

SAMSUNG

Samsung Electronics Nordic AB

Sustainability report 2020



1 Sustainability report 2020

Summary

At Samsung, we strive to transparently communicate our achievements and challenges related to sustainability in our global Sustainability report. The global sustainability report has been published yearly since 2008, and from 2017, we also share sustainability information specific to the Nordic countries in a local sustainability report. The Nordic report for 2020 is based on the global 2020 report and contains updated information.

In this report, you will find an overview of what sustainability issues are most important for our key stakeholders in the Nordics, including customers, consumers, policy makers, employees and civil society organizations: what our business impact is, and our actions and challenges in these areas.

About the report

This sustainability report presents data for Samsung Electronics Nordics Aktiebolag ("Samsung Electronics Nordic") from 1 January until 31 December 2020 and includes the Nordic countries Sweden, Norway, Finland, and Denmark, unless otherwise stated.

Samsung Electronics Co. Ltd, South Korea ("Samsung") as a global leading company takes social and environmental responsibility very seriously. Samsung Electronics Nordic's sustainability performance is closely related to Samsung's performance at corporate level. The economic, social and environmental activities and achievements of Samsung at global level are presented in the global sustainability report 2020¹. The next global sustainability report is expected to be published in summer 2021.

This Sustainability Report has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act (Årsredovisningslagen).

¹ Samsung Electronics Sustainability Report 2020, pp. 4, 83



Silicon Valley, USA

New York, USA

Toronto, Canada

Montreal, Canada

Seoul, South Korea

Cambridge, United Kingdom

Moscow, Russia



Employees, globally
287,439



First tier suppliers
2,208



Countries Samsung operates in
74



AI centres (see map)
7



R&D expenditure per day
42 000 000 €



Production sites
37

1.1 Sustainability strategy

1.1.1 Materiality analysis

Samsung conducts an analysis of material non-financial topics on a yearly basis to reflect the economic, social, and environmental impact of our company. The analysis reflects the topics we believe are of the greatest interest to our stakeholders and our businesses. We communicate the results of this analysis through our Sustainability reports. We have selected 28 issues to be of material value on a global level. Some of these issues are responsible technology use, ethical management and compliance, health and safety in supply chain, community development and corporate citizenship activities, recycling and circular economy, as well as physical impacts of climate change, and energy management. For an exhaustive list of all of the 28 selected issues and for the results from the materiality analysis, please see the Global Sustainability Report 2020³. As a global citizen, Samsung monitors and incorporates international trends and goals, in particular the UN Sustainable Development Goals (SDGs). On a global level, the goals highlighted on the next page are most relevant for Samsung. A comprehensive description of the UN SDGs can be found in the global sustainability report 2020⁴.

Material non-financial topics for Samsung Electronics Nordic were identified in a materiality analysis in 2017 and includes topics from the EU directive, internal discussions, expert opinions and our continuous dialogue with key stakeholders. Categories in the materiality analysis were updated according to the 2020 global sustainability report. For each material topic, key KPIs were identified. Together with the management approach they will be reported in the following chapters.



³ Samsung Electronics Sustainability Report 2020, pp. 20-21

⁴ Samsung Electronics Sustainability Report 2020, p. 107

Key sustainability matters



Climate actions

The environmental impact of our operations
The environmental impact of our products



Circular Economy

Circularity - reuse of materials and recycling



Labour and Human Rights

Protection of employees and human rights
Employee development and well-being
Responsible supply chain
Diversity and equal opportunities



Corporate citizenship

Enabling people
Technology for good



Compliance

Compliance with laws and regulations

Samsung's global sustainability strategy is aligned with the UN Sustainable Development Goals



1.1.2 Risk management

Facing growing uncertainties in the global business landscape, Samsung takes a proactive and pre-emptive approach to managing risk at global level. To identify and proactively address current economic, social and environmental risks, Samsung established risk response policies and processes and reports identified factors to the top management. The business divisions review both financial and non-financial risks through various Committees and Councils. A detailed description of the global risk management can be found in the global sustainability report 2020⁵.

