

**SAMSUNG**

# **CODE OF CONDUCT**

*ANTI-CORRUPTION AND INFLUENCE PEDDLING*



**SAMSUNG**

**SAMSUNG ELECTRONICS FRANCE**

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## ***Introduction***

Samsung Electronics France is committed to ensuring that its actions are carried out in accordance with the Group's values of People, Excellence, Change, Integrity and Co-prosperity. We are also committed to ensuring that all our transactions and operations comply with relevant laws and regulations, in particular those laws and regulations targeting corruption and influence peddling.

In 2017, Samsung Electronics France issued the first version of this document to demonstrate its commitment to preventing and detecting corruption.

This program is engrained in our daily activities and reflects our company's commitment to prohibiting and preventing any unlawful or unethical act and conducting ourselves in a professional, responsible, ethical and transparent manner. Samsung Electronics France has a policy of zero tolerance for corruption, influence peddling or any other form of fraud.

This updated version of the Code of Conduct describes Samsung Electronic France's approach to identifying and preventing corruption and influence peddling. The aim of the Code of Conduct is for it to be clear and accessible to all. That is why it is illustrated with concrete examples drawn from the operational reality of Samsung Electronics France's business activities.

We have developed this Code of Conduct, available in both French and English, to outline the rules of conduct to which we should all sign up to in order to comply with our practice of showing good judgment and compliance with the law, as well as our approach of integrity when dealing with each other and our external stakeholders. Please familiarise yourself with this document, reach out to SEF Legal & Compliance for any question and use it as a reference tool in your daily decision-making.



Menno Van Den Berg  
President  
Samsung Electronics France



### *Compliance with Applicable Laws and Internal Policies*

Samsung Electronics France (“Samsung”) is committed to complying with all legislations that apply to it, in particular those prohibiting corruption, influence peddling or any form of fraud.

This Code of Conduct against Corruption and Influence Peddling (the “Code of Conduct”), serves as a framework document and is complemented by procedures that define the processes for the specific activities with respect to which we undertake to control risk situations relating to bribery and influence peddling.

Notably, these policies and procedures include:

- Procedures for identifying and preventing the risk of corruption by a partner, service provider, supplier or customer (“Third Party” policy),
- The “Gifts, Hospitality, Donations and Sponsorships” policy that describes the rules for gifts, hospitality, charitable contributions, patronage and sponsorship activities.
- Policies and procedures applicable to medical devices, and;
- The “Whistleblowing” policy, which describes the system in place at Samsung Electronics France, in addition to the other procedures in place at the company, which enable employees to report – in particular – situations where you believe that a breach of the Code of Conduct has occurred.

These policies are available in English and French to each Samsung employee on Samsung’s intranet.

We must all acknowledge that Samsung and its employees may personally face civil or criminal sanctions if we violate laws on corruption in business or any similar law.

## *To Whom Does the Code of Conduct Apply?*

This Code of Conduct applies to all individuals who work for Samsung, whatever their level or status, including legal representatives, employees, apprentices, interns and outsourced staff.

The rules and general principles described in this Code of Conduct are also applicable to any third party acting in the name and/or on behalf of Samsung (intermediaries such as agents, brokers and consultants), as well as to Samsung's suppliers, contractors, sub-contractors and all other business partners.

## *What Is Expected of You?*

All Samsung employees and third parties are required to adhere to this Code of Conduct and its general principles. All employees have a responsibility to do their part to maintain the highest ethical standards. Therefore, each employee must be familiar with the information contained in this Code of Conduct and the policies that derive from it and complete all required compliance trainings in a timely manner.

Each employee joining Samsung shall become familiar with and agree to comply with this Code of Conduct which is provided at the time of his or her arrival. As it is attached to the internal rules, it is therefore a mandatory document.

### **Putting Compliance in Perspective:**

If in doubt about whether a situation constitutes a breach of this Code of Conduct or applicable law, you should ask yourself the following few questions:

- If known to others, do you believe it would set a good example or that it would be perceived as unethical?
- Would you feel comfortable talking about it to your colleagues, friends or family?
- How would you feel it was published in a newspaper?
- What would someone that you trust as ethical do if he or she was in your shoes?

If you are still uncertain, you can request advice from your manager, Human Resources Department or the Legal & Compliance Department. If you feel uncomfortable speaking to them, you may use the Whistleblowing Procedure. Please refer to the Whistleblowing policy for further information.



### *How to Raise an Issue?*

We encourage you to raise any concerns you may have at the earliest possible opportunity regarding a practice that may conflict with this Code of Conduct and/or applicable laws and regulations.

