

Samsung Electronics (UK)  
Ltd Modern Slavery Act  
Statement 2022

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## Introduction

Samsung sets a high value on its people, technologies, products, and services in order to contribute to a better global society. We understand the importance of maintaining a sustainable and responsible supply chain and we commit to respecting the human rights of every individual or group connected to our business.

Samsung's Five Business Principles:

1. We comply with laws and ethical standards
2. We maintain a clean organisational culture
3. We respect customers, shareholders, and employees
4. We care about the environment, health, and safety; and
5. We are a social responsible corporate citizen

serve as the embodiment of our determination to operate and hold ourselves to the highest standards of complying with laws and our company principles and values.

Samsung Electronics (UK) Ltd (SEUK) supports and practises the requirements of the UK Modern Slavery Act to eliminate slavery, servitude, and forced or compulsory labour including human trafficking, to address risks and to remedy adverse harm that has occurred to victims of modern slavery and human rights violations within the parameters of our business operations and relationships.

This modern slavery statement aims to meet the requirements of the UK Modern Slavery Act through outlining the existing governance and procedures as well as new steps and policies that we have developed in the last financial year to mitigate against slavery and human trafficking throughout our organisational footprint. This statement forms our seventh since our first modern slavery statement in 2016.

SEUK is a subsidiary of the global electronics manufacturer, Samsung Electronics Co., Ltd. which is headquartered in Korea. Unless specified, references in this statement to "Samsung", "our", "us", or "we" refer to Samsung Electronics Co., Ltd. and its subsidiaries.

## Key Activities 2022

- Developed new Global Human Rights Principles (policy) which was published in 2023
- Conducted internal on-site audits on four Samsung production sites staffed by migrant workers to verify compliance with Samsung's Migrant Worker Policy and Guideline
- Updated supplier self-assessment with heightened focus on forced labour a.o. based on RBA's updated self-assessment criteria
- Enhanced the supplier selection process by complementary surveys and interviews with a forced labour focus to better verify the legitimacy of employee recruitment channels and recruitment fee payment status
- Provided remedy by repaying recruitment fees to workers in own operations and supply chain

- Developed and delivered general human rights training to Samsung employees with forced labour elements, expanded Responsible Recruitment Procedure training to suppliers in more countries

## Organisational Structure – Business and Supply Chain

Samsung's operations include 232 operational facilities in 74 countries worldwide, including 31 production sites and a workforce totalling 270,372 employees. In 2022, Samsung invested KRW 24.9 Trillion in research and development.

Supporting our success as a global leader in the manufacture of electronic products, Samsung is reliant on a network of 2,131 first-tier suppliers. In collaboration with our suppliers across the globe, we are continually working towards a sustainable business ecosystem based on a philosophy of fairness, openness, and co-prosperity. Our website includes our [Supplier List](#) which provides details of suppliers responsible for 80% of Samsung Electronics' transaction volume.

During the financial year ending 31 December 2022, SEUK's principal activities were: importer, distributor and lessor of electronic and electrical goods; the purchase and sale of components and capital equipment; the provision of research and development services to Samsung Electronics Co., Ltd.; importer and distributor of telecommunication systems; and European Head Office. These operations were UK based with the exception of a branch office in Ireland. SEUK employs more than 1000 members of staff, the majority based at our UK and European headquarters in Chertsey, Surrey. Our turnover for 2022 was £3.5bn.

## Human Rights and Labour Policies

Samsung is committed to respecting the human rights and freedom of all. We strive to comply with the following international standards as well as, at a minimum, the laws of the countries in which we operate:

- International Bill of Human Rights (composed of the Universal Declaration of Human Rights the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights);
- International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights;
- ILO Declaration on Fundamental Principles and Rights at Work;
- United Nations Guiding Principles on Business and Human Rights;
- OECD Guidelines for Multinational Enterprises;
- Convention on the Rights of the Child;
- Convention on the Elimination of All Forms of Discrimination Against Women; and,
- Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.

We are a member of the Responsible Business Alliance (RBA); We abide by the RBA Code of Conduct and comply with the laws and regulations of the countries where we conduct our business.

To support this, we have also developed and strictly abide by a set of our own policies, guidelines, and principles, which are located on our dedicated [webpage](#).

Our key policies located on this webpage include:

- Samsung Global Code of Conduct
- Business Conduct Guidelines
- Global Purchasing Code of Conduct
- Samsung Supplier Code of Conduct and Supplier Code of Conduct Guide
- Samsung Electronics Global Human Rights Principles (policy) (2023)
- Child Labour Prohibition Policy
- Anti-Discrimination and Harassment Policy
- Migrant Worker Policy
- Student Worker Policy in China
- Guidelines for Apprenticeship in India

The section below provides a brief summary of our key policies.