Samsung Electronics Nordic is embedded in the global risk management and its corporate guidelines through Global Policy & Procedure Manual (GPPM). In Samsung Electronics Nordic, risk is managed by the Internal Audit & Risk team⁶. On a global level, non-financial risks for example in the supply chain such as corruption, management of conflict minerals, abnormal global weather or natural disasters, are identified to affect the business operations.

A sustainability risk analysis for the Nordic market was conducted in 2019, in collaboration with a third-party in order to better understand our current and possible future business climate. A number of employees from various positions such as product group managers and various departments such as HR, Logistics, Corporate Citizenship, Legal, and Internal Audit and Risk, were invited to attend the workshop on risk screening.

In advance of the workshop, a list of potential risks was distributed digitally to the attendees for evaluation. This also included a possibility to add additional risks, if needed. During the workshop, the results were presented and reviewed and the risks' prioritization was further discussed. The possible risks that were identified as most material for Samsung Electronics Nordic's operations, have been compiled in a summarizing list. A selection of these are presented below.

Risk	Area
Resource scarcity in supply chain and related increases in costs for raw material	Environmental
New environmental regulations or labelling requirements related to products	Environmental
Discrimination or harassment incidents in the workplace	Social
Ability to attract or retain talents and key competencies	Social
Violations of human rights in the supply chain	Human rights
Increase in customer expectations and requirements on sustainability	Other
Negative impacts related to customer use of product	Corporate Citizenship
Risks connected to corruption, unethical behaviour, cyber security, and privacy (in procurement, marketing, and sales)	Compliance

The risks that have been identified are processed at various levels within Samsung and Samsung Electronics Nordic. For example are all of our suppliers of tantalum, tin, tungsten and gold (so-called conflict minerals) are RMAP-certified (Responsible Minerals Assurance Process). Another example of risk management is Samsung Well Connected, which works with encouraging a healthy and sustainable use of technology. To read more about these initiatives and Samsung's risk management, please see further down in this report, as well as the global sustainability report 2020⁷.



⁵ Samsung Electronics Sustainability Report 2020, p.110

⁶ Risks within e.g. process and internal control areas are handled by Samsung Electronics Nordic's Risk & Audit team

⁷ Samsung Electronics Sustainability Report 2020, pp.110-112

Covid-19 Risk Response

Since the early stage of the covid-19 outbreak, we have operated a separate organization globally under the supervision of the Chief Risk Officer (CRO) that monitors risks across the supply chain in real-time. To ensure smooth logistics operations within the value chain – from raw materials to finished products, amid the global spread of covid-19, we are continuing various activities using our global network, diversifying logistics and production bases, supporting customs clearance and the air transport and entry of our as well as our suppliers' employees. Read more about our global covid-19 response in our global sustainability report 2020⁸.

Samsung Electronics Nordic has supported our existing partners within education in facilitating access to education and information remotely for students. Samsung Electronics Nordic has contributed schools with hardware (displays, monitors, smart-phones, etc.) that have been used to strengthen the quality of education and information sharing during the pandemic.



⁸ Samsung Electronics Sustainability Report 2020, pp. 14-17

1.2 Key sustainability matters

1.2.1 Our environmental impact

Our environmental work is defined through our environmental policy, where we commit to measure the main environmental impacts of our organization, identify improvement areas and regularly review the progress. We are in constant exchange with our key stakeholders and we are members of various trade associations in each of the Nordic countries.

Samsung Electronics Nordic's main environmental impacts are determined through an analysis of both our workplace and our products. A comprehensive description of our environmental impact, our efforts and outcomes regarding environmental product innovation and impact on global corporate level, and our internal Environment Health and Safety (EHS) management system and can be found in the latest global sustainability report⁹.

The environmental impact of our operations

Samsung Electronics Nordic has four offices, one in each Nordic country (Sweden, Denmark, Finland, and Norway). We have identified energy consumption, emissions and waste as the main environmental areas. We use a web-based tool to collect, analyse and report our environmental data in line with global reporting standards like Global Reporting Initiative (GRI), Carbon Disclosure

Project (CDP) and the criteria of the EU Directive 2014/95/EU regarding the disclosure of non-financial and diversity information. The data provided by Samsung Electronics Nordic is analysed and reviewed by a third party. Based on the results, we carry out activities to improve our environmental performance. The environmental KPIs are shown in the table below.

