

Samsung Electronics Supplier Code of Conduct Guide

Version 2.0



Introduction

The Supplier shall ensure safe working conditions, treat its employees with respect and dignity, ensure its business operations are environmentally friendly, and conduct all of its activities ethically and responsibly in full compliance with all applicable laws, rules and regulations of the country where the supplier operates its business.

Compliance with supplier responsibility is the supplier's core value and principle. The future of the supplier that only seeks profit without observing supplier responsibility can never be bright.

Samsung Electronics(the "Samsung") establishes the Supplier Code of Conduct (the "Code") and requires all Samsung suppliers (the "Supplier") to comply with the Code. This Code applies to Samsung suppliers and their supply chain including Subcontractors and Labor dispatch agencies providing goods or services to Samsung or for use in or with Samsung products.

The Samsung Supplier Code of Conduct Guide (the "Guide") is established on the basis of the Code and provides detailed guidance on labor & human rights, health & safety, environment, ethics and management system.

The Guide helps suppliers understand the Code and facilitate proper implementation.

If there are any conflicts between the Guide and any other local regulations, a more rigorous standard shall be preferentially applied. Also, the Guide may be revised according to changes of related regulations, Samsung's supplier management policy and the Code.

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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. Suppliers or labor dispatch agencies shall not receive deposit or fees (e.g. recruitment or hiring fees) from workers. 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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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) Fees and Deposits

- The Supplier or labor dispatch agency shall make it a rule not to ask any worker to pay deposits or fees (e.g. recruitment or hiring fees).
- ※ Based on EICC criteria, Samsung shall not charge foreign workers any employment-related fees and costs and recommend that suppliers comply with the same criteria, too.

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 the dormitory when not engaged in work.

4. Practice

1) Sharing Policies of Company such as Employment Rules, etc.	
- Given that documents containing policies of company including employment rules are important, the documents are locked in file cabinets.	(X)
- 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.	(O)
2) Consent on Overtime Work	
- After notifying workers, a manager on site signs a consent form instead of the workers.	(X)
- After requesting prior consent of overtime work from a worker or employee representative organization, obtain the worker's signature and keep the consent form.	(O)
3) Conclusion of Employment Contract	
- A relative of the worker concludes an employment contract instead of the worker and then the worker re-concludes the contract later.	(X)
- 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.	(X)
- A worker must conclude an employment contract by signing the contract in their own handwriting.	(O)
4) Selection of Labor Dispatch Agency	
- Select a labor dispatch agency that can quickly supply workers.	(X)
- Select a labor dispatch agency with valid certificates, policy and procedures.	(O)
5) Storage of Personal Documents	
- 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.	(O)

6) A worker gives notice that he or she will quit a job one month later.	
- Deduct a penalty from monthly wage if a worker does not work until replacement worker is supplemented.	(X)
- Deal with a worker's employment termination at the request date of worker and settle wages based on his working days.	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with the Guide.

