit, Supplier keeps the worker's wages.</td>
<td>(X)</td>
</tr>
<tr>
<td>- According to local regulations, proceed with termination procedure for the worker who resigned without notice. The Supplier pays wages to the worker’s bank account at the payment date agreed upon with the worker representative organization.</td>
<td>(○)</td>
</tr>
</tbody>
</table>
1.5 Humane Treatment

1. Definition

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

< Terms >

Workplace A place where supplier's work is done or an event related to the Supplier's business occurs

Sexual harassment Any behavior that makes a person feel humiliated or disgusted through sexually-colored remarks or behavior that request sexual relations against the other party's will

Sexual abuse Forcing undesired sexual behavior by one person upon another, such as forced sex or unwanted sexual contact

Mental coercion Any behavior that poses a threat to the other party by verbal or non-verbal means

Physical coercion Any behavior that poses a threat to the other party by physical contact

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Policy and procedure

- Adequate policies which prohibit any inhumane behavior including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, verbal abuse of workers, etc. shall be established. Relevant policies and procedures on disciplinary measures against a person who committed inhumane acts shall be documented and shared with all workers including managers in worker training, worker handbooks, notice board posting, etc.
- Policies and procedures that guarantee that any inhumane acts may be anonymously reported by all workers, guarantee anonymity of reporter, and give the reporter feedback on results of disciplinary action within an appropriate period shall be in place and shared with workers.
- The Supplier shall establish procedures which record and keep all written records of disciplinary action against inhumane acts.
- The Supplier shall require labor dispatch agencies to hold documented policies and procedures in order to comply with this Guide and continuously check if agencies comply with it.

2) Prohibitions on Inhumane Acts

- In order to ensure that inhumane acts do not occur at workplaces, the Supplier shall continuously train workers for all relevant policies, and relevant training records shall be kept.
- The Supplier’s policies shall include a full explanation on inhumane acts and cases which can be regarded as inhumane acts.
- The Supplier shall operate procedures in which any worker can report complaints anonymously without any worries of retaliation and manage relevant procedures by designating a person in charge.
- Once a report on inhumane acts is received, the Supplier shall check the fact
relevance immediately, take proper actions according to established policies, and give a reporter the feedback on the results of disciplinary action.
- Any retaliation against a reporter is strictly prohibited. The Supplier shall continuously manage procedures for preventing any retaliation. If it is required to modify procedures, the Supplier shall improve them right away.
- All records of a series of processes, including a report on inhumane acts, results of disciplinary action, etc. shall be documented and kept.
- One of the methods in which a worker can report any inhumane acts effectively is by using the ‘hot-line’. The following cases are recommended.
  · Method : E-mail account, hot-line
  · Posting Area : Posters placed at doors, restaurants, dormitories, etc.

3) Managing Records of Disciplinary Action
- Disciplinary policies and procedures for those who committed inhumane acts shall be established according to fair and objective standards and shall be finally approved by the management.
- Any inhumane treatment of those who have committed inhumane acts must not be allowed in the process of disciplinary action.
- All records of disciplinary action shall be kept for at least one year or more.
- Measures for preventing any reoccurrences of inhumane acts must be included in the records of disciplinary action.
- Results of disciplinary action shall be shared with all workers so as to prevent similar inhumane acts.

4) Maternity Protection

- In order to protect the health and safety of pregnant female workers and female workers within a year after childbirth, policies and procedures for maternity protection including working hours and prohibited working processes shall be established in compliance with local regulations. If there is no local regulation, female workers, ranging from the seventh month pregnancy to one year after childbirth, shall be subjected to maternity protection. In this case, overtime, night work and hazardous work are prohibited.
- Those who are subjected to maternity protection shall not have any disadvantages such as work deployment, wage, etc.
4. Practice

1) A worker lags behind other workers in working speed. As a result, quantities of relevant production line are smaller than that of other lines. A manager responsible for production lines needs to take a proper measure.

<table>
<thead>
<tr>
<th>Action</th>
<th>Correctness</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Warn the worker that the manager will cut wages or fire if the worker does not improve working speed.</td>
<td>(X)</td>
</tr>
<tr>
<td>- Firstly check if the worker has any difficulties in the current production line through a face-to-face conversation. Then, provide the worker training programs to enhance the level of competence in work or deploy the worker to another process if he or she agrees.</td>
<td>(○)</td>
</tr>
</tbody>
</table>

2) A female worker comes to the HR manager, saying that she was sexually harassed by the production line manager and asking HR manager to solve it.

<table>
<thead>
<tr>
<th>Action</th>
<th>Correctness</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The HR manager calls the relevant manager right away and checks if any sexual harassment actually happened by bringing the manager face-to-face with the female worker.</td>
<td>(X)</td>
</tr>
<tr>
<td>- At first, the HR manager along with a female worker from HR department sets the relevant female worker at ease and records details including the place where sexual harassment occurred, time, specific acts and witness. Then, the HR manager checks if any sexual harassment actually happened by calling the relevant manager separately. If it actually happened, the HR manager makes a report to the management and takes disciplinary actions according to Supplier’s policy. Also, the HR manager takes necessary measures for a reporter not to face any retaliation.</td>
<td>(○)</td>
</tr>
</tbody>
</table>

3) Costly materials are lost frequently, so a security manager shall establish a proper measure.

<table>
<thead>
<tr>
<th>Action</th>
<th>Correctness</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Hire security agents who look threatening and are of sturdy build to strengthen the level of body searches, for the purpose of ensuring workers do not have any bad intentions.</td>
<td>(X)</td>
</tr>
<tr>
<td>- Train security agents to search a person in compliance with manuals containing the strengthened body search procedures. Additionally, assign female security agents to search female workers.</td>
<td>(○)</td>
</tr>
</tbody>
</table>

4) A female worker handling toxic substances informs a manager of being pregnant and asks the manager to change her work.

<table>
<thead>
<tr>
<th>Action</th>
<th>Correctness</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Inform the female worker that she has to leave the job if a replacement worker is hired.</td>
<td>(X)</td>
</tr>
<tr>
<td>- Assign the female worker to a process not related to toxic substances.</td>
<td>(○)</td>
</tr>
</tbody>
</table>
1.6 Non-Discrimination

1. Definition

Suppliers shall be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards and access to training. In addition, unless medical tests are required for legal or safety reasons, workers or potential workers shall not be subjected to medical tests that could be used in a discriminatory way.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and Procedure

- The Supplier shall establish policies and procedures that ban discrimination based on personal characteristics such as race, age, color, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership or marital status, etc.
- The Supplier shall establish adequate policies and procedures which do not require any workers or potential workers to have medical tests that can be
used in a discriminatory way except for the cases required for local laws or workplace safety.

- The Supplier shall establish policies and procedures which any discrimination acts can be anonymously reported by all workers, guarantee anonymity of reporter, and give the reporter feedback on results of disciplinary actions within an appropriate period.

- Policies and procedures mentioned above shall be documented and shared with all workers including managers in worker training, worker handbooks, notice board posting, etc.

- Procedures including recording and keeping all written records of disciplinary action against discrimination acts shall be established.

- The Supplier shall require labor dispatch agencies to hold documented policies and procedures in order to comply with this Guide and continuously check if agencies comply with it.

2) Non-Discrimination

- The Supplier shall ensure that any decisions in hiring, employing (such as compensation, promotion, access to training) or terminating workers are based solely on the worker’s ability to perform the job’s requirements and performances, not on personal characteristics.

- The Supplier should not require any workers to have medical tests including hepatitis B (and pregnancy tests for female workers) or to give the results of medical tests, except for cases required for local laws or for workplace safety. The Supplier shall also not discriminate against any worker based on the worker’s refusal to take a medical test or the worker’s pregnancy status.

- In order to ensure that discrimination acts do not occur at the workplace, the Supplier shall continuously train workers for all relevant policies once a year or more and keep relevant training records.

- Once a report on discrimination acts is received, the Supplier shall check fact relevance immediately, take proper actions according to policies, and give a
reporter the feedback on the results of disciplinary action.

- Retaliation, of any kind, against a reporter is strictly prohibited. The Supplier shall continuously manage procedures for preventing any retaliation. If it is required to modify procedures, the Supplier shall improve them right away.

- The Supplier in China shall comply with the following guides.
  ∙ The Supplier shall not separate cafeterias of managers and workers or provide different types of foods to managers and workers separately (i.e. the Supplier must provide same foods at the same place).
  ∙ The ratio of dispatch workers shall not exceed ten (10) percent of total workers, and the wage standards of regular and dispatch workers performing same jobs shall be equal.
4. Practice

1) A Supplier in China plans on posting a job opening to hire new workers. Many minority groups live near the workplace. It is expected that many minority groups will apply for employment.

- As minority groups have a communication issue, avoid hiring minority groups by specifying that “minority groups may not apply for employment” on recruitment notice. (X)

- In accordance with the Code, any discrimination based on personal characteristics such as ethnicity, age, gender, etc. are banned. In this regard, a supplier may not state discriminative words on recruitment notice. (O)

2) The HR manager is planning to hire new workers. As a production line manager believes that young workers have high productivity, the manager asks the HR manager to hire workers between 18 and 30 years old.

- As a production line manager requested, HR manager specifies age limits ranging from 18 to 30 on recruitment notice. (X)

- In accordance with the Code, any discrimination based on personal characteristics such as ethnicity, age, gender, etc. is banned. However, the HR manager may specify the minimum working age according to local regulations. (O)

3) A female worker notifies her pregnancy to production line manager.

- As the job performance of the pregnant worker physically declines due to pregnancy, the line manager notifies the worker that she will be given a lower wage than before or she can leave the job. (X)

- Ensure that the pregnant worker is given wage that is the same as her existing one. (O)
## 2. Health & Safety

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<th>Page</th>
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Introduction

Samsung Electronics recognizes the importance of securing the safety and health of workers as it is the fundamental right to be protected in the workplace.

Therefore, Samsung Electronics considers the achievements related to the safety and health of workers in all partner companies as one of the key standards to measure our Duty of Care.

Samsung Electronics also supports the right to safety and health of all employees working in our suppliers. In order to strengthen and maintain the sustainability of the policies by encouraging employees to actively participate in the improvement of safety and health of suppliers, suppliers of Samsung Electronics should make following efforts:

- Have effective knowledge of the industry, identify potential risk factors, and provide safe and healthy working environment.

- Take appropriate measures to prevent work-related accidents or illnesses, and strive to minimize predictable risks based on the previous experiences.

- Appoint and supervise senior management representatives to take responsibility of guaranteeing the safety and health of all their workers and implementing the relevant standards.

- Make sure to provide safety and health training to maintain the records of all workers regularly and repetitively.
2.1 Occupational Safety

1. Definition

Worker potential for exposure to safety hazards (e.g. chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified and assessed, and controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lock out/tag out), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as include reasonable accommodations for nursing mothers.

< Terms >

Safety Inspection Investigations and evaluations which are carried out to identify potential hazards and establish its improvement measures, with an aim to prevent industrial accidents

Working Environment Measurement Establish a plan for measuring the relevant workplace, analyze and evaluate its impact on workers in order to identify working environment of workers

MSDS [Material Safety Data Sheet] A sheet containing the important information about chemical materials for safety when using and treating them.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Licenses and Permits for Industrial Safety
- All required permits and licenses in compliance with legal regulations shall be obtained, and its validity shall be checked. (Hygiene, drinking water, ventilation flow, building occupancy permits, pressure vessel and hot work)
- Industrial safety facilities requiring a regular and special test based on local regulations shall be periodically measured according to standards of licenses and permits.
- With regard to drinking water given to workers, drinking water is tested and reported on a regular basis stipulated by local regulations.

2) Safety Education
- Relevant personnel including new workers, supervisors, and workers assigned to other tasks shall be trained on legal industrial safety according to local regulations. All workers shall complete a course of industrial safety on a regular basis.
- The Supplier shall ensure that only workers who are qualified for hazardous works (qualified for handling chemical substance and for driving a forklift, etc.) designated by regulations of each country can perform these works. Also, those who perform hazardous works shall continuously complete a course of relevant works. (e.g., MSDS training for those who handle chemical substances)
- All records including training date, time, details, participants’ signatures, etc. shall be recorded and managed.

3) Management of Personal Protective Equipment (PPE)
- The Supplier shall prepare and implement standards for provision of PPE to prevent any potential risks if it is determined that workers are exposed to
potential hazards by considering workers’ working environment.
- Workers performing tasks that require PPE shall be provided with appropriate PPE, and its relevant records shall be managed.
- All workers shall wear appropriate PPE by relevant process in compliance with local regulations, and can require the Supplier to add, supplement and strengthen PPE.

<table>
<thead>
<tr>
<th>Type</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Gas Mask**          | Full face mask: Cover over the nose, the eyes and whole face  
Half face mask: Cover over the nose and respiratory system  
Used in areas which generate VOCs, acid/alkaline gas |
| **Dust Mask**         | Dust Mask: Used in areas full of dust  
Dust Mask (Activated carbon coating): Used in areas where organic solvent is used at the place where a hood is installed |
| **Protective Gloves** | For general use: Used for general works  
For chemical purpose: Used in areas using chemicals like paints, organic solvent, etc. |
| **Protective Clothing** | For general use: Used in areas with dust  
For chemical purpose: Used in areas using chemicals like paints, organic solvent, etc. |
| **Safety Shoes**      | For general use: Protect a person’s feet from fall or shock  
For chemicals: Used in areas using chemicals like paints, organic solvent, etc. |
| **Safety Glasses & Face Mask** | Safety Glasses: Protect a person’s eyes from missile and harmful liquid substance  
Safety Face Shield: Cover over a person’s eyes and whole face (welding/cutting works) |
4) Policy for pregnant women/nursing mother

- Establish maternity policy and process to protect those health and safety
- When pregnancy confirmed, OT/night time shifts are banned, ensures adequate maternity leave and it is banned to assign employee to dangerous work
- Ensures paid nursing time according to local law and operate nursing time/pumping rooms
- Maternity protection women should not be disadvantaged from work placement wages and so on.

<Banned operation, material for pregnant employee (Global)>

<table>
<thead>
<tr>
<th>Banned material</th>
<th>Banned operation</th>
</tr>
</thead>
</table>
| Hazardous material, including lead, mercury, zinc, chromium, arsenic, yellow phosphorus, fluorine, chlorine, phenol, cadmium, nitrous oxide, benzene, dioxin, aniline, potassium hydroxide, carbon disulfide, carbon monoxide, hydrogen cyanide, 2-bromopropane, vinyl chloride, ethylene glycol monomethyl ether, caprolactam, chloroprene, ethylene oxide, formaldehyde, chemo therapy medication, diethylstilbestrol, cyclosporine, dichlorobiphenyl, dichloroethylene ※ Mexico: All chemicals are banned for pregnant employees | 1) Lifting heavy material of 5kg or more  
2) Frequently bending-over or sitting down  
3) Possibility to contract virus  
   (Except doctors, nurse or other licenses)  
4) Manages hazardous chemicals  
5) Exceeds limit of radiation exposure  
6) Extreme temperatures  
7) High voltage/vibration  
8) High place  
9) Building demolition  
10) Power shutdown/life line operation  
11) Paint, welding, rust removal  
12) Removes molding  
13) Clean boiler, pipe  
14) Press lead, compress, processing, plating  
15) Operating compressor, filter  
16) Operate diesel engine, generator of 10kv~  
17) Drive construction equipment  
18) Lead molding, casting for battery |
### 4. Practice

<table>
<thead>
<tr>
<th>1) Industrial Safety Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Drinking water can be used without a separate test. (X)</td>
</tr>
<tr>
<td>→ Have test results of drinking water on a regular basis in accordance with local regulations.</td>
</tr>
<tr>
<td>- Documented procedures that renew permits and licenses of industrial safety before the expiration date are required. (○)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2) Legal Occupational Safety and Health Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Conduct occupational safety and health education targeting only production-related personnel. (X)</td>
</tr>
<tr>
<td>→ Conduct occupational safety and health education targeting all workers, and then maintain all relevant records. (○)</td>
</tr>
<tr>
<td>- Education records include date, time, details and participants’ signatures.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) Work Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Any workers can perform hazardous tasks. (X)</td>
</tr>
<tr>
<td>→ Only qualified workers may perform hazardous tasks. (○)</td>
</tr>
<tr>
<td>- Workers qualified for hazardous tasks shall continuously complete a course on work safety relating to relevant tasks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4) Standards for Provision and Management of PPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>- A worker performs an injection task while wearing unauthorized safety shoes. (X)</td>
</tr>
<tr>
<td>→ Purchase and supply safety shoes whose standard is certified. (○)</td>
</tr>
<tr>
<td>- All workers shall wear PPE in compliance with local regulations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5) Legal Personnel and Groups in Charge of Safety Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>- No need to designate separate personnel in charge of safety management. (X)</td>
</tr>
<tr>
<td>→ Appoint safety management personnel according to local regulations and operate a group managing ‘working environment measurement’ and ‘safety inspection’ (○)</td>
</tr>
<tr>
<td>- In the case that there is no local regulation on standards of safety management personnel or group, operate safety management personnel or group if total number of workers is 300 or more.</td>
</tr>
</tbody>
</table>
2.2 Emergency Preparedness

1. Definition

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including: emergency reporting, employee notification and evacuation procedures, worker training and drills, clear and unobstructed egress, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

< Terms >

Emergency or Abnormal Situations An event or situation which is difficult to produce goods normally or is out of the supplier’s control due to natural disasters (earthquake, flood, fire) or state of national emergency or political instability. Situations such as mechanical failure, seasonal change, an increase in productivity, etc. which a supplier can control or estimate are not included.

Automatic fire extinguisher Equipment shooting out fire extinguishing agents like sprinklers, spray fire extinguishers with gas/foam/water type and so on.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Checking All Required Firefighting Permits

- Where the Supplier operates a business in countries and regions that require the posting of network of emergency contacts, it shall be checked at site.
- The Supplier shall have results of emergency response training targeting all workers, and shall continuously improve and manage the emergency response training.
- With regard to in-house fire safety facilities, the Supplier shall have all legally required permits and related documents which the relevant country requires. They must be renewed before the current permits expire, and its current status shall be documented and managed.

2) Fire Prevention Activities

- Adequate automatic fire detection facilities (fire detectors) which can detect the occurrence of fire accidents in all areas of the workplace in advance shall be installed for workers’ safety.
- With regard to processes with a high risk of a fire accident, automatic fire detection facilities shall be installed to extinguish a fire at the early stage if an unexpected accident occurs.
  (e.g. Risky processes such as stamping, EPS, plating, BOX, etc.)
- Fire extinguishers shall be placed inside and outside of buildings in order to extinguish a fire quickly if a fire accident occurs. In addition, these fire extinguishers shall be managed to ensure they can be used constantly by connecting to automatic fire pumps.
- To prevent fire spreading or collapse of buildings if a fire accident occurs, interior/exterior materials of buildings shall be based on incombustible materials.
  (e.g. incombustible materials including concrete, stone, bricks, roof tiles, aluminum, glass, etc.)
- To run in-house firefighting safety facilities normally, a series of activities including inspections, tests for whether the facility is run or not, repairs, etc. shall be implemented. Its results shall be documented and kept by setting test intervals.