Greenhouse gas emissions are calculated based on the Greenhouse Gas Protocol, an international standard which divides the emissions into direct (Scope 1) and indirect (Scope 2 and 3) emissions. Direct emissions represent emissions from sources that are owned or controlled by Samsung Electronics Nordic, whereas Scope 2 and 3 emissions are a consequence of Samsung Electronics Nordic's activities but which the company does not control or own. The GHG¹⁰ emissions are calculated based on automatically updated emission factors in the web-based tool. If available, local emission factors are used. Scope 1 emissions include business travel with leased cars; Scope 2 emissions include district heating and electricity consumption at the office facilities; Scope 3 emissions include business travel by plane, train, taxi, hotel stays, third-party deliveries (sea-, road- and airfreight), office supplies (coffee, fruit, and paper), and waste.

KPIs	2018	2019	2020	Comments
Energy				
Energy consumption in the workplace in the MWh	952	946	1 293	94% of the energy used in Samsung Electronics Nordic's operations comes from renewable sources.
Emissions				
Total GHG emissions in t CO2e	31 892	35 197	52 305	Increase of emissions in 2020 due to increased sales, increased number of warehouses in Sweden, and fewer direct transports.
Scope 1 GHG emissions in t CO2e	494	576	475	
Scope 2 GHG emissions in t CO2e	114	107	163	
Scope 3 GHG emissions in t CO2e	31 285	34 513	51 668	Increase of emissions due to increased sales, expansion of types of reported emissions (road freight), and fewer direct transports.
Waste				
Waste generation in metric ton	14	29	12	Decrease in 2020 due to covid-19 and almost no employees working at the offices. Increase in 2019 due to moving of office in Sweden.
% recycled waste	86 %	86 %	76 %	

⁹ Samsung Electronics Sustainability Report 2020, pp. 56-69

¹⁰ GHG = Greenhouse gas

The environmental impact of our products

All Samsung factories have management systems certified under the environment, energy, health and safety standards ISO 14001, ISO 50001 and ISO 45001 (previously OHSAS 18001). Moreover, Samsung has an internal eco-design process in place to include environmental criteria in our product development.

A number of Samsung’s products are certified according to eco-friendly criteria by third parties around the globe. At Samsung Electronics Nordic, many of our desktop monitors are TCO certified, some of our hotel TVs are Nordic Swan certified and a number of Samsung monitors, smartphones, and tablets have received ecolabels such as EPEAT, Energy Star, Carbon Trust, etc.

Sustainability criteria are also important for Samsung Electronics Nordic when it comes to our customers’ requirements. Also for public tenders, the requirements have increased and become stricter. In 2020, the areas how we work with sustainability in general, eco-labels and declarations, chemicals, circular economy and social responsibility were most important for our (potential) customers.

On global corporate level, a focus is to develop highly resource-efficient products and reduce their environmental impact, including GHG emissions in the product use phase. This includes also waste recycling in the production phase, firmware upgrade services to extend product life and recycling programs across the globe. We inform consumers about energy efficiency of products according to legal requirements under the EU Energy Label, or the voluntary scheme Energy Star. Furthermore, Samsung has continued to carry out a life cycle impact analysis (LCA) on selected products, in order to develop products with a decreased environmental impact. Also, many of our flagship mobile phones have been certified by Carbon Trust. For more information about our corporate sustainable product innovation efforts, please refer to the latest global sustainability report¹¹.

ECO-Label

Asia	South Korea	China	
North America	United States	United States	
Europe	Sweden	Northern Europe	Russia
Central/Latin America	Brazil		

Environmental Product Declaration

United Kingdom Carbon Trust	South Korea Water Footprint	United States UL EPD

Ecolabels that some of Samsung’s products have received



¹¹ Samsung Electronics Sustainability Report 2020, pp. 62-67



Winner of Samsung and Dezeen's Out of the Box Competition for Best Eco-Packaging Design.