3. Guide

1) Policy and Procedures

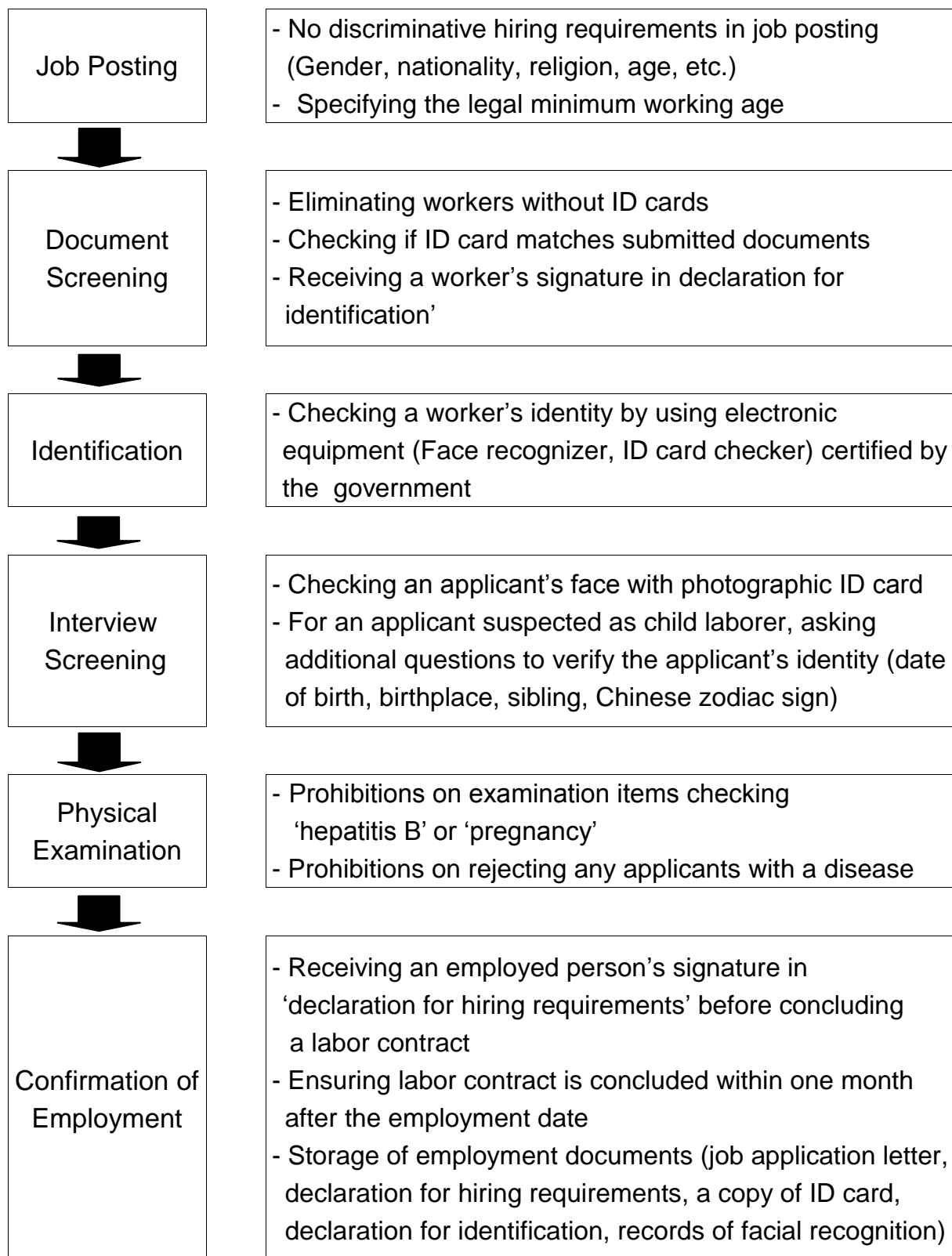
- Under any circumstances, the Supplier shall prohibit child laborers from being hired, and shall document and hold a child labor prohibition policy specifying the legal minimum working age.
- All workers shall be trained on the child labor prohibition policy, and training materials/records shall be 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 >



- 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.

4. Practice

1) An applicant who looks like an adult by appearance does not have his or her ID card.	
- Hire the applicant first, then require him or her to submit ID card later.	(X)
- Require the applicant to visit the workplace again with ID card	(O)
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.	
- Hire the applicant first and then conclude employment contract one week later.	(X)
- Require the applicant to visit the workplace again with an ID card one week later.	(O)
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.	
- As the identity of applicant is checked, it does not need to store records of facial recognition	(X)
- Store records of facial recognition on a computer and manage them on a regular basis.	(O)
4) A young worker has had experience in working for X-ray testing process.	
- Provide appropriate PPE(Personal Protective Equipment) to the young worker and deploy the worker to X-ray testing process.	(X)
- Assign general working processes, such as assembly, to young workers.	(O)

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.

<p>- As they are adults who are the age of 18 or older, hire them immediately and assign them overtime and night work.</p>	<p>(X)</p>
<p>- 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.</p> <p>※ In case these applicants are confirmed as students later, cancel employment contract right away by reason of entering false facts.</p>	<p>(O)</p>

Working Hours

1. Definition

Workweeks 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 an 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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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

- Workweeks 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

1) Sharing a company policy related to workweek hours, holidays, rest breaks, etc. with all workers	
- There is no need to notify the relevant policy to workers separately, as it is described in handbooks of workers.	(X)
- 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.	(O)
2) As volume of orders increases, overtime work is required. In accordance with local regulations, workweek hours do not exceed 60 hours including overtime hours.	
- Assign all workers to work overtime at once without exceeding 60 working hours	(X)
- Assign workers to work overtime without exceeding 60 working hours only if workers wish to work overtime.	(O)
3) As the volume of orders is expected to increase one month later, a certain process is predicted to run around the clock	
- As volumes constantly fluctuate, operate production lines only using workers who hope to work overtime.	(X)
- Establish proper measures. For example, production automation or changing working patterns (shifts).	(O)
4) There are operators in charge of facilities which should be run around the clock.	
- As operators should constantly manage the facilities, they are guaranteed a meal near the facilities.	(X)
- Guarantee all operators' meal time through work shifts.	(O)
5) 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.	
- Shorten the closing time after consecutive work without break time, as the workers requested.	(X)
- Continue to operate the morning and afternoon breaks in compliance with local regulations.	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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

