

Samsung Electronics Australia Pty Ltd Modern Slavery Act Statement 2021

Compliance with mandatory criteria / Signing & approval requirements

#	Mandatory criteria <i>Modern Slavery Act 2018 (Cth), s 16(1)</i>	Page reference	Section references
a)	Identify the reporting entity.	2	Introduction
b)	Describe the structure, operations and supply chains of the reporting entity.	3-4	Organisational structure - business and supply chain
c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	4	Modern slavery risks in our operations and supply chains
d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	4-13	Actions taken to assess and address modern slavery risks
e)	Describe how the reporting entity assesses the effectiveness of such actions.	13-14	Measurement and performance standards to assess the effectiveness of our actions
f)	Describe the process of consultation with: (i) any entities that the reporting entity owns or controls; and (ii) in the case of a reporting entity covered by a statement under section 14 - the entity giving the statement.	14	Consultation
g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	14	Other relevant information
#	Signing and approval requirements <i>Modern Slavery Act 2018 (Cth), s 13(2)</i>	Page reference	Section references
h)	The reporting entity must ensure that the statement is approved by the principal governing body of the entity and signed by a responsible member of the entity.	16	Board approval and signing

Introduction

Samsung aims to be a ‘world leading company’, devoting our human resources and technology to create superior products and services, thereby contributing to a better global society. To achieve this, Samsung sets a high value on its people and technologies.

This is Samsung Electronics Australia Pty Ltd’s (ACN 002 915 648) (**SEAU**) second modern slavery statement (**Statement**) and complies with Australia’s federal modern slavery legislation - the *Modern Slavery Act 2018* (Cth) (**Act**). SEAU is a reporting entity for the purpose of the Act.

This Statement, for the financial year 1 January 2021 to 31 December 2021, (being the “**reporting period**” for the purposes of the Act and also referred to as “**2021**” in this Statement) continues to outline our progress as a responsible business to ensure that Samsung employees and suppliers do not in any way support the abuses of a person’s labour and human rights. This Statement will be filed with the Online Register for Modern Slavery Statements maintained by the Australian Border Force, which is accessible at the URL www.modernslaveryregister.gov.au.

SEAU, is a subsidiary of the global electronics manufacturer, Samsung Electronics Co., Ltd. which is headquartered in South Korea. Unless specified, references in this Statement to “**Samsung**”, “**Samsung Electronics**”, “**our**”, “**us**”, and “**we**” refer to Samsung Electronics Co., Ltd (SEAU’s parent company) and its subsidiaries.

Key Activities – 2021

This section is a summary of the key activities Samsung and SEAU have undertaken to assess and address modern slavery risks during the reporting period.

- During the reporting period, Samsung has: Published its 2021 Responsible Minerals Report.
- Ranked Fourth in WBA’s 2021 Digital Inclusion Benchmark.
- Ranked first among electronics companies benchmarked by Global Child Forum.
- Developed an Anti-Discrimination and Anti-Harassment Policy.
- Performed a human rights saliency analysis at Samsung Electronics Turkey.

In addition to the actions undertaken by Samsung at a global level, during the reporting period SEAU has:

- lodged its first annual Modern Slavery Statement covering the 2021 calendar year.
- participated in the National Associated Retail Traders of Australia’s (**NARTA**) inaugural Modern Slavery Initiative.
- implemented an Anti-Modern Slavery Policy and communicated this, as well as SEAU’s broader modern slavery compliance program, to staff.
- conducted desktop audits of fifteen key suppliers (all Authorised Service Centres, who have the highest number of customer interactions).

- completed questionnaires for at least five key customers.
- continued to require new suppliers to complete SEAU's onboarding process, which contains questions regarding modern slavery that were introduced in 2020.
- kept informed, at a high level, of regulatory guidance from the Australian Border Force and market practice to build awareness; and
- continued to train new starters and existing staff regarding modern slavery, which was introduced in 2020.

The steps taken by SEAU in the reporting period demonstrate our commitment to continuous improvement and to improve and refine our policies and procedures.

Organisational Structure - Business and Supply Chain

SEAU is an Australian proprietary company. The global electronics manufacturer, Samsung Electronics Co., Ltd., headquartered in South Korea, is the ultimate parent company of SEAU. SEAU does not own or control other entities within the meaning of the Act. Being part of the Samsung Electronics Co., Ltd. corporate group, SEAU is subject to global Samsung policies.