If you have any questions regarding the conformity of an act or practice with the Code of Conduct and/or applicable laws and regulations, please contact the Legal & Compliance Department.

If, in good faith and without direct financial consideration you suspect such an unlawful practice is taking place or has occurred, you can report your concerns to your manager or, more generally, to your employer, or make a whistleblowing report under the conditions described in the Whistleblowing policy.

Samsung will not tolerate retaliation in any form against anyone who, in good faith and without direct financial consideration raises concerns or reports what they genuinely believe to be improper, unethical or inappropriate behaviour. Anyone who is responsible for inappropriate conduct or retaliatory measures will be subject to disciplinary sanctions in accordance with applicable rules and regulations, including the potential termination of their employment. Any employee who believes they have been subject to retaliation after submitting an alert should immediately contact the Legal & Compliance Director who will take the appropriate measures to protect this employee.

It should be noted that individuals who submit an alert in bad faith will be subject to disciplinary sanctions in accordance with applicable rules and regulations, including potential termination of employment. Bad faith alerts include reports that contain knowingly false information or made to harm the alleged target.

# PROHIBITED PRACTICES

## Corruption

Samsung strictly prohibits corruption in any form whatsoever.

Corruption consists in unlawfully offering to someone, at any time, directly or indirectly, any offer, promise, donation, gift, reward or any other advantage for the benefit of that person or someone else, in order to induce that person to carry out or abstain from carrying out an act pertaining to his or her office, duty, or mandate, or facilitated by his or her office, duty or mandate.

Corruption is prohibited in respect of both:

- (i) a public official (corruption in the public sector); and
- (ii) a private individual in the context of his or her professional activity (corruption in the private sector).

Corruption can be active (*i.e.*, the person who illegally offers or promises a benefit), or passive (*i.e.*, the person being corrupted).

Corruption has an enormous cost, not only to society at large but also to individual companies, for which quality is reduced and costs increase when engaging in corruption. This constitutes unlawful behaviour which is criminally sanctioned by law.

### Putting Compliance in Perspective:

Examples of corruption include:

- Providing sponsorship or making donation to an entity that is ultimately owned by a current or potential customer to win a contract.
- Offering a position to the relative of a customer or partner in exchange for selection in a bidding process.
- Offering a Samsung product to a public official to speed up the completion of an administrative formality (*e.g.*, granting an authorization prior to providing a benefit to a health care professional).



## *What Is a Benefit?*

The term “benefit” is very broad and can be defined as “anything of value”.

### **Putting Compliance in Perspective:**

Some examples of anything of value that can be used as bribes are:

- Cash donations;
- Vouchers or preferential rates;
- Job offers or internships (even those that are unpaid);
- Political or charity donations;
- Gifts, including donation of Samsung products;
- Hospitality, which may include invitations or payment of expenses related to the organisation of an event (such as travel or accommodations).

## *Influence Peddling*

Influence peddling is prohibited under any circumstances.

Influence peddling consists in unlawfully offering, at any time, directly or indirectly, any offer, promise, donation, gift or reward, in order to induce a person holding public authority, discharging a public service mission, or vested with a public electoral mandate to abuse his real or alleged influence with a view to obtaining distinctions, employments, contracts or any other favourable decision from a public authority or the government.

In the same way as corruption, influence peddling is prohibited regardless of the status of the person having influence (real or supposed), and therefore regardless of whether that person is:

- (i) a public official (so-called public influence peddling); or
- (ii) a private individual (so-called private influence peddling).

Influence peddling can be active (the person who illegally offers or promises a benefit), or passive (the person who is required to abuse his real or supposed influence).

Like corruption, influence peddling has harmful consequences, not only for civil society as a whole, but also for companies, insofar as it leads to a reduction in the quality of services and products while increasing the associated costs. It is financially damaging, illegal and punishable by law.

### **Putting Compliance in Perspective:**

- Offering a Samsung product to an employee of the National Council of the Order of Physicians (CNOM) so that he/she uses his/her influence to obtain an authorisation when the request is not compliant.
- Paying money to a public official to use his/her influence on a tender committee for equipping a prison with hospitality televisions.

## *Who is a Public Official?*

“Public Official” is broadly interpreted and includes any person working for a governmental body, political party candidates, and individuals working for state-owned or controlled companies.

The term “government” includes all branches, levels and subdivisions of any government (e.g., local, regional or national and administrative, legislative or executive).