3) Establishing Emergency Response Systems

- Adequate and effective signage shall be placed to ensure that the signage can be observed along with emergency numbers, emergency response team and emergency plot, response plan, etc. at a place where workers can easily access.

- Safe muster points shall be prepared inside and outside of buildings in emergency situations when an accident can occur, and emergency response kits shall be easily accessible at muster points.

- The facility’s risk assessment and the emergency response scenario shall be prepared, and the identified risks shall be documented. (e.g. fire, chemical spill, earthquake, bomb disposal, strike, natural disaster, etc.)

- With regards to a series of activities for transporting, saving and handling dangerous objects, special facilities shall be equipped as follows:
  ① Electrical equipment with explosion-proof type: Install forced or natural ventilation facilities
  ② Indoor repository for dangerous objects: Install forced or natural ventilation facilities
  ③ Place handling dangerous objects: Install local ventilation facilities

- Workers shall be trained on the contents of the emergency response plans and the types of potential emergencies that may occur at their work location. Evacuation and muster points in emergency situations shall be communicated to all employees.
4) Emergency exits

- An adequate number of effective means of exits shall be secured at workplaces, and the Supplier shall comply with the following requirements:
  ① Multiple means of exits from an area are separated from one another.
  ② Exits shall be clear of any obstructions, be unlocked, be easily opened, and have multiple means to be opened.
  ③ Exits shall not obstruct or penetrate sprinkler pipes, electric cables, ducts, etc., and shall be protected through the use of a fire door.
  ④ Secondary exits shall be provided at long corridors where the way to the nearest exit is not clear.
  ⑤ Emergency exit signs shall be installed on every floor, and emergency lightings shall be installed in passageways leading to exits. These lights shall be run by connecting to backup generator in the event of a power down.

- Emergency support facilities (emergency lighting, exit signs, evacuation paths, etc.) shall be inspected and its inspection records shall be maintained.

5) Emergency Evacuation Drills

- Adequate and effective emergency evacuation drills shall be conducted in every area (including production line, dormitory, cafeteria, warehouse, office, etc.) of the Supplier and for all workers.
- Results of all emergency evacuation drills shall be documented and maintained. Its results shall include corrective action plan and its training contents to improve the emergency response situation.

6) PPE for Emergency Response Personnel

- Emergency response PPE shall be available, adequate and in good condition and shall be kept in the place where workers can easily find it.
- Emergency response teams formed within workplaces shall receive training on
the following:
※ Chemical hazards and precautions, spill containment and cleanup, fire hazards and response, proper handling and disposal of chemicals and contaminated absorbent materials, selection and use of protective equipment, and other information as required by local regulations
- Emergency responders shall receive emergency-related training. Training materials and records shall be kept up to date at all times.

<Available Fire Extinguishers by Fire Type>

<table>
<thead>
<tr>
<th>General Fire (Class A)</th>
<th>Dry Chemical Extinguisher</th>
<th>Halon Extinguisher</th>
<th>Clear Agent Extinguisher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Fire (Class B)</td>
<td>Dry Chemical Extinguisher</td>
<td>CO2 Fire Extinguisher</td>
<td>Halon Extinguisher</td>
</tr>
<tr>
<td>Electrical Fire (Class C)</td>
<td>Dry Chemical Extinguisher</td>
<td>CO2 Fire Extinguisher</td>
<td>Halon Extinguisher</td>
</tr>
</tbody>
</table>

Dry Chemical Extinguisher | CO2 Fire Extinguisher | Halon Extinguisher | Clear Agent Extinguisher

< Fire Extinguisher Check >

State of sign placed State of support installation
State of safety pin attached State of hose and exterior
Pressure gauge state : Green(Normal)
4. Practice

1) Firefighting Permits and Inspection

- No need to separate the use and process of firefighting, such as chemicals storage, gas room, stamping process, etc.  
  → Separate sections of firefighting to enable its identification and separation.  
  - Emergency numbers which the Supplier can use to respond to emergency situations shall be in place at workplaces.

2) Firefighting Facilities for Fire Preparedness

- No need to prepare separate and regular maintenance if fire-fighting equipment or fire extinguisher works normally.  
  → Must inspect and manage records of all firefighting equipment according to intervals as required by regulations (e.g. charge gauge, movement check, etc.)  
  - Records of periodic inspection shall be attached to fire extinguisher and hydrant.
<table>
<thead>
<tr>
<th>3) Fire Prevention Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Place fire extinguishers in areas where workers perform tasks with potential fire risks (e.g. stamping, plating, EPS, paper BOX, rubber) to replace automatic fire detection facilities and automatic fire extinguishers.</td>
</tr>
<tr>
<td>→ For working processes with a potential fire risk, automatic fire detection facility and automatic fire extinguishers must be established.</td>
</tr>
<tr>
<td>- For interior/exterior materials and major structures (e.g., roof, floor, pillar, wall, stairs, and fire prevention section) used for buildings, the Supplier shall use incombustible materials.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4) Establishing Emergency Response System</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Workers do not need to receive training on emergency response scenarios.</td>
</tr>
<tr>
<td>→ Workers shall receive training on emergency situations.</td>
</tr>
<tr>
<td>- Emergency response scenarios shall include organization charts and tasks by group.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5) Emergency Exits</th>
</tr>
</thead>
<tbody>
<tr>
<td>- There are some cases in which security issues occur because the emergency exit was opened; therefore, emergency exit doors may be closed according to the Supplier's internal directions.</td>
</tr>
<tr>
<td>→ Emergency exit doors shall be opened at all times.</td>
</tr>
<tr>
<td>- In emergency situations, emergency bells, evacuation lighting, etc. shall be installed to ensure workers can evacuate effectively.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6) PPE of Emergency Response Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Lock and keep emergency response PPE at warehouse to prevent it being stolen.</td>
</tr>
<tr>
<td>→ Permanently keep emergency response PPE at the place where it can be easily found and used.</td>
</tr>
<tr>
<td>- Train workers how to wear PPE in the right manner on a regular basis.</td>
</tr>
</tbody>
</table>
2.3 Occupational Injury and Illness

1. Definition

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate the return of injured or ill workers to work.

< Terms >

Special workers Those who have the possibility of being exposed to harmful factors and perform tasks related to harmful factors, a direct cause of occupational illnesses

First Aid The emergency assistance given to any person suffering a sudden illness or injury prior to professional medical help being available

Occupational disease Any ailment that occurs as a result of work of occupational activity

Health inspection A medical examination, especially one taken by doctors at regular intervals to verify a normal state of health or discover a disease in its early stages. It includes checkup, consultation, physical examination, diagnostic check, pathological examination, diagnostic imaging examination, etc.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Record Management of Occupational Injury and Illness Permits

- All legally required occupational injury and illness permits shall be in place, and its validity shall be maintained.
- Occupational injury and illness testing reports shall be in place, meeting the conditions of permits, licenses or legal requirements.
- A document management process shall be in place to ensure permits are renewed before current permits expire. Permit tracking shall be documented.

2) Occupational Injury and Illness / Prevention of Diseases

- Occupational injury and illness statistics shall be in place, and analysis of the statistics is recommended to be performed on a regular basis, at least annually.
- All accident investigation reports, including corrective actions and improvement plans for accidents which occurred in the past shall be documented and tracked.
- All records for affected employees shall be documented and maintained.

3) First Aid

- A documented response procedure shall be in place indicating medical emergency situations.
- If professional medical treatment is not available immediately, a close cooperative system with alternative resources, such as outside medical services shall be established.
- If an in-house infirmary or clinic is available at workplaces, the following documents shall be in place:
  ① A copy of doctors/nurses’ certificate and license
  ② An operations log of onsite emergency occupational medical clinic
③ Government certifications, permits, inspections, approval for the onsite medical clinic

4) First Aid Kits

- Appropriate first aid boxes shall be prepared, left permanently unlocked, and managed by first aid responders.
- First aid kits shall have an inventory list and procedure for its use, and first aid kit tracking document including inspection, restocking, etc. shall be up to date at all times.

< How to Use AED (Automated External Defibrillator) >

① Power ON  ② Open electrode pads  ③ Attach the pads to the bare chest  ④ Press shock button
< Method of First Aid (Burn, Frostbite, and Blooding) >

<table>
<thead>
<tr>
<th>Burn</th>
<th>Frostbite</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Method</strong></td>
<td><strong>Method</strong></td>
</tr>
<tr>
<td>▶ Cool down the burned area with cold water (Burn)</td>
<td>▶ Press down the bleeding area with gauze and cover with it with compression bandage.</td>
</tr>
<tr>
<td>▶ Never pop a blister if the blister occurs</td>
<td>▶ If it does not stop bleeding, wrap the bandage around the wound again to stop the bleeding.</td>
</tr>
<tr>
<td>▶ Not to take off a persons’ clothes if his or her clothes are not separated from the injured area.</td>
<td></td>
</tr>
<tr>
<td>▶ Change a person’s wet clothes to dry ones</td>
<td></td>
</tr>
</tbody>
</table>

**Burn**

![Burn Image]

**Frostbite**

![Frostbite Image]
## 4. Practice

<table>
<thead>
<tr>
<th>1) Occupational Injury and Illness</th>
</tr>
</thead>
<tbody>
<tr>
<td>- If occupational injury and illness occur, its record management is required, but preparing improvement plans is an option.</td>
</tr>
<tr>
<td>→ Improvement plans for occurred occupation injury and illness must be established.</td>
</tr>
<tr>
<td>- Records for managing workers suspected with illness and ill workers shall be documented and maintained.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2) First Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Anyone can be in the occupational medical team or first aid personnel.</td>
</tr>
<tr>
<td>→ Occupational medical team or first aid personnel shall meet the requirements by country. If a nurse or doctor is hired, they shall have a copy of medical certificate/license.</td>
</tr>
<tr>
<td>- If the Supplier wants to install in-house medical clinic, it shall meet legal requirements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) First Aid Kits</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Keep first aid kits by locking them with locking device.</td>
</tr>
<tr>
<td>→ Ensure that first aid kits can be used right away in emergency situation (locking device prohibited)</td>
</tr>
<tr>
<td>- Place first aid kits near workplaces and keep them available at all times.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4) Health Check of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Take a regular health check for all workers without separating general and special workers.</td>
</tr>
<tr>
<td>→ For workers performing special processes, conduct a health check according to local regulations.</td>
</tr>
<tr>
<td>- To keep workers’ body in good condition, if necessary, take proper measures including job change, shortened working hours, facility improvement, etc.</td>
</tr>
</tbody>
</table>
2.4 Industrial Hygiene

1. Definition

The exposure of workers to biological agents (e.g. chemicals used in manufacturing sites, pathogenic virus) and physical agents (e.g. high temperature, radiation) are to be identified, evaluated and controlled according to the hierarchy of controls. Potential hazards are to be eliminated or controlled through proper design, Engineering controlling (e.g. improvement of production facilities) or administrative (e.g. laws and regulations) controlling must be in place to control exposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment programs.

< Terms >

Chemicals Substances that cannot be separated into two kinds of substances by condition change (evaporation, distillation, etc.) in comparison with a mixture.

Local ventilation system A system absorbing and emitting sources including harmful gas, dust, steam, etc. by electric power near the place where harmful substances occur, with aim not to spread these substances into indoor workplaces.

Ventilation Removal of the polluted air and supply of fresh air in order to prevent the indoor air of building from being polluted.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Working Environment Measurement

- The Supplier shall set a plan for measuring working environments of workers or at workplace in order to identify the real condition of the working environment, take a sample, analyze and evaluate it.
- The Supplier shall continuously monitor if acceptable standards of hazardous substance are exceeded in the workplace.
- The Supplier shall identify workers’ exposure to harmful factors including chemical, biological agents, noise, dust, high-temperature, radiation, etc.
- As a result of working environment measurement, if a worker is exposed to harmful substances, appropriate measures shall be taken to improve it.
  (Provision of PPE, facility improvement)

2) Industrial Ventilation System

- Industrial ventilation systems shall emit the polluted air and supply fresh air at the same time in order to ensure that indoor air at the workplace does not do harm to workers’ health.
- Ventilation facilities shall be managed to maintain its performance by measuring the concentration of harmful substances in the air before and after running existing facilities.
- Local ventilation systems shall be managed in the condition which maintains its proper flux not to collect harmful substances inside.

3) Controlling Temperature and Humidity at Workplaces

- In case workers staying at the workplace may be negatively affected by high temperatures, cold and high humidity, a working environment with a proper temperature shall be provided by establishing measures for preventing this in advance.
- Temperature humidity regulators used for providing a proper working environment for workers shall be continuously managed so that it operates normally.
- It is recommended to prepare equipment including thermometers, etc. in the workplace to ensure that workers can easily know temperature and humidity.

< Orders of Working Environment Measurement >

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity</th>
<th>Questions</th>
</tr>
</thead>
</table>
| 1   | General characteristic investigation at workplaces (Preliminary Investigation) | - Why do you want to measure it?  
- Do you need to measure it?  
- What items do you measure?  
- Where do you measure it?  
- When do you measure it?  
- How many samples do you measure?  
- For whom is this measurement intended?  
- Which equipment do you use to measure it?  
- How do you analyze it after measurement?  
- How do you interpret its results?  
- How do you evaluate it and take follow-up measures? |
| 2   | Strategy setting for sampling                                             |                                                                           |
| 3   | Flux compensation before sampling                                         |                                                                           |
| 4   | Sampling                                                                  |                                                                           |
| 5   | Flux compensation after sampling                                          |                                                                           |
| 6   | Transporting samples and Submitting them to analytical laboratory         |                                                                           |
| 7   | Analysis and data processing                                              |                                                                           |
| 8   | Evaluation                                                                |                                                                           |
< Check Items for Working Environment Measurement >
※For specific items, comply with local regulations

<table>
<thead>
<tr>
<th>No.</th>
<th>Division</th>
<th>Test Interval</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>①</td>
<td>Temp.</td>
<td>Once a month</td>
<td>Need to maintain a proper temperature by workplace (20~24℃)</td>
</tr>
<tr>
<td>②</td>
<td>Humidity</td>
<td>Once a month</td>
<td>Need to maintain a proper humidity by workplace (30~60%)</td>
</tr>
<tr>
<td>③</td>
<td>Noise</td>
<td>Once every six months</td>
<td>Need to identify and manage standards of noise exposure by working hour.</td>
</tr>
<tr>
<td>④</td>
<td>Intensity of Illumination</td>
<td>Once every six months</td>
<td>Need to check the intensity of illumination by work characteristic</td>
</tr>
<tr>
<td>⑤</td>
<td>Chemical Substance</td>
<td>Once every six months</td>
<td>Need to check subjects/interval of measurement by reviewing each country’s regulations.</td>
</tr>
</tbody>
</table>

< Management of Local Ventilation System >

- The Supplier itself checks local ventilation systems including abrasion, corrosion, breakage, cleaning state of inside deposits, leakage of duct fittings, etc.
### 4. Practice

#### 1) Working Environment Measurement

- Measure working environment once when starting up production at first. Then, autonomously conduct its measurement at workplace. **(X)**

→ Measure working environment on a regular basis according to standards of local regulations. **(O)**

- Results of the working environment measurement shall be communicated to workers performing tasks at the relevant workplace. To protect workers’ health, take appropriate measures such as installing or improving facilities and equipment according to measurement results.

#### 2) Industrial Ventilation

- Even though local ventilation system’s performance such as ability of aspiration weakens, it is available as long as the system works. **(X)**

→ If local ventilation system’s performance such as ability of aspiration weakens, then its purpose of industrial ventilation cannot be achieved. Therefore, the system’s performance must be improved immediately. **(O)**

- Install local ventilation systems towards outside of workplace to prevent dust from being entered again.

#### 3) Controlling Temperature Humidity at Workplaces

- When operating air conditioners in the summer, lower the internal temperature by setting it significantly lower than the air temperature outside of workplace. **(X)**

→ A big discrepancy between the internal and external temperature would have a negative impact on workers’ health. **(O)**

(However, in the case that a certain temperature shall be maintained by operating air conditioners due to the characteristics of the work, actions for keeping workers warm shall be taken.)

- If a humidifying device is used to control humidity at the workplace, use clear water so as not to do harm to workers’ health.
2.5 Physically Demanding Work

1. Definition

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

< Terms >

**MSD(Musculoskeletal Disorder) related works** Repetitive work tasks or works imposing excessive strain on the human body which were notified by local regulations according to workload, work speed, work intensity, structure of workplace, etc. However, short-term works or intermittent works are excluded.

**Musculoskeletal disorder (MSD)** Acute or chronic conditions that affect the human body’s movement or musculoskeletal system such as muscles, tendons, intervertebral disks, cartilages, bones, and related nerves and blood vessel due to works imposing severe strain on certain parts of body

▷ The MSD is divided into the arms, legs, and the waist.

① ‘Arms’ consists of neck, shoulders, back, upper and lower arms, elbows, hands, wrists, and fingers.

② ‘Legs’ consists of thighs, hips, knees, ankles, feet, and toes.

③ ‘The waist’ consists of the lumbar and surrounding tissues.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support
their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) MDS-related Works

- The Supplier shall identify MDS-related works (including repetitive or sustained work tasks, work involving lifting heavy loads, and work involving standing up for a long time), establish and implement effective measures to reduce or eliminate physically demanding work. The measures shall be designed from engineering and management perspective.
- Risk assessment records for MSD-related works shall be maintained.

2) Eliminating the Risk Factors for WMSD (Works-Related Musculoskeletal Disorders)

- The Supplier shall actively eliminate risk factors for WMSD identified through measuring the working environment with the following items and shall continuously measure the working environment with regard to the environment after being improved.
  ① In case of continual repetitive movements using neck, shoulders, elbows, wrists or hands
  ② In case of repetitive or sustained awkward postures, such as:
      · Works involving maintaining hands or elbows above the head
      · Works involving continually bending over or lowering a person’s neck
      · Works involving repetitive squatting motions or bending the knees
  ③ In cases where force is concentrated on the body
  ④ All tasks involving significant vibration
  ⑤ Works requiring high force loads on certain parts of the human body
< Stretching Exercises for Preventing MSD >
(Workers producing small-sized goods)

① Getting into the rhythm
② Stretching your wrists
③ Bending your wrist forwards and backwards
④ Rotating your wrists
⑤ Locking your fingers tougher and picking your neck up
⑥ Locking your fingers tougher and pushing your arms forward
⑦ Locking your fingers tougher and pushing your arms up straight
⑧ Extension
⑨ Stretching your neck from side to side and twisting your hands
⑩ Straightening and bending your elbows
< Stretching Exercises for Preventing MSD >
(Workers producing large-sized goods)

① Getting into the rhythm
② Pushing back your pelvis
③ Clapping your hands (inside)
④ Lifting your knee up (forward)
⑤ Clapping your hands (outside)
⑥ Lifting your knee up (side)
⑦ Bringing your feet together to create a diamond shape
⑧ Unfolding a diamond shape
⑨ Taking skating posture
⑩ Bending your waist forward

리듬타기
둘반뒤로밀기
무릎둘어올리기앞
손바닥치기앞쪽
손바닥치기앞쪽

허리숙이기
스케이트타기
다이아몬드파기
다이아몬드만들기
무릎둘어올리기앞
## 4. Practice

### 1) MSD-Related Works

- Order a worker to perform tasks regardless of an illness which a worker has.  
  → Assign and order a worker to perform a proper task based on health check records.
- Measure workers’ tasks and their working environment in compliance with local regulations and identify the impact of MSD-related works on workers’ muscles and joints.