In December 2021, Samsung announced its new leadership structure for the next phase of the company's future growth and to strengthen its business competitiveness. Mr Jong-Hee (JH) Han was promoted to Vice Chairman and CEO, and leads the newly merged SET Division, as the DX (Device eXperience) Division. The DX Division comprises the Visual Display Business, Digital Appliances Business, Health & Medical Equipment Business, MX Business and Networks Business. The naming reflects the company's longer-term future-oriented business structure and our ongoing commitment to creating new and meaningful experiences for customers.

President Kyehyun Kyung was also named CEO and will lead the DS Division. Mr Kyung was CEO of Samsung Electro-Mechanics and is an expert in semiconductor design. He is expected to help maintain the company's semiconductor leadership and lead innovation in the components business.

Samsung's DX and DS Divisions include 230 operational facilities in 74 countries worldwide, including 32 production sites and a workforce totalling 266,673 employees. In 2021, Samsung reported a turnover of KRW 279.6 Trillion and invested KRW 22.4 Trillion in research and development.

Supporting our success as a global leader in the manufacture of electronic products, Samsung is reliant on a network of 2,129 first-tier suppliers. In collaboration with our suppliers across the globe, we are continually working towards a sustainable business ecosystem based on a philosophy of fairness, openness, and co-prosperity. Our website includes our [Supplier List](#) which provides details of suppliers responsible for 80% of Samsung Electronics' transaction volume.

At a local level, SEAU's supply chains include SEAU's global affiliates that supply Samsung products to SEAU. SEAU's supply chains also include suppliers of call centre services, labour hire companies, logistics and transport suppliers, cleaning service providers, IT equipment suppliers, marketing firms and professional services firms, among others.

SEAU is the local entity within the Samsung global group which is responsible for marketing, promoting, selling and distributing Samsung products and services in Australia. During the financial year ending 31 December 2021, SEAU's principal activities as part of its operation were: as importer, distributor and retailer of consumer electronics, the marketing of consumer electronics and; the purchase and sale of components and capital equipment. SEAU itself does not manufacture any products as it relies on other entities (including members of the Samsung Electronics Co., Ltd corporate group) to supply Samsung products to SEAU. SEAU's business is organised across two main business divisions: Consumer Electronics (CE) and IT & Mobile Communications (MX). SEAU's operations are centred at its head office based in Sydney Olympic Park in the State of New South Wales, as well as at interstate offices in Melbourne (Victoria), Brisbane (Queensland), Perth (Western Australia) and Adelaide (South Australia). As at 31 December 2021, SEAU had a workforce of approximately 350 people (comprising of SEAU employees and contractors who are employed by labour hire companies), the majority of whom were based at our headquarters at Sydney Olympic Park in the State of New South Wales. SEAU's turnover for the financial year ending 31 December 2021 was approximately AU\$2.7 billion.

Modern slavery risks in our operations and supply chains

As part of the foundational work done in our first reporting period under the Act, using the modern slavery risk indicators set out in the *Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities (Commonwealth Guidance)*, SEAU identified electronics as an industry with higher modern slavery risks. As stated earlier, SEAU obtains its products (including electronics) from other entities (including members of the Samsung Electronics Co., Ltd. corporate group). There are policies and procedures at a global level to ensure that Samsung maintains oversight of this higher risk area (these are set out in the following sections of this Statement - "Human rights and labour and other policies", "Partnerships and Collaborations", "Due diligence processes" and "Risk management systems").

At the local level, in our first reporting period, SEAU conducted a company-wide review of its existing suppliers deemed to be at greater risk of having modern slavery in their own operations and supply chains during the reporting period. As a result of this supplier identification task, SEAU identified that potential risks of modern slavery in SEAU's supply chains are in the industries of logistics, call centre operations and labour hire.

Our 15 desktop audits conducted during this reporting period primarily focussed on suppliers (all Authorised Service Centres, who have the highest number of customer interactions). There were no major areas of non-compliance identified by these desktop audits.