### **Putting Compliance in Perspective:**

Public Officials include:

- Any elected or appointed public official (e.g., a member of a ministry);
- An employee, official, contractor, consultant or representative of a government or any government department or agency;
- All employees of government instrumentalities, which include parastatal or state-owned or controlled enterprises;
- Any employee or person acting for or on behalf of a public official, agency, or enterprise performing a governmental function (e.g., a licensing official or a tax agent);
- Any political party, officer, employee or person acting for or on behalf of a political party or candidate for public office;
- A person in the service of a government, including members of the military, police or civil service;
- An employee or person acting for or on behalf of a public international organisation, (e.g., United Nations, International Monetary Fund, World Bank, etc.);
- Employees of non-governmental organisations (such as Transparency International); or
- Family members of any of the above (e.g., a parent, spouse, child, or sibling, including by marriage).

## *Facilitation Payments*

A facilitation payment is the payment of a sum of money, generally in small amounts, paid in an unofficial manner to facilitate, ensure or speed up the performance of administrative acts (e.g., administrative documents such as marketing authorisations, miscellaneous permits, work permit applications, customs formalities, and police protection).

Facilitation payments are prohibited by Samsung: no authorisation will be granted.

**Any request to provide a facilitation payment should be turned down and immediately reported.**



### *Political Contributions*

Samsung does not make any contribution or provide any advantage for the purpose of promoting or supporting any political party or Public Official, in particular when a Public Official is running for a public office. For this purpose, all employees are prohibited from using Samsung's resources and assets in a way which could provide an advantage to a political party or a Public Official. These practices are prohibited so as to not affect the political neutrality to which Samsung is committed and to avoid creating any suspicion of corruption.

For instance, purchasing tickets for political dinners with Samsung's funds, or requesting Samsung to reimburse political expenses or any other donation in cash or in kind is prohibited. Similarly, ordering Samsung advertising on a political program or communicating a political program or booklet on the workspace is prohibited. It is also prohibited to use Samsung's facilities to organise political reunions. These are merely examples of advantages and are not intended to be an exhaustive list.

#### **Putting Compliance in Perspective:**

A major client runs for municipal elections and asks you to lend some display screens to his supporters' committee during the campaign. What should you do?

**The Right Response:** Turn down this request, explaining that it is against Samsung Policy.

## *Gifts and Hospitality*

Some hallmarks of appropriate gift giving and hospitality are when the gift is given at an appropriate time, openly and transparently, is properly recorded in the giver's books and records, provided in good faith and directly connected to a business-related purpose.

However, gifts and hospitality may constitute acts of corruption when they are made to influence decisions of their beneficiaries. This is strictly prohibited by Samsung and may lead to civil and/or criminal penalties and may expose Samsung as a company and the individuals concerned to prosecution.

Therefore, before offering or accepting a gift or hospitality, a Samsung employee must verify that it is transparent, reasonable and proportionate, and directly connected to a business-related purpose. When appropriate as per the Gift & Hospitality policy, relevant prior authorisation must be sought and obtained internally. Please refer to the Gifts, Hospitality, Donations and Sponsorships policy in this respect. In all circumstances, gifts and hospitality must be recorded properly.

### **Putting Compliance in Perspective:**

Samsung recognises that employees may be willing to extend an invitation to a current or potential professional contact to attend a social event. As a general rule, gifts and hospitality must never be given or accepted for the purpose of influencing any decision by a professional contact.

In some limited circumstances, such offers may be allowed provided the conditions set forth herein are met.

If the anticipated cost or value of a business gift or entertainment exceeds an amount that would normally be acceptable as a good business practice, an approval must be completed beforehand. If you are in doubt as to whether the gift or entertainment is acceptable, seek guidance from your manager and/ or the Legal & Compliance Department and request the proper approvals under the conditions set forth in the Gifts, Hospitality, Donations and Sponsorships policy.

## *Corporate Social Responsibility*

Samsung encourages charitable contributions so long as they are not made to disguise illegal payments. To avoid these risks, Samsung only takes part in projects whose activities are legally acceptable and in line with Samsung's Citizenship values.

Samsung's activities are placed under the sole authority of the *Corporate Social Responsibility and Citizenship* Department.

Such contributions must be made transparently, in accordance with the procedure set forth in the Gifts, Hospitality, Donations and Sponsorships policy, which includes due diligence on the recipient.

### **Putting Compliance in Perspective:**

A major client asks you if Samsung can donate some products to a charity which is chaired by that client's relative.