### [Samsung Electronics Global Human Rights Principles \(policy\)](#)

In February 2023, we announced our Global Human Rights Principles (the Policy) that highlight our respect for human rights in line with the UN Guiding Principles on Business and Human Rights (UNGPs). The Principles consolidate all of the commitments made in our existing policies and reaffirm our promise to prevent human rights abuses and to take effective remedies for those affected if and where harm is caused by and through our business activities. Through the Policy, we disclose our salient human rights impacts risks for the first time, which have been identified through our continuous engagements with internal and external stakeholders, internal assessments, third-party audits, human rights risk assessments, human rights impact assessments, and grievance channels. Forced and child labour are one of the salient human rights risks identified by Samsung. In the document we point out further commitments such as to the Employer Pays Principle and that we actively monitor and work with our supply chain partners to prevent the payment of recruitment fees by workers and the occurrence of other ILO forced labour indicators. Overall, the new policy does expand the scope of our commitment to human rights which now encompasses the wider set of rights-holders, who are potential and actual affected individuals and groups, including local communities, partners, consumers, and external stakeholders, in addition to the employees of our own operations and the workers in our supply chains.

## Global Code of Conduct

Our Global Code of Conduct and Business Conduct Guidelines are the overarching standards for all Samsung Electronics employees. They act as a guide for employees to adhere to when conducting all business activities.

Our Global Code of Conduct details the aforementioned five business principles and what these mean specifically to Samsung and its employees. It clarifies our detailed principles on work environment; employment conditions; grievance handling; equality and diversity; child labour and forced labour, and other areas to help our employees execute their day-to-day tasks in a manner that ensures the protection of human rights. Through the Global Code of Conduct, we ban any involvement in or imposition of coerced or exploitative labour, such as modern slavery and human trafficking.

## Business Conduct Guidelines

The Business Conduct Guidelines emphasise the importance of Samsung Electronics employees, who are ambassadors for the brand, to uphold Samsung's standard of corporate social responsibility, integrity, and accountability. The Business Conduct Guidelines are based on the Global Code of Conduct and provide detailed guidance for employees in making sound decisions. They cover key topic areas under the company's core principles: People, Excellence, Change, Integrity, and Co-prosperity.

## Global Purchasing Code of Conduct

The Global Purchasing Code of Conduct comprises the key requirements from the regulations and guidelines on purchase-related tasks and ethical obligations of employees in charge of purchasing. It takes precedence over other regulations and manuals as far as purchasing is concerned.

## Supplier Code of Conduct and Supplier Code of Conduct Guide

Samsung ensures that its suppliers support and protect internationally proclaimed human rights and respect the dignity and diversity of individuals and their fundamental rights. To achieve this requires management policies and systems to mitigate human rights violations and build effective labour-management relations based on mutual trust and successful communication. We update our Supplier Code of Conduct to reflect revisions of the RBA Code of Conduct and other global norms and require our suppliers to do the same. We ensure that provisions regarding compliance with the Supplier Code of Conduct are incorporated in every contract and require suppliers to sign a separate written agreement committing to compliance of our code. The Supplier Code of Conduct Guide help suppliers more effectively and easily follow the Supplier Code of Conduct and practice compliance management.

## Child Labour Prohibition Policy

Samsung has a zero tolerance policy against child labour as prohibited by international standards and national regulations in all stages of its global operations. The policy applies to all of Samsung's worksites as suppliers, including third party recruitment agencies, and sets out

strict rules against the employment of children and young people at Samsung worksites and its suppliers.

### Anti-Discrimination and Anti-Harassment Policy

Samsung respects all individuals' right to work in an environment free of discrimination and bullying. In 2018, we established the Anti-Harassment Guidelines in association with Business for Social Responsibility (BSR). In 2021, we supplemented the anti-discrimination principles specified in these guidelines and in March 2022, realigned them into the Anti-Discrimination and Anti-Harassment Policy. This policy stipulates relevant conventions adopted by international human rights frameworks (e.g. UDHR, UNGPs) and the ILO, and reaffirms our dedication to complying with them. We pledge to remain committed to fostering a workplace where our employees are valued and treated respectfully, given equal opportunities, and motivated to demonstrate their competence to the fullest.

### Migrant Worker Policy

Migrant workers are often vulnerable to the risk of forced, bonded, or indentured labour as well as human trafficking as they are seeking economic opportunities outside of their own country. This could be due to unstable political or economic situations in their countries. As a result, migrant workers are identified as a key risk group who are at heightened risk of adverse human rights impacts. Our Migrant Worker Policy was updated in 2020 to better protect the rights of migrant workers. To facilitate the implementation of this policy, we developed the Internal Guide for Migrant Worker Policy, which consists of 14 sections from recruitment to employment contract termination. It is based on the guidelines of RBA, BSR (Business for Social Responsibility), and the Institute for Human Rights and Business (IHRB). We require our production sites, suppliers, and recruitment agencies to monitor the [ILO forced labour indicators](#) and faithfully implement the Internal Guide for Migrant Worker Policy.