Actions Taken to Assess and Address Modern Slavery Risks

At Samsung, we take a global approach to assessing and addressing modern slavery risks. As a company in the Samsung Electronics Co., Ltd. corporate group, SEAU complies with applicable global Samsung policies and processes. Therefore, this Statement refers to actions taken to assess

and address modern slavery at a global level, as well as specific actions SEAU has taken at a local level.

Human Rights and Labour Policies

At Samsung, we comply with and advocate for international human rights initiatives including the United Nations Guiding Principles (UNGPs), Universal Declaration of Human Rights (UDHR), International Bill of Human Rights, and OECD Guidelines for Multinational Enterprises. We strictly abide by the eight ILO Fundamental Conventions that are considered to be fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. We abide by the [Code of Conduct](#) of the [Responsible Business Alliance](#) (RBA) and comply with the laws and regulations of the countries where we conduct our business.

The [Five Samsung Business Principles](#) serve as the embodiment of our determination to operate within the spirit of laws and ethics as a responsible corporate citizen and serve as the foundation of our [Global Code of Conduct](#) and [Business Conduct Guidelines](#), which are the guiding standard for everyone in Samsung Electronics, outlining standards of conduct in all business activities.

Our Global Code of Conduct serves as a yardstick for judgment in every action and decision, and clearly reflects our focus on protecting the three basic rights of workers by specifying that “we respect our employees’ freedom of association and right to collective bargaining and collective action under the aim of nurturing and maintaining cooperative labour-management relations based on mutual trust and faithfulness.” It also clarifies our detailed principles on: work environment; employment conditions; grievance handling; equality and diversity; child labour and forced labour, and other areas to help our employees execute their day-to-day tasks in a manner that ensures the protection of human rights. Through the Guidelines on the Global Code of Conduct, we ban any involvement in or imposition of coerced or exploitative labour, such as modern slavery and human trafficking.

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

Other human rights policies and guidelines currently supporting operations at Samsung, where the risk of violations have been identified and which require specific management measures, include our Child Labour Prohibition Policy, Migrant Worker Policy, Anti-Discrimination and Anti-Harassment Policy, Student Labour Policy for China, and Apprentice Training Guidelines for India. These policies are listed on [SEAU’s Sustainability website](#).

In the reporting period, SEAU also locally implemented an Anti-Modern Slavery Policy which was designed to educate SEAU's staff about modern slavery, describe SEAU's approach to addressing the risks of modern slavery within SEAU's business operations and broader supply chains, and inform SEAU staff of the procedures to follow if they have any concerns about modern slavery. This policy, and SEAU's broader modern slavery compliance program, was communicated to all staff.

Partnerships and Collaboration

Over the years, expectations from various entities (i.e. NGOs, governments, customers, shareholders, suppliers and employees) have grown along with our responsibilities as a global corporate citizen. In this spirit, we understand the importance and value the opportunity of working with civil society partners to develop workers' rights policies, capacity building, and to implement regional projects. In 2021, we continued to work proactively with a number of strategic partners to support our global human rights governance, several examples are provided below. Further information on partnerships and collaboration can be found in our 2022 Sustainability Report.

Anti-Discrimination and Anti-Harassment Policy

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

Grievance Channel Improvement

In 2020, Samsung Electronics Vietnam worked with the European business network for corporate sustainability and responsibility, CSR Europe, to assess the procedures and operation of its whistleblowing channels and identified improvement points such as its inefficient hotline infrastructure. Responding to these findings, a call centre was established in 2021 to integrate the existing hotlines at its two business sites and enhance accessibility for its employees. This instantly led to an increase in the number of filed grievances, proving the effectiveness of the new system. The majority of the filed grievances concerned on-site conditions (workplace infection control and quarantine requirements pertaining to the pandemic), and work environment related to infrastructure (dormitories, cafeterias, commuter shuttles, etc.). All grievances were resolved in a prompt manner.

Human Rights Impact Assessment

In Vietnam in 2019, we completed our first Human Rights Impact Assessment (HRIA) based on the three principles of UNGPs: Protect, Respect, and Remedy. Working in partnership with BSR we examined the direct and indirect impacts of our business operations, and took action to enact

and amend human rights policies, improve relevant processes, and take remedial action, such as training, in order to address identified issues and risks. In 2021, human rights saliency analysis was performed at Samsung Electronics Turkey. Remedial action plans were established for the improvement points identified through the assessment and have been faithfully carried out to date.