### 2) Working Conditions for Heavy Loads

- Working hours and break times are not affected by the weight of goods, frequency with which a worker handles heavy goods, carrying distance carrying speed, etc.
  → Allocate appropriate working hours and break times according to working conditions.
- Mark weight of goods and caution to ensure that workers can easily know about heavy loads.
2.6 Machine Safeguarding

1. Definition

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

< Terms >

Dangerous machine Harmful or hazardous machines, devices, and facilities.
Machine safety testing A test conducted to check if safety performance of dangerous machines meets relevant regulations and standards.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Legally Required Machine Safety Permits

- All legally required machine safety permits or machine safety testing results shall be in place, and its details shall meet all legal requirements.
- A documented process shall be in place to ensure legally required machine safety permits or safety testing results are renewed before current permits expire.
2) Machine-Safeguarding Program

- All machines shall have adequate safeguards and emergency stop functions. Machinery pinch points, rotating shafts, driving parts, etc. shall be guarded against potential exposures.
- The Supplier shall document and maintain a series of works necessary for machine-safeguarding program including machine risk assessment, method of checking if safeguarding is installed, installation of safeguards, regular inspection and maintenance of machines.
- Work instructions shall be available in a language understood by workers at machine. Workers’ rules for relevant machine and health & safety marks shall be attached and managed.
- All workers using relevant machines shall be trained on machine safety and the use of safeguards and emergency stops.
### Safeguards

<table>
<thead>
<tr>
<th>Emergency stop equipment</th>
<th>Door interlock</th>
<th>Protection cover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety handrail</td>
<td>Safety barrier</td>
<td>Safety Sensor</td>
</tr>
</tbody>
</table>

### Types of Safety Warning Signs

<table>
<thead>
<tr>
<th>Warning: Flammable material</th>
<th>Warning: Oxidizing</th>
<th>Warning: Explosive material</th>
</tr>
</thead>
<tbody>
<tr>
<td>인화성물질경고</td>
<td>산화성물질경고</td>
<td>폭발성물질경고</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Warning: Acute toxic</th>
<th>Warning: Corrosive material</th>
<th>Warning: Carcinogenicity, Mutagenicity, Reproductive toxicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>급성물질경고</td>
<td>부식성물질경고</td>
<td>발암성·변이작용성·생식독성·근신독성·호흡기과안성물질경고</td>
</tr>
</tbody>
</table>
### 4. Practice

<table>
<thead>
<tr>
<th>1) Safeguards</th>
</tr>
</thead>
<tbody>
<tr>
<td>- If work efficiency during operation of facility decreases due to safeguards, remove safeguards and then operate facilities.</td>
</tr>
<tr>
<td>→ Safeguards must not be removed. Managers shall check safeguards every day.</td>
</tr>
<tr>
<td>- The Supplier continuously checks safeguards, interlockers and protection walls installed for safety to be installed and operated normally at all times.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2) Safety Signs</th>
</tr>
</thead>
<tbody>
<tr>
<td>- In case facilities shut down temporarily due to no production plan for a while, it does not matter if safety signs are not installed.</td>
</tr>
<tr>
<td>- Install safety signs for all hazardous machines, devices, and facilities at the workplace.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) Safeguard Inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>- If there are no issues as a result of a safeguard inspection taken occasionally, then its records are not managed separately.</td>
</tr>
<tr>
<td>→ Record results of non-regular inspection.</td>
</tr>
<tr>
<td>- The Supplier accurately decides the current status of safeguards by conducting regular inspections targeting hazardous machines, devices, and facilities, and checks if safeguards satisfy current use requirements and safety by sensing any changes, compared to initial or previous inspection results.</td>
</tr>
</tbody>
</table>
2.7 Sanitation, Food and Housing

1. Definition

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities.
Worker dormitories provided by the Participant or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

<Terms>
Dormitory A building or a section of building to provide sleeping and residential spaces to workers
Personal space A space which can keep personal items in a bedroom. Bathrooms and balconies are excluded.
Cafeteria A building or a section of building where workers can take and cook food and have a meal

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Legally Required Permits

- All legally required food, sanitation and housing permits of cafeterias and dormitories shall be acquired according to local regulations, and records for testing results meeting legal requirements shall be maintained.
- A documented process shall be in pace to ensure sanitation and housing permits are renewed before current permits expire.
- If local regulations require cafeteria/dormitory workers’ health inspection or other tests or certificates, these shall be available and valid.
- Drinking water shall be tested on a regular basis (if there is no local regulation, it is recommended to test drinking water once a year or more), and shall be recorded.

2) Operation and Management of Dormitories

- Dormitories and sanitation facilities shall be clean and well maintained. For this, pest control and disinfection shall be performed on a regular basis.
- Dormitories shall meet at minimum the following requirements.
  ① The Building is to be heated in the winter. Windows are to provide light and ventilation.
  ② Sufficient electricity sockets are provided for adequate and safe lighting
  ③ Adequate fire alarms and fire suppression systems are in place.
  ④ Adequate domestic waste disposal facilities and pest control measures are in place
  ⑤ Adequate number of first aid kits are available.
  ⑥ All facilities are separated by gender, and individual lockers for private secured storage are available.
- Residents in dormitories shall be trained.

3) Operation and Management of Cafeterias

- Cafeterias and kitchens shall be clean and well maintained. For this, pest
control and disinfection shall be performed on a regular basis.
- Safe food handling procedures and hygiene standards shall be in place. Food shall be stored properly, and food storage and preparation areas shall be clean and well maintained at all times.
  (e.g.: Not on the floor, raw and cooked food stored separately, food kept covered, etc.)
- All workers shall be trained on safe food handling and storage, and its training materials and records shall be kept and up to date.
- Cafeterias shall offer hand cleaning facilities, and pest control shall be managed. The relevant records shall be available and up to date.

< State of Wearing Disinfected Garments>

▶ Use of disinfected garments and aprons by separating their colors
  (meats, vegetables, fish, cleaning, cooking, food distribution)
▶ State of wearing hair cover (All hair covered)
▶ Wearing safety shoes for cooking (Not to wear slippers, Dedicated safety shoes shall be used)
▶ State of wearing hygiene gloves (Prohibition on reuse of disposable hygiene gloves. Safety gloves shall be sterilized and dried.)
▶ State of wearing hygiene masks (Half-face including nose covered)
< Sanitation Management for Food Service Workers >

- State of cleaning hands, nails, and head (hand cleaning, fingernail length, binding long hair, etc.)
- Make-up and accessory avoided (false eyebrows, heavy make-up, perfume, etc.)
- Whether or not there is a cut on a person’s hand (If workers have a cut on their hand, pre-processing work is prohibited)
- Whether or not there is a cold, skin and eye disease, diarrhea, etc.
- Hand cleaning is required at the entrance of kitchen (Installation of hand dryer, hand paper recommended)
- Prohibit anyone who does not wear disinfected garment from entering

< Method of Received Food Inspection >

- Check if vehicle is clear and its internal temperature is proper
- Visual inspection (clearness of package, freshness, expiry date, foreign substance mixed, etc.)
- Attach a cover right after food is received (G/R date, quantity, expiry date, etc.)
▶ Check if the received food has bad smell

< Food Storage Method >

▶ Keep food by using racks (Not on the floor)
▶ Pre-processed/non-preprocessed food and food/non-food are stored separately.
▶ Attach a cover (expiry date, use-by date, G/R date, start date of thaw, cooking hour for sauces, etc.)
### 4. Practice

1) Legally Required Permits

- In case the Supplier runs an external rental dormitory, it doesn’t have to check if legally required permits are acquired. (X)

→ Rent a dormitory building with legal safety permits including fire, sanitation, electricity, machine, structure, etc. (○)

- If legal regulations require cafeteria workers’ health inspection and other certificates, the Supplier hires only workers with a valid certificate.

2) Operation and Management of Dormitories

- There are some cases in which workers smoke at the entrance or passageway of exits of dormitory; therefore, lock exit doors normally and if needed, a manager opens them. (X)

→ If exit doors are locked in emergency situations, it can cause extensive damage; therefore, emergency exits shall be opened at all times. (○)

- The dormitory must prepare adequate emergency exit facility (emergency path, exits, and lighting) to ensure all workers can evacuate safely in case of fire or emergency situations.

3) Operation and Management of Cafeterias

- For strict sanitation management, the Supplier shall allow workers to use drinking water only at designated times. (X)

→ Workers can freely use drinking water at all times. (○)

- The Supplier conducts drinking water testing on a regular basis in compliance with local regulations and shares its results with workers.
2.8 Health and Safety Communication

1. Definition

Suppliers shall ensure the health and safety of workers in all activities carried out on the company's business, including product production. To do this, suppliers shall strive to build and maintain safe and healthy workplaces in accordance with local laws and regulations. This should include appropriate training to help employees understand health and safety-related information sharing and the right work practices and judgments of employees, and they should be trained through periodic training. Training should be conducted in a primary language that is used by workers, and relevant information should be posted in a prominent place on the premises.

< Terms >

**Health and Safety Information** Health and Safety is all things related to work and health, including all information related to the prevention of occupational diseases and the protection of workers' health. This includes a healthy state without mentally or physically abuse, health care that protects and promotes health and life, such as the prevention or treatment of illness, or measures to benefit health and hygiene which means improving the working environment.

**Healthy workshop** means environment such as dormitory, cafeteria, and sanitary facilities as the living environment of the workers necessary to support recharging and resting for production beyond the work space where the direct products takes place.

**Primary language** A native language of the worker's place of birth that is intended to assist in a thorough understanding of communication and education, and to prevent confusion and misunderstandings in the communication process.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policies and Procedures

- Establish policies and action plans for employees' education and training, communication, evaluation and improvement on all items related to health and safety that is presented in the Code of Conduct.
- All workers and supervisors should be able to understand the workplace ergonomic hazards and correct working posture through training.
- Worker education and training should include guidelines that minimize the ergonomic hazards of work and ensure safety procedures, such as posting.
- Also include guidelines on the operation of welfare facilities that can minimize the risks to the individual's health and hygiene

2) Education

- Develop and document training matrix by conducting needs analysis.
- Establish a training plan based on the training matrix.
- It is recommended that the program be built with the most up-to-date materials, records and maintained through compliance calendars, work-order systems, and computer-based email / calendar systems.
- Education should be conducted in the language understood by the worker.
3) Training

- Suppliers should conduct appropriate workplace health and safety training for workers, such as responding to emergencies, to minimize damage from all possible hazards in the workplace.
- It is recommended to conduct training at least every 6 months to all relevant/designated personnel.
- This includes providing information on safe movement, emergency relief contacts and procedures to sellers, contractors or other temporary visitors.

4) Communication

- All information relate to the safety of workers should be posted clearly visible on the facility and perform activities to observe and maintain that they are clearly posted on the facility in the language understood by workers.
- Establish an official communication program for workers including health and hygiene, and operate at least the following:
  ∙ Measures to promote all risks and workplaces in the workplace
  ∙ Update every time when add a new operation to a facility

5) Assessment

- Record in detail the number of workers involved and potential improvements and all recorded actions and improvements should be documented and retained.
- Including retraining, conduct training on a scheduled basis and training records should be operated including the effectiveness verification. (After training, confirm if workers are understood and the educational goals were achieved through test or interviews)
- If there is a change in the company's policies or procedures, the entire worker must be notified 30 days before enforcement.
## 4. Practice

1) Conduct regular training to help understand work behavior and judgment.

<table>
<thead>
<tr>
<th>Action/Comment</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use language where production plant is located.</td>
<td>X</td>
</tr>
<tr>
<td>Conduct training in a primary language used by workers.</td>
<td>○</td>
</tr>
</tbody>
</table>

2) Post attachments to announce workplace safety hazards.

<table>
<thead>
<tr>
<th>Action/Comment</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequently well-informed by posting in a public place.</td>
<td>X</td>
</tr>
<tr>
<td>Post relevant information to all relevant equipment and facilities.</td>
<td>○</td>
</tr>
</tbody>
</table>

3) Establish and operate training and communication programs.

<table>
<thead>
<tr>
<th>Action/Comment</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once established, programs are maintained until policy changes.</td>
<td>X</td>
</tr>
<tr>
<td>Update and maintain communications with up-to-date contents and conduct training records / verification.</td>
<td>○</td>
</tr>
</tbody>
</table>
# 3. Environment

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>81</td>
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<td>Environmental Permits and Reporting</td>
<td>82</td>
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<tr>
<td>3.2</td>
<td>Pollution Prevention and Resource Reduction</td>
<td>84</td>
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<tr>
<td>3.3</td>
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<td>87</td>
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<td>3.4</td>
<td>Solid Waste</td>
<td>92</td>
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<td>3.5</td>
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<td>3.6</td>
<td>Product Content Restrictions</td>
<td>99</td>
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<tr>
<td>3.7</td>
<td>Water Management</td>
<td>106</td>
</tr>
<tr>
<td>3.8</td>
<td>Energy Consumption and Greenhouse Gas Emissions</td>
<td>111</td>
</tr>
</tbody>
</table>
Introduction

Samsung Electronics pursues eco-friendly management and requires the same principles and efforts from all the partners in its supply chain.

The essential part of the basic human rights is the right to life. In that sense, it is fair to say that environmental pollution seriously violates the human rights, having a direct impact on people's lives and health, and companies have an obligation to protect the community from such environmental pollution.

In order to fulfill its corporate roles and social responsibilities, therefore, suppliers of Samsung Electronics must comply with international standards, related laws and internal regulations related to environmental protection.

As a corporate citizen that needs to pass on a healthy environment to the next generation, it also has an obligation to faithfully carry out the following basic responsibilities:

- Suppliers shall establish and maintain an environmental management system, and internally and externally disclose information about the environment.

- When it comes to environmental issues, the principle of precautionary approach shall be maintained, and an emergency plan shall be established to prevent, mitigate, and control serious environmental damage or disasters.

These activities should be performed for the sustainability of environmental policies, taking into account the impact assessment in a long-term perspective, and having timely communication and discussions with communities directly affected by the policies.
3.1 Environmental Permits and Reporting

1. Definition

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

< Terms >

Environmental permits  Legally required permits for air emissions, wastewater discharge, storm water discharge, hazardous materials storage and use, waste disposal, etc. in compliance with legal regulations

Prevention facilities  Facilities for removing or decreasing environmental pollutants

Hazardous substance  Ignitable or inflammable substances, etc. it is classified under the first and sixth type.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Environmental Permits

- All legally required environmental permits for air emissions, wastewater discharge, storm water discharge, hazardous materials storage and use, and
waste disposal shall be acquired.
- Any alteration that may change the status of registration and permitted hazardous waste generation shall be registered to local and national regulatory agencies and be modified.
- A document process shall be in place to ensure permits are renewed before current permits expire. Renewal tracking shall be documented and stored.

2) Reporting to Environmental Authorities
- Environmental reports shall be submitted to environmental authorities before the due date, and shall be prepared and reviewed to meet legal requirements.

4. Practice

1) Environmental Permits

- If chemicals used for the production process are changed, but there’s not much different from existing chemicals, the Supplier decides to skip a review of permits for waste water disposal facility.

→ Review if it is required to change environmental permits according to changed details. If needed, the Supplier changes its permits.
- Run a waste water disposal facility after acquiring relevant environmental permits

2) Reporting to Environmental Authorities

- The Supplier ignores directions for minor improvement as a result of inspection conducted by environmental authorities

→ If nonconformance is noticed by environmental authorities, the Supplier can have a big disadvantage for lockout, closedown, etc. Therefore, it must comply with legal requirements.
- Environmental reports shall be available and up to date at all times.
3.2 Pollution Prevention and Resource Reduction

1. Definition

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals and virgin forest products, is to be conserved or by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

<table>
<thead>
<tr>
<th>Terms</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption evaluation</td>
<td>Activities finding major factors by evaluating importance from energy consumption perspective.</td>
</tr>
<tr>
<td>Waste</td>
<td>Any substance which is discarded after primary use, such as human waste or a company’s production activity. It includes the combustion, sludge, waste oil, waste acid, waste alkali, etc.</td>
</tr>
<tr>
<td>Recycling</td>
<td>Activities to reuse and recycle waste materials or to make waste materials be recycled.</td>
</tr>
</tbody>
</table>

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Pollution Prevention Program
- Adequate policies and procedures shall be in place to minimize or eliminate waste generated in the process of production by managing energy use efficiently, and meet all matters as required by local regulations.
- Pollution prevention programs shall include at the minimum the following elements:
  ① A program identifying significant environmental aspects and monitoring and controlling these aspects through materiality assessment
  ② Details containing current resource use, recycling and waste generation
  ③ A system to monitor resource use and waste generation
  ④ Methods of preventing chemical leaks which can cause imminent negative impact on the local community
- The Supplier shall manage environmental emissions so as not to cause imminent negative impacts on the local community and continuously manage the current resource use and waste generation.

< Chemical Leaks Prevention Facilities >

<table>
<thead>
<tr>
<th>Division</th>
<th>Definition</th>
<th>Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dike</td>
<td>· A ground protective wall structure being installed around hazardous material storage tank</td>
<td>![Dike Image]</td>
</tr>
<tr>
<td>Trench</td>
<td>· Emitting pathway such as ditch, fume piping to induce hazardous materials leaked from storage tank to a safe place</td>
<td>![Trench Image]</td>
</tr>
</tbody>
</table>
4. Practice

1) Pollution Prevention

<table>
<thead>
<tr>
<th>- Keep chemical substances in random places.</th>
<th>(X)</th>
</tr>
</thead>
</table>

→ To prevent chemical substances from leaking, load relevant goods at dedicated warehouses right after being unloaded.
- Install dike, trench, etc. to prevent chemical substances from leaking. | (○) |

2) Reduction of Resource Use

<table>
<thead>
<tr>
<th>- The Supplier does not have to plan energy consumption as its production activity and maintenance of its business is more important than an energy plan</th>
<th>(X)</th>
</tr>
</thead>
</table>

→ The Supplier shall comply with the energy reduction policy of the relevant country. If there is no local regulation, the Supplier shall implement energy target management and energy reduction activities.
- The Supplier sets energy consumption and reduction plans for energy consumption evaluation and target management. (Refer to previous/this year’s consumption records, extension of facilities, personnel change, season conditions, etc.) | (○) |
3.3 Hazardous Substances

1. Definition

Chemicals and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.
Supplier shall comply with local laws and regulations prohibiting or controlling the use of particular materials.