Circular economy

The concept of circular economy aims at reducing the amount of natural resources used in products through efficiency in the manufacturing process, repair, reuse and recycling. Apart from our five circular economy principles¹², we have also three mid to long-term goals for circular economy, see next page.

These goals for circular economy strive towards a closed-loop system for materials, to reduce the environmental impact throughout the whole product life cycle and increase resource efficiency. To learn more about our efforts towards more sustainable products and packaging, as well as our goals, please see the global sustainability report from 2020¹³.

Some further ways in which we aim at integrating circular economy aspects into our products are the following activities, both globally and at Samsung Electronics Nordic.

<p>Use of sustainable materials</p>	<p>Bioplastics: Bioplastics are produced from renewable biomass sources and have a reduced environmental impact compared to petroleum-based plastics. In cooperation with our bioplastics suppliers, Samsung Electronics is developing sustainable materials to apply to products and packaging materials. For example, bioplastics containing 37% of biomass are used in part of the front casing of the Galaxy S10e.</p> <p>Eco-conscious packaging materials: We are gradually replacing product packaging materials with sustainable materials such as paper instead of plastic, vinyl, and other disposable materials. In 2020, we reach our goal of fully convert paper for packaging and user manual into sustainably-sourced paper.</p>
<p>Minimal use of resources</p>	<p>Recycled plastic: In 2009, we set a goal to increase our use of recycled plastic to reach 500,000 tonnes on a cumulative basis by 2030. To achieve this goal, in 2019, we used recycled plastics in products ranging from refrigerators, washing machines, air conditioners, TVs, monitors, to mobile phone chargers. In addition, some 30,000 tonnes of recycled plastics, including Post Consumer Materials (PCM) plastics recycled from e-waste, were used in our product manufacturing.</p> <p>Modular design: The BESPOKE refrigerator incorporates a modular design that allows customers to switch door panels without disposing of the refrigerator, thus creating new designs while reducing the use of resources. Cube Air Purifier enables users to configure units depending on their needs and for desired capacity. Additional units can be purchased if necessary, contributing to the efficient use of resources.</p>
<p>Extending product lifespan through repair service and improved durability through repair service and improved durability</p>	<p>Accurate diagnosis and quick repair of products can extend their lifespan and maintain performance, while improving resource efficiency. We strive to increase customers' accessibility of our services by operating both globally-run and country-optimized service channels, and by providing digital technology applied service. To enhance the durability of our products, we perform rigorous endurance and durability tests. We also offer up to three Android OS upgrades for most of our smartphones, which extends the products' lifespan and increases security.</p>
<p>Expanding take-back and recycle of e-waste</p>	<p>We globally run various collection and recycling activities such as self-collection, consignment collection, and stakeholder collaboration, all of which are customized to regional characteristics. Samsung Electronics Nordic operates for example a trade-in program, which is integrated in our e-store, where consumers can send their old phones when purchasing a new one and receive a refund.</p> <p>Moreover, our smartphones are water and dust resistant, which extends the products lifespan, since one common reason for repairing smartphones is water damage.</p>

¹² Samsung Electronics Sustainability Report 2020, p. 29

¹³ Samsung Electronics Sustainability Report 2020, pp. 30-31

Our Circular economy goals:



Use of sustainable-sourced paper
in packaging^{13.1} by 2020:

100%



Use of recycled plastic^{13.2}
by 2030:

500 000
Tonnes



Amount of e-waste take-back^{13.2}
by 2030:

7 500 000
Tonnes

^{13.1} Sustainable forest certification paper and recycled paper (for consumer electronics and IT & mobile communications products)

^{13.2} Accumulated amount since 2009



Wellness
benefits

Flexible
working
hours

Samsung
Culture
Index
survey

1.2.2 Investing in our employees

Samsung Electronics Nordic's success depends on the quality and skills of our people. We are therefore committed to seeking out and retaining the finest human talent to ensure top business growth and performance.

Employee development and well-being

Samsung Electronics Nordic is committed to ensuring a healthy, safe and stimulating work environment. A good physical, physiological and psychosocial work environment is important in order for all employees to enjoy and take pride in their work, and as a result of this be effective in their work. We offer for instance sport subsidies, regular medical check-ups, massages and access to gyms to our employees. Flexible working hours enable employees to set their own work schedules according to personal circumstances and work from home options help employees to work more flexibly.