<p>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.</p>	
- 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.	(O)
<p>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.</p>	
- 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	(O)
<p>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.</p>	
- 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.	(O)
<p>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.</p>	
- Let workers additionally pay a certain amount of social insurance through an agreement with the work representative organization.	(X)

<p>- 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.</p>	<input type="radio"/>
<p>5) A worker continues to be late for work.</p>	
<p>- Notify the deduction of one day's wages every time the worker is late for work.</p>	<input checked="" type="radio"/>
<p>- 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.</p>	<input type="radio"/>
<p>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>- Notify the worker of wage payment one month later as it takes a long time in calculating the worker's wages.</p>	<input checked="" type="radio"/>
<p>- 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.</p>	<input type="radio"/>
<p>7) A worker continues to be absent from work without notice. A supplier shall pay wages for working hours to a resigned worker.</p>	
<p>- Until the worker proceeds termination procedure through a personal visit, Supplier keeps the worker's wages.</p>	<input checked="" type="radio"/>
<p>- 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.</p>	<input type="radio"/>

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with the Guide.

3. Guide

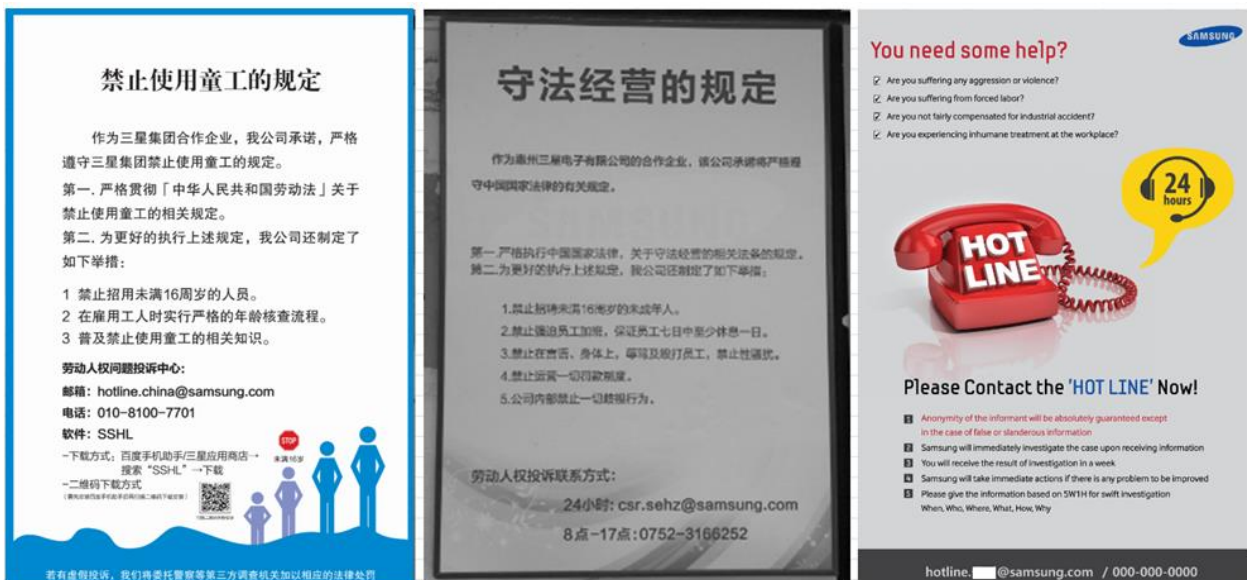
1) Policy and procedure

- 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.