## Labour and Human Rights Framework

We operate across vast geographies, including in locations where social, economic, and political factors may put human rights and decent working conditions at risk. We believe that respect for human rights is the best foundation to run our business and that it adds value to the Company.

We are committed to making our best effort not to be complicit in or cause any human rights violations and to respect the human rights of every individual or group connected to our business with particular care for vulnerable and marginalised groups who may be impacted by our activities. In line with the UNGPs and OECD guidelines we are committed to prevent, mitigate, and address adverse human rights impacts and to provide timely and effective access to remedy where harm has occurred. This accounts for our own business activities, and we hold our suppliers and other business partners to this same high standard.

Our Labour and Human Rights Framework is based on the aforementioned outlined international standards and principles and consists of policies, due diligence, access to remedy, stakeholder engagement, transparency & reporting and governance, and it is the foundation of our approach to respect human rights in our own operations as well as our supply chain and other business relationships.



## Human Rights Governance Structure

Our Global Labour and Human Rights Council, Sustainability Committee, and Sustainability Council sit under the Board of Directors of Samsung Electronics Co. Ltd. The Labour and Human Rights Council coordinates global labour and human rights issues at our business sites and across our supply chains. The council is comprised of executives and staff members of the People Team, Partner Collaboration Center, Vendor Improvement Task Force, Global Technology Research, Global EHS Center, Corporate Legal Office, Investor Relations Team, and Corporate Sustainability Center. The Council convenes on a monthly basis and reports human rights issues identified to the corporate risk management body, which in turn, reviews them as a potential risk to our business.

The Sustainability Council headed by the CEO reviews and manages company-wide sustainability issues with those in charge of sustainability in individual businesses. The issues discussed by the Council are reported the Sustainability Committee.

The Sustainability Committee facilitates the supervision and manager or labour human rights conditions at various level and is in place to aid the Board of Directors to closely monitor relevant company-wide issues. The Committee plays instrumental role in determining our



strategic priorities concerning sustainability and incorporates human rights and other sustainability issues into the business decision-making.

### Transparency and Reporting

We disclose our activities to respect human rights in our annual sustainability reports based on the Global Reporting Initiative (GRI) Standards. The annual disclosure is also an extension of our efforts to comply with the Norwegian Transparency Act and Australian Modern Slavery Act and fulfil the evaluation criteria of the Corporate Human Rights Benchmark – assessing human rights management levels of global companies – and KnowTheChain – helping companies address forced labour in global supply chains. We also disclose official statements on relevant human rights issues via the online platform operated by the Business and Human Rights Resource Centre, a UK-based non-profit organization dedicated to research in the human rights impacts of corporate activities.

Our efforts to raise due diligence standards and practices that protect workers' rights was recognised in industry benchmark studies in 2022. We ranked 5<sup>th</sup> for our effort to address forced labour in our own business and supply chain within the KnowTheChain ICT benchmark. We maintained our no. 1<sup>st</sup> ranking in the Global Child Forum Benchmark (electronics sector) for the second year in a row. We also ranked 2<sup>nd</sup> in the ICT sector in the World Benchmarking Alliance (WBA)'s Corporate Human Rights Benchmark.

### Partnerships and Collaboration

Over the years, expectations from various entities (i.e. NGOs, governments, customers, shareholders, suppliers, and employees) have grown along with our responsibilities as a global corporate citizen. In this spirit, we understand the importance and value the opportunity of working with civil society partners to develop workers' rights policies, capacity building, and to implement regional projects. In 2022, we continued to work proactively with a number of strategic partners to support our global human rights efforts. Further information on partnerships and collaboration can be found in our 2023 Sustainability Report (downloadable from our website (<https://www.samsung.com/global/sustainability/>)).

### Salient Human Rights Risk Assessment and Management

We define our salient human rights risks as those human rights at risk of the most severe negative impacts through our business activities and relationships. We disclosed our salient human rights risks in February 2023 as a part of our [Global Human Rights Principles](#) (the Policy). Our human rights due diligence is performed with a focus on these salient human rights risks based on priority identified through continuous stakeholder engagement, internal assessments, external audits, grievance channels, and human rights risk and impact assessments. Centred on these risks, we prioritise our efforts and determine activities to prevent, mitigate, and address human rights impacts.

Detailed information on our Salient Human Rights Risks and associated actions can be found in our 2023 Sustainability Report. The below sections provide a summary of these risks and actions.