#### ***What is the potential risk here?***

If contractual negotiations or a call for tender are in progress, this donation may appear suspect and as if it was made to win the contract or the call for tender.

There is also a risk involved in making donations and in associating Samsung's name with organisations without first having checked that their goals and operational methods are compatible with this Code of Conduct.

This is why it is very important to make a clear distinction between Samsung's commercial activities and its charity work.

You may of course inform the Corporate Social Responsibility and Citizenship Department of projects of which you are aware. It will then be considered after verifying the following:

- The relevance of the donation in light of Samsung's corporate citizenship priorities
- The proper governance of the beneficiary of the donation
- The compliance of the project with the Code of Conduct



### *Sponsorship*

To avoid any risk of corruption relating to sponsorship activities, any partnership Samsung enters into must adhere to the following principles:

- Partnership requests must be transparent and documented;
- Partnerships must be based on legitimate business purposes (development and promotion of Samsung's brand and products); and
- There should be no imminent or pending business decision such as contractual negotiations or a call for tender likely to question the legitimacy of the partnership.

When relevant, conducting a risk-based due diligence on the recipient prior to granting the sponsorship is required by Samsung.



# **RISKS WITH THIRD PARTIES**

## *Hiring Third Parties*

It must always be kept in mind that the legislation applicable to corruption does not make a distinction between practices committed by a company and practices committed by a third party acting on behalf of that company (a “Third Party”).

The selection, management and supervision of Third Parties by Samsung must therefore be carried out thoroughly in order to assess whether the Third Party may entail any corruption risk.

The following is essential before you hire a Third Party for Samsung:

- When required by the Third Party policy, conduct a risk-based due diligence prior to hiring a Third Party;
- Enter into contracts which include provisions relevant to preventing bribery and influence peddling, including provisions that prohibit practices contrary to this Code of Conduct, and authorise Samsung to check that this commitment is adhered to;
- Do not use Third Parties as intermediaries to engage in practices contrary to this Code of Conduct
- Engage Third Parties only as necessary for conducting Samsung business and with financial terms that do not exceed appropriate, justified compensation for the services provided;
- Ensure Samsung monitors its relationship with Third Parties and accurately records payments relating to such arrangements; and
- Ensure the Third Parties understand and abide by this Code of Conduct.

### **Putting Compliance in Perspective:**

Any Third Party can present a risk to Samsung. Nevertheless, the following types of Third Parties represent the highest risks to Samsung:

- All types of intermediaries, including wholesalers
- Marketing service providers
- Providers who interact with public officials
- Providers engaged in interest representation (“lobbying”) activities

## *Lobbying*

Lobbying activities are carried out in compliance with applicable legislation.

Companies whose employees regularly enter into communication with French Public Officials for the purpose of influencing a public decision shall register before the High Authority for Transparency in Public Life (the “High Authority”), comply with the relevant ethical rules and report their activities. Non-compliance with the law is severely punished and can lead, for individuals, to up to one year of imprisonment and a fine of € 15,000.

In order for Samsung to comply with these reporting requirements, all lobbying activities by Samsung employees must be identified and reported before and after entering into communication with a Public Official to the Public Affairs Manager. Details of such interactions with Public Officials (emails, meetings’ confirmations, etc.) must be recorded.

### **Putting Compliance in Perspective:**

To be considered lobbying activities, interactions must meet all of the four conditions below:

1. A Samsung employee or representative enters into communication (mails, calls, meetings) with certain Public Officials.
2. The interaction is made on the initiative of Samsung or its representative. It needs to be a proactive contact. Attending a hearing at the request of a Public Official is not enough.
3. The interaction concerns a public decision.
4. The purpose of the interaction is to influence a public decision.

## *Conflicts of interest*

Conflicts of interest are situations in which the personal or private interests of an employee may alter their judgment during the performance of their duties and/or conflict with those of Samsung.

These interests may come in various forms (family ties, friendships, personal and financial interests) and circumstances (e.g., a job application by a family member or friend, or the choice or renewal of a provider).

### **Example:**

Your cousin runs a successful catering business for corporate events. The quality of the services is very good and the prices are competitive. Retaining this vendor for some of Samsung's events seems like a wise business choice. Does this mean you cannot recommend/use this vendor because he/she is a relative? Of course not. Given the quality/price ratio, using this vendor may be a smart choice. This being said, you should not be part of the selection process since there is a clear conflict of interest.

In all situations where there is an actual, perceived or potential conflict of interest with Samsung, you should report this to your management so that appropriate measures can be taken to avoid the creation of a conflict of interest which could put you in a delicate position.