< Hot-line Poster >

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.	
- Warn the worker that the manager will cut wages or fire if the worker does not improve working speed.	(X)
- 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.	(O)
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.	
- 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.	(X)
- 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.	(O)
3) Costly materials are lost frequently, so a security manager shall establish a proper measure.	
- 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.	(X)
- 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.	(O)
4) A female worker handling toxic substances informs a manager of being pregnant and asks the manager to change her work.	
- Inform the female worker that she has to leave the job if a replacement worker is hired.	(X)
- Assign the female worker to a process not related to toxic substances.	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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

<p>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.</p>	
<p>- As minority groups have a communication issue, avoid hiring minority groups by specifying that “minority groups may not apply for employment” on recruitment notice.</p>	(X)
<p>- 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.</p>	(O)
<p>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.</p>	
<p>- As a production line manager requested, HR manager specifies age limits ranging from 18 to 30 on recruitment notice.</p>	(X)
<p>- 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.</p>	(O)
<p>3) A female worker notifies her pregnancy to production line manager.</p>	
<p>- 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.</p>	(X)
<p>- Ensure that the pregnant worker is given wage that is the same as her existing one.</p>	(O)

Occupational Safety

1. Definition

Worker exposure to potential safety hazards (e.g. electrical and other energy sources, fire, vehicles, and fall hazards) is to be 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. Workers shall not be disciplined for raising safety concerns.

< 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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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.

<Types of PPE>

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

4. Practice

1) Industrial Safety Permits	
- Drinking water can be used without a separate test.	(X)
→ Have test results of drinking water on a regular basis in accordance with local regulations.	(O)
- Documented procedures that renew permits and licenses of industrial safety before the expiration date are required.	
2) Legal Occupational Safety and Health Education	
- Conduct occupational safety and health education targeting only production-related personnel.	(X)
→ Conduct occupational safety and health education targeting all workers, and then maintain all relevant records.	(O)
- Education records include date, time, details and participants' signatures.	
3) Work Safety	
- Any workers can perform hazardous tasks.	(X)
→ Only qualified workers may perform hazardous tasks.	(O)
- Workers qualified for hazardous tasks shall continuously complete a course on work safety relating to relevant tasks.	
4) Standards for Provision and Management of PPE	
- A worker performs an injection task while wearing unauthorized safety shoes.	(X)
→ Purchase and supply safety shoes whose standard is certified.	(O)
- All workers shall wear PPE in compliance with local regulations.	
5) Legal Personnel and Groups in Charge of Safety Management	
- No need to designate separate personnel in charge of safety management.	(X)
→ Appoint safety management personnel according to local regulations and operate a group managing 'working environment measurement' and 'safety inspection'	(O)
- 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.	

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, 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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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>

General Fire (Class A)	Dry Chemical Extinguisher		Halon Extinguisher	Clear Agent Extinguisher
Oil Fire (Class B)	Dry Chemical Extinguisher	CO2 Fire Extinguisher	Halon Extinguisher	Clear Agent Extinguisher
Electrical Fire (Class C)	Dry Chemical Extinguisher	CO2 Fire Extinguisher	Halon Extinguisher	Clear Agent Extinguisher
				
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)

< Storage Method of Hose of Indoor/Outdoor Fire Hydrant >

Hose of Indoor Fire Hydrant (Accordion method)	Hose of Outdoor Fire Hydrant (Rolling method)
	

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.	(X)
→ 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.	(O)
2) Firefighting Facilities for Fire Preparedness	
- No need to prepare separate and regular maintenance if fire-fighting equipment or fire extinguisher works normally.	(X)
→ 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.	(O)

3) Fire Prevention Activities	
- 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.	(X)
→ For working processes with a potential fire risk, automatic fire detection facility and automatic fire extinguishers must be established.	(O)
- 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.	
4) Establishing Emergency Response System	
- Workers do not need to receive training on emergency response scenarios.	(X)
→ Workers shall receive training on emergency situations.	(O)
- Emergency response scenarios shall include organization charts and tasks by group.	
5) Emergency Exits	
- 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.	(X)
→ Emergency exit doors shall be opened at all times.	(O)
- In emergency situations, emergency bells, evacuation lighting, etc. shall be installed to ensure workers can evacuate effectively.	
6) PPE of Emergency Response Personnel	
- Lock and keep emergency response PPE at warehouse to prevent it being stolen.	(X)
→ Permanently keep emergency response PPE at the place where it can be easily found and used.	(O)
- Train workers how to wear PPE in the right manner on a regular basis.	

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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.