Modern Slavery and Ethical Recruitment

In May 2021, Samsung Electronics Poland organised a forced labour elimination workshop in collaboration with the International Organization for Migration (IOM) under the theme Modern Slavery and Ethical Recruitment, to which approximately 50 participants from Samsung Electronics Poland, local suppliers, and business partners were invited. The two-day workshop was part of our ongoing effort to reduce the risk of forced labour in businesses and supply chains, and followed on from our successful training programmes with IOM in 2019 in Malaysia and Hungary.

Responsible Minerals

To minimise any adverse social and environmental impacts of our supply chain and source minerals in a responsible manner, we have joined a number of campaigns to make a concerted effort to establish responsible minerals management systems and standardise smelter accreditation, such as the Responsible Minerals Initiative (RMI) and European Partnership for Responsible Minerals (EPRM). We also undertook the Cobalt for Development project in collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Samsung SDI, BMW Group, Volkswagen, and BASF to contribute to resolving human rights abuses and environmental destruction incurred by cobalt mining in DR Congo. This project seeks solutions for improving the work environments at small cobalt mines and living conditions of local mining communities. Through the project, we supported 14 artisanal mining cooperatives through safety training and protective gears. The project also conducted agricultural and financial training for local residents and supported the foundation of 72 microbusinesses.

Domestic Engagement and Industry Collaboration

SEAU participated in the National Associated Retail Traders of Australia's (**NARTA**) inaugural Modern Slavery Initiative (**Initiative**), which is designed to support businesses in reviewing practices within their supply chain to deliver best-in-class ethical standards and meet reporting requirements under the Act. Among other things, this Initiative developed a streamlined modern slavery questionnaire for suppliers to complete. The Initiative received favourable press in industry publications, including at: <https://www.applianceretailer.com.au/nartas-modern-slavery-initiative-receives-strong-support-from-members/> and <https://www.channelnews.com.au/narta-launches-initiative-against-modern-slavery/>.

Due Diligence Processes

We established a sustainable due diligence system to accommodate social, geopolitical, and environment changes, such as the outbreak of the COVID-19 pandemic, and also employ a range of due diligence methods including third-party assessment and human rights impact assessment.

We place the highest value on respect for freedom and human rights. Based on the UNGPs, we designed a labour and human rights framework to identify, avoid, and mitigate human rights violation risk factors across all aspects of our business operations. We also require our partner companies to ensure the protection of their employees' labour and human rights as stringently as our own business sites.



Our efforts to raise due diligence standards and practices that protect workers' rights was recognised in industry benchmark studies in 2021. We were ranked first among companies benchmarked by Global Child Forum (electronics sector), and ranked fourth out of 150 companies in the World Benchmarking Alliance (WBA)'s Digital Inclusion Benchmark.

Risk Management Systems

As reported previously, across our global production worksites, and our suppliers' worksites, Samsung operates an integrated work environment management process to monitor and manage the work environment. The annual assessments required at our factories and at our suppliers are based on RBA standards, which are reflected in our Business Conduct Guidelines and our Supplier Code of Conduct. This section of the statement now examines the risk management systems at our production worksites, Australian subsidiary and suppliers.

Samsung Worksite Management Systems

We recognise that both internal capacity and internal processes are important cornerstones in effectively addressing human rights risks. We seek to verify whether human rights risks are being optimally addressed and strive for continuous improvement.

To that end, we developed a worksite risk monitoring and assessment system in addition to our auditing systems. We also identified key vulnerable groups, including children, apprentices, and migrant workers, who are at heightened risk for human rights violations. Consequently, we developed dedicated policies and guidelines to cater to the needs of these particular groups.

Our worksite monitoring system is operated in 12 languages, including Chinese, Vietnamese, and Spanish. It assesses the compliance level of our worksites based on 22 items in 5 areas including, but not limited to, our working environment, workplace culture, representative bodies, and management of suppliers.

We also identify potential and actual risks by looking at complaints submitted through our grievance channels. Our worksites host regular discussions among different levels of management to address concerns, mitigate risks, and cease any adverse activities. We also engage with governments, civil society organisations, industry associations, and intergovernmental organisations to identify diverse risks factors and issues in countries where our worksites are located.