## Human Rights Due Diligence and Measures Undertaken in Our Own Entities and Subsidiaries

### a) Policies and Standards

Samsung adheres to the principles put forward in its own Samsung Code of Conduct and Guidelines as well as the [Responsible Business Alliance \(RBA\) code of conduct](#) against which audits in our own factories across the globe are conducted. We are furthermore a signatory of the [UN Global Compact](#), one of the world's largest corporate sustainability initiative, and adhere to its [ten principles](#). We have a range of human rights policies in place, which reflects our top management's commitment to fulfilling our responsibility to respect and support internationally recognised human rights standards and set forward expectations for our own employees and business partners. Apart from topic-specific policies, our Global Human Rights Principles (policy) outlines Samsung's commitment to respect human rights and international standards across its business operations.

In 2021, as part of domestic efforts to eradicate forced labour and end modern slavery, SEUK also developed its Anti-Modern Slavery Policy. The Policy was designed to: educate colleagues on modern slavery; inform colleagues of their responsibilities and how to raise any concerns; highlight the requirements of the Modern Slavery Act 2015; and describe the actions that SEUK is taking to mitigate the risk of modern slavery within our supply chains.

### b) Human Rights Due Diligence

In line with the UNGPs, we work proactively to identify, prevent, and mitigate actual and potential adverse human rights risks impacts across all aspects of our business operations. Our due diligence includes engagement with various right-holders and stakeholders. We integrate the findings and implications from our due diligence in our internal processes to ensure that our policies and management systems remain aligned with the latest developments. We monitor the outcomes of the measures taken and report them to our internal and external stakeholders. We adjust the frequency and nature of assessment as deemed necessary based on changing conditions such as entry into new markets, onboarding of new suppliers, and newly identified human rights challenges in certain markets.

We identify actual and potential human rights risks through diverse channels: internal audits by in-house experts, assessments of specific human rights areas by regional employee relations experts, human rights risk analysis and human rights impact assessments by third-party human rights experts, reports of intergovernmental organisations and civil society organisations on geopolitical situations and the human rights landscape, media reports, third-party audits based on the RBA protocols, grievances and complaints filed by our employees and

other right-holders, and dialogues with human rights experts and external stakeholders including, but not limited to, customers, investors, and industry associations.

#### *Human Rights Impact Assessment and Saliency Analysis*

Human Rights Impact Assessment (HRIA) analyses the impact of business activities on rights-holders such as employees, supply chain workers, local community members, consumers and others. HRIA typically involves more in-depth consultation with affected stakeholders than other forms of human rights assessment, according to BSR, a US-based sustainable business network and consultancy.

Whilst we found no human rights human rights violations requiring immediate action during our first-ever HRIA in 2018-2019, we did identify 41 remedial measures based on BSR's recommendations for further progress in the areas of labour rights, discrimination, protection of vulnerable groups, local communities, and the supply chain. As of December 2022, 35 of these recommendations have been completed and some recommendations such as local CSR initiatives and Multi-Stakeholder Forum have become ongoing programs. The remainder are in progress, and we continue to review them to verify their effectiveness.

Human Rights Risks Assessment (HRRRA), as a type of human rights assessment, prioritises actual and potential adverse human rights impacts according to the severity (i.e. scale, scope and remediability) and the likelihood of human rights risks. HRRRA helps focus a company's resources on managing human rights risks that have the potential to do harm. HRRRA typically ends with the identification of "salient human rights risks."

In 2021, we introduced a process to conduct the HRRRA prior to the opening of new operations. We conducted our first HRRRA in Turkey to identify potential human rights risks for future Samsung employees, supply chain workers, and surrounding communities in the macro-context of Turkey's human rights track record. With the support of sustainable business and human rights consultancies, Enact and twentyfifty, we identified four potential salient human rights risks of our own production sites in Turkey; decent working conditions, health and safety, supplier responsibility, and freedom of expression. A total of 21 actions were recommended to be fully in line with UNGPs, 20 of which were completed by December 2022.

In 2023, we plan to develop and introduce our internal sHRIA based on communications with our internal and external stakeholders on their grievances, to identify salient human rights impacts at our production sites.

#### *RBA Validated Assessment Program*

As a member of RBA, Samsung adheres to the RBA Code of Conduct, which is consistent with the UNGPs, the ILO Declaration on Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights.

We complete the RBA Self-Assessment Questionnaire annually and follow the RBA Validated Assessment Program (VAP) to conduct on-site audits of our production sites. VAP audits provide a comprehensive social and environmental assessment of the facility's performance

against the RBA Code of Conduct, local laws and regulations. VAP audits are conducted by independent third-party auditors trained in social and environmental auditing and the VAP protocol. Where VAP audits identify non-compliance with the protocol, the facility in question develops corrective action plans to address the findings and implement systems to prevent recurrence and completes them within a set timeframe.