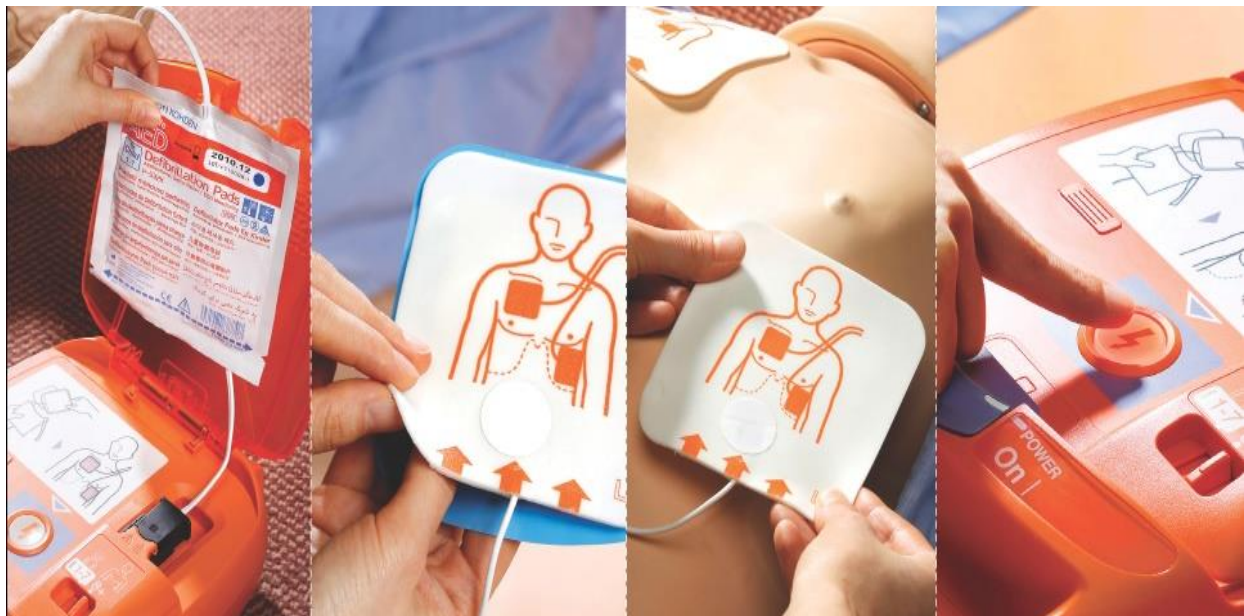
3) First Aid

- 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 Bleeding) >

		<Burn>	<Frostbite>
p i c t u r e			
Method		<ul style="list-style-type: none"> ▶ Cool down the burned area with cold water (Burn) ▶ Never pop a blister if the blister occurs ▶ Not to take off a persons' clothes if his or her clothes are not separated from the injured area. ▶ Change a person's wet clothes to dry ones 	

		Bleeding			
p i c t u r e					
Method		<ul style="list-style-type: none"> ▶ Press down the bleeding area with gauze and cover with it with compression bandage. ▶ If it does not stop bleeding, wrap the bandage around the wound again to stop the bleeding. 			

4. Practice

1) Occupational Injury and Illness	
- If occupational injury and illness occur, its record management is required, but preparing improvement plans is an option.	(X)
→ Improvement plans for occurred occupation injury and illness must be established.	(O)
- Records for managing workers suspected with illness and ill workers shall be documented and maintained.	(O)
2) First Aid	
- Anyone can be in the occupational medical team or first aid personnel.	(X)
→ 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.	(O)
- If the Supplier wants to install in-house medical clinic, it shall meet legal requirements.	(O)
3) First Aid Kits	
- Keep first aid kits by locking them with locking device.	(X)
→ Ensure that first aid kits can be used right away in emergency situation (locking device prohibited)	(O)
- Place first aid kits near workplaces and keep them available at all times.	(O)
4) Health Check of Workers	
- Take a regular health check for all workers without separating general and special workers.	(X)
→ For workers performing special processes, conduct a health check according to local regulations.	(O)
- To keep workers' body in good condition, if necessary, take proper measures including job change, shortened working hours, facility improvement, etc.	(O)

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. 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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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 >


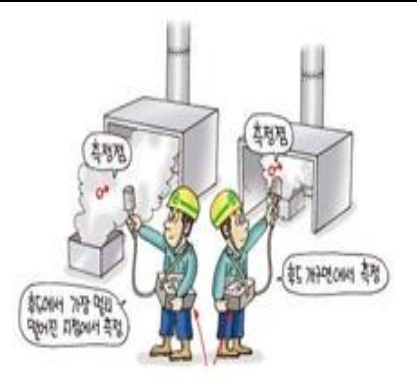
1	General characteristic investigation at workplaces (Preliminary Investigation)	<ul style="list-style-type: none"> - Why do you want to measure it? - Do you need to measure it? - What items do you measure? - Where do you measure it? - When do you measure it? - How many samples do you measure? - For 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