We evaluate our worksites for labour and human rights compliance and monitor activities for improvement using three different protocols: RBA on-site audit, Samsung Electronics Internal Risk Assessment, and Human Rights Impact Assessment (HRIA).

In 2021, third-party assessments were conducted on nine Samsung business sites in Korea, Brazil, India, and China using the [RBA Validated Assessment Program \(VAP\)](#). All nine business sites received the highest rating. We took remedial action against violations detected through the VAP audit and implement long-term measures for issues that require an extended period of time for remedies to be verified.

In addition, we also introduced a process to identify potential human rights risks before beginning new operations in 2021. We engaged with Enact and 2050, consultancies with expertise in business and human rights, to provide analysis and make recommendations prior to the start of our production in Turkey. We strive to address actual and potential impacts identified through the assessments with remediation, mitigation and prevention measures. These include policy development and revision, capacity-building programs for relevant stakeholders and employees, and work process improvement across our operations.

Migrant Worker Management Assessment

We closely monitor and manage all of our branches that employ migrant workers. In 2020, we revised the Migrant Worker Policy to better protect their rights and distributed internal guidelines on detailed methods, case studies, and notes for policy compliance to our personnel employees and job agency staff members charged with migrant worker management. These guidelines, consisting of 14 steps from recruitment to employment contract termination, were created by referring to the guidelines of RBA, BSR, and the Institute for Human Rights and Business (IHRB).

During 2020 and 2021, we also ensured that COVID-19-related healthcare and financial support equivalent to that of local employees is available for migrant workers. Through this support, migrant workers confirmed as positive are given infection control and prevention supplies regularly as well as paid leave for testing and quarantine. At some business sites, vaccination services are provided at individual workers' request in collaboration with respective government authorities.

Corporate Risk Management Structure

Whilst efforts to manage the impacts and risks of labour and human rights are generally managed by local teams with the appropriate skills and competencies, oversight of Samsung's risk management systems on human rights and labour issues rests with our Global Labour Issues (GLI) Committee. The GLI Committee, which convenes bi-weekly to discuss labour and human rights issues, consists of executives and working-level employees from eight functions (Human Resources Team, Investor Relations Team, Legal Office, Partner Collaboration Centre, Corporate Sustainability Centre, Global EHS Team, Vendor Management Improvement TF, Global Technology Research). Any important matters that require measures and actions to take are escalated to the Sustainability Council, which consists of key executives, and then reported to top management, and approved by the Board of Directors.

Managing the Working Environment of our Suppliers

We require all of our suppliers to comply with the local laws of their respective country as well as the Supplier Code of Conduct created based on the RBA Code of Conduct in relation to human rights, environment, health and safety, and ethics. To ensure compliance, we operate an integrated work environment management process consisting of self-assessments, on-site audits, and third-party audits. The findings from self-assessments, on-site audits, and third-party audits are reflected in the annual comprehensive evaluations.

We perform comprehensive annual evaluations on our suppliers based on transaction data and materials submitted by each supplier to ensure the competitiveness of our supply chain. Major evaluation items include technology, quality, response, delivery, production cost, environment and safety, finance, and corporate ethics. The results are reflected in the following year's purchasing policy to encourage our suppliers to improve their capabilities. In 2021, we added ESG risk diagnosis items to the evaluation to more effectively evaluate our suppliers' environment and social responsibility performance.

The 2021 comprehensive evaluations for those companies that have been in our supply chain for more than one year were conducted on 93% of our suppliers. The results showed that 68% were rated outstanding and 2.3% required improvement. For the DX Division, those suppliers rated outstanding were given priority in supply volume allocation for the following year.

When selecting new suppliers, we prioritise five areas: purchase/quality, environment/safety, labour/human rights, eco-friendliness, and finance. We thoroughly review each candidate's environment/safety and labour/human rights status using the internal checklist based on the criteria of the RBA. In 2021, the prohibitions on forced labour, inhumane treatment, and discrimination were incorporated as essential items to more rigorously verify each candidate's human rights status and protect vulnerable groups. Surveys and interviews to eradicate the forced labour of vulnerable workers were also added to thoroughly investigate how they were recruited, whether recruitment fees were paid, and whether they experienced any discrimination as well as their company dormitory conditions and working hours.