To measure job satisfaction, the Samsung Culture Index (SCI) was implemented in 2013. In 2020, the result was 69 of max 100, with a response rate of 98%. The result is close to the result from the 2019 survey. In total, we have improved the result by 18 points since the first year of measuring.

We are committed to employing the best people to do the best job possible. Within Samsung Electronics Nordic, we therefore ensure through our various internal and external development

activities to continue developing our employees' competencies, in order to create a competent and competitive organization with continuous learning opportunities. We ensure effective learning consisting of on-the-job-learning, learning through others, and educational learning (classroom trainings, online courses, and global learning platforms). This emphasizes the importance of workplace learning and the fact that learning is a continuous process that occurs daily at work through challenging experiences, support, advice and reflection. Furthermore, we recognize that leadership is crucial for driving the corporate culture towards our company vision. Samsung Electronics Nordic aims to provide all managers training to help them reach their full potential. Our local leadership program serves as a complement to our corporate headquarter leadership training programs and has been developed to meet individual needs. The training budget for the various training activities is set each year based on global guidelines and is managed by the HR department.

To measure our employees' performance, we use a global performance management system, which is a systematic and structured process to reach certain objectives (company, department, and individual) and to further develop our employees. The aim is to link business targets with each individual's personal performance. The process results in a score, based on performance and competencies. The result is then used as a basis for salary reviews, promotions, and training nominations.

YOU ARE VALUABLE

KHADRA

Diversity and equal opportunities

Samsung believes in treating all people with respect and dignity. We strive to create and foster a supportive and understanding environment in which all individuals can realize their maximum potential within the company, regardless of their differences. Managing diversity makes us more creative, flexible, productive, and competitive.

Samsung Electronics Nordic has a diversity and equality policy, which is mandatory for all employees working in Samsung Electronics Nordic. This policy is in line with Samsung Electronics

Global Vision 2020 and supports the development of a high-performance culture and the ambition of becoming a top employer in the market. The policy is reviewed on an annual basis in order to reflect any significant changes in legislation, regulation, rules or industry guidance. Samsung Electronics Nordic has developed a grievance policy to support employees on how to handle breaches. Furthermore, we ensure trust between employer and employees, and management participation in order to solve grievances. We enhance job satisfaction by clearing any individual grievances and taking preventive actions. In 2020, no grievances were reported to Samsung Electronics Nordic.

KPIs	2018	2019	2020	Comments
Total employees	374	370	355	
Permanent employees	301	299	281	
Consultants	73	71	74	
Staff	310	305	291	
Managers	63	64	63	
Directors	1%	1%	1%	
Share of female employees	34 %	33 %	33 %	
Staff	37 %	35 %	35 %	
Managers	19 %	22 %	21 %	
Directors	0 %	0 %	0 %	
Change	12,1 %	11,7 %	10,4 %	
Sick leave	1,75 %	1,70 %	1,30 %	Only for Sweden.
Comparison of basic salary and compensation between women and men	-	-	-	We do not discriminate on any basis in all processes, including promotion, compensation and disciplinary measures.
Number of training hours per person	6	14	9	Regular employees
Training cost per person	12 007 SEK	10 708 SEK	3 926 SEK	Regular employees. Decrease in 2020 due to covid-19.



"The Samsung
Electronics Nordic
diversity and
equality policy is
mandatory for all
employees work-
ing at Samsung
Electronics Nordic."

1.2.3 Corporate Citizenship

As one of the world's leading global technology companies, we find it very important to be a responsible player in society, both globally but also locally in the Nordic region. Within the framework of Samsung's global vision for Corporate Citizenship, 'Together for Tomorrow! Enabling People', we focus on providing individuals and society with conditions to reach their full potential. Together with other players of the society, and in line with UN's global goals for sustainable development, we identify local societal challenges for the Nordics, which affect both individuals and society, and where we at Samsung can be involved and influence. Through strategic partnerships with civil society, academia, the business sector and the public sector, we challenge current ideas and methods and facilitate creation of new digital solutions to drive society forwards.