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

< Management of Local Ventilation System >

		
Leak test (duct fittings)	Measurement of duct air stream velocity	Self-inspection

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

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that

their supply chain and subcontractors(including labor dispatch agencies) 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
⑩ Straightening and bending your elbows	⑨ Stretching your neck from side to side and twisting your hands	⑧ Extension	⑦ Locking your fingers tougher and pushing your arms up straight	⑥ Locking your fingers tougher and pushing your arms forward

< 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)
⑩ Bending your waist forward	⑨ Taking skating posture	⑧ Unfolding a diamond shape	⑦ Bringing your feet together to create a diamond shape	⑥ Lifting your knee up (side)

4. Practice

1) MSD-Related Works	
- Order a worker to perform tasks regardless of an illness which a worker has.	(X)
→ 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.	(O)
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.	(X)
→ 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.	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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 >

		
Emergency stop equipment	Door interlock	Protection cover
		
Safety handrail	Safety barrier	Safety Sensor

< Types of Safety Warning Signs >

		
인화성물질경고 Warning: Flammable material	산화성물질경고 Warning: Oxidizing	폭발성물질경고 Warning: Explosive material
		
급성물질경고 Warning: Acute toxic	부식성물질경고 Warning: Corrosive material	발암성·변이원성·생식독성· 전신독성·호흡기과민성물질경고 Warning: Carcinogenicity, Mutagenicity, Reproductive toxicity

4. Practice

1) Safeguards	
- If work efficiency during operation of facility decreases due to safeguards, remove safeguards and then operate facilities.	(X)
→ Safeguards must not be removed. Managers shall check safeguards every day. - The Supplier continuously checks safeguards, interlockers and protection walls installed for safety to be installed and operated normally at all times.	(O)
2) Safety Signs	
- In case facilities shut down temporarily due to no production plan for a while, it does not matter if safety signs are not installed.	(X)
- Install safety signs for all hazardous machines, devices, and facilities at the workplace.	(O)
3) Safeguard Inspection	
- If there are no issues as a result of a safeguard inspection taken occasionally, then its records are not managed separately.	(X)
→ Record results of non-regular inspection. - 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.	(O)

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 heat and ventilation, 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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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 place 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 >



< Disinfected garments by use type >



< Right State of Wearing >



< Safety shoes for cooking >

- ▶ 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 >



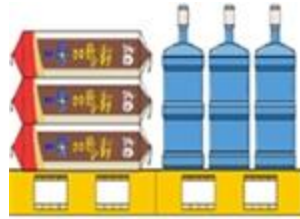
- ▶ State of cleaning hands, nails, and head (hand cleaning, fingernail length, binding long hair, etc.)
- ▶ Make-up and accessory avoided (false eyebrows, heavy make-up, perfume, etc.)
- ▶ Whether or not there is a cut on a person's hand (If workers have a cut on their hand, pre-processing work is prohibited)
- ▶ 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.	(O)
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.	(O)
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	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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.	(X)
→ 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	(O)
2) Reporting to Environmental Authorities	
- The Supplier ignores directions for minor improvement as a result of inspection conducted by environmental authorities	(X)
→ 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.	(O)

Pollution Prevention and Resource Reduction

1. Definition

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials according to local laws and regulations.

< Terms >

Energy consumption evaluation Activities finding major factors by evaluating importance from energy consumption perspective.

Waste 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.

Recycling Activities to reuse and recycle waste materials or to make waste materials be recycled.

2. Scope

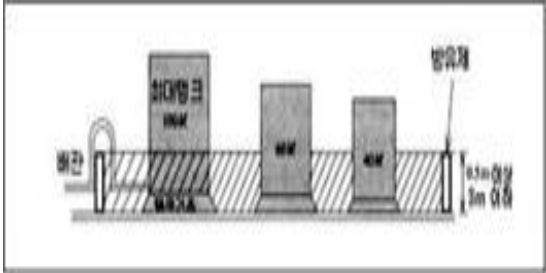
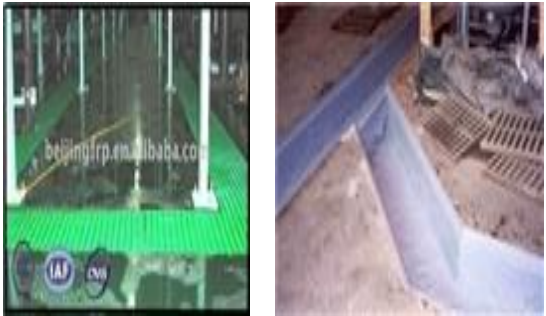
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3. Guide