< Terms >
Chemicals Substances that cannot be separated into two kinds of substances by condition change (evaporation, distillation, etc.) which is compared to mixture.
Hazardous chemicals Chemical substances which are defined by chemicals-related laws in countries as being poisonous to health of people or the environment.
Handling facility A facility or equipment which produces, keeps, stores, transports or uses chemicals.
MSDS [Material Safety Data Sheet] A sheet that contains the important information about chemical materials for safety when using and treating them.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Hazardous Chemicals Management
- Hazardous chemicals in a workplace shall be kept, stored and transported separately and shall be handled by facilities that are appropriate to each process.
- Protection facilities such as access control for dangerous substances, fire protection, segregation, leakage prevention, ventilation, and appropriate storage cabinet shall be prepared.
- Hazard signs and information (MSDS, warning signs) on hazardous substances, access restriction signs, etc. shall be written in the language easily understood by workers.
- Review, approval and history management procedures for reception, storage, delivery, use, recovery, and handling of hazardous chemicals shall be kept.
- Waste of hazardous substances shall be safely treated by a company that is approved and allowed by the authorities and the documents related to its qualification shall be kept.

2) Training for Hazardous Substance Handler
- Workers who handle and manage hazardous substances shall be trained on information required for use, handling, storage and treatment of chemicals (including waste).
- Training materials on hazardous substances shall be up to date at all times and the result report on training records shall be kept.

3) Management of Hazardous Waste Handling Company
- The hazardous waste handling company contracted with the Supplier shall be audited and managed periodically to check if the company complies with the requirements of the local regulations.
- Plans to minimize generation of hazardous waste in a workplace shall be established and implemented, and activities for improvement shall be continuously carried out.
## Items for MSDS

1. Information of chemical products and company  
2. Hazard Risk  
3. Name and content of composition  
4. First-aid measures  
5. Explosion and fire fighting measures  
6. Accidental release measures  
7. Handling and storage  
8. Exposure control and personal protection  
9. Physical and chemical properties  
10. Stability and reactivity  
11. Toxicological information  
12. Effect on environment  
13. Disposal consideration  
14. Transportation information  
15. Regulatory information  
16. Other information

## Items for warning signs

1. Name  
2. Pictogram  
3. Signal words  
4. Hazard risk statement  
5. Precautionary statement  
6. Information on supplier

### (ex) Benzene

#### Hazard Risk statement

- Highly inflammable liquid and vapor  
- Harmful to aquatic life with long lasting effects  
- Harmful if swallowed  
- May be fatal if swallowed and enters airways  
- Causes skin irritation  
- Causes serious eye irritation  
- May cause genetic defects  
- May cause cancer  
- Causes damage to organs (central nervous system, hematopoietic system) through prolonged or repeated exposure

#### Precautionary statement

**Prevention**

- Keep away from heat/sparks/open flames/hot surfaces.  
  - No smoking.  
- Wear protective gloves/protective clothing/eye protection.

**Response**

- If on skin or hair, rinse with water.  
- If in eyes, rinse with water for several minutes.  
  - Remove contact lenses.

**Storage**

- Store in a well-ventilated place and keep cool.

**Disposal**

- (according to the relevant regulation) Dispose of container.
  
For other details, refer to MSDS.

Information on supplier: ○○ corporation, TEL: △△△-△△△△-△△△△
### < How to Use MSDS for Major Situations >

<table>
<thead>
<tr>
<th>Scenario</th>
<th>MSDS Items to Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>To find general information, physical · chemical properties and toxicological information of chemicals</td>
<td>Use Item No.2 (Hazard Risk), Item No.3 (Name and content of composition), Item No.9 (Physical and chemical properties), Item No.10 (Stability and reactivity), Item No.11 (Toxicological information).</td>
</tr>
<tr>
<td>When chemicals are handled, used, disposed, or transported to other storage facilities in a workplace for the first time</td>
<td>Use Item No.7 (Handling and storage), Item No.8 (Exposure control and personal protection), Item No.13 (Disposal consideration), Item No.14 (Transportation information).</td>
</tr>
<tr>
<td>When chemicals are exposed to outside and workers</td>
<td>Use Item No.2 (Hazard Risk), Item No.4 (First-aid measures), Item No.6 (Accidental release measures), Item No.12 (Effect on environment).</td>
</tr>
<tr>
<td>When there is an explosion or fire accident because of chemicals</td>
<td>Use Item No.2 (Hazard Risk), Item No.4 (First-aid measures), Item No.5 (Explosion and fire fighting measures), Item No.10 (Stability and reactivity).</td>
</tr>
<tr>
<td>When there is a request on chemical regulatory information and MSDS for manufacturer, supplier</td>
<td>Use Item No.1 (Information on chemicals and company), Item No.15 (Regulatory information), Item No.16 (Other information).</td>
</tr>
</tbody>
</table>
## 4. Practice

### 1) Storage and Management of Hazardous Substances

- As there are not enough places for storing waste because of new production facilities, store all waste together.  
  
  → Hazardous substances must be separated, classified and stored in a designated place.  
  - Hazardous chemicals shall be stored in an outdoor place for dangerous substances installed by the local regulations, or in a separate container or tank.

### 2) Handler Training

- If MSDS and warning signs are placed in a place where hazardous chemicals are used, no special training shall be required.  
  
  → Regular training is required, and the training records shall be kept.  
  - MSDS and warning signs for hazardous chemicals shall be attached in the language easily understood by workers.

### 3) Management of Hazardous Waste Transportation Company

- The assessment for a hazardous waste transportation company is required only one time at first transaction.  
  
  → The transportation companies shall be assessed and managed on a regular basis to verify whether they comply with the local regulations which include appropriate treatment methods and ban on re-consignment.  
  - Hazardous waste shall be transported by permitted vehicles. (Check transportation permission, waste transfer form, etc.)
3.4 Solid Waste

1. Definition

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

< Terms >

General waste Refers to industrial waste, excluding designated waste, which does not have a direct impact on the human body, animals and plants, or the environment, such as food, garden waste, packing materials, or sanitary waste. Waste synthetic resins, waste wood, and glass splinters generated from a workplace are also included.

Designated waste Refers to hazardous industrial waste, excluding general waste, which can pollute the environment such as waste oil and waste acid, or which can be harmful to human body such as contagious waste.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Treatment of Solid Waste

- Solid waste shall be appropriately classified, stored, transported, and treated for segregation, secondary leakage prevention, fire protection, ventilation,
- Treatment facilities, hazard information (label/MSDS), and access restriction.
- Recycling process shall be prepared for reusable materials and the process shall include a goal and achievement ratio of recycling.
- Designated waste shall be treated by a company which is approved and allowed by the government.
- Waste shall be classified into liquid and solid states and stored accordingly, and leachate prevention (trench) shall be installed.

▶ Contract with a legitimate company to treat waste according to its type.
▶ Implement a regular inspection on the treatment company including its transportation vehicles, treatment facilities, etc.
### 4. Practice

<table>
<thead>
<tr>
<th>1) Waste Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>- As liquid and solid waste can be classified with the naked eye, they are kept</td>
</tr>
<tr>
<td>without any signs.</td>
</tr>
<tr>
<td>- Signs are prepared on the place for storing waste, and the signs include the</td>
</tr>
<tr>
<td>name of waste, required protective equipment, and the date the waste is generated.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2) The consigned waste/wastewater treatment company</th>
</tr>
</thead>
<tbody>
<tr>
<td>- For treatment of waste/wastewater, it is not required to check the license</td>
</tr>
<tr>
<td>of a company when it is introduced by another company in the same field.</td>
</tr>
<tr>
<td>→ Check and keep a copy of the license of the consigned company.</td>
</tr>
<tr>
<td>- Conduct a regular inspection to check if the waste/wastewater is treated</td>
</tr>
<tr>
<td>by only the company with license in an appropriate manner.</td>
</tr>
</tbody>
</table>
3.5 Air Emissions

1. Definition

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge according to local laws and regulations. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

< Terms >
Air pollutants Gases, particulate matters, or ill-smelling substances in the atmosphere which are recognized as a cause of air pollution.
Air pollution prevention facility A facility that removes or reduces air pollutants from air pollutant emission facilities through combustion control, etc.
Aerosol Elementary particles or liquid substances diffused through the air or gas.
Volatile organic chemicals A generic term for liquid or gas organic compounds that easily evaporate into the air because of high vapor pressure.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Compliance with Air Pollutant Emission Regulations

- Air pollutants shall be emitted into the atmosphere in accordance with the local regulations and air emission facilities shall be approved and allowed by the relevant authorities.
- Air emission treatment facilities shall be continuously inspected to minimize emission and monitored to emit air pollutants according to the local regulations.

2) Noise management

- Boundary noise shall be checked and assessed following the local regulations and managed through regular monitoring and control.
- An appropriate control device shall be installed and operated to manage boundary noise according to the local regulations.

< Management of Permissible Level of Air Pollutant Emission >

- Follow a legal measurement cycle.
- Manage according to the local regulations.
  (Substances under legal management such as Sox, NOx, VOCs, Dust, etc.)
Keep operation logs following the daily/weekly/monthly checklist.

Check failures in subsidiary equipment and instruments (ventilator, pressure gauge, thermometer, etc.).

It is recommended to manage emission concentration of emission facilities through analysis.

< How to apply measures to prevent noise >

<table>
<thead>
<tr>
<th>Classification</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement of noise source</td>
<td>· Install an expanding silencer on intake and exhaust ports.</td>
</tr>
<tr>
<td></td>
<td>· Change the lubrication method or arrangement of supporting points to reduce friction force generated by bearings.</td>
</tr>
<tr>
<td></td>
<td>· Reduce vibration using vibration isolation materials.</td>
</tr>
<tr>
<td>Measures regarding noise transfer path</td>
<td>· Change the noise transfer path by installing a noise barrier.</td>
</tr>
<tr>
<td></td>
<td>· Install silencers on the equipment generating loud noise such as engines, air compressors, etc.</td>
</tr>
<tr>
<td>Measures regarding workers</td>
<td>· Provide training on noise for workers who work in a place where loud noises are generated.</td>
</tr>
<tr>
<td></td>
<td>· Make it compulsory for workers to wear hearing protective devices, such as earplugs.</td>
</tr>
<tr>
<td></td>
<td>· Install a soundproof booth to prevent workplace from noise.</td>
</tr>
</tbody>
</table>

* Vibration isolation materials: Materials that block vibration (such as elastic pads or metallic springs, etc.)
### 4. Practice

<table>
<thead>
<tr>
<th>1) Regulation on Air Emission</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Operate air pollutant treatment facilities all the time whether it is before/after the operation of production equipment.</td>
</tr>
<tr>
<td>→ Air pollutant treatment facilities must be operated before the operation of production equipment.</td>
</tr>
<tr>
<td>- Measure and monitor the air pollutant emissions on a regular basis following the local regulations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2) Management of documents on air pollutant treatment facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- It is not required to keep documents on maintenance of air pollutant treatment facilities. Documents on air pollutant emission measurement results only shall be kept.</td>
</tr>
<tr>
<td>- Documents on air pollutant emission shall be kept for one (1) year or for the keeping period defined by the local regulations, whichever is longer.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) Noise Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>- When the noise exposure level of workers is below the level defined by the regulations, it is not required to provide hearing protective devices even if workers ask for it.</td>
</tr>
<tr>
<td>→ Business owners shall provide hearing protective devices to workers upon their request.</td>
</tr>
<tr>
<td>- Assess noise level and noise exposure to check if noise exposure of workers is above the limit or not.</td>
</tr>
</tbody>
</table>
3.6 Product Content Restrictions

1. Definition

All suppliers doing business with Samsung Electronics shall manage harmful substances used in products, parts, and raw materials to be eliminated and improved and establish an environmental quality management system that can fully respond to environmental regulations.

This shall be not to include harmful substances that have a negative impact of products and parts on humans and environment and to comply with environmental regulations.

This Guide basically applies to all products and parts regardless of sales regions of products manufactured by Samsung Electronics, but its scope shall be regulated separately by relevant substance required for environmental management.

< Terms >

Control of Substances in Products Substances which are controlled by relevant regulations by nation and product environment guide operated by Samsung Electronics, due to their negative effects on the human body and environment.

Threshold Limit The maximum concentration level at which the presence of a substance can be tolerated in a material. The threshold limits consider analysis error of substances prohibited or limited to be used and whether impurities are included in substances when analyzing regulated substances.

Precision Analysis Unlike screening analysis (XRF analysis) which indicates approximate concentration of certain substances, precision Analysis is a test using equipment with high precision and accuracy. For inorganic material analysis, equipment such as ICP, IC, UV/VIS, etc. are used. For organic material analysis, equipment such as GC/MS are used.

* Organic Materials: a general term for organic compounds which are chemical compounds whose molecules contain carbon atoms. This includes plastics, rubber, ink etc.

* Inorganic Materials: a general term for inorganic compounds which are chemical compounds not organic. This includes metal, ceramic, etc.

Volatile Organic Compounds (VOC) Organic compounds with a vapor pressure above 10.3 kPa, such as petroleum products, solvents, or other substances, etc. which may be harmful to workers and sites.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policies and Procedures

- Procedures which measure and document chemical composition of products shall be established.
  - Display labels for recycling and disposal
  - Legal/Customer requirements for content of certain substances in production and manufacturing processes

- Procurement and manufacturing process related management program shall be established.
  - Internal process for formal solution when finding violated materials or elements
  - Establish a system that tracks corrective measure and reports results of implementation
  - Monitor product inspection, requirements for documentation, etc. and submit reports and records
  - How to secure compliance with legal and customer requirements (How to procure materials, packing, and elements)
2) Classification & Control of Substances in Products

- Substances in products shall be classified into Class I, II, III, and others and operated.
  · Substances classified as Class-I shall be confirmed to comply with the threshold limit through precision analysis
  · Substances classified as Class II, III, and others shall not be confirmed by precision analysis data, but be prohibited to be used. When Samsung Electronics requires, suppliers shall conduct precision analysis data through the method suggested by Samsung Electronics and prove to comply with the threshold limits.

- Management standards and methods shall be interconnected with policies of Samsung Electronics and be updated on a regular basis.
  · Suppliers shall attach an approval sheet with present condition of substance use on paper and check if its results comply with the standards for control of substances in products management of Samsung Electronics.
3) List of Control of Substances in Products

[ **Banned Substances** ]

- **Class I**: Substances which are regulated by EU RoHS Directive are banned to be used in products

<table>
<thead>
<tr>
<th>Name of Materials</th>
<th>Managerial Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadmium and its compounds</td>
<td>EU RoHS, Packaging, Battery Directive; OSPAR Priority Chemicals; Korea RoHS;</td>
</tr>
<tr>
<td></td>
<td>China RoHS; Japan J-MOSS; US/CA SB-20/50; California Proposition 65</td>
</tr>
<tr>
<td>Lead and its compounds</td>
<td>EU RoHS, Packaging, Battery Directive; OSPAR Priority Chemicals; California Proposition 65; OSPAR Priority Chemicals; Korea RoHS; China RoHS; Japan J-MOSS; US/CA SB-20/50; US CPSC Public Law 110-314</td>
</tr>
<tr>
<td>Mercury and its compounds</td>
<td>EU RoHS, Packaging, Battery Directive; OSPAR Priority Chemicals; China RoHS;</td>
</tr>
<tr>
<td></td>
<td>Korea RoHS; Japan J-MOSS; US/CA SB-20/50; California Proposition 65</td>
</tr>
<tr>
<td>Hexavalent Chrome and its compounds</td>
<td>EU RoHS, Packaging Directive; OSPAR Priority Chemicals; China RoHS; Korea RoHS;</td>
</tr>
<tr>
<td></td>
<td>Japan J-MOSS; US/CA SB-20/50; California Proposition 65</td>
</tr>
<tr>
<td>PBBs (Polybrominated biphenyls)</td>
<td>EU RoHS Directive; OSPAR Priority Chemicals; China RoHS; Korea RoHS; Japan J-MOSS; California Proposition 65</td>
</tr>
<tr>
<td>PBDEs (Polybrominated diphenylethers)</td>
<td>EU RoHS Directive; OSPAR Priority Chemicals;</td>
</tr>
<tr>
<td></td>
<td>California Proposition 65</td>
</tr>
<tr>
<td>BBP (Benzyl butyl phthalate)</td>
<td>EU RoHS(2011/65/EU); REACH Regulation;</td>
</tr>
<tr>
<td></td>
<td>California Proposition 65</td>
</tr>
<tr>
<td>DBP (Dibutyl phthalate)</td>
<td>EU RoHS(2011/65/EU); REACH Regulation;</td>
</tr>
<tr>
<td></td>
<td>California Proposition 65</td>
</tr>
<tr>
<td>DEHP (Bis(2-ethylhexyl) phthalate)</td>
<td>EU RoHS(2011/65/EU); REACH Regulation;</td>
</tr>
<tr>
<td></td>
<td>California Proposition 65</td>
</tr>
<tr>
<td>DIBP (Diisobutyl phthalate)</td>
<td>EU RoHS(2011/65/EU); REACH Regulation;</td>
</tr>
<tr>
<td></td>
<td>California Proposition 65</td>
</tr>
</tbody>
</table>
- **Class II**: Substances which are managed by national laws or conventions other than EU RoHS Directive are banned to be used in products

<table>
<thead>
<tr>
<th>Name of Materials</th>
<th>Managerial Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCBs (Polychlorinated biphenyls)</td>
<td>Stockholm Convention; Annex I of Regulation (EC) No 850/2004</td>
</tr>
<tr>
<td>PCTs (Polychlorinated Terphenyls)</td>
<td>ANNEX XVII of REACH Regulation (EC) No 1907/2006</td>
</tr>
<tr>
<td>PCNs (Polychlorinated naphthalenes, over Cl3)</td>
<td>Stockholm Convention; Annex I of Regulation (EC) No 850/2004; Japan Law concerning the evaluation of chemical substances;</td>
</tr>
<tr>
<td>Ozone depletion /Global warming Materials (CFCs, HCFCs, Halons, HFCs, PFCs, SF6)</td>
<td>Montreal Protocol; EU EC No. 2037/2000 EC 1005/2009; US Clean Air Act; No 517/2014 EU</td>
</tr>
<tr>
<td>Formaldehyde</td>
<td>Austria - BGB I 1990/194; Formaldehydverordnung, §2,12/2/1990; US CA Code of Regulation §93120</td>
</tr>
<tr>
<td>Short-chain Chlorinated Paraffins (Alkane 10~13 Carbon chain)</td>
<td>ANNEX XVII of REACH Regulation (EC) No 1907/2006;</td>
</tr>
<tr>
<td>Specific Azo compounds</td>
<td></td>
</tr>
<tr>
<td>Nickel and its compounds</td>
<td></td>
</tr>
<tr>
<td>Arsenic and its compounds</td>
<td>ANNEX XVII of REACH Regulation (EC) No 1907/2006</td>
</tr>
<tr>
<td>DMF (Dimethylfumarate)</td>
<td>COMMISSION DECISION 2009/251/EC</td>
</tr>
<tr>
<td>PAHs (Polycyclic Aromatic Hydrocarbons)</td>
<td>ANNEX XVII of REACH Regulation (EC) No 1907/2006</td>
</tr>
<tr>
<td>Bisphenol A</td>
<td>France ACT N 2012-1442 of 24 Dec 2012 to suspend manufacture, import, export and placing on the market of any packaging for food containing</td>
</tr>
<tr>
<td>Nonylphenol, Nonylphenol Ethoxylate</td>
<td>Turkey Hazardous Chemical Content of some Consumer Products</td>
</tr>
<tr>
<td>6 Phthalates (BBP, DBP, DEHP, DINP, DIDP, DNOP)</td>
<td>US CPSC Public Law 110-314</td>
</tr>
</tbody>
</table>
[ Substances required for Phase-out Plan ]