We support initiatives in order for the coming generation to be well equipped for the labour market and society of the future. We want to empower people with knowledge and digital skills so that they are effectively equipped for the future. We want to bridge the digital gap and make sure that our initiatives support equality, inclusion, and diversity in all its forms, in order to create change on individual level but also a sustainable future in general. We focus on initiatives where Samsung's leadership within innovation and technology play a distinct and unique role. Furthermore, we continue to improve our programs and encourage knowledge transfer and volunteering among our employees (volunteering programs for employees, mentorships programs, etc.). To learn more about our corporate citizenship work, please see our website¹⁴.



Samsung Well Connected – Healthy use of technology

During 2019, Samsung Electronics Nordic launched the initiative Samsung Well Connected, with the aim to encourage a healthy and sustainable use of technology. Entering the fourth industrial revolution, we as individuals and as a society need to acquire skills, knowledge, solutions, and methods in order for us and the coming generations to be able to live a healthy life in a hyper-connected society and reach our full potential. In Sweden, we collaborate with the youth organization Fryshuset to increase young people's understanding and awareness, as well as to provide recommendations for tools and solutions.

Samsung Solve For Tomorrow – Co-create solutions to societal issues together with the youth

Samsung Electronics Nordic has carried out the pilot for Solve for Tomorrow together with different partners. The purpose of the program is to together with young people co-create creative new ideas on how to solve society's most pressing issues. For example, Samsung Electronics Nordic participated in the Swedish youth organization Fryshuset's initiative we_change Hackathon, where young people participated in case-based hackathons to find new ideas on how to create a more sustainable connected life with health and wellbeing at the core.

Other initiatives

Samsung Electronics Nordic has also collaborated with the youth organization My Dream Now – an organization offering programs for inspiring collaborations between school and work life. In 2020, My Dream Now launched an app in collaboration with Samsung Electronics Nordic, which enables young people to contact professionals digitally for inspiration and motivation. In 2020, employees from Samsung Electronics Nordic participated in My Dream Now's digital class meetings and study visits with high school students.

As part of Samsung Electronics Nordic's work to promote so-called Equality Tech and digital inclusion, Samsung Electronics Nordic participated in Plan International's workshops on the subject in 2020. The goal of these workshops was to find new solutions and ideas on how to ensure equality in tech today and in the future, together with young people.

¹⁴ Samsung Global Corporate Citizenship

1.2.4 Compliance

Samsung Electronics Nordic is committed to acting fairly, professionally and with high integrity in all business interactions. We work with global compliance teams worldwide. Samsung uses a compliance management system to manage compliance-related risks, provides area-specific policies, allows regional issue monitoring and manages compliance training. In Samsung Electronics Nordic, compliance topics are managed both by the Legal and the Internal Audit and Risk departments.

The global compliance management system CPMS is used to manage and report all compliance trainings in the Nordic countries. The compliance team is responsible for updating and monitoring the various global and local policies and routines, managing contracts, global policies and procedures and driving key compliance topics such as marketing, privacy, intellectual property rights and anti-corruption.

We regularly carry out trainings on regulatory compliance. In 2020, we offered introductory courses to legal and regulatory compliance for new employees (including anti-corruption and GDPR), insights on compliance including extra material for competition law and sustainability, as well as GDPR trainings for everyone employed after 1 July 2017, competition law as well as more advanced GDPR-trainings for current employees in specifically chosen areas. Trainings conducted before 12 March 2020 were classroom trainings, trainings conducted after 12 March 2020 were online trainings.

Samsung Electronics Nordic has zero tolerance against any kind of corruption or bribery. All business decisions must be based on legitimate business purposes only and each employee must ensure to comply with all applicable anti-corruption and anti-bribery laws. Samsung Electronics Nordic has policies for anti-corruption, gifts, hospitality, samples, and donations.