To ensure greater accuracy in new supplier evaluations, our in-house professionals in different areas visit each company to conduct on-site audits, while outside specialists are commissioned to evaluate the company's financial status (credit rating). In 2021, we performed registration evaluations on 82 companies. Among them, 76 were selected as new suppliers, and the other six were eliminated due to failure to meet essential labour and human rights criteria.

The requirement to act responsibly is not restricted to our first-tier suppliers' operations. Our first-tier suppliers are required to manage the work environments of their subcontractors in compliance with our internal work environment policy. For subcontractors with issues deemed to be of serious concern, we monitor whether remedial actions have been successfully implemented and the desired results have been achieved via our first-tier suppliers.

Integrated Work Environment Management Process

To ensure compliance, we operate an integrated work environment management process consisting of self-assessments, on-site audits, and third-party audits.

Self-Assessment

Based on RBA's criteria, we developed a self-assessment tool that consists of 85 items and is used by all of our suppliers to perform annual self-assessments. In 2022, we reflected RBA's updated criteria in this tool to facilitate self-assessment. The updated criteria place greater weight on items of priority, such as forced labour, child labour, and industrial accidents, in order to preemptively identify potential risks of our suppliers. We encourage our suppliers to obtain certification related to international standards in corporate social responsibility (such as SA8000) and have included this as one of the self-assessment items.

On-Site Audit

Our dedicated organisational unit conducts on-site audits on our suppliers. To more thoroughly and accurately audit their work environments, we first identify their issues and points of improvement based on the opinions and comments of their employees. The points of improvement are registered on the integrated purchase system, and the respective suppliers are required to establish and implement improvement measures accordingly. Some problems are remedied immediately, while the implementation of remedial action for other problems is verified within three months from the registration of the points of improvement. Facility installation, certification, and other matters that require an extended period of time and significant expenses to be resolved are monitored over a longer term based on the respective supplier's improvement plan. In 2021, we performed on-site audits on all 367 high-risk suppliers. As a result of implementing remedial action, the average on-site audit compliance rate reached 94%. Further information on this audit process can be found in our 2022 Sustainability Report.

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

Special Audits to Eradicate Child Labour

In addition to our on-site audit programme, we conduct special audits of suppliers. In 2021 we conducted child labour audits.

We maintain zero tolerance for child labour for our suppliers and perform special audits of their recruitment practices every year to eliminate child labour. Based on our 2021 audits of 141 suppliers, none were found to have recruited child workers. However, some of the audited suppliers failed to implement recruitment practices of importance, such as collecting written identity authentication pledges and including age limit information in their job opening notices. We took immediate action to have the respective suppliers remedy these issues.

Third-Party Audit

Physical monitoring of some of our suppliers' business sites was restricted due to the COVID-19 pandemic throughout 2021. However, we conducted video meetings and remote audits to prevent setbacks in our work environment management. We require improvement measures for violations detected in the initial third-party audit and monitor implementation status in the closure audit. Violations that require an extended period of time for improvement are monitored on a continued basis in collaboration with the respective suppliers.

Responsible Mineral Process

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

To support our responsible minerals management system, we conduct investigations on the status of responsible minerals use, and identify and remedy risk factors of our mass-produced materials suppliers. In 2021, 493 onsite inspections were conducted. All of our suppliers are obligated to fully comply with our responsible minerals policy. We only accept minerals supplied by smelters and refiners accredited with RMAP certification. As a result, we are able to screen out conflict minerals mined and sourced in an illegal manner from conflict-affected areas, such as DR Congo, and only handle minerals supplied by internationally accredited smelters and refiners. In addition to conflict minerals, we also monitor high-risk minerals that raise concerns over environmental damage and human rights abuses to ensure more rigorous management of our supply chain. We continuously update the list of controversial minerals to readily respond to related issues together with our global counterparts.

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

SEAU Domestic Efforts

In addition to the actions taken by Samsung at global level, during 2021 SEAU's domestic efforts during the reporting period included sending modern slavery questionnaires to fifteen key suppliers (all Authorised Service Centres) and carefully considering their responses. These key suppliers operate across the retail store operation and repair services industries. To date, no non-compliance with the Act has been identified. SEAU is looking to introduce more 'on the ground' supplier due diligence measures as part of its 2022 modern slavery compliance program.