- **Class III**: Substances which Samsung Electronics voluntarily phases out by considering potential effects on the human body and environment

<table>
<thead>
<tr>
<th>Name of Materials</th>
<th>Managerial Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBBP-A</td>
<td>All products</td>
</tr>
</tbody>
</table>
| Brominated Flame Retardants | Printed wiring boards in mobile phones  
|                         | Mobile phones (including accessories and chargers)                                  |
|                         | MP3 players (including accessories)                                                 |
|                         | Digital cameras and Camcorders: main PWB and case                                   |
|                         | Notebooks (except power cord and adapter)                                           |
| PVC                     | Mobile phones (including accessories and chargers)                                  |
|                         | MP3 players (including accessories)                                                 |
|                         | Digital cameras and Camcorders: internal wires                                      |
|                         | TVs: Internal wires (except LCD/LED panel and PDP module)                           |
|                         | Notebooks (except power cord and adapter)                                           |
|                         | Monitors: internal wires (except panel)                                             |
|                         | Home theaters: internal wires                                                       |
| Phthalate               | Mobile phones (including accessories and chargers)                                  |
|                         | MP3 players (including accessories)                                                 |
|                         | Notebooks (except power cord and adapter)                                           |
|                         | Digital cameras and Camcorders: internal wires                                      |
|                         | TVs: internal wires (except LCD/LED panel and PDP module)                           |
|                         | Monitors: internal wires (except panel)                                             |
|                         | Home theaters: internal wires                                                       |
|                         | Printers: >25g plastic part (excepting power cord)                                  |
| Antimony compound       | Mobile phones (including accessories and chargers)                                  |
|                         | MP3 players (including accessories)                                                 |
|                         | Notebooks (except power cord and adapter)                                           |
|                         | Digital cameras and Camcorders: Main PWB, case and internal wires                   |
|                         | TVs: internal wires (except LCD/LED panel and PDP module)                           |
|                         | Monitors: internal wires (except panel)                                             |
|                         | Home theaters: internal wires                                                       |
|                         | Notebooks (except power cord and adapter)                                           |
| Beryllium and its compounds | Mobile phones, MP3 players(including accessories and chargers)  
|                         | All products                                                                        |
| Cobalt chloride         | All products                                                                        |
| Chloride Flame Retardants | Mobile phones, MP3 players(including accessories and chargers)  
|                         | All products                                                                        |
| VOCs                    | Mobile phones, PC (including accessories and chargers)                              |
[ Monitored Substances ]

- Others: Substances which need to be continuously monitored due to the predicted future legislative framework

<table>
<thead>
<tr>
<th>Name of Materials</th>
<th>Managerial Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radioactive Substances</td>
<td></td>
</tr>
<tr>
<td>MCCP</td>
<td>All Products</td>
</tr>
<tr>
<td>Triclosan</td>
<td></td>
</tr>
<tr>
<td>PFRs(Triphenyl phosphate)</td>
<td></td>
</tr>
</tbody>
</table>

4) Operation and Maintenance

- A documented review process which compares specifications and procedures of suppliers and requirements of customer(Samsung) to checks if self-specifications and procedures are matched with requirements of customer(Samsung) shall be established and operated.
  - A random analytical test of products/elements and its methods comply with applicable standard(ex: IEC 62321), regulations, and customer requirements.
  - Specifications required for compliance, statements, or/and certificates are received.
- In case of customer’s request, suppliers shall provide statements, certificates, and analysis data.
- To check if suppliers comply with it, at least annual procedure inspection and evaluation (or more frequent if local law require) shall be conducted.

4. Practice

1) A monitoring and control process for the use of substances used in products is operated.

- Manage only substances applicable to laws by country or global regulation. (X)
- Include and manage substances which the customer wants to voluntarily reduce. (○)
3.7 Water Management

1. Definition

 Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Participant shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

< Terms >

Exposed Places Storage area and storage tank, G/R and I/R area, refueling area, vehicle and equipment storage/maintenance area, material handling and disposal area, waste disposal area and disposal area, dust, or particle generated area, cleaning area, etc.

Storm Water Pollution Prevention Plan(SWPPP) The document specifying implementation guidelines for minimizing a negative environment effect due to discharges of external storm water.

Nonstructural Control The schedule for process, prohibition, procedure, and operation which prevents industrial pollutants from contacting discharges other than storm water and approved storm water.

Structural Control Structural equipment used for reducing or preventing storm water run-off of pollutants (sump, berm, nail, containment vessel, oil/water separator).

COD Chemical Oxygen Demand, which refers to the amount of oxygen consumed to purify pollutants such as organic matter with oxidizer by oxidation-dissolution, and it is expressed in PPM or mg/liter.

BOD BOD stands for Biochemical Oxygen Demand, the index of the degree of pollution of organic matters in water, which indicates the amount of oxygen required by microorganism to break down organic pollutants in water.

PH PH is the measure solution acidity, which expresses the hydrogen ion concentration of the solution as an index.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Identification of Pollution Sources

- Suppliers shall establish processes and procedures for identifying and eliminating potential pollution sources that might affect storm water run-off.
- The process for identifying pollution sources shall include following details:
  - Prepare a list of places(areas) exposed to composition of storm water and pollutants in sites
  - Designate outlets are highly likely to be affected by spills and leaks
  - Store records of past spills and leaks that occurred at areas exposed to storm water or that drained to storm water drainage system
  - Set a plan for preventing pollution of storm water such as elimination of unauthorized discharge, etc.
- A map of storm water flow shall be prepared, and monitoring system for facilities shall be established.
  - Locations of storm water collection and conveyance systems, point of connected discharge, direction of storm water flow
  - Location of where materials are exposed to precipitation, Locations of a respectable amount of spills or leaks to occur
  - Areas of industrial activities exposed to potential pollutants, etc.
2) Control of Storm Water Discharges

- Suppliers shall select structural or non-structural controls to prevent storm water pollution.
- Suppliers shall check parts directly connecting production area and storm water drainage system. If any, these parts shall be eliminated immediately.
- Discharged wastes shall be handled according to regional and national discharge limit guidelines.

3) Evaluation and Monitoring of Storm Water Discharges

- A periodic monitoring (quarterly) of storm water discharges shall be conducted.
  - Track storm water pollution indexes such as color, odor, transparency, suspended solids, precipitable materials, solids, foam, oiliness, metal, toxic organic matter, etc. by taking a sample
- Suppliers shall conduct an annual evaluation of effects of storm water control measures.
  - An evaluation of visual observations and sampling/analytical data
  - A summary of inspections specified in Storm Water Pollution Prevention Plan(SWPPP)
  - Incident reports and corrective action tracking results

4) Emergency Response

- Suppliers shall designate at least one employee in charge of coordinating storm water related emergency response and reporting activities.
- A system in place that can immediately close a storm water drain outlet discharging outside of the facility boundary if there is a hazardous substance spill released to the storm water drainage system.
- Suppliers shall notify internal management and local regulation organizations of relevant details and prepare plans and procedures required for taking
prompt steps to solve hazardous substances released to the outside of the facility boundary.
- The root cause of emergent leak accident shall be identified through relevant analysis and corrective actions shall be taken.

5) **Operation and Maintenance**

- Storm water related documents and materials shall be provided to Samsung Electronics if required.
- The SWPPP shall be prepared, implemented, and stored to prevent the pollution of storm water spill.
- Suppliers shall provide enough storm water management training programs to all workers who may have an impact on the quality of storm water, depending on applicable regulations.

6) **For waste water treatment, the Supplier shall check the following:**

- Treat waste water in accordance with the local regulations.
- Check if waste water leaks to nearby areas.
- Check if facilities such as tanks, pipes and plumbing are appropriate for storage and transportation.
- Check if waste water treatment system works normally. (Measure COD, BOD, PH, and so on)
- A process to minimize waste water shall be prepared and it shall include a reduction goal, achievement ratio, etc

< Prevention of Pollutant Leakage from Rainfall Runoff >

- Install a dike around facilities for storing designate waste, waste water.
- Install an oil/water separation chamber to prevent oily water from entering into the rainfall runoff
### Management of Permissible Level of Wastewater Discharge

- Follow a legal measurement cycle.
- Manage according to the local regulations (BOD, COD, pH, etc.)

#### 4. Practice

<table>
<thead>
<tr>
<th>1) A proper and effective procedure for preventing storm water pollution shall be established.</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Storm water spills and leaks of pollutants shall be reduced or prevented through structural control.</td>
</tr>
<tr>
<td>- The effect of storm water spills and leaks on environment shall be minimized through structural or non-structural control systems.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2) A process adequate to production shall be established and operated through the control of storm water discharges.</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Only substances that are likely to be flowed directly into a drainage system shall be managed.</td>
</tr>
<tr>
<td>- All potential pollution sources shall be identified and managed by preparing a map of storm water flow.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) Management of Wastewater Treatment Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Keep only last month’s records on the operation of the wastewater treatment facility.</td>
</tr>
<tr>
<td>→ Documents on the wastewater treatment facilities shall be kept for one (1) year or for the keeping period defined by the local regulations, whichever is longer.</td>
</tr>
<tr>
<td>- Conduct an inspection on wastewater treatment on a regular basis to maintain the appropriate water quality which satisfies the criteria of regulations.</td>
</tr>
</tbody>
</table>
3.8 Energy Consumption and Greenhouse Gas Emissions

1. Definition

Suppliers shall regularly identify and responsibly manage energy consumption and greenhouse gas emissions arising from business activities within a pre-determined range.

In order to identify greenhouse gas emission sources and determine emissions every year, Suppliers shall establish a greenhouse gas inventory first and set the goals for achieving mid- to long-term carbon neutrality, including identifying energy use status and greenhouse gas reduction plans.

In addition, suppliers shall make a plan to achieve the goals, establish and operate comprehensive response system, and monitor progress regularly.

In particular, efforts should be made to find various opportunities to minimize energy consumption and greenhouse gas emissions—such as converting renewable energy, expanding the use of recycled materials, replacing with low-carbon raw materials, reducing energy in the production process, and capturing carbon-while increasing energy efficiency at the same time.

< Terms >

**Carbon neutrality** means equalizing the amount of greenhouse gas emissions and absorption from human activities, such as the use of fossil fuels, so that net emissions are '0'.

**Greenhouse gas (GHG)** refers to carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and fluorine gas (sulfur hexafluoride (SF6), carbon hydrofluoride (HFCs), and carbon perfluoride (PFCs).

**Greenhouse gas inventory** is a list of emissions by greenhouse gas emission source of a company or organization and means a series of greenhouse gas management systems that identify, record, manage, calculate, and report all greenhouse gases emitted from corporate activities.
Greenhouse gas calculation boundary means the establishment of a boundary that oversees direct and indirect emissions to determine the source and emission of greenhouse gases by companies.

**Scope 1 (direct discharge)** means gas discharged directly from facilities and processes directly owned or controlled by companies.

**Scope 2 (indirect emission)** means gas generated during the production of energy sources (such as power, steam, heat, and cooling) purchased or used by companies.

**Scope 3 (other indirect emission)** means all indirect emissions generated throughout the value chain of companies other than Scope 2.

**Base year** means a specific year that serves as the basis for setting greenhouse gas reduction targets, and applies when setting goals by applying absolute reduction target categories.

**Absolute quantity target** is a way to set the absolute quantity of emissions target at a certain point in the future relative to the absolute emission level in a particular base year.

**Per unit target** is a way to set the goal by dividing greenhouse gas emissions by other non-emission business measurement standards (production, energy consumption, etc.).

### 2. Scope

This Guide applies to the 1st-tier suppliers doing business with Samsung Electronics, and in particular, suppliers subject to greenhouse gas management (selected each year by Samsung Electronics) may be required to disclose information, set goals, and implement reductions.

1st-tier suppliers shall carry out greenhouse gas reductions in the overall process of business activities ranging from procurement to product development, production, and delivery; and sub-suppliers in the supply chain should also
participate in these activities to make mutual efforts to establish a carbon reduction ecosystem across the supply chain.

3. Guide

1) Compliance with regulations and response to requirements
- Suppliers must comply with local and international laws and regulations related to energy consumption and greenhouse gas emissions for carbon neutrality.
  • Roles, responsibilities, targets and reports, etc. as required by the region or the country
  • Regulations on energy usage and greenhouse gas emissions, etc. in the region and the country
- Suppliers must identify and reflect disclosure requirements on information regarding climate change and customer requests.

2) Operation of greenhouse gas management systems
- Suppliers shall place efforts in organizing teams and human resources for energy consumption and greenhouse gas management
  • Configure responsible person to take charge of all aspects of greenhouse gas management and reporting, etc.
  • Share the information and participate in trainings provided by Samsung Electronics
- Suppliers shall operate a process to identify, evaluate, and respond to climate change-related risks and opportunities.
  • Greenhouse gas inventory setup, emission reduction, regulatory compliance, reporting, etc.
- Information related to energy use and greenhouse gases should be quantified and managed through documentation; a monitoring system should be developed if necessary.
3) Establishing Greenhouse Gas Inventory
- In order to manage greenhouse gases, it is necessary to build on a priority basis a greenhouse gas inventory that meets global standards such as GHG Protocol.
  - Establish the range for greenhouse gas inventory within the company
  - Identify emission sources by identifying fuels, raw materials used in each emission facility
  - Collect activity data per emission source, calculate greenhouse gas emissions
- Once the greenhouse gas inventory is established, suppliers shall record annual emissions, identify trends, and use them to establish reduction targets.

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*Referred to GHG Protocol ([https://ghgprotocol.org](https://ghgprotocol.org))
4) Reduction target setting
- Suppliers shall set greenhouse gas reduction target and intensity based on the greenhouse gas inventory, and establish reasonable intermediate and final goals.
  · In order to systematically and consistently track and manage reduction performance, set appropriate base year and target year.
  · Greenhouse gas reduction targets can be established on an absolute quantity or per unit basis, and it is recommended to submit on an absolute quantity basis.

5) Execution of reduction activity
- In order to achieve the reduction goal, suppliers shall identify the nature of greenhouse gas emission in the workplace and specify the means of reduction and methods in each year by taking into account the reduction priority.
  · Rationalization of operation management through process improvement, replacement with high-efficiency facilities, power efficiency, utilization of renewable energy, use of alternative raw materials, use of internal heat sources and waste heat, etc.
- Renewable energy generation or purchase should be tracked separately from other energy sources.
- Suppliers shall continuously monitor and document the performance results of activities conducted to meet emission reduction targets.

6) Information submission
- Suppliers shall keep and store all official documents and key information used to calculate greenhouse gas emissions.
- Information related to greenhouse gas emissions (emission calculation data, reduction goals, reduction tasks, etc.), to the extent possible, must be submitted for verification if requested by Samsung Electronics and suppliers shall cooperate with on-site audit for information verification.
### 4. Practice

1) We calculate, manage, and disclose information on greenhouse gas emissions every year.

- Emissions are calculated for some workplaces that are easy to calculate.  \( \text{(X)} \)

- We collect, calculate, and manage emissions from all global workplaces.  \( \text{(O)} \)

2) We establish and manage greenhouse gas reduction targets.

- Emissions are calculated, but reduction targets are not separately established.  \( \text{(X)} \)

- We set reasonable mid-to-long-term reduction targets by reflecting the requirements in global guides and from customers.  \( \text{(O)} \)

3) We promote greenhouse gas reduction activities such as energy efficiency and renewable energy use.

- Energy efficiency and increased use of renewable energy are not legal requirements; operate such policy based on the company's circumstances.  \( \text{(X)} \)

- Establish the company's environmental management strategy and actively discover and promote reduction tasks according to the greenhouse gas reduction roadmap.  \( \text{(O)} \)
4. Ethics

[ Introduction ]

4.1 Business Integrity

4.2 No Improper Advantage

4.3 Disclosure of Information

4.4 Intellectual Property

4.5 Fair Business, Advertising and Competition

4.6 Protection of Identity and Non-Retaliation

4.7 Responsible Sourcing in Supply Chains

4.8 Privacy
Introduction

Ethical management means a management philosophy that considers business ethics as the top priority in business management and activities and pursues transparent, fair, and reasonable business performance.

And it also means corporates shall take their economic and legal responsibilities as well as acknowledge the fulfillment of ethical responsibilities as their basic duty, and make these as the basis for corporate decision-making and principles.

Samsung Electronics has implemented the five principles of ethical management and shared these with suppliers in its supply chain as core values to live by, and encouraged them to work together to achieve them.

This is because, although profit maximization is the goal of corporates, it is important to recognize that corporate social responsibility is also important and no matter how good the management performance is, companies that lost social trust in their business ethics will eventually be forced to shut down.

For this, corporates should make efforts to avoid labor intensification only for improving efficiency, ensure objective and fair personnel management, consider the cost of corporate social responsibilities, not to deceive consumers through the hype, and not to deceive stakeholders through unfair transactions or accounting frauds.

To this end, suppliers of Samsung Electronics shall comply with the following principles:

- Principle 1. Comply with law and ethics.
- Principle 2. Maintain a clean and fair organizational culture.
- Principle 3. Respect customers, shareholders, and employees.
- Principle 4. Value the environment, safety, and health.
- Principle 5. Fulfill its social responsibilities as a global corporate citizen.
4.1 Business Integrity

1. Definition

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. All business dealings should be transparently performed and accurately reflected on Suppliers' business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and Procedure

- The most rigorous standard of integrity and a zero-tolerance policy with regard to any and all forms of bribery, corruption, extortion and embezzlement shall be established.

- A formal procedure that encourages employees/workers to report a conflict of interest shall be established. In case a conflict of interest is reported, it shall be recorded.

- A formal procedure shall be in place to protect workers/employees from
retribution such as demotion, penalty, etc. for not committing the offense including bribery, corruption, extortion and embezzlement in relation to ethics policy even if this action may cause economic losses to a company.

2) Training

- Training in a zero-tolerance policy about all forms of bribery, corruption, extortion and embezzlement and conflict of interest process (including a report on conflict of interest) shall be provided to management and workers at least once a year.

< Cases on Conflict of Interest >
An employee or his/her immediate family has a business relation with the company which he/she is working for.
An employee or his/her immediate family holds shares of competitors.
Any illegal act of offering and accepting bribes such as rebate on transaction, commission, gift, cash, etc. which hinder fair competition.

4.2 No Improper Advantage

1. Definition

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy

- Gifts to or from suppliers and customers shall not be excessive in cost and frequency. Details containing that bribes or other ways to obtain unfair or improper advantage are not promised, provided, authorized, given or accepted shall be documented.

2) Operating a Regular Monitoring Program

- Whether workers/agents offer or accept improper offers, bribes, or unfair or improper advantage shall be checked.
- Alleged improper business conduct done by workers, employees and managers shall be investigated and action shall be taken accordingly (including preventive measures depending on results of investigation).
- In case of such violation, records which include investigation methods, objective data and testimony shall be kept. If individual does not comply with a company’s ethics policy, measures in accordance with personnel regulations shall be taken.