### **Putting Compliance in Perspective:**

What shall you do to avoid ambiguous circumstances?

**Think** about situations in which the objectivity of the decisions you have to make during the course of your duties may be affected.

**Inform** your line manager in writing as soon as possible of any situation which may give the appearance of a conflict of interest, so as to enable them to assess the risks and find appropriate solutions to the situation.

In certain cases, after examining the situation, it may be found that there is no risk of incompatibility between your interests and those of Samsung, for instance if you in fact have no part in the decision-making process.

In other cases, solutions found with the assistance of the Legal & Compliance Department can enable the conflict of interest to be avoided: staying out of the decision-making process relating to the choice of a provider; being replaced for the management of this provider; and/or systematic validation by your line manager.

# **BOOKS & RECORDS**

## *Keeping accurate books and records*

The operations and transactions carried out by Samsung must be recorded in an accurate and fair manner in Samsung's accounts, in accordance with the regulations in force. In particular, all accounting entries must show accuracy and honesty, and be backed up with supporting documents.

This Code of Conduct strictly prohibits the maintenance of undisclosed or unrecorded funds or assets for any purpose and records that disguise or misrepresent any aspect of a transaction. Samsung also expects all records provided by business partners of Samsung to be accurate and reasonably detailed.

### **Putting Compliance in Perspective:**

- Always store and preserve records so that they are safe and protected.
- Ensure that all arrangements with Third Parties are documented in a written contract, order, or other document which describes the goods or services that are in fact to be performed or provided.
- Do not make false or deliberately inaccurate entries (such as overbilling or advance billing) in the books of Samsung for any reason, or influence others to do so.
- Do not make any payment with the intention or understanding that all or any part of it is to be used for any person other than that described by the documents supporting the payment.
- Comply with the Document Management policy to ensure that appropriate records are available in case of disputes/litigations.

# IMPLEMENTATION



### *Ensuring employees abide by this Code of Conduct*

Samsung implements various means to help its employees avoid the risks associated with non-compliance with this Code of Conduct.

As mentioned above, Samsung developed and implements specific procedures referred to herein to ensure compliance with this Code of Conduct. Like this Code of Conduct, these policies are available in French and English on Samsung's intranet.

The Legal & Compliance Department is responsible for ensuring that this Code of Conduct conforms to the applicable legal framework, implementing the Code of Conduct, monitoring its application and its effectiveness, and answering questions concerning its interpretation.

Besides, specific training sessions are provided to each employee to improve their knowledge and develop a common culture. Such trainings are performed in-person and/or online.

Managers must ensure that the persons placed under their responsibility understand this Code of Conduct and receive adequate and appropriate training on the subject.

Regular internal controls relating to ethics and compliance are performed at both local and HQ levels by the relevant compliance teams.



**NON-COMPLIANCE WITH THIS  
CODE OF CONDUCT**

## *Employee Disciplinary Measures*

Any violation of the Code of Conduct may result in disciplinary measures, including dismissal, depending on the degree of seriousness, as well as criminal liability for the person involved.

## *Employee Criminal and Civil Liability*

Any violation of the Code of Conduct by an employee of Samsung (or by a Third Party representing Samsung) which would consist of bribing or peddling influence, may lead to criminal liability of the Samsung employee involved which may consist of up to 10 years of imprisonment and either:

- (i) a fine up to 1 million euros or
- (ii) twice the amount of profits made by the employee out of his or her illegal acts.

Additional criminal sanctions may include among others being deprived from civil rights or from the right to run for political office, confiscation of assets and publication of the sanction. Civil liability could be added to remedy the damage suffered by any harmed party.

## *Samsung Criminal and Civil Liability*

Any violation of the Code of Conduct by an employee of Samsung (or by a Third Party representing Samsung) which would consist of bribing or peddling influence, may lead to criminal liability of Samsung which may consist of either:

- (i) a fine up to 5 million euros, or
- (ii) twice the amount of profits made by Samsung out of the illegal acts.

Additional criminal sanctions may include among others being forbidden to participate in public bid, closing offices involved, confiscation of assets, etc. Civil liability could be added to remedy the damage suffered by any harmed party.

## *Employee and Samsung Reputational Harm*

Any violation of the Code of Conduct by an employee of Samsung (or by a Third Party representing Samsung) which would consist of bribing or peddling influence, leading to a criminal sanction of the Samsung employee and/or Samsung itself, would cause reputation harm of great impact for both the future career of the employee and the business of Samsung.