In 2022, we conducted RBA VAP audits at 14 of our own production sites around the world. While nine sites had no non-compliance findings, five sites had some findings in the areas of Labour as well as Health & Safety. We completed immediate corrective actions during the audits to address some of the findings and are in the process of implementing other corrective actions in accordance with the VAP protocol.

As a member of the Responsible Business Alliance (RBA), Samsung is dedicated to corporate social responsibility in global supply chains. In addition to RBA VAP audits conducted by independent third-party audit firms, we regularly conduct our own assessment by our internal experts trained through the RBA Auditor Certification Program. We are also active in the Responsible Labor Initiative (RLI), a multi-stakeholder initiative within the RBA focused on respecting and improving labour rights. We have also participated in dedicated working groups and task forces on our salient risks to discuss challenges, share best practices with peers and to drive the agenda forward within the organisation.

#### c) Access to Remedy

Samsung offers a variety of direct and anonymous grievance channels in various languages for individuals or groups that are adversely affected by our business operations that are promptly investigated in line with our internal procedure and timelines to seek effective and satisfactory remedies. Upon detecting human rights abuses, we investigate their root causes and change our systems, processes, and practices if deemed necessary to prevent the recurrence of similar cases. Our grievance channels are open to internal and external stakeholders including our suppliers' employees and civil society organisations. While most of our channels are operated at the corporate level, we also partner with third-party organisations in select countries to provide additional channels for our employees.

Samsung publicly reports the number of worksite grievances it receives in its annual Sustainability Report. In 2022, a total of 23,840 grievances were reported, an increase of 1.97% on the previous year. The total number of grievances filed and the breakdown of grievance types in 2022 were found to be similar to those of the previous year. Several notable changes include: an increase in grievances filed offline by 5%, a decrease in grievances filed via hotline by 9%; and an increase in grievances related to work environment by 3%. The return to physical workplaces following the lifting of travel restrictions post-pandemic is believed to be a contributing factor to this trend. Filed grievances are handled promptly in accordance with the present procedures, and follow-up actions, such as training and policy amendments, are carried out to address root causes. Based on interviews with whistle-blowers and victims, we investigate if their grievances have been properly resolved in line with the eight UNGPs and

monitor if remedial actions have been taken. We make sure to prevent recurrence by establishing relevant preventive measures and correcting business practices that may incur potential risks.

We also promote external stakeholders' grievance communication channels. We operate the Samsung Electronics' Global Business Ethics & Compliance system ([www.sec-audit.com](http://www.sec-audit.com)), corporate hotline (+82-2255-0114), and global communication address ([civilsociety@Samsung.com](mailto:civilsociety@Samsung.com)), to listen to the opinions of various external stakeholders. We continually evaluate the effectiveness of our internal and external grievance procedures and seek to improve accessibility and system design where necessary.

#### d) Stakeholder Engagement

Stakeholder engagement is one of the core pillars of Samsung's Labour and Human Rights Framework and an important element of our human rights due diligence process. Different forms of our stakeholder engagement range from informal dialogue to strategic partnerships. Our stakeholders include our employees including informal engagements and more formal ones via trade unions and work councils, business associations and industry initiatives such as the Responsible Business Alliance (RBA), civil society organisations, international organisations such as the United Nations, benchmarking agencies, human rights experts and consultancies, customers, suppliers, investors, and governments, among others.

#### e) Training and Development

To help our employees understand their rights and train managers and relevant departments on the implementation of human rights into business practices and everyday activities Samsung conducts every year a range of different labour and human rights trainings tailored to different target groups. Those include trainings to HR professionals and procurement teams on human rights more broadly and conflict minerals management more specifically. We also lead internal global networks supporting us in further embedding human rights across the organisation--ranging from a global Human Rights Champion network of more than 50 professionals to drive human rights awareness and activities within the organisation to a global network of 150 HR Diversity & Inclusion Managers driving local buy-in, initiatives, projects and engagement.

In 2022, general human rights training was developed and delivered to Samsung employees at both leader and worker levels. The leader-level training, which was delivered online to professionals at Samsung's regional offices, production sites, R&D centers and sales subsidiaries, covered legislative updates, stakeholder expectations, our human rights commitments, how to put our commitment into practice, and access to remedy. The worker-level training focused on workers' rights, informing workers about our commitment and what it means for them in practice, and access to remedy. The offline training was delivered by internal trainers to the workers in production sites in a localised form, with local examples and in the local language, while office workers received an online version of the training. The overall

training completion rate was 93.7%, with online and offline training reaching 95% and 90.2% respectively.