3) Training

- Training materials and records for management, supervisors and workers shall be kept. Training for all managers, supervisors and workers shall be carried out once a year.
4.3 Disclosure of Information

1. Definition

All business dealings should be transparently performed and accurately reflected on Suppliers’ business books and records. Information regarding Suppliers labor, health & safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Procedure

- Inspection/evaluation/audit procedure shall be established to ensure reliability of information targeted for disclosure.
- A procedure which prevents and investigates misrepresentation done by workers, managers and their agents shall be included.
- Desirable accounting policies, procedures and record keeping shall be managed through an annual third-party financial audit.

2) Internal Management System and Report
- An internal management system shall be in place to ensure the accuracy of information and government reporting shall be done timely in accordance with legal requirements.
- Financial and annual reports about business operations shall be prepared in accordance with applicable legal requirements and good industry practices.

4.4 Intellectual Property

1. Definition

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and Samsung’s proprietary information is to be safeguarded.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and Program

- Suppliers shall establish a formal policy and programs to protect information of a customer when signing a contract with the customer.

  - Such information includes names and contact information of key customer
personnel, contract pricing and volumes, names of subcontractors and materials/components suppliers, identities and trademarks, third-party intellectual property, patent records, copyright-protected contents, etc.

- A program and procedures to review and protect intellectual property rights shall be in place.
- A formal procedure shall be established to ensure non-disclosure and protection of information on a supplier’s customers, channel partners, suppliers, workers, and other business partners in accordance with applicable laws and regulations.
- IP policies shall include guidelines about the distribution and dissemination of information. This shall include a non-disclosure agreement (separate or part of employment contract) for workers and management.

2) Training

- Managers and supervisors shall receive training in information protection procedures once a year. Training materials and records shall be kept up to date.

4.5 Fair Business, Advertising and Competition

1. Definition

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard Samsung’s proprietary information must be available.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch
agencies. The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Fair Trade Act and Fair Advertising-related Laws

- Any kind of publicly released information (job posting, product details, company/facility promotion (booklet/flyer), commercial advertising, press releases, website, etc.) shall not contain false or misleading contents regarding a supplier’s products, services, opportunities, position, etc.
- The information publicly released by a supplier shall meet legal requirements.
- A documented formal program shall be in place to ensure that details publicly released by a supplier are not false or misleading and relevant details meet legal requirements.

2) Competition-related Laws

- Safeguards shall be established to prevent collusion with other competitors on product pricing or other factors that could hinder competition.
- A formal policy which prohibits collusion between managers, workers, business partners or any of their agents shall be in place.
- A formal investigation procedure for any allegation of collusion shall be established and such a procedure shall include monitoring related to fair competition.
- Training in collusion shall be offered to workers, employees, managers and business partners shall receive training once a year. Training materials and records shall be kept up to date.
4.6 Protection of Identity and Non-Retaliation

1. Definition

Programs that ensure the confidentiality and protection of supplier and employee whistleblower are to be maintained unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Protection of Identity

- Supplier shall investigate if a whistleblower’s information is true immediately and take a prompt corrective action if the information is true. Protection of identity shall be applied to all workers including non-regular workers.
- Clear communication channels (complaints box, hotline, hot mail, third-party line, etc.) shall be in place to ensure that workers at suppliers and their key subcontractors are free to report violations or other issues.
- A procedure for workers to anonymously report suspected violations or other issues shall be established to prevent possible retaliation.
- Detailed procedures shall be in place to protect a whistleblower identity in the
- Training materials and records related to report process shall be kept up to date. Training shall be offered to all workers once a year. In addition, workers at suppliers and their major subcontractors shall receive written information on how to report ethical or legal concerns.

2) Non-Retaliation

- Non-retaliation policy shall be sent clearly to all workers and relevant training be provided to all workers once a year. Training materials and records shall be kept up to date.
- Detailed procedures shall be established to investigate an alleged retaliation.

4.7 Responsible Sourcing in Supply Chains

1. Definition

Regulated materials in supply chain refer to the ones whose use is restricted in supply chain in accordance with individual national laws or international regulations related to the use of responsible materials in products or production of goods.

These materials include conflict minerals, strategic items, illegal timber, etc. Inappropriate use of materials or raw materials caused by serious human rights violation, environmental destruction, etc. in the process of acquiring them is considered anti-social/ethical acts.

In this regard, all suppliers doing business with Samsung Electronics, as responsible members of supply chain, shall not use minerals (such as tantalum, tungsten, tin, gold, cobalt, etc.) and illegally timbered raw materials from any area, where it can cause serious human rights abuses and environmental
destruction in the international community. In addition, the exported materials in Samsung products to countries such as North Korea, Iran, Syria, Sudan, and Cuba, where weapons of mass destruction, conventional weapons, and missiles are likely to be manufactured, shall comply with the standards required by the international community, too. In this regard, Supplier shall develop a policy to ensure compliance with all relevant laws and regulations. Furthermore, Suppliers shall exercise due diligence on the source and chain of custody of these materials and make their due diligence measures available to Samsung upon Samsung’s request.

< Terms >

**Conflict Minerals** Four major minerals or 3TG (Tantalum, Tin, Tungsten, Gold) mined in 10 countries applicable to a conflict zone including Democratic Republic of the Congo (DRC), etc. It means substances that restrain companies from using to prevent any misuse of wars and human rights violation such as exploitation of child labor and source of funds used by rebel forces, etc.

**Strategic materials** H/W, S/W, and technologies that can be used for the manufacture, development, use or storage of conventional weapons or weapons of mass destruction (WMD) and missile as a means of delivery of these weapons. These items are restricted to be exported to hostile countries including Democratic People’s Republic of Korea (DPRK), Cuba, Iran, Sudan, Syria, etc.

**Illegal Timbers** Illegally logged timbers and wood products are restricted to be distributed within the EU market in accordance with ‘The EU Timber Import Control Act’ (March, 2013) in order to prevent environmental damage due to thoughtless forest cutting.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policy and Procedure
- Policies and procedures for not purchasing and using illegally produced and distributed materials such as conflict minerals, strategic items, illegal timbers, etc. shall be established.
- Applicable materials shall be managed in accordance with regulations by country and international regulations.

2) Regulated Materials Management Process
- Documents or their evidence verifying policies and procedures mentioned above shall be secured.
- Procurement procedures which do not source illegally produced materials shall be established and implemented.
- Procedures and documentary evidence verifying that all suppliers taking part in supply chain do not use applicable materials shall be secured.
- The 1st tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors shall use only materials certified by the third party.
- The place of origin and transaction information about applicable materials used in products supplied to Samsung Electronics shall be provided to SEC.
- As for new materials, relevant information shall be identified in advance, and only materials confirmed not to use responsible materials shall be supplied to Samsung Electronics.
3) Control and Follow-up Management

- Suppliers shall continue to request their subcontractors not to use responsible materials and verify reliability for relevant information provided through due diligence on current state of its response.
- Suppliers themselves shall make an internal report for the current state of responsible materials and improvement measures so that the management are fully aware of it. Responsible materials shall be controlled and managed on the management’s responsibility not to be used.
- If illegal responsible materials are questioned, suppliers shall notify Samsung Electronics of this immediately.

4.8 Privacy

1. Definition

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

1) Policy and Program

- A formal policy and program shall be in place to protect privacy of all people related to business practices, including suppliers, customers, consumers, and employees.
- The program shall meet personal information protection, information security laws and regulatory requirements in case of collecting, storing, processing and sharing personal information.

2) Training

- Workers and managers shall receive training in personal information protection. Training materials and records shall be kept up to date.
# 5. Management System

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Introduction

For achieving sustainable growth and development, corporates, regardless of sizes, are currently confronted with higher level of economic and legal accountabilities as well as demands for ethical responsibility required as a social convention.

Society and consumers are increasingly demanding corporates to minimize these risks and thus, governments and regulatory authorities have come up with more strict and comprehensive requirements including asking detailed reports from corporates. As a result, companies’ suitability to adapt to new legal and regulatory environment are recognized as minimum standards.

To transform this pressure into a competitive edge, corporates need to establish a more effective and customized management system in their business process and continue to create results throughout all activities.

In order to evaluate the current challenges and meet demands from diverse parties concerned, Samsung Electronics and its suppliers fully understand the necessity for developing processes and performance standards and stick to the following principles to integrate key business principles:

- Establish policies, systems, and reporting system to fulfill corporate responsibilities in management.

- Prepare rules and practice guidelines for their detailed operation.

- Establish and operate related training program and internal and external communication system.

This management system is not for maintaining the status quo, but for promoting continuous improvements by managing changes and improvements.
5.1 Company Commitment

1. Definition

A corporate social and environmental responsibility policy statement affirming the Supplier's commitment to compliance and continual improvement, endorsed by executive management, must be announced to all facilities of the Supplier in the local language of each facility.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

- Management shall sign a declaration that expresses its commitment to compliance with labor, health & safety, environment, ethics regulations and continual improvement.
- As for ethics, details described in corporate code of conduct or ethics regulations shall be included as follows:
  - General Ethics: conduct business with honesty/integrity (ex: avoid conflicts of interest, stealing, extortion and embezzlement, protect corporate assets, compete fairly), protection of identity, non-retaliation (ex: whistleblower, anonymous reporting)
- Legal Compliance: Anti-corruption or anti-bribery, anti-trust, privacy, intellectual property (IP) protection, responsible minerals sourcing
- Operating Procedures: Accurate and transparent disclosure of information (ex: accuracy of company records, accurate reports in account books and records, disclosure of information in accordance with law/prevailing industry practices)

- Corporate social and environmental responsibility policy statements written in a language that all workers can understand shall be posted in the workplace or in-house intranet.

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.

< Management System >
A collection of correlated factors used to set business policies and goals and to achieve them. It includes a structure of organization, planning activity (including risk assessment, goal setting, etc.), responsibility, implementation, processes, resources, etc.
5.2 Management Accountability and Responsibility

1. Definition

The Supplier shall clearly identify company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Assignment of Responsibility and Authority

- Responsibilities and authorities shall be properly and effectively assigned to all workers to operate management system.
- Responsibilities for implementing management system are assigned to senior management to comply with laws and regulations and requirements of the EICC. In addition, senior management is authorized to implement programs, procedures and corrective actions necessary for complying with regulations and the EICC.
- Responsibilities and authorities of members of each organization shall be described in job descriptions or a facility’s management system documentation. In addition, documented procedures for responsibility assignment in normal and emergency situations, training materials and records shall be kept up to date.

2) Management Review and Improvement Process Setting

- The performance and management system in the areas of labor, health & safety, environment and ethics shall be reviewed at least once a year and an improvement process based on the review result shall be established.

- A document describing the process of management system review shall include the following:

  - Agendas, review frequency, meeting minutes, presentation materials, records of management review meetings (date, participants, meeting objectives, results of audits, completion of corrective actions, risks/issues and other information needed to determine the effect of management system and to check the possibility of improvement (result in a formal improvement action plan))

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.
5.3 Legal and Customer Requirements

1. Definition

The Supplier shall establish and continue to operate an ongoing process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code and shall comply with the same.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

- A process to trace, evaluate, integrate, implement and continue to understand applicable regulations and customer requirements pertaining to labor, health and safety, environment and ethics shall be established.
- New laws/regulations shall be reviewed at least quarterly.
- Documents summarizing applicable laws and regulations and key customers’ requirements shall be stored and updated at least on a quarterly basis.
- Process changes shall be reviewed to reflect new regulations and customer requirements.

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.
5.4 Risk Assessment and Risk Management

1. Definition

The Supplier shall establish and continue to operate an ongoing process to identify the legal compliance, environmental, health & safety, labor practice and ethics risks associated with supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

- An effective risk management process shall be established and documented to identify, assess, minimize, mitigate and control risks in the areas of labor, health & safety, environment and ethics.
  - A formal risk assessment process which identifies the most significant risks including applicable regulations and customer requirements shall be established.
  - An action plan to minimize all identified risks, control methods and improvement objectives shall be established.
- The risk assessment is conducted once a year by including the following:
  i) Every site operation/process
  ii) Physical location
  iii) Documented procedural controls
  iv) Proper training offered to those (managers or workers) responsible for implementing the procedures
  v) In case measures for control are not taken, an implementation plan including a person responsible for implementing required controls and completion schedule shall be established
  vi) Regular assessment of the effect of controls
  vii) Corrective action taken for improvement

- Training materials and records shall be kept up to date.

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area. However, risk assessment in the sector of ethics shall consider business circumstances (country of business operation, stakeholders, etc.) and cover, at minimum, honesty, integrity, intellectual property protection, bribery corruption, fraud, embezzlement, extortion, legal/ethical/fair business/marketing practices, report violations, whistleblower protection, rebate, bribes, privacy and unlawful payment.
5.5 Improvement Objectives

1. Definition

Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including periodic assessment of supplier's performance in achieving those objectives.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

- A performance management process in the areas of labor, health & safety, environment and ethics, including setting improvement objectives and targets, setting/implementing improvement plans, reviewing its progress on a regular basis and adjusting if needed shall be established.

- When establishing an objective setting process, the following items shall be reflected:
  i) Consideration of risk assessment results
  ii) Legal and regulatory requirements
  iii) Customer requirements
  iv) Company standards/requirements
- The process shall include the following items:
  i) A specific frequency for objective setting (ex: annual)
  ii) Assignment of owners
  iii) Implementation plans
  iv) Completion dates
  v) Communication of objectives to workers
  vi) How frequently progress in achieving objectives is reviewed
  vii) Clear objectives and goal setting

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.

5.6 Training

1. Definition

The Supplier shall establish and continue to operate an ongoing program for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

- Process which trains all managers and workers in all policies, procedures, job-related details and performance targets related to the areas of labor, health & safety, environment and ethics shall be established.

- Training program for workers and managers shall include the following items:
  i) Orientation plan for new employees
  ii) Analysis on education needs
  iii) Training plan
  iv) Training materials
  v) Training records
  vi) Training frequency
  vii) Training efficiency verification

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area. However, as for labor sector, the training on appropriate disciplinary action procedures shall be included while as for ethics, not only workers, but all subcontractors, business partners and other relevant parties shall be included.
5.7 Communication

1. Definition

The Supplier shall establish and continue to operate an ongoing process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, Suppliers and customers.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

- A communication process in which effectively delivers policies, practices and performance in the areas of labor, health & safety, environment and ethics to workers, managers, subcontractors and Samsung shall be in place.

- A communication program for Samsung suppliers’ supply chain shall include the following:
  i) Communication with management of Samsung suppliers’ supply chain
  ii) Terms and conditions of contract asking Samsung suppliers’ supply chain to comply with Samsung Electronics Supplier Code of Conduct Guide and the EHS regulation
  iii) Presentations for Samsung suppliers’ supply chain
  iv) Training for Samsung suppliers’ supply chain
- A communication programs for Samsung shall be conducted once a year and include the following:
  · Current status and performance of recruitment (ex: freely chosen employment(Y/N), statistics of workers, list of labor recruitment agencies/labor dispatch agencies, etc.)

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.

5.8 Worker Feedback, Participation and Grievance

1. Definition

The Supplier shall establish and continue to operate ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

- A worker grievance/complaint report process whereby workers can confidentially report work-related grievances or complaints without fear of any retaliation or threat, regarding the areas of labor, health & safety, environment and ethics shall be established.
  - Grievance and complaint channels shall be clearly communicated in workers’ native language through grievance box, hotline, hotmail, etc.

- Management shall establish a process which encourages feedback and participation of workers so as to improve their grievances or complaints.
  - Feedback channels are clearly communicated and visible (suggestion box, etc.)
  - The following programs to obtain feedback from workers shall be operated:
    i) Worker surveys
    ii) Suggestion boxes
    iii) Worker focus groups
    iv) Joint worker-management committees
    v) Worker/union representatives
    vi) Process improvement team
  - Feedbacks shall be analyzed and actions shall be taken to improve issues.
  - Action plans shall be established and implemented on track.

- Training materials and records shall be kept up to date. Ways to report grievances and complaints are delivered to all workers and annual refresher training is provided to all workers.

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.
5.9 Audits and Assessments

1. Definition

The Supplier shall establish and continue to operate periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

- A self-audit process shall be in place to periodically assess Samsung Electronics Supplier Code of Conduct and legal requirements pertaining to the areas of labor, health & safety, environment and ethics.

- An audit program shall reflect the following items and a regular audit shall be conducted at least once a year.
  i) Legal requirements
  ii) Requirements of Samsung Supplier Code of Conduct
  iii) SER (Social and Environmental Responsibility) related requirements of contract with Samsung
  iv) Internal policies, standards and management system
  v) Other requirements applied to a company
- An audit program shall include the following items:
  i) All areas of a company
  ii) All processes, physical conditions and work practices
  iii) A review on documents and records
  iv) An interview with a person in charge of the SER

- Management shall review results of audit.

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.

5.10 Corrective Action Process

1. Definition

The Supplier shall establish and continue to operate an ongoing process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.
3. Guide

- A process shall be in place to effectively rectify violation of regulations in the areas of labor, health & safety, environment and ethics checked through internal · external audits, assessments, inspections, investigations and reviews or violations of Samsung Electronics Supplier Code of Conduct.

- A corrective action program and process shall include the following:
  i) Corrective action reports/plans and progress management (including root cause analysis, corrective actions, a responsible person and completion schedule)
  ii) In case a corrective action is not properly implemented, additional actions shall be taken to get the item back on schedule
  iii) Completion of specific action items shall be verified by the management representative
  iv) A relation between a corrective action plan and performance management objectives/targets

- Copies of all summons/violation notices including communications with government agencies shall be kept for at least three years.

- In case a summons was received, documents verifying that issues have been solved/closed shall be available and corrective and preventive actions for all similar cases in a company shall be taken.

- If an independent third party or the government agency did not check if an issue has been solved/closed, an auditor shall check if a relevant issues has been closed.

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.
5.11 Documentation and Records

1. Definition

The Supplier shall create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy. The Supplier’s adoption of and compliance with this Code must be documented and relevant information must be promptly shared with Samsung upon its request.

2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

- Documentation and records for labor, health & safety, environment ethics management system shall be kept and levels of access shall be properly limited to protect personal information.

- Documents are securely stored with authorized access only.

- A documentation system shall satisfy the following:
  i) Regulation (including record keeping laws)
  ii) Customer requirements
iii) A documentation and recordkeeping procedure for the following documents and records shall be included:

- Records of wages payment and working hours, verification of worker age, financial audit reports, non-disclosure agreements (NDAs), terms and conditions of a contract, self-audit reports, regulatory compliance evaluations, risk assessments, work status and procedures, objectives and performances, reports done by regulatory agencies, incident investigations, Worker complaints, training records, meeting minutes of management system review and action items, corrective action records.

iv) Documents and records required by local regulations and customer requirements shall be kept up to date.

v) Conflict of interest declarations shall be included in personnel records of employees.