In addition to the above work in relation to existing suppliers, SEAU completed modern slavery questionnaires from at least give key customers across a range of industries, including consumer electronics, hardware and banking.

Measurement and Performance Standards

Providing individuals with access to a grievance mechanism is not only a key part of our commitment to respecting human rights, but also an important source of information about potential adverse human rights impacts. A grievance is a perceived injustice evoking an individual's or a group's sense of entitlement as defined by the UNGPs. Samsung's global grievance handling mechanism encompasses complaints, demands, and suggestions related to work environments submitted by our employees, partner companies, or external stakeholders.

To ensure that we have effective whistleblowing mechanisms and grievance-handling procedures in place to support our employees, we operate an array of whistleblowing channels (hotline, online, offline, employee representative body, etc.) suited to the conditions of individual business sites. Separate channels are open for our employees with different responsibilities, from HR to labour relations, compliance, and audit, as well as our external stakeholders, including investors, customers, and partner companies, to ensure efficient grievance resolution. All of our grievance channels allow anonymous disclosure, and any retaliation against whistleblowers is explicitly prohibited by the Guidelines on the Global Code of Conduct aligned with the UNPGs. We also offer grievance-related introduction materials in different languages for migrant workers to enhance accessibility. We have operated a whistleblowing hotline system since 2013.

Samsung publically reports the number of worksite grievances it receives in its annual Sustainability Report. In 2021, a total of 23,378 grievances were reported, an increase of 54% on the previous year. The majority of grievances (45%) were reported through the hotline. Following a similar pattern to 2020, the majority of grievances raised were connected to environment worker and on-site conditions. Filed grievances are handled promptly in accordance with the preset procedures, and follow-up actions, such as training and policy amendments, are carried out to address root causes. Based on interviews with whistleblowers and victims, we investigate if their grievances have been properly resolved in line with the eight UNGPs and monitor if remedial actions have been taken. We make sure to prevent recurrence by establishing relevant preventive measures and correcting business practices that may incur potential risks.

Our organisational unit dedicated to grievance management verifies the factual grounds of all reports within one week, notifies informants of the response and steps to be taken, and monitors respective suppliers to ensure that they take remedial actions. In 2021, grievances related to the misconduct of superiors and wages accounted for the largest share of cases. We implemented measures to prevent recurrence, provided communication improvement training for the respective suppliers, and confirmed that all grievances were remedied through monitoring. In addition, in order to establish a more reliable grievance handling system, we are collecting opinions on the improvement of the hotline system from suppliers through interviews with workers during on-site audits, and compliance management workshops. As a result, we have been conducting a survey on the satisfaction of informants since 2020, and we have confirmed that all measures have been satisfactorily handled in an environment where informants' confidentiality is guaranteed. We will strive to ensure the continued evolution of the system in collaboration with our suppliers.

Training and Capacity Building

At Samsung, we consider it imperative for our employees to understand both the importance of human rights and ways to protect them across all aspects of corporate management. As a result, we conduct yearly labour and human rights training tailored to different business sites to ensure compliance with our labour and human rights policies and raise employee awareness.

Our employee labour and human rights training programme has been operational since 2018, and the curriculum was developed in collaboration with BSR. In 2021, we adopted a system that provided tailored content in accordance with individual employees' training progress to more effectively improve their understanding of relevant issues. Our common courses deal with the

basic concept of human rights, the importance of protecting labour and human rights, and ways to practice human rights management. Our specialised courses are designed for employees responsible for jobs deemed likely to impact the human rights of others.

All employees are subject to regular labour and human rights training at Samsung. In 2021, a combination of small-scale offline training and online training was offered for overseas branches that were forced to postpone training due to the COVID-19 pandemic, enabling 92% of the target employees to complete the training. Specialised online training was conducted for 91% of staff members engaging in jobs with greater human rights risks, such as those related to personnel, security, general affairs, and purchasing. All employees at our domestic business sites completed training on mutual respect at work from July to December 2021.

In order to further highlight the importance of human rights protection and share best practices, we have designated over 50 employees at overseas branches, mainly personnel, labour-management relations, and training staff members, as Human Rights Champions to serve as human rights trainers at their respective branches. In 2021, we helped cultivate their expertise in human rights through regular webinars dealing with a range of themes including forced labour prevention, freedom of association, impacts of the pandemic on human rights, and diversity and inclusion. Interviews with Samsung personnel and purchasing staff members who were recipients of this training and its effectiveness to support their role can be found in our 2022 Sustainability Report.