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 >

Division	Definition	Practice
Dike	· A ground protective wall structure being installed around hazardous material storage tank	
Trench	· Emitting pathway such as ditch, fume piping to induce hazardous materials leaked from storage tank to a safe place	

4. Practice

1) Pollution Prevention	
- Keep chemical substances in random places.	(X)
→ 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.	(O)
2) Reduction of Resource Use	
- 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	(X)
→ 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.)	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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

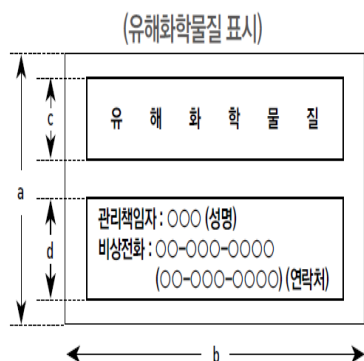
- The hazardous waste handling company contracted with the Supplier shall be audited and managed periodically to check if the company complies with the requirements of the local regulations.
- Plans to minimize generation of hazardous waste in a workplace shall be established and implemented, and activities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

< Items for MSDS and Warning Signs >

Items for MSDS

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

<p>Items for warning signs</p> <p>1. Name (Product name or substance name)</p> <p>2. Pictogram</p> <p>3. Signal words</p> <p>4. Hazard risk statement</p> <p>5. Precautionary statement</p> <p>6. Information on supplier</p>	<p>(ex) Benzene</p> <p style="text-align: right;">Danger</p> <p>Hazard Risk statement</p> <ul style="list-style-type: none"> · 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 <p>Precautionary statement</p> <p>(Prevention)</p> <ul style="list-style-type: none"> · Keep away from heat/sparks/open flames/hot surfaces. - No smoking. · Wear protective gloves/protective clothing/eye protection. <p>(Response)</p> <ul style="list-style-type: none"> · If on skin or hair, rinse with water. · If in eyes, rinse with water for several minutes. Remove contact lenses. <p>(Storage)</p> <ul style="list-style-type: none"> · Store in a well-ventilated place and keep cool. <p>(Disposal)</p> <ul style="list-style-type: none"> · (according to the relevant regulation) Dispose of container. <p>For other details, refer to MSDS. .</p> <p>Information on supplier : ○○ corporation, TEL : △△△-△△△△-△△△△</p>
	  



< Marks of Hazardous Chemicals >

< Attachment of Warning Signs >

< How to Use MSDS for Major Situations >

<p>To find general information, physical · chemical properties and toxicological information of chemicals</p>	<p>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).</p>
<p>When chemicals are handled, used, disposed, or transported to other storage facilities in a workplace for the first time</p>	<p>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).</p>
<p>When chemicals are exposed to outside and workers</p>	<p>Use Item No.2 (Hazard Risk), Item No.4 (First-aid measures), Item No.6 (Accidental release measures), Item No.12 (Effect on environment).</p>
<p>When there is an explosion or fire accident because of chemicals</p>	<p>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).</p>
<p>When there is a request on chemical regulatory information and MSDS for manufacturer, supplier</p>	<p>Use Item No.1 (Information on chemicals and company), Item No.15 (Regulatory information), Item No.16 (Other information).</p>

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.	(X)
→ 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.	(O)
2) Handler Training	
- If MSDS and warning signs are placed in a place where hazardous chemicals are used, no special training shall be required.	(X)
→ 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.	(O)
3) Management of Hazardous Waste Transportation Company	
- The assessment for a hazardous waste transportation company is required only one time at first transaction.	(X)
→ 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.)	(O)

Wastewater and Solid Waste

1. Definition

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

Wastewater generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. In addition, measures should be implemented to reduce generation of wastewater. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment systems.

< Terms >

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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) 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.

2) 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.

< Recycling Bin for Waste >



< Storage for Designated Wastes >



< Consignment Disposal of Waste/Waste Water >



- ▶ 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.