In June 2022, two human rights train-the-trainer workshops were organised in our own production sites in Mexico and Vietnam. The workshops provided a peer-learning platform among professionals from own production sites around the world to learn best practices from colleagues in other regions and to increase their knowledge on human rights to enable them to conduct human rights training in their subsidiaries. The aim of the workshops was to share the training methods and the knowledge on human rights with a total of 24 professionals from 18 of our own production sites. Each workshop lasted over two days and covered topics such as legislative requirements and stakeholder expectations on business and human rights, Samsung's human rights framework and activities in each area, a deep dive session into our salient human rights risks and the overall human rights due diligence approach. Theoretical content was complemented by practical roundtable discussions sharing local best practices on topics such as lessons learned from an externally conducted human rights salient risk assessment and a human rights impact assessment, responsible management of migrant workers, management of grievance channels, local capacity building initiatives, mental health, and employee engagement.

The participating professionals either delivered human rights training directly to production workers in their respective subsidiaries or trained a number of additional internal trainers to deliver face-to-face training at production sites with significant numbers of workers.

Furthermore, in 2021, Modern Slavery training was provided to SEUK's senior leadership team. The training, delivered by Samsung's Global Human Rights Senior Manager, outlined what constitutes as modern slavery, the risks and impacts of modern slavery and hidden exploitation, Samsung's due diligence process and activities, provided insights into improvement opportunities and challenged managers to consider human rights in their daily decisions.

#### *Modern Slavery and Ethical Recruitment*

From 2019 to 2021, we organised workshops for the executive management and HR staff of our production sites and suppliers employing migrant workers and recruitment agencies, with the International Organisation for Migration (IOM), to raise awareness on the importance of the protection of migrant workers' rights within our supply chains. We also provided access to our in-house counseling services for migrant workers who were experiencing difficulties in the wake of the pandemic.

In 2022, we performed our own on-site audits on four production sites staffed by migrant workers to verify their compliance with the Policy and Guidelines. These audits were based on the RBA methodology centering on the needs and rights of migrant workers and key industry references. We conducted interpreter-supported interviews with migrant workers, their families, and other vulnerable workers such as employees from Ukraine in addition to interviews with the HR managers of the production sites and staff members of the recruitment

agencies. These interviews were complemented by document verification and inspections of dormitories and off-site residential facilities for migrant workers.

The audit results showed that most practices of the production sites were in compliance with the Policy and Guides. However, it was discovered that 307 migrant workers hired by one of the four production sites had paid for part of the transportation expenses incurred while moving from their homes to the location to meet with the recruitment agency in their home country. The amounts paid by the workers (approximately USD 9,876 in total) were reimbursed after the audit.

To prevent the recurrence of similar incidents, we have continued to engage in activities to raise the awareness of local HR managers, recruitment agencies, and workers on our internal standards for migrant workers' rights, including the prohibition of recruitment fees. The four production sites developed corrective actions for minor non-compliance with the Internal Guide for Migrant Worker. Local employee relations experts are monitoring the follow-up steps taken by the sites. Through the audits, we confirmed that the total amount of outstanding reimbursements decreased by 88.6% since the introduction of the revised Migrant Worker Policy in 2020 compared to the 3-year period of 2017 to 2019.

## Human Rights Due Diligence and Measures Undertaken for Business Relations and Suppliers

### a) Policies and Standards

Complementing Samsung's Global Human Rights Principles (policy) and other human rights related policies, Samsung requests its suppliers to adopt our Supplier Code of Conduct and Guidelines, which is based on international human rights principles and which set of social, environmental and ethical industry standards. As a signatory of the UN Global Compact, one of the world's largest corporate sustainability initiative, we adhere to its ten principles as well as to the Responsible Business Alliance (RBA) code of conduct against which audits in our supply chain across the globe are conducted. Our Global Purchasing Code of Conduct comprises the key requirements from the regulations and guidelines on purchase-related tasks and ethical obligations of employees in charge of purchasing. Samsung's Responsible Minerals Sourcing Policy sets expectations for its supplier and their subcontractors on responsible minerals management.

We demand prompt remedial action for any violations related to our top priorities, such as the prohibitions of child labour and forced labour and impose rating penalties on those suppliers found to have committed violations in the comprehensive evaluations.

## b) Human Rights Due Diligence

### i. *First Tier Suppliers*

The findings from self-assessments, on-site audits, and third party audits are reflected in the annual comprehensive evaluations and policy improvements for the following year, and those suppliers rated outstanding are provided benefits such as extra points in the comprehensive evaluations and cash rewards. In 2023, we established a reward program to acknowledge our suppliers with outstanding ESG performance. Through this program, two suppliers were given incentives in recognition of their performance and improvement efforts in the labor and human right and environment sectors throughout 2022.

We perform comprehensive annual evaluations on our suppliers based on transaction data and materials submitted by each supplier to ensure the competitiveness of our supply chain. Major evaluation items include technology, quality, response, delivery, production cost, environment and safety, finance, and labour and human rights. The results are reflected in the following year's purchasing policy to encourage our suppliers to improve their capabilities.