※ In case of obtaining internationally recognized certificates such as ISO 14001 certificate in the areas of labor, health & safety, environment and ethics, it is considered to comply with management system standards for the relevant area.
5.12 Supply Chain Participation and Responsibilities

1. Definition

All suppliers doing business with Samsung Electronics shall faithfully take the same supply chain responsibilities as Samsung Electronics. This is not only because suppliers have social and ethical responsibilities as a corporate community caused by their participation in supply chain, but because both Samsung Electronics and its suppliers obtain more efficient and effective results not through efforts of single company, but through entire group efforts. Therefore, Samsung Electronics and its suppliers shall promise to voluntarily take part in social and environmental roles and responsibilities for sustainable growth in supply chain and make efforts to establish healthier management systems.

The 1st-tier suppliers shall take responsibilities for ensuring that their subcontractors (2nd-tier suppliers) make efforts to implement the Code of Conduct of Samsung Electronics. Like requests of this Guide, this includes risk management which sets various requirements related to social responsibility when selecting and maintaining suppliers, evaluates, and inspects supplier’s subcontractors to ensure that they comply with this.

< Terms >

1st-tier Suppliers refer to all suppliers doing business directly with Samsung Electronics and include toll processing suppliers providing manufacturing services.

2nd-tier Suppliers are determined depending on standards defined by 1st-tier suppliers (annual transaction amount, the supply of major materials for key projects, purchased one time or more, included in the supply chain of Samsung Electronics, etc.). Within this scope, 2nd-tier suppliers include all dispatched workers/contractors, companies providing on-site services, etc.
2. Scope

This Guide is applied to the 1st-tier suppliers doing business with Samsung Electronics, their supply chain, and subcontractors (including labor dispatch agencies). The 1st-tier suppliers shall make every effort to supervise and support their supply chain and subcontractors (including labor dispatch agencies) so that they comply with the Guide.

3. Guide

1) Policies and Procedures

- Suppliers shall set documented procedures for fulfilling this Guide.
  - Effective systems to deliver this Guide, purpose, philosophy, requirements, clauses, etc. to 2nd-tier suppliers.
  - In addition, a formal communication which notifies their subcontractors of this Guide and its requirements exists, or requirements and clauses of this Guide shall be included in contracts signed with suppliers.
  
This shall satisfy following details:
  - Supplier programs (identification of major suppliers, definition of major suppliers)
  - Communication programs for 1st-tier suppliers (meetings, e-mails, etc.)
  - Processes which notify suppliers of requirements of this Guide and monitor if suppliers comply with this Guide, etc.

2) Monitoring & Control

- Processes and improvement plans for checking if major suppliers (2nd-tier suppliers) comply with laws shall be reviewed on a periodic basis.
- A checklist for the fulfillment of this Guide, checks, and site visit reports of “2nd-tier suppliers” are available.
- With regard to improvement measures related to this Guide and its clauses, action plans established with 2nd-tier suppliers shall be verified, and this shall include following details:
  
  · In the case of self-evaluation, meeting minutes regarding documented situations compared with this self-evaluation, and self-evaluation information shall be checked and inspected. In addition, relevant information shall be checked through visits for verification. (possible to be accepted if the third party qualified conducts a verification)
  
  · A plan for corrective measures about improved areas checked in self-evaluation/check, verification procedures and processes carrying out its plan, etc.

- In the case of dispatched works, all the relevant working requirements (prohibition of child labor at least, voluntary employment, recruitment/service fee, wages, welfare benefits, prohibition on discrimination) and details containing the request of compliance with labor laws of local and delivery countries shall be included in contracts signed with dispatched workers/contractors.

3) Follow-up Management

- Evaluations conducted to assess requirements of this Guide and their results shall be included in details of compliance management evaluation of Samsung Electronics.

- In this regard, all the relevant information about times of checks/evaluations of “2nd-tier suppliers” conducted and received, corrective measures for the last year shall be submitted.
### 4. Practice

1) Suppliers, as members of the supply chain of Samsung Electronics, shall carry out corporate social and environmental responsibilities.

| - Suppliers shall thoroughly check if they themselves comply with only laws promised with Samsung Electronics. | (X) |
| - Suppliers shall control compliance management of their subcontractors by being fully aware of supply chain responsibilities. | (○) |

2) Supplier check process and improvement plan shall be reviewed on a periodic basis.

| - Only reports that evaluate jobs as a result of site visit inspection are available. | (X) |
| - Verifications and evaluations conducted by the third party qualified are possible to be accepted. | (○) |
Samsung Electronics Supplier Migrant Worker Guidelines

Version 1.1

Samsung Electronics Supplier (“Supplier”) shall continuously strive to provide safe working conditions, treat its employees with respect and dignity, ensure its business operations are not harmful to the environment, and conduct all activities ethically and responsibly in full compliance with the applicable local laws and regulations of the countries in which Supplier operates its business. Supplier shall also be dedicated to respecting and protecting human rights, and consider this to be its most important obligation as a member of a global society.

Reflecting on the above commitment, the Samsung Electronics Supplier Migrant Worker Guidelines (the "Guidelines") set out the minimum requirements for the ethical and transparent recruitment process of migrant workers in Supplier’s worksites. Especially, any recruitment or placement fees by recruitment agencies, sub-agents, or third parties are strongly prohibited during the recruitment process. As a supplier providing goods or services to Samsung, Supplier shall comply with Samsung Electronics Supplier Code of Conduct based on the EICC Code of Conduct, a core requirement that contains a set of standards on social, environmental and ethical issues in the electronics industry supply chain, take immediate and effective measures to address instances of forced, bonded or indentured labor and human trafficking, and also ensure the prohibition and elimination of the worst forms of child labor. Supplier shall also periodically conduct appropriate due diligence, monitoring, and training programs to screen and manage recruitment agencies.

Supplier shall support the right of voluntary labor and be committed to banning participation in, or imposition of, forced labor by means of mental or physical bondage in accordance with the California Transparency in Supply Chains Act and the UK Modern Slavery Act. Supplier shall also respect and protect fundamental human rights taking into account international human rights principles and standards set forth in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development’s guidelines for multinational enterprises, the UN Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, and the laws of the countries in which Supplier operates its business.

1. Objective

The Guidelines include minimum requirements for ethical and transparent recruitment which is essential for the eradication of forced, bonded, or indentured labor and human trafficking of migrant workers.

Supplier shall recognize that some of the requirements listed herein may exceed those under applicable local labor law or may not be legislated. In such cases where there may be a conflict of requirements, Supplier shall strive to meet the higher standard that offers the most benefit and protection to migrant workers.

2. Scope
The Guidelines apply to Supplier’s worksites and recruitment agencies which are used to select, recruit and manage migrant workers or arrange transport for migrant workers to suppliers.

3. Definitions

For the purposes of the Guidelines, the following words shall have the meaning ascribed as herein below:

3.1 “Migrant Worker” – refers to a person who is engaged or has been engaged in a remunerated activity in a state in which he or she is not a national and has to move from one country to another for the purpose of employment.

3.2 “Sending Country” – refers to the country where the migrant worker was born and resided in or the country where the migrant worker was recruited.

3.3 “Receiving Country” – refers to the country where suppliers are located and where the migrant worker is employed.

3.4 “Recruitment Agency” – refers to labor recruiters, labor brokers, and any other third parties involved in the recruitment, selection, hiring, transportation, and/or in some cases management of migrant workers in either sending or receiving countries.

3.5 “Child Labor” – refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is the most stringent under applicable laws and regulations.

3.6 “ Forced Labor” – refers to all work or service which is exacted from any person under the threat of any penalty and for which the said person has not offered voluntarily.

4. Recruitment Fees

4.1 Supplier shall ensure that migrant workers shall not be responsible for paying any fees or expenses in connection with securing employment with the exception of the fees and expenses payable by migrant workers indicated below. The fees and expenses payable by Supplier listed below shall be paid after the employment offer has been made and accepted in writing.

<table>
<thead>
<tr>
<th>Fees and Expenses Payable by Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Passport</td>
</tr>
<tr>
<td>• Work permit</td>
</tr>
<tr>
<td>• Police clearance fee</td>
</tr>
<tr>
<td>• Birth certificate fee</td>
</tr>
<tr>
<td>• Certificate of good behavior fee</td>
</tr>
<tr>
<td>• Other certificate, identity or clearance documents required for residing in the receiving country</td>
</tr>
<tr>
<td>• Recruitment Agency fees - Documentation, translation, service fees</td>
</tr>
</tbody>
</table>
• Medical test in the sending and receiving countries
• Visa fee including exit clearances and other related to immigration processing costs
• Transportation
  - From sending country (migrant worker’s home) to receiving country port of entry
  - From receiving country port of entry to workplace or provided accommodations
  - Return to migrant worker’s home country at the end of employment
• Training or orientation in the sending and receiving countries

### Fees and Expenses Payable by Migrant Workers

- Cost of replacing a visa, passport or work permit due to loss
- Costs for any legally-allowable levies.
- Expenses related to preparing for employment interview
  - CV copies, photos, copies of existing document an certificates, incidentals, transportation, accommodation and meals
- Expenses related to the migrant worker returning to their home country during leave or holiday
- Reasonable costs of accommodation and meals provided by the employer or agency. Such costs shall be charged to migrant worker at fair market value

4.2 Samsung shall continuously work to ensure that recruitment agencies in the sending and receiving countries do not impose directly or indirectly, in whole or in part, any fees or expenses on migrant workers during their hiring, recruitment, and employment.

4.3 Samsung shall regularly monitor fees, expenses, and any other costs related to recruitment through regular dialogue and communication between facility management and migrant workers and by auditing recruitment agencies.

### 5. Recruitment Agency

5.1 Supplier shall seek to hire migrant workers directly whenever possible. When subcontracting of recruitment and hiring is necessary, Supplier shall ensure that migrant workers are recruited through agencies that are certified or licensed by the relevant authorities in the sending and receiving countries.

5.2 Supplier shall have a direct contract with recruitment agencies, which shall include the prohibition of imposing recruitment fees and expenses on migrant workers by the recruitment agency.

5.3 Supplier shall conduct regular training and audits of recruitment agencies to ensure that they understand the requirements specified in the contract and the Guidelines. If Supplier finds that recruitment agencies are not in compliance with the terms in the Guidelines, Supplier and the recruitment agencies shall seek to take immediate steps to ensure compliance with applicable local laws, regulations, and the Guidelines.
6. Employment Contract

6.1 Employment contracts of migrant workers shall include, but are not limited to, the following contents (as permissible according to applicable local laws):

<table>
<thead>
<tr>
<th>Contract Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Name, address and national registration identification number of the company</td>
</tr>
<tr>
<td>• Migrant worker’s full name, date of birth</td>
</tr>
<tr>
<td>• Migrant worker’s emergency contact information</td>
</tr>
<tr>
<td>• Passport number or government-issued identification</td>
</tr>
<tr>
<td>• Period of employment contract</td>
</tr>
<tr>
<td>• Description of the nature of work and the place where the work is performed</td>
</tr>
<tr>
<td>• Working hours (regular, shift, overtime, maximum working hours)</td>
</tr>
<tr>
<td>• Wage rate (regular, overtime and holiday)</td>
</tr>
<tr>
<td>• Description of all deductions including specification of the type and amount of each deductions if exists</td>
</tr>
<tr>
<td>• Applicable allowances, bonuses, incentives</td>
</tr>
<tr>
<td>• Applicable leaves and holidays</td>
</tr>
<tr>
<td>• Estimated net pay per month</td>
</tr>
<tr>
<td>• Description of living conditions including costs for transportation, meals and accommodation</td>
</tr>
<tr>
<td>• Description of additional benefits including medical insurance, accident/injury insurance</td>
</tr>
<tr>
<td>• Terms and conditions for contract termination including a notice period not to exceed one month, or as defined applicable local laws</td>
</tr>
<tr>
<td>• Description of repatriation process and specification of the costs</td>
</tr>
<tr>
<td>• Prohibition of recruitment fees</td>
</tr>
<tr>
<td>• Specification of document retention and safekeeping policy</td>
</tr>
</tbody>
</table>

6.2 A written employment contract shall be provided to migrant workers in their native language and shall be explained verbally to enable review and understanding prior to signing the employment contract and departure from the sending country.

6.3 Employment contracts shall be signed by the migrant workers directly and voluntarily without deception or threat of penalty after a detailed explanation of the contract has been provided, and a signed copy of the contract shall also be provided to migrant workers in the sending country.

6.4 Changes to the employment contract at any point during the migrant worker’s employment after signing the contract shall be prohibited. If there are any amendments to be made to the employment contract, they must be clearly explained to the migrant workers to get their full written consent before the amendments are formalized. If the migrant workers do not agree with the change, they shall be provided with the choice to terminate their contract voluntarily without any penalty and be provided with coverage of expenses related to returning to the sending country.
7. Document Retention

7.1 Supplier shall not hold original migrant worker identification documents such as passports, government-issued identification, and other personal documents.

7.2 Secure, safe and lockable storage for documents and other valuable items shall be provided to each migrant worker and protected against unauthorized access. There shall be no barriers to storage access and stored items shall be freely and immediately accessible to migrant workers at any time without restrictions or required permissions.

7.3 In the case that migrant workers specifically requests the company to hold documents for safekeeping, or if retention of specified documents is required by applicable local laws and regulations, Supplier shall obtain the written consent of the migrant worker and have procedures in place for the safekeeping of personal documents. The written consent shall be signed by the migrant worker and facility management. A copy of the written consent should be also given to the migrant worker.

7.3.1 Written consent shall include a statement from the company that accepts responsibility for the safekeeping of migrant worker identification documents and commits to return the documents within 12 hours after a document return request has been made by the migrant worker.

7.3.2 Each migrant worker shall be issued with an identification document confirming employment with Supplier along with a photocopy of the migrant worker’s passport to ensure the migrant worker’s freedom of movement.

8. Pre-departure and Post-arrival Training

8.1 Supplier shall conduct pre-departure training prior to signing the employment contract in the sending country and post-arrival training before commencing their employment in the receiving country to ensure their understanding in their native language.

8.1.1 If Supplier is unable to conduct the pre-departure training in the sending country, the recruitment agency shall conduct the pre-departure training using the contents that Supplier provides.

8.2 Pre-departure or post-arrival training contents shall include, but are not limited to, the contents listed below.

<table>
<thead>
<tr>
<th>Training Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Information about the company’s workplace</td>
</tr>
<tr>
<td>• Terms and conditions of the employment contract, including:</td>
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<tr>
<td></td>
</tr>
<tr>
<td>• Company polices, including:</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
- Health & Safety rules
- Identity document retention and safekeeping
- Freedom of movement
- Equal treatment
- Resignation, termination, repatriation
  • Travel and repatriation arrangements
  • Prohibition of recruitment fees and expenses
  • Visa, work permit and medical examination requirements if required
  • Legal protections mandated by receiving country law
  • Cultural practices of receiving country
  • Job related training
  • Embassy or consulate information
  • Local organizations that can provide assistance

9. Employment

9.1 Non-discrimination

9.1.1 No discrimination shall take place during the hiring and employment of migrant workers based on gender, skin color, race, caste, ethnicity, nationality, religion, age, marital status, sexual preference, sexual identity, social status, disability, pregnancy, military status, protected genetic information, or political affiliation in all processes such as training, work, promotion, compensation, and disciplinary measures.

9.2 Age for employment

9.2.1 Based on the UN Convention on the Rights of the Child, The Children’s Right and Business Principles, and ILO Convention 182, Samsung’s Child Labor policy prohibits employment of migrant workers under the age of 15, or under the age of completion of compulsory education, or under the minimum age for employment in applicable local laws and regulations, whichever is the most stringent under applicable local laws. Also migrant workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.

9.3 Valid work permit

9.3.1 Supplier shall only hire migrant workers who are legally permitted to work in the receiving country and all migrant workers shall have valid legal work permits for the duration of their employment.

9.4 Equal treatment

9.4.1 To respect migrant workers’ fundamental human rights, as well as legal rights, Supplier shall provide migrant workers with opportunities, treatment, working and living conditions, wage rates for jobs performed, shift arrangements, holidays, and working hours equivalent to that provided for local workers without discrimination in the workplace, except where different terms are specified under applicable local laws and regulations.
9.5 Working Hours

9.5.1 Total working hours per week are not to exceed limits set by applicable local laws and regulations, or 60 hours per week.

9.5.2 All overtime shall be genuinely voluntary. No migrant worker shall receive disciplinary action for refusing overtime and no migrant worker shall be made to work overtime under the threat of penalty, dismissal or denunciation.

9.5.3 Information shall be provided in a transparent manner to migrant workers about hours worked, rates of pay, and the calculation of legal deductions (if applicable).

9.6 Leave and holidays

9.6.1 Migrant workers shall be eligible for paid leave or holidays, at least one day off every seven days, maternity leave, and legally mandated breaks as may be prescribed under the relevant and applicable local laws or as may be determined by the facility’s management.

9.6.2 Migrant workers shall be free to return to their sending country during leave or holidays, without threat of penalty, termination of contract, or other retribution.

9.7 Wages

9.7.1 Supplier shall pay wages directly to migrant workers which are not less than the minimum wage prescribed by applicable local laws and regulations. The wages shall not be paid on the basis of piece work.

9.7.2 The payment of wages shall be credited to the bank account of the migrant worker no later than designated date of the following month by the facility. In case the migrant worker does not have a bank account, the wage shall be paid in cash directly to the migrant worker on the designated date of the following month.

9.7.3 Supplier shall provide a wage statement in the migrant worker’s native language with an explanation of the basis on which they are compensated including regular wage, overtime, bonuses, deductions, and other components if any. There shall be no unlawful deductions taken from the wages. If migrant workers have deductions on their wages, a full listing of deductions including a specification of the types and amounts of each deduction (if any) shall be specified on the wage statement.

9.8 Social insurance

9.8.1 Social insurance contribution shall be paid by complying with the payment standard according to local law. All the relevant regulations including the payment standard of social insurance contribution shall be communicated to workers through worker training, worker handbook, notice board posting, etc. Relevant records including the details of social insurance contribution payment shall be kept during the period prescribed by law.
Supplier shall require labor agencies to pay social insurance contribution for agency workers in an accurate manner and continuously evaluate if agencies comply with the law.

9.9 Deposits

9.9.1 Supplier shall not operate any migrant worker wage deposit or savings programs unless required by applicable local laws and regulations. In the event of a legally required deposit or savings programs, the migrant workers shall be able to freely access their account at any time. Neither Supplier nor recruitment agency shall have direct control of or access to the bank accounts of migrant workers.

9.10 Freedom of movement

9.10.1 There shall be no unreasonable restrictions on migrant workers’ freedom of movement in the facilities or accommodations, and excessive facility entry and exit restrictions shall not be imposed, except where necessary for worker safety.

9.11 Health & Safety

9.11.1 Supplier shall regularly conduct appropriate workplace health & safety training in the native language of migrant workers. Supplier shall also provide appropriate and well-maintained personal protective equipment to migrant workers which has been approved by authorities and meets industry standards for their safety.

9.11.2 Where dormitories are provided by Supplier or recruitment agencies for migrant workers, the dormitories shall be maintained so as to be clean and safe, and equipped with emergency exits, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges. Dormitory facilities shall have all relevant official permits related to health, safety, and security, including fire protection, sanitation and electrical, mechanical, and structural safety.