In regards of data protection, Samsung Electronics Nordic applies privacy policies in order to provide transparent information to those affected by Samsung Electronics Nordic's personal data processing, and to protect these individuals from violations of their personal privacy. Samsung Electronics Nordic also has a Privacy Protection Manager who leads the local work on data protection and coordinates this with Samsung when necessary. A comprehensive General Data Protection Regulation (GDPR) compliance project regarding data processing has been implemented within the framework of the Samsung European GDPR project. This compliance effort involved implementation of additional policies and procedures within the field of data protection. The work regarding data protection within Samsung Electronics Nordic is ongoing.

Any compliance violations¹⁵ are usually reported upon request by management or through system monitoring or internal audits, and are managed by the Internal Audit & Risk and Legal teams. Follow-up and disciplinary actions may be taken according to the severity of the concerned issues. In 2020, no compliance violations regarding corruption and bribery, customer privacy or environmental laws and regulations were reported.

KPIs	2018	2019	2020	Comments
Number of employees who received compliance training (including anti-corruption and bribery)	287	85	345	For 2019, employees hired after 1 January 2017
Number of new employees who received the Compliance, Integrity, and Ethics training	53	34	345	
% of employees who received personal data protection/GDPR training	69 %	100 %	81 %	
Number of employees who received competition law training	-	170	345	
Number of substantiated complaints regarding breaches of customer privacy and losses of customer data received from regulatory agencies	-	-	-	
Number of incidents of corruption and bribery	-	-	-	
Number of incidents for non-compliance with environmental laws and regulations	-	-	-	

¹⁵ Operational compliance violations defined in GPPM



1.2.5 Protecting human rights

As a global corporate citizen, Samsung is aware of its fundamental responsibility to protect and respect the human rights of all its internal employees as well as in the supply chain. Samsung is committed to abide by the agreements and recommendations made by international organizations regarding human rights and we are continuously improving our policies to respect and protect human rights.

Samsung is a member of the RBA (Responsible Business Alliance) and has adopted the RBA common Code of Conduct¹⁶. The RBA Code of Conduct is a set of standards on social, environmental, and ethical issues in supply chains. In alignment with the UN Guiding Principles for Business and Human Rights, the provisions of this Code are derived from key international human rights standards including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. We seek to conform to the Code and its implementation methods across the company and our suppliers.

Moreover, Samsung has established a robust set of policies and guidelines to protect labour and human rights. These policies are based on:

- **Universal Declaration of Human Rights (UDHR)**
- **UN Guiding Principles on Business and Human Rights**
- **Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises**
- **UN Convention on the Rights of the Child**
- **International Labour and Organization (ILO) Declaration on Fundamental Principles and Rights at Work**
- **Responsible Business Alliance (RBA) Code of Conduct.**

Samsung constantly strives to fully implement the updated Business Conduct Guidelines which apply to all Samsung employees and includes amongst other topics guidelines for human rights management. At suppliers' facilities, we are committed to implementing our Supplier Code of Conduct through a number of activities, such as compliance trainings for suppliers, as well as evaluations and audits of supplier's facilities by external experts as part of our due diligence in the supply chain, through third-party audits.

Furthermore, Samsung has various policies in place to promote the rights of vulnerable workers such as the Child Labour Prohibition Policy, Migrant Worker Policy, and the Guidelines for Apprenticeship Training. These policies are implemented by awareness raising and training, by developing risk assessment tools, and by conducting regular on-site inspections and monitoring. These policies are managed on a global level and described comprehensively in our latest global sustainability report¹⁷. Samsung Electronics Nordic acts as a sales and marketing company for the Nordic market. Thus, Samsung Electronics Nordic has the greatest direct impact on human rights regarding our own staff, read more in chapter 1.2.2 Investing in our employees, where we describe how we work with employee development and well-being, number of employees, number of grievances, etc.

Human Rights Impact Assessment

During 2018 to 2019, Samsung carried out a Human Rights Impact Assessment (HRIA) of our Vietnamese operation (Samsung Electronics Vietnam) in collaboration with Business for Social Responsibility (BSR), a global non-profit organization specializing in human rights. Assessments of this kind are a step in the due diligence process proposed by the United Nations Guiding Principles on Business and Human Rights (UNGPSs), to minimize human rights violations. The assessment identified and prioritized actual and potential adverse impacts, and proposed measures for remedy. To learn more about our work with HRIA, please see the global sustainability report 2020¹⁸.

