

2019 CHRB pilot ICT benchmark

General policies & documents

Document	Link
2019 Sustainability Report	https://www.samsung.com/us/smg/content/dam/s7/home/about-samsung-051319/062719/SustainabilityReport2019-en.pdf
2018 Sustainability Report	https://www.samsung.com/us/smg/content/dam/samsung/us/aboutsamsung/2017/Sustainability%20Report%202018_180712%20re.pdf
Business Conduct Guidelines	https://www.samsung.com/us/smg/content/dam/samsung/us/aboutsamsung/2017/about-us-sustainability-report-and-policy-business-conduct-guidelines-2016-en.pdf
Supplier Code of Conduct	https://www.samsung.com/us/smg/content/dam/samsung/us/aboutsamsung/2017/1-Samsung-Electronics-Supplier-Code-of-Conduct-ver3.0-180321.pdf
Sustainability main page on Samsung website	www.samsung.com/us/aboutsamsung/sustainability
Responsible Sourcing of Minerals policy	https://www.samsung.com/us/smg/content/dam/samsung/us/aboutsamsung/2017/Responsible%20Sourcing%20of%20Minerals%20Policy.pdf
Child Labour Prohibition policy	https://www.samsung.com/us/smg/content/dam/samsung/us/aboutsamsung/2017/8-3-Samsung-Electronics-Child-Labor-Prohibition-Policy-in-China-Eng.pdf
Migrant Worker Guidelines	https://www.samsung.com/us/smg/content/dam/samsung/us/aboutsamsung/2017/8-7-Samsung-Migrant-Worker-Guidelines.pdf
Guidelines on the Prevention of Harassment	https://image-us.samsung.com/SamsungUS/samsung/us/aboutsamsung/2017/Guidelines_on_the_Prevention_of_Harassment.pdf
BHRRC company page for Samsung Electronics	https://www.business-humanrights.org/en/samsung

Statements and responses

Issue	Link
2018 UK Modern Slavery Statement	https://images.samsung.com/is/content/samsung/p5/uk/pdf/SEUK_Modern_Slavery_Statement_2018_final.pdf
Announcement of publication 2019 Sustainability Report (05/07/2019)	https://news.samsung.com/global/a-journey-towards-a-sustainable-future-1-samsungs-global-green-management-initiatives
Samsung public response to Sherpa case (08/07/2019)	https://www.business-humanrights.org/en/samsungs-response-to-sherpa-case
Samsung response to Hankyoreh (10/07/2019)	https://news.samsung.com/global/samsungs-commitment-to-our-workers-in-global-operations

Clarifications with regards to specific indicators

With regards to indicators A2.1, 2.2

We would like to draw your attention to the content in 2019 Sustainability report page 112.

" We report agendas of non-financial risks—including topics such as climate change, labor and human rights, and operational health and safety—to the Board of Directors as critical issues. Through the reporting, our Board of Directors thoroughly examine the issues and comprehensively manages the potential risks. "

With regards to indicator B.2.4

At Samsung Electronics, throughout 2018 and 2019, we conducted a Human Rights Impact Assessment (HRIA) for Samsung Electronics Vietnam (SEV) in collaboration with Business for Social Responsibility (BSR), a global non-profit organization specializing in human rights. Assessing human rights impacts is a step in the due diligence process proposed by the United Nations Guiding Principles on Business and Human Rights (UNGPs) to minimize human rights violations and resolve their adverse impacts.

In this sense, we set the following goals of the HRIA for assessing SEV's human rights policy and management system: 1) identifying factors that affect human rights; 2) making recommendations to mitigate risks and maximize opportunities; and 3) improving human rights management by empowering employees and other stakeholders based on constructive dialogue.

To achieve these objectives, the BSR conducted the HRIA in line with the three main parts of the UNGPs framework - Protect, Respect, and Remedy. The assessment identified and prioritized actual and potential adverse impacts, and proposed measures for remedy. In addition, BSR's assessment included external stakeholders interviews on-site at SEV, in Vietnam, and globally, as well as an extensive document review and interview with employees and management.