9.11.3 Migrant workers are to be provided with ready access to basic amenities such as toilet facilities and potable water as are necessary for their wellbeing inside the workplace and dormitory.

9.12 Cultural and Religious Identity

9.12.1 Supplier shall respect the cultural and religious identity of migrant workers.

10. Freedom of Association

10.1 Migrant workers shall have the right to freely join a trade union in accordance with applicable local laws and regulations, and no restrictions shall be placed on the exercise of freedom of association in accordance with applicable local
laws and regulations.

11. Repatriation

11.1 Supplier shall pay the expenses of the migrant worker’s return to the sending country upon completion of the migrant worker’s employment contract or in the event of the facility closure or downsizing or other related event, unless the migrant worker finds legal employment in the receiving country upon completion of the employment contract.

11.2 Supplier shall consider providing for expenses related to migrant workers return to the sending country in the event that migrant workers resign without timely and reasonable notice due to extenuating circumstance such as critical illness or incapacity.

11.3 Supplier shall not be responsible for the costs of repatriating migrant workers in cases of termination for misconduct (including criminal activities), obtaining other employment or termination of the employment contract voluntarily of their own volition in the receiving country, or involuntarily termination for cause in accordance with internal disciplinary procedures.

12. Termination

12.1 Migrant workers shall be free to terminate their employment contract prior to the contract end date voluntarily without any penalty, threat of punishment, fines, or withholding wages upon required notice as defined by applicable local laws and regulations, the employment contract, or a period of one month.

13. Grievance Mechanism

13.1 All workers have a right to have access to effective grievance remedies. To this end, Supplier shall provide confidential and effective grievance redressal mechanisms and allow for reports to be made anonymously. The grievance procedures shall be made available in the migrant worker’s native language and migrant workers shall be able to raise grievances without fear of discrimination, intimidation, retaliation, or any other penalty.

13.2 Supplier shall provide a procedure to review and address grievances in a prompt manner. The result of the grievance procedure shall be reported back to migrant workers in their native language and explained to illiterate migrant workers in a language they understand between 3 and 7 days after receiving the grievance, depending on the concerns.

13.3 After receiving a result notice, if migrant workers are not satisfied with the result of the grievance procedure, or provided remedy, they can file an objection to the facility management or HR department. Migrant workers shall be able to file such objections without fear of discrimination, intimidation, retaliation or any other penalty.

14. Implementation Assessment and Improvement

14.1 Supplier along with its designated person-in-charge or other nominated officials shall oversee and ensure the implementation of the Guidelines within its
organization and recruitment agencies.

14.2 Supplier shall conduct regularly assessment activities and identify improvement tasks through self-assessment and onsite audit or 3rd-party audits to ensure compliance. Supplier shall also provide training programs for internal employees and recruitment agencies to give them a better understanding of migrant workers’ rights and the requirements of the Guidelines.
1. INTRODUCTION

These Apprenticeship Guidelines ("Guidelines") are meant to serve as a guide for Apprenticeship Training within the organizational setup for Samsung suppliers in India and are meant for the development of standards for apprenticeship.

2. DEFINITIONS

For the purpose of these Guidelines, the following words shall have the meaning ascribed as herein below:

2.1 “Apprentice” - means a person undergoing apprenticeship training in pursuance of a contract of apprenticeship under The Apprentices Act, 1961 ("Apprentices Act") and The Apprenticeship Rules, 1992 (both, as amended);

2.2 “Apprenticeship Training” - means a course of training conducted by the Company in pursuance of a Contract of Apprenticeship and under prescribed terms and conditions which may be different for different categories of Apprentices

2.3 “Apprenticeship Adviser” means a person appointed by the Central Government or the State Government to manage and advise the Apprenticeship Training in an industry.

2.4 “Designated Trade” means a trade or occupation or any subject field in Engineering or technology or any vocational course which the Central Government may by notification in Official Gazette specify for the purposes of the Apprentices Act;

2.5 “Company” shall refer to Samsung Suppliers in India

3. STATUS OF APPRENTICES

Apprentice(s) engaged to undergo Apprenticeship Training in a Designated Trade shall be considered as a trainee and not as a worker, except as may be provided under the Apprentices Act or related rules framed there under.

4. ENGAGEMENT OF APPRENTICES

4.1 Eligibility of Apprentices

4.1.1 Age - Company shall not engage Apprentice(s) less than the age as
is or may be prescribed under the Apprentices Act.

4.1.2 **Qualification & Physical fitness** - Only such Apprentice(s) shall be considered for undergoing Apprenticeship Training in Designated Trade who satisfy the standards as are prescribed under the Apprentices Act or Rules there under;

4.2 **Process related to engagement of apprentices**

4.2.1 Company shall comply with the legal requirements in connection with the engagement of the Apprentice(s) such as criteria of engagement, stipend and other provisions relating to engagement of the Apprentice(s) as stipulated in the Apprentices Act and/or related rules as framed or as may be framed. All Apprentices shall be treated in accordance with laws and rules related to Apprentice(s) and no discrimination shall be made during the engagement in respect of Apprentice(s) based on caste, tribe, gender, disability, ethnicity, sexuality, religion or otherwise, except as may be permissible by law. Apprentice(s) shall not be subjected to threats, coercion or undue influence by the officials of the Company during the process and period of engagement as Apprentice(s).

4.2.2 Company shall share relevant information with the Apprentice(s) in respect of the Apprenticeship Training prior to their engagement. The information, defined as relevant that shall be shared with the Apprentice(s), is as follows:

- Location of Apprenticeship Training;
- Period of the Apprenticeship Training;
- Qualification to be met for entering into Contract of Apprenticeship
- Stipend to be paid during the Apprenticeship Training;
- Details in respect of Company;
- Documents as are to be submitted by the Apprentice(s) prior to being considered for engagement as Apprentice(s);
- General guidelines and guidance to the prospective Apprentice(s) in respect of the Apprenticeship Training

4.2.3 The engagement of the Apprentice(s) shall be carried out only by such individuals who are duly authorized by the Company. Such individuals shall ensure that all the Apprentice(s) who are engaged join, for the Apprenticeship Training, out of their own volition and without any force, coercion, intimidation or undue influence.

4.2.4 Individuals entrusted with the process of engagement shall ensure that adequate protection is provided in respect of the personal information of the Apprentice(s). The relevant details and records of the Apprentice(s) engaged and details of their Apprenticeship Training shall be maintained properly. It shall be ensured that no
other individuals except those who are entrusted with the process of engagement of Apprentice(s) or who are duly authorized by the Company have access to the details of such Apprentice(s). The information or details of the Apprentice(s) shall be used only for the limited purpose of meeting the requirements under the Apprentices Act and related rules.

4.2.5 Apprentice(s) shall have to submit a photo copy of at least two or more of the following certificates issued by the Government or the authorities to prove their identity at the time of application.

- ITI Completion Certificate;
- Birth Certificate;
- Voter Identification Card;
- Permanent Account Number (PAN);
- Aadhaar Card;
- Passport;
- Secondary School Certificate

4.3 **Training /Designated Trade**

4.3.1 Company shall conduct training sessions for orientation of the Apprentice(s). Apprentice(s) shall be made aware of the requirements in respect of the Apprenticeship Training, issues which may relate to Environment, Health & Safety and to their work as Apprentice.

4.3.2 The hours spent in training shall be considered and deemed to be part of the Apprenticeship Training for which a stipend shall be paid to the Apprentice(s).

4.3.3 The costs associated with Apprenticeship Training shall be borne by the Company during the training period. Such costs shall include the cost towards training materials and other expenses related to organizing such training sessions.

4.3.4 Company shall endeavor to impart all engaged Apprentices with training that would enhance their knowledge in connection with their Apprenticeship Training.

4.4 **Reservation of Training places**

Company shall ensure that the training places are reserved for Schedule Castes, Schedule Tribes and Other Backward classes as per prescribed the ratio provided for under the Apprentices Act and the rules framed there under. The training places shall be reserved on the basis of total number of Apprentice(s) in the Designated Trade(s). In case the prescribed number of persons belonging either to the Scheduled Castes or to the Scheduled Tribes are not available and in case the prescribed training places cannot be filled, then the training places may be filled by persons not belong to the Scheduled Castes and Scheduled Tribes. Company shall periodically check the prescribed ratio and take
appropriate action so as to maintain the correct ratio as is required under law.

5. CONTRACT OF APPRENTICESHIP

5.1 Execution and contents of Contract of Apprenticeship

5.1.1 Company shall ensure that the Contract for Apprenticeship includes the contents of the model contract of apprenticeship as is or may be specified under The Apprenticeship Rules, 1992 (or as may be amended). Such contract would consist of the terms and conditions as may be agreed and shall not be inconsistent with any of the provision of the Apprentices Act or any Rules made there under.

5.1.2 Company shall ensure that the Contract of Apprenticeship as is executed between the Apprentice(s) and the Company includes the following:

- Information of the Company (Name, address, telephone, Fax, e-mail);
- Information of the Apprentice (viz. name, address, birthday, age);
- Duration of the Designated Trade;
- Name of the Designated Trade & details of the stipend;
- Information of the guardian (Name, address);
- Terms and conditions relating;

5.1.3 Upon execution of the Contract of Apprenticeship, three copies of such contract shall be prepared and retained as follows:

5.1.3.1 One copy of the Contract of Apprenticeship will be retained by the Company;
5.1.3.2 One copy of the Contract of Apprenticeship will be provided to the Apprentice;
5.1.3.3 One copy of the Contract of Apprenticeship will be submitted online within the prescribed period to the Apprenticeship Adviser for registration after its execution.

5.1.4 Apprentice(s) may seek rectification of the details mentioned in the Contract of Apprenticeship in case there is any correction required; or inconsistency is observed or mentioned details are contrary to the requirements under applicable laws and regulations.

5.2 Period of Apprenticeship

The period of the Apprenticeship Training shall be in accordance with the applicable laws and regulations. The period of the Apprenticeship Training shall also be stated and agreed to by the Apprentice(s) and Company (as the case may be) under the Contract of Apprenticeship.
5.3 **Commencement and Registration of Contract of Apprenticeship**

Every Contract of Apprenticeship which is executed with the engaged Apprentice(s) shall be sent by the Company for registration with the Apprenticeship Adviser, who upon being satisfied of the requirement under the Apprentices Act. and the commencement of the Contract of Apprenticeship shall be from the date of its execution.

5.4 **Extension of Contract of Apprenticeship**

5.4.1 The Contract of Apprenticeship shall be extended by Company if so required by the Apprenticeship Adviser, in case Apprentice(s) is/are unable to complete the Apprenticeship Training due to illness or circumstances beyond his or her control. The extension shall be for such period till the Apprentice(s) completes the apprenticeship course.

5.4.2 The Contract of Apprenticeship shall be extended by Company in case Apprentice(s) is/are unable to complete the Apprenticeship Training due to strike, lockout or lay off. The period of the Apprenticeship training in such an event shall be extended by Company for a period which is equal to the period of such strike or lockout or lay off if the concerned Apprentice is not instrument for the same. Company shall pay the stipend to the Apprentice(s) for period of such strike or lockout or lay off or for a maximum period of six months.

5.5 **Completion of Training and grant of Certificate**

Company shall provide the engaged Apprentice(s) a certificate in respect of Apprenticeship Training undertaken by them upon the successful completion of the Apprenticeship Training. Such a certificate shall be signed by the authorized official of the Company and provided to the Apprentice. Such certificate would mention the following:

- Name of the Apprentice;
- Gender of the Apprentice;
- Period of the Apprenticeship Training;
- Registration number of the Apprentice.

5.6 **Expiration & Termination of Contract of Apprenticeship**

5.6.1 The Contract of Apprenticeship as is executed by Company with the engaged Apprentice(s) shall expire by efflux of time at the end of Apprenticeship Training.

5.6.2 An application can be made to the Apprenticeship Adviser in case the Company or any engaged Apprentice(s) desires to terminate the Contract of Apprenticeship.
5.6.3 In case the termination of the Contract of Apprenticeship is due to the failure on the part of the Company in carrying out the terms and conditions thereof, an amount equivalent to 3 (three) months last drawn stipend shall be paid to the engaged Apprentice(s).

6 GENERAL CONDITIONS RELATING TO APPRENTICESHIP TRAINING

6.1 Working Hours & Overtime

Company shall ensure:

6.1.1 that the Apprentice(s) engaged for the Apprenticeship training do not work beyond the 48 hours as are prescribed under the Apprentices Act and the Rules framed there under;

6.1.2 that the daily training hours of the training cannot exceed 9 (nine) hours including the rest-time;

6.1.3 a rest time of 10 (ten) minutes to all the Apprentice(s) every two hours to apprentices and meal or rest time of 30 (thirty) minutes every five hours of the training;

6.1.4 Apprentice(s) shall not be required or allowed to work overtime or on a holiday, except with the permission of the Apprenticeship Adviser.

6.2 Leave Policy/Holiday

All the Apprentice(s) who are engaged for Apprenticeship Training shall be entitled to such leave and holidays as are prevailing in the Company or as may be prescribed under the relevant and applicable laws. The female Apprentice(s) shall be entitled to avail the maternity leave as is prescribed under the relevant applicable laws.

6.3 Stipend

6.3.1 Company shall pay such rate of stipend which is not less than the prescribed minimum rate as is notified from time to time by the Central Government and/or the State Government (as the case may be). The stipend shall not be paid on the basis of piece work.

6.3.2 Company shall take into consideration the period of training already undergone in a school or other institution by the Apprentice(s) to be engaged, while determining the stipend to be paid.

6.3.3 It shall be ensured that no unlawful deduction in the stipend is made for the paid leaves provided for by the Company.

6.3.4 The payment of stipend to Apprentice(s) shall be made by Company in terms of the requirement mentioned under the Apprentices Act and the Rules there under. Such stipend shall be
credited to the bank account of the Apprentice(s) no later than designated date of the following month. In case the engaged Apprentice(s) does not have a bank account, the stipend shall be paid to the Apprentice on the designated date of the following month.

6.4 **Health, Safety and Welfare of Apprentices**

6.4.1 Company, at their establishment shall:

6.4.1.1 abide by the provisions of article III, IV and V of The Factories Act, 1948.

6.4.1.2 regularly conducts health and safety training to Apprentices.

6.4.1.3 deploy individuals/ welfare officer(s) who shall implement measures for the health and safety of engaged Apprentices during the Apprenticeship Training.

6.4.1.4 ensure that Apprentice(s) are not to perform any work or undergo training in dangerous or hazardous environment, except as may be otherwise permitted under the law.

6.4.1.5 ensure that suitable environment and adequate protective equipment/gears are provided to Apprentice(s), if required.

6.5 **Compensation for Injury**

Company shall be under obligation to pay compensation for the personal injury cause to the Apprentice in course of Apprenticeship Training. Any such compensation shall be in accordance with the Employee’s Compensation Act, 1923.

6.6 **Records**

Company shall maintain all the relevant records in respect of the Apprentice(s) undertaking the Apprenticeship Training in such form as may be prescribed under the Apprentices Act and Rules framed there under. Further, the relevant information and returns shall also be submitted to the concerned authorities as per the requirements.

6.7 **Amenities**

Company shall, during the Apprenticeship Training, arrange and provide the following amenities/ material to the Apprentice(s):

- Transportation for commutation to the place of training from the designated locations to enable Apprentice(s) to attend the training;
- Training material in connection with the Apprenticeship Training;
- Provision for meals through a canteen facility;
• Uniform and other personal protective equipment (if any) required for the purpose of carrying out the assigned work;

Further, the Apprentice(s) shall be allowed reasonable access to all the facilities (basic amenities) as are necessary for their well being, during the period of the Apprenticeship Training.

6.8 Medical Services

6.8.1 Company shall provide basic medical services to Apprentice(s) so as to meet an emergency situation arising due to accidents during the Apprenticeship Training, which result in any injury. The relevant authorities shall be informed of the incident, if so required under the law.

6.8.2 In case the Apprentice(s) on their own desires to seek medical consultation or use medical services externally then depending on the requirement of the medical condition they shall be allowed upon seeking due permission from the concerned official who is managing or entrusted with the affairs of the Apprentice(s).

6.9 Consideration for employment

Company, though it would not be under any obligation to offer employment, would consider and shall give preference to the Apprentice(s) who have undergone Apprenticeship Training and are willing to join the employment of Company. For any such selection, due regard shall be given to the conduct of the Apprentice(s) during the tenure of the Apprenticeship training. Apprentice(s) shall not be compelled or forced to accept employment. However, in case there is a condition under the Contract of Apprenticeship entered by the Apprentices with the Company that the Apprentice on completion of the Apprenticeship Training shall serve then on completion thereof the Apprentice shall be offered suitable employment and paid such remuneration as may have been agreed.

7 GRIEVANCE MECHANISM

7.1 In order to provide redress for grievances of the Apprentices(s), Company shall:

7.1.1 arrange for and provide a suitable grievance redressal mechanism within its organizational setup. There shall be a designated person-in-charge who shall be responsible for managing the affairs related to Apprentice(s), Apprenticeship Training and for addressing the issues/grievances of the Apprentice(s).

7.1.2 ensure that the designated person-in-charge shall arrange for suitable training and orientation session so as to create awareness amongst the Apprentice(s) in respect of the redressal mechanism.

7.1.3 arrange for and provide for an anonymous suggestion box and a designated email address, telephone number whereby the Apprentice(s) may seek redressal of their grievances.
7.2 The resolution of grievances shall be reported back to Apprentice(s) and no retaliation and intimidation shall be taken against Apprentice(s) who reports the grievance in good faith.

8 ORIENTATION AND IMPLEMENTATION OF THESE GUIDELINES

Company shall implement these Guidelines in their establishment and in doing so, also arrange for the required training and orientation sessions.

8.1 Training on the Guidelines

Company shall arrange for the training sessions for the designated person-in-charge and such other officials who are engaged or involved in facilitating the Apprenticeship Training process or are managing the affairs connected with Apprentices. These Guidelines would also be communicated to all such officials.

8.2 Implementation of the Guidelines

8.2.1 Company along with its designated person-in-charge and other nominated officials shall oversee and ensure the implementation of these Guidelines.

8.2.2 Regular Audits shall be carried out by the Company through internal or external auditors so as to assess and monitor the implementation of these Guidelines.

8.2.3 Based on the observations/ suggestions as may be made by the internal or external Auditor(s) after reviewing the implementation of these Guidelines or otherwise the affairs of the engaged Apprentice(s), Company shall take appropriate steps so as to incorporate and implement such suggestions/ improvement mechanisms so as to meet the requirements under the applicable law.
## Document History

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<tr>
<th>Ver.</th>
<th>Brief description of change</th>
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<tbody>
<tr>
<td>1.0</td>
<td>Initially released July 2015</td>
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<tr>
<td>1.1</td>
<td>Released Sep. 2015 : Minor language changes</td>
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<tr>
<td>2.1</td>
<td>Released Mar. 2017 : Migrant Worker Guidelines(Appendix I ), Guidelines for Apprenticeship Training( Appendix II ) added.</td>
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<tr>
<td>3.0</td>
<td>Released Mar. 2018 : Revisions to multiple provisions (RBA code of conduct 6.0)</td>
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