In 2022, we conducted interviews and surveys of prospective suppliers and focused on three key items in the new supplier selection process: forced labour, inhumane treatment, and discrimination to better protect the rights of workers from socially vulnerable groups. Overall, evaluations were performed on 116 companies and although all of the companies met the criteria for essential labour and human rights items, two companies failed to meet environmental and safety criteria, and thus were eliminated from the final selection.

#### Self-Assessment

Based on RBA's criteria, we developed a self-assessment tool and distribute it to all of our first-tier suppliers to perform annual self-assessments. We also encourage them to obtain certification related to international standards in corporate social responsibility (SA 8000, etc.) by including it as one of the self-assessment items. In 2022, we reflected RBA's updated criteria in this tool to place greater weight on items of priority, such as forced labor, child labor and industrial accidents, in order to preemptive identify potential risks of our suppliers. We actively collect suppliers' opinions and suggestions to establish a more effective self-assessment system and to reflect improvements accordingly in the next assessment.

#### On-Site Audit

Our dedicated organisational unit conducts on-site audits on our suppliers. To more thoroughly and accurately audit their work environments, we first identify their issues and points of improvement based on document views and the interviews of employees on both working-level staff and managers in the audits. The points of improvement are registered on the integrated purchase system, and the respective suppliers are required to establish and implement improvement measures accordingly. Some problems are remedied immediately, while the implementation of remedial action for other problems is verified within three months from the registration of the points of improvement. Facility installation, certification, and other



matters that require an extended period of time and significant expenses to be resolved are monitored over a longer term based on the respective supplier's improvement plan.

#### Special Audits to Eradicate Child Labour

In addition to our on-site audit programme, we conduct special audits of suppliers.

We maintain zero tolerance for child labour for our suppliers and perform special audits of their recruitment practices every year to eliminate child labour. In 2022, we performed audits on 119 first-tier suppliers and 31 second-tier suppliers during school vacation periods when the likelihood of employment of minors notably increases. Based on our 2022 audits, none were found to have recruited child workers. However, some of the audited suppliers failed to implement recruitment practices of importance, such as the lack of facial recognition for identity authentication, and failure to include child labour prohibition provision in the employment contract.

We took immediate action to have the respective suppliers remedy these issues.

We plan to develop and distribute a compliance guidebook which specifies the appropriate recruitment processes and country-specific legal requirements, and ensure our suppliers conduct training for their staff on this guidebook.

#### Third-Party Audit

We conduct third-party audits every three years on the top 90% of our suppliers selected based on annual transaction amounts.

In 2022, we conducted third-party audits on 121 suppliers. Although there were some difficulties in conducting on-site audits due to COVID-19 pandemic, we introduced video meeting and remote audits to prevent setbacks in our suppliers' work environment management. Worker interviews are typically conducted on the premises of the respective suppliers based on mutual trust to minimise the possibility of any production setback. However, it can be carried out outside the company to increase transparency of the audit if there is a risk, such as intervention by managers.

In 2023, third-party audits will be performed on some second-tier suppliers on a pilot basis. Suppliers from the second tier and below are currently managed through first-tier suppliers in our supply chains, but we plan to gradually expand the scope of suppliers under our direct management and share the audit outcomes with them.

#### *ii. Lower Tier Suppliers*

Suppliers from the second tier and below are currently managed through first-tier suppliers in Samsung's supply chains in compliance with our internal work environment policy. For subcontractors with issues deemed to be of serious concern, we monitor via our first-tier suppliers whether remedial actions have been successfully implemented. Near our Suwon business site in Korea, Samsung offers capacity building programs which are free of charge to our tier 1 as well as tier 2 suppliers which cover topics including supply chain due diligence. In

2023, third-party audits will be performed on some second-tier suppliers on a pilot basis and the scope of suppliers gradually expanded.

### *iii. Vendor Management*

SEUK has continued in its vendor risk management process as part of our domestic due diligence efforts to abolish modern slavery across our supply chain. As well as identifying vendors in high-risk sectors, we have been using a random number generator to identify vendors at random to assess. This has allowed us to cover a wider range of suppliers. Whilst many were not required to report under the 2015 Modern Slavery Act, a significant proportion chose to do so. Those without a publicly available statement were contacted independently. 29% of the suppliers assessed through this process were identified as being higher risk. These suppliers were investigated further as a result of our vendor risk management assessments, but no non-compliance with the UK Modern Slavery Act was identified.