< 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

1) Waste Storage	
- As liquid and solid waste can be classified with the naked eye, they are kept without any signs.	(X)
- Signs are prepared on the place for storing waste, and the signs include the name of waste, required protective equipment, and the date the waste is generated.	(O)
2) The consigned waste/wastewater treatment company	
- For treatment of waste/wastewater, it is not required to check the license of a company when it is introduced by another company in the same field.	(X)
→ Check and keep a copy of the license of the consigned company. - Conduct a regular inspection to check if the waste/wastewater is treated by only the company with license in an appropriate manner.	(O)
3) Management of Wastewater Treatment Facilities	
- Keep only last month's records on the operation of the wastewater treatment facility.	(X)
→ 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. - Conduct an inspection on wastewater treatment on a regular basis to maintain the appropriate water quality which satisfies the criteria of regulations.	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with the Guide.

3. Guide

1) Compliance with Air Pollutant Emission Regulations

- Air pollutants shall be emitted in to 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.)



< Inspection of Air Pollutant Emission Facilities >



- ① Preparation of log sheet ② Facility Check ③ Management of measuring instrument ④ Self-check recommendation

- ▶ 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 >

Classification	Method
Replacement of noise source	<ul style="list-style-type: none"> · Install an expanding silencer on intake and exhaust ports. · Change the lubrication method or arrangement of supporting points to reduce friction force generated by bearings. · Reduce vibration using vibration isolation materials.
Measures regarding noise transfer path	<ul style="list-style-type: none"> · Change the noise transfer path by installing a noise barrier. · Install silencers on the equipment generating loud noise such as engines, air compressors, etc.
Measures regarding workers	<ul style="list-style-type: none"> · Provide training on noise for workers who work in a place where loud noises are generated. · Make it compulsory for workers to wear hearing protective devices, such as earplugs. · Install a soundproof booth to prevent workplace from noise. <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

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

4. Practice

1) Regulation on Air Emission	
- Operate air pollutant treatment facilities all the time whether it is before/after the operation of production equipment.	(X)
→ Air pollutant treatment facilities must be operated before the operation of production equipment. - Measure and monitor the air pollutant emissions on a regular basis following the local regulations.	(O)
2) Management of documents on air pollutant treatment facilities	
- 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.	(X)
- 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.	(O)
3) Noise Management	
- 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.	(X)
→ Business owners shall provide hearing protective devices to workers upon their request. - Assess noise level and noise exposure to check if noise exposure of workers is above the limit or not.	(O)

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

- 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.

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.

2. Scope

This Guide applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that

their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

Disclosure of Information

1. Definition

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.
- IT 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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 process of an allegation investigation.

- 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.

Responsible Sourcing of Minerals

1. Definition

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to Samsung upon Samsung's request.

< Terms >

Adjoining countries The troubled regions around Democratic Republic of Congo including Rwanda, Angola, Burundi, The Central African Republic, The republic of South Sudan, Tanzania, Uganda and Zambia.

2. Scope

This Guide applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this Guide.

3. Guide

1) Policy and Procedure

- The policies and procedures shall be established not to purchase minerals illegally produced and distributed through Democratic Republic of Congo and its 9 adjoining countries.

2) Conflict Minerals Management Process

- Documents or evidence proving the aforementioned policies and procedures shall be prepared.
- A purchase procedure that does not source minerals illegally produced in conflict affected regions shall be established and implemented.
- Documents and procedures proving that the refineries/smelting factories in the supply chain do not use illegal minerals from conflict affected regions shall be prepared.
- Samsung suppliers and their supply chain including Subcontractors shall use minerals that are supplied from the refineries certified by the third party.
- Information on the country of origin and refineries of minerals that are used for products supplied to Samsung shall be provided to Samsung.
- For new materials, the information on conflict minerals shall be identified in advance and only those materials for which conflict minerals are not used shall be supplied to Samsung.

- The Supplier shall continuously request sub-suppliers not to use conflict minerals and verify that they do not use conflict minerals by on-site audit.
- The management of the Supplier shall be aware of the current usage of conflict minerals and improvement plans for it through internal report and conflict minerals shall not be used under their responsibilities.
- The supplier shall notify Samsung right away if there are any suspected conflict minerals.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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

※ 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.

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

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this Guide.

3. Guide

1) Process Setting

- 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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:

- i) 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.

Worker Feedback and Participation

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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.

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 applies to Samsung suppliers, their supply chain and subcontractors (including labor dispatch agencies). Samsung suppliers shall recommend that their supply chain and subcontractors(including labor dispatch agencies) comply with this 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, 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.

Document History

Ver.	Brief description of change
1.0	Initially released July 2015
1.1	Released Sep. 2015 : Minor language changes
2.0	Released Nov. 2016 : Introduction, Freely Chosen Employment, and Working Hours changed. Ethics and Management system added.