

*Samsung Electronics' reply to the Guardian article (November 8<sup>th</sup> 2018) on Malaysia*

**Summary:**

**Samsung Electronics takes the allegations in the Guardian article on Malaysia very seriously. We are investigating and will assess areas for further improvement in accordance with our policies.**

Samsung Electronics is committed to ensuring good and safe work conditions for employees at our facilities and at suppliers. We take all allegations very seriously and are currently investigating as a matter of priority the information that was shared in the article published by The Guardian on November 8 2018 regarding recruitment fees and other impacts for migrant workers at sub-contractors in our factory.

We want to reiterate that Samsung has committed to ensure that neither Samsung employees nor employees of sub-contractors and suppliers pay recruitment fees. If our investigation reveals that issues still exist with recruitment fees for sub-contracted workers, we will ensure repayment of fees to the workers via our sub-contractors, and put in place other necessary remedies.

As a committed member of the global community, Samsung will continue our efforts to respect the human rights of migrant workers and all people impacted by our operations.

Through this letter to the Business and Human Rights Resource Centre, we would like to share more information on the policies we have in place committing our company to respect the rights of migrant workers as well as the actions we are taking to address the alleged impacts.

We are conducting a thorough investigation on the allegations in The Guardian as we take these very seriously, and this will require some time. For now, we want to emphasize that the impacts alleged in the article with regard to sub-contractors' employees (excessive recruitment fees imposed by recruitment agencies; the retention of passports; the non-respect of minimum wage legislation; poor living conditions and the perceived intimidation of workers who have a legitimate right to speak up) are strictly prohibited under our policies. We do not tolerate these practices towards our suppliers as well as towards our own operations and we work actively with all parties concerned to implement corrective actions.

We will, as part of our internal investigation, assess and take reasonable measures in accordance with our policies if the allegations in the Guardian concur with our internal findings. We very much appreciate the opportunity given us to improve our processes where needed.

**Background:**

Our Partner Collaboration team works actively with our suppliers to help them to improve their policies and processes in order to guarantee a safe and healthy working environment for all. Our Suppliers Code of Conduct ([link](#)) and our Migrant Workers Guidance ([link](#)) prohibit explicitly these respective practices. As part of our investigation, we will also engage in dialogue with the affected stakeholders, that is the sub-contractors' workers.

To ensure comprehensive auditing, we have since 2016 in Malaysia conducted on-site investigations of labor supply companies with a strong focus on migrant workers. Included in this process were randomly sampled interviews with migrant workers and a survey. As the majority of the migrant workers in the Samsung Electronics Facility in Malaysia come from Nepal, we particularly focused on

Nepalese workers. Samsung Electronics in Malaysia does not recruit its employees through labor suppliers any more in our production.

Since we adopted the Samsung Electronics Migrant Workers Guideline, we are conducting training for suppliers since January 2017. We asked suppliers in Malaysia to declare and affirm in writing that they would comply with the Guidelines. We have conducted further workshops on this topic, not only with suppliers but also with labor companies and recruitment agencies.

Our suppliers conducted the self-assessment aligned with the RBA requirements in February 2018 to identify areas they need to improve, including actions to remedy. In March and April 2018, we conducted regular onsite supplier audits in accordance with the RBA validated audit program resulting in the obligation of the suppliers to present their corrective action plans (CAP), and we are in the process now of looking into the implementation of measures proposed by the suppliers.



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