### *iv. Responsible Minerals Management*

We strive to minimise any possible adverse impacts of mineral mining, including human rights abuses, child labour exploitation, sexual violence, and environmental destruction. We take human rights and environmental issues related to mineral mining in conflict-affected and high-risk areas, such as some African countries, very seriously. To address these risks we use responsible minerals in strict compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

To support our responsible minerals management system, we conduct investigations on the status of responsible minerals use and identify and remedy risk factors of our mass-produced materials suppliers. In 2022, we reviewed the credibility of data submitted by 438 suppliers around the world and their conflict minerals policy implementation status.. All of our suppliers are obligated to fully comply with our responsible minerals policy. We only accept minerals supplied by smelters and refiners accredited with RMAP certification. As a result, we are able to screen out conflict minerals mined and sourced in an illegal manner from conflict-affected areas, such as DR Congo, and only handle minerals supplied by internationally accredited smelters and refiners. In addition to conflict minerals, we also monitor high-risk minerals that raise concerns over environmental damage and human rights abuses to ensure more rigorous management of our supply chain. We continuously update the list of controversial minerals to readily respond to related issues together with our global counterparts.

We regularly disclose our responsible minerals management activities via our website and Sustainability Report and publish the Samsung Electronics Responsible Minerals Management Report to more effectively respond to the diversifying needs of global stakeholders.

### *c) Access to Remedy*

Samsung supports its suppliers in establishing and operating an internal grievance handling system to facilitate communication between the executive management and employees. We have operated a direct hotline since 2013 to collect reports on violations of the work environment criteria or human rights by our suppliers via telephone and email, among others,

to complement on-site audits. We ensure the protection of informants' privacy throughout the entire grievance process so that employees at our suppliers can submit reports without fearing retaliation. Our organisational unit dedicated to grievance handling handles grievances in line with our internal protocol and timeline and monitors respective suppliers to ensure that they take remedial actions. Training and other measures are taken with the respective suppliers to support the prevention of reoccurrence. An informant satisfaction survey, operated since 2020, supports effective case handling and the integration of workers voices into the process.

We prohibit forced labour and the collection of recruitment fees from our suppliers' migrant workers through the Supplier Code of Conduct. Based on this policy, a total of USD 1,125,734 was reimbursed to 1,649 migrant workers from 11 countries from 2017 to 2022.

SEUK expects all colleagues to take steps to help prevent, mitigate and remedy actual or suspected occurrences of modern slavery within SEUK's business operations and broader supply chains.

#### d) Stakeholder Engagement

In support of our human rights due diligence process, we engage in global initiatives and partnerships to collaborate with industry partners, external stakeholders and peers on addressing supply chain risks including conflict and other minerals and to amplify the benefits of sustainable supply chains around the world. We also actively engage other companies and the relevant stakeholders in the industry to promote responsible sourcing of minerals through initiatives such as the Responsible Business Alliance (RBA), RBA Responsible Minerals Initiative (RMI), and the European Partnership for Responsible Minerals (EPRM).

#### e) Training and Development

Since 2015, we have hosted a range of workshops and training programs related to compliance management every year for the heads and working-level staff of our suppliers. We also provide human rights training on mutual respect, humane treatment, and discrimination elimination based on the Supplier Code of Conduct, while also sharing global and local legal revisions, audit results and best practices of our suppliers, and environment and safety-related trends of different regions. We conduct training on the safe handling of chemicals and award suppliers with outstanding performance in labour/human rights and environment/safety. In 2022, 408 suppliers around the world received our training. We encourage participating suppliers to actively share the details of our training and provisions of the Supplier Code of Conduct with their subcontractors.

In 2021, we established the Responsible Recruitment Procedure training course to improve our suppliers' understanding of the procedure, help them eliminate relevant risks, and offer a self-diagnosis tool. In 2022, we expanded the group of countries subject to training to include Hungary, Slovakia, Poland, and China and provided training on recruitment criteria, risk identification and assessment, risk improvement, risk prevention and mitigation, etc., for 505 labour and human rights staff at 213 suppliers. The training sessions were conducted in local languages (English, Chinese, Thai, and Malay) to ensure the understanding of local employees.

This training course will soon be designated as a mandatory training course for suppliers located in countries with migrant workers.

## Management Approval

Samsung employees are responsible for maintaining high ethical standards and conducting business with integrity. Samsung's employees are ambassadors of our brand, and we seek to ensure that Samsung's standards of corporate social responsibility, integrity and accountability are upheld. This annual modern slavery statement, our sixth, continues to reaffirm our commitment to respecting and protecting the human rights of all people, and that these values are at the core of our labour practices.

This Statement was approved by the Board of SEUK on 30<sup>th</sup> June 2023. It complies with the requirements set out in section 54 of the UK Modern Slavery Act 2015.

More detailed information on our Human Rights and Modern Slavery activities can be found in our 2023 Sustainability Report (<https://www.samsung.com/global/sustainability/>)



Mr. Taek Jin Lee  
Director/ Company Signatory  
Samsung Electronics (UK) Ltd