External stakeholders included both national and international representatives of civil society, UN institutions and Government.

To actively communicate and engage with our stakeholders, we held a stakeholder engagement forum in Vietnam with approximately 300 stakeholders. Under the topic of "Gender Equality and Integration in the Digital Era", we invited the Vietnam General Confederation of Labour, the International Labour Organization (ILO), UN Women, the World Bank, and other non-profit organizations, to present and held panel discussions. The forum enabled us to gather meaningful perspectives from all relevant stakeholders on how to enhance human rights as a member of the global community and an industry leader.

[Additional information with regards to indicator B.2.4]

Risk Identification

We operate a worksite monitoring system, where we regularly evaluate compliance management levels and improvement activities at each worksite, and a risk analysis system, where we assess various internal and external indicators to identify factors that could adversely affect human rights.

Risk Assessment

Every year, we identify our priorities for risk assessment and capacity building in the areas of labor and human rights, as well as environment, health and safety based on registered data from our worksites monitoring system and risk analysis system. For the selected worksites, we provide annual labor and human rights expert consultations. In 2018, seven worksites conducted such consultations including two in China, two in Vietnam, and one in Europe. A total of 154 improvement tasks were identified, of which 115 tasks (74.7%) were completed. To improve the management capacity of overseas worksites, each business division conducts a special diagnosis, including management of working hours and protection of employees of vulnerable classes. Reviews are conducted by external third party specialized organizations upon request from customers.

Source: 2019 Sustainability report page 78.

With regards to indicator D.4.4.a

In this regard, we publicly announced our Child Labor Prohibition Policy in China in 2014. The policy was co-developed with Centre for Child Rights and Corporate Social Responsibility (CCR CSR) in China, which is owned by Save the Children Sweden. The policy is based on the 'UN Convention on the Rights of the Child', 'UNICEF Children's Rights and Business Principles', and 'ILO Convention'.² Accordingly, all of our subsidiaries and suppliers, and not only in China, must comply with the strict employment process (age verification) to prevent child labor employment.

Source: https://www.business-humanrights.org/sites/default/files/documents/Samsung%20response%20BHRC%20new_0.pdf

With regards to indicator D.4.4.b

The facial recognition system was introduced to the major suppliers of Samsung Electronics in China, where we identified the potential risks of employing child labor. We cannot comment on examples of corrective action or trends, as we have no incident of identifying child labor, neither in our operation nor in our suppliers.

With regards to indicator D.4.5.a

We wish to remind that Samsung's policies and Code of Conduct are based on the RBA Code of Conduct. On the topic of forced labour and in particular with regards to the specific issues of pay deduction and pay slip information, we wish to refer to articles 1 and 4 of section A (Labor) of the RBA Code of Conduct (http://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_English.pdf).

With regards to indicator D.4.5b

We would like to draw your attention to the content in 2019 Sustainability report page 97, to be read in combination with further information shared by Samsung Electronics through the BHRRC website on this topic:

"In 2018, we conducted an investigation of all our first-tier suppliers located in Malaysia. We took an especially closer look at recruitment fees and identification documents. After the inspections, we provided education for the entire suppliers' management

With regards to indicator D.4.9.a

We wish to remind that Samsung's policies and Code of Conduct are based on the RBA Code of Conduct, which refers to international standards with regards to working hours.

With regards to indicator E1.1 and 1.3

We would like to draw your attention to relevant information on this issue disclosed through a public company statement:

<https://news.samsung.com/global/statement-on-introduction-of-the-samsung-migrant-worker-guidelines>

With regards to indicator E.2.1 and 2.3

We wish to draw your attention to the following public statement:

<https://spcommreports.ohchr.org/TMResultsBase/DownloadFile?gId=34045>

We refer to the information disclosed on the undertaking of a Human Rights Impact Assessment (page 74 of the 2019 Sustainability Report) with regards to the criteria that relates to action taken by the company following the allegation.