Since 2015, we have hosted a range of workshops and training programs related to compliance management every year for the heads and working-level staff of our suppliers. We also provide human rights training on mutual respect, humane treatment, and discrimination elimination based on the Supplier Code of Conduct, while also sharing global and local legal revisions, audit results and best practices of our suppliers, and environment and safety-related trends of different regions. We conduct training on the safe handling of chemicals and award suppliers with outstanding performance in labour/human rights and environment/safety. In 2021, 342 suppliers around the world received our training. We encourage participating suppliers to actively share the details of our training and provisions of the Supplier Code of Conduct with their subcontractors.

We prohibit forced labour and the collection of recruitment fees from our suppliers' migrant workers through the Supplier Code of Conduct. Based on this policy, a total of USD 389,921 was returned to 1,199 migrant workers from nine countries recruited by our suppliers from 2017 to 2021. In 2021, we established the Responsible Recruitment Procedure training course to improve our suppliers' understanding of the procedure, help them eliminate relevant risks, and offer a self-diagnosis tool. We also performed training on diverse subjects including recruitment criteria, risk recognition and assessment, and risk prevention and mitigation targeting 143 labour and human rights managers at 75 suppliers in local languages including English, Chinese, Thai, and Malaysian. We plan to expand the training program to improve the labour and human rights of migrant workers in more suppliers and countries that are hiring migrant workers from 2022.

For its part, in 2021 SEAU continued to add modern slavery training to its induction training (for new starters) and annual compliance training (for existing staff members). Due to the

COVID-19 pandemic, training of new starters and existing staff regarding modern slavery risks was rolled out online rather than in person. SEAU will look to introduce more face to face training as part of its 2022 modern slavery compliance program.

Measurement and Performance Standards to Assess the Effectiveness of our Actions

Samsung assesses the effectiveness of its actions in a variety of ways, including:

- monitoring the number of worksite grievances it receives for the purposes of publishing what it is doing in the annual Sustainability Report; and
- (in relation to our suppliers' progress on establishing and implementing their own internal grievance handling systems and our direct hotline to receive reports on suppliers' issues), tracking the status of corrective measures on the part of the supplier.
- As reported in previous statements, Samsung conducts third-party supplier audits and monitors and reports performance against five established indicators: labour and human rights, health & safety, environment, ethics, and management systems. Audit results found that our suppliers' compliance rate in 2021 was similar to that of 2020 and that efforts to improve the working environment were well in progress.

Third-party supplier audit results	2019	2020	2021
Total	96%	95%	97%
Labour & Human Rights	93%	92%	95%
Health & Safety	97%	95%	97%
Environment	98%	99%	98%
Ethical	99%	98%	99%
Business Management System	96%	94%	99%

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

Consultation

- Consultation with other reporting entities or entities within the meaning of the Act is not relevant as this Statement is not a joint statement and SEAU does not own or control any other entities.

Any other relevant information

- Globally, Samsung has complied with reporting requirements for modern slavery in other jurisdictions. Samsung Electronics (UK) Ltd has published five modern slavery statements under the UK Modern Slavery Act.

- SEAU has also shared knowledge and resources with Samsung Electronics (UK) Ltd during the reporting period.

Board approval and signing

Samsung employees, are responsible for maintaining high ethical standards and conducting business with integrity. Samsung's employees are ambassadors of our brand and we seek to ensure that Samsung's standards of corporate social responsibility, integrity and accountability are upheld. This annual modern slavery statement, our second, continues to reaffirm our commitment to respecting and protecting the human rights of all people, and that these values are at the core of our labour practices. Further information on our labour and human rights practices can be found on [Samsung.com](https://www.samsung.com).

This Statement was approved by the Board of Samsung Electronics Australia Pty Ltd on 24 June 2022. It complies with the mandatory requirements set out in section 16 of the Modern Slavery Act 2018 (Cth)



Mr. Wonhee Kim

President SEAU & CE Division
Samsung Electronics Australia Pty Ltd
24 June 2022



Mr. Jin Gab Kim

Director & Chief Financial Officer
Samsung Electronics Australia Pty Ltd
24 June 2022