With regards to indicator E.5.1

We wish to draw your attention to the following public statement: <https://www.business-humanrights.org/en/samsungs-response-to-sherpa-case>.

With regards to indicator C.4

Any employee may raise his or her grievances to his or her Line Manager or to the Human Resources Team or, where applicable, other relevant bodies. Grievance can be filed through the various means of grievance channels (i.e., hotline, e-mail, employee committee, suggestion box, online application or other anonymous channels) which are designed with a view of being accessible to all employees. In addition, we strongly encourage employee to report wrongful practices to the Compliance Team or the Audit Team through the dedicated grievance report channels.

【Overview of Grievance channels】

	Details of the channels
Human Resources Team	<ul style="list-style-type: none"> - Human Resource Team or various means of reporting channels such as hotline, e-mail, mobile application, suggestion box, meetings or employee committee which have been established in each subsidiary considering its environment or local context - Notification type of report <ul style="list-style-type: none"> · Working environment e.g. harassment, bullying, or discrimination · Adverse changes in terms and conditions of employment · Individual or group relations including discipline, demotion, and classification dispute, etc. · Employee's working conditions including workload, health and safety hazards, temperatures in the workplace, etc. · Wrongful practice e.g. breach of the company's policies · Inconsistent practice of pay and benefits
Compliance Team	<ul style="list-style-type: none"> - Corporate Compliance Team operates a system which allows each employee to directly report any misconduct or violation of laws - Compliance Team, whistleblow e-mail (cp.wb.sec@samsung.com) or Whistleblow online system in Compliance Program Management System (http://compliance.sec.samsung.net) - Notification type of report <ul style="list-style-type: none"> · Any actual(or potential) corporate/employee violations of applicable laws, regulations, policies, etc.
Audit Team	<ul style="list-style-type: none"> - All matter involving corruption and other unethical business principles - Audit Team or cyber audit site(http://www.sec-audit.com) - Notification type to report <ul style="list-style-type: none"> · Receiving bribes, illegitimate monetary transactions, receiving entertainment and favors

	<ul style="list-style-type: none"> · Making equity investment, company funds or assets · Theft, pursuit of personal gains, employee discipline · Negligence of duties · Disclosure of confidential information, loss of manpower, etc.
Global Public Affairs Team	- A dedicated e-mail account (Civilsociety@samsung.com) created with the aim to improve accessibility for all civil society wishing to engage with us, that serves as a one-stop communication address for civil society stakeholders.

Grievances are addressed in a timely manner and without undue delay. The Human Resources Team advises the complainant and respondent of the specified grievance resolution timeframe at the commencement of the resolution process. If an extension to the prescribed timeframe is required due to the complexity and severity of a grievance, it must be communicated to complainant and respondent accordingly in accordance with local procedures with the updated timeframe and the reason for the delay.

Notification

Depending on the nature and merit of the grievance, feedback will be provided either directly to the individual on a confidential basis or to a group of employees, if the grievance is of concern for a group of employees, via appropriate channel on a case-by-case basis.

The complainant and eventual respondents will be notified in a timely manner in writing once a final decision is made, and additional stages of the procedures will be conducted in accordance with relevant legal requirements.

Further information

Samsung has always placed a high importance on its people and has sought to develop strong systems of corporate governance to ensure its integrity as a responsible business. We have invested significant resource to ensure that our systems provide robust oversight of our operations and interventions to mitigate issues related to labour and human rights. We have implemented policies to ensure that when issues arise they can be managed competently and sensitively at local level. Where an issue requires a more global approach it is raised, in the first instance, to the Global Labour Issue Committee, which consists of Vice Presidents from five key departments. The Global Labour Issue (GLI) Committee meets every 2 weeks, and, if necessary, more frequently to discuss labour and human rights issues. If an issue is deemed to require further scrutiny it is escalated to the Sustainability Council. The Council is led by Samsung's Chief Financial Officer with support from Executive Vice Presidents from across the business.