¹⁶ <http://www.responsiblebusiness.org/standards/code-of-conduct>

¹⁷ Samsung Electronics Sustainability Report 2020, pp. 32-39

¹⁸ Samsung Electronics Sustainability Report 2020, p. 36



Responsible supply chain

As a global company, we take the social, economic, and environmental issues related to our business very seriously. As a manufacturer, Samsung relies on collaboration with a diverse and complex network of suppliers. We follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We are members of European Partnership for Responsible Minerals (EPRM), a multi-stakeholder initiative set up within the EU Regulation framework on conflict minerals as an accompanying implementing measure. EPRM focuses on supporting the industry to comply with the regulation, increasing supply and demand for responsibly mined minerals, including by financing land projects to improve mining conditions.

As mentioned above, we are also members of Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. It strives to support the workers and communities affected by the global supply chain with their rights and well-being. RBA members commit to and are held responsible for a common Code of Conduct and have access to various educational and evaluation tools to continuously support and improve the social, environmental and ethical responsibility in their supply chains.

The cornerstone of Samsung's human rights and labour policies is in its Global Code of Conducts and Supplier Code of Conduct¹⁹, which describe standards of integrity that Samsung worksites and supply chain partners should meet respectively. Additional global policies and guidance are supported by a range of local

policies, where the risk of labour and human rights violations have been identified and which require specific mitigation measures.

As a part of our sustainability work and our global engagement, as well as to tackle human rights and environmental issues from cobalt mining in the Democratic Republic of Congo (DRC), Samsung launched together with partners in September 2019 the 3-year pilot project 'Cobalt for Development'. The program is a cross-industrial initiative started and financed together with Samsung SDI, BMW Group and BASF, led by GIZ and implemented locally by the NGO Bon Pasteur. The goal is to investigate how to improve living and working conditions for the local artisanal mines. Furthermore, the project strives to increase transparency and governance as well as improve implementation of collective measures to counteract social and environmental risks in the cobalt supply chain. In addition to performing environmental, health and safety assessments, the use of for example personal protective gear is increased. Also, access to education in economic literacy, agriculture and entrepreneurship is improved²⁰.

The suppliers which source tantalum, tin, tungsten and gold (i.e. so-called conflict minerals) are analysed and evaluated, to ensure they are acting in accordance with common industry standards. We require all of our suppliers to be RMAP-certified (Responsible Minerals Assurance Process). As of December 2018, 100% of our suppliers operative in the area are RMAP-certified. More detailed information regarding our efforts within the supply chain can be found in the global sustainability report for 2020²¹.

¹⁹ https://images.samsung.com/is/content/samsung/p5/uk/aboutsamsung/1_Samsung-Electronics-Supplier-Code-of-Conduct_ver3.0_180321.pdf

²⁰ Samsung Newsroom, 19 September 2019

²¹ Samsung Electronics Sustainability Report 2020, pp.102-103

Philosophy

We will devote our human resources and technology to create superior products and services, thereby contributing to a better global society.

Core Values



People

We value our people with a strong belief in "A company is its people" philosophy and providing opportunities to perform their full potential.



Excellence

We give our best efforts with endless passion and a challenge spirit to become world best in every ways.



Change

We rapidly take the initiative in executing change and innovation with risk awareness: we cannot survive if we do not constantly strive to innovate.



Integrity

We act in a right and ethical way in all manners, ensuring fairness with honor and grace.



Co-prosperity

We take full responsibilities as a good corporate citizen in pursuit of mutual prosperity with our community, nation and human society

Business Principles

- 1 We comply with laws and ethical standards.
- 2 We maintain a clean organizational culture.
- 3 We respect customers, shareholders and employees.
- 4 We care for the environment, safety and health.
- 5 We are a socially responsible corporate citizen.

1.3 Company overview

1.3.1 Management philosophy

At Samsung, we devote our human resources and technology to create superior products and services, thereby contributing to a better global society. To drive our sustainable growth and define our way forward, we are guided by the below business principles and core values, that also result in the Samsung Global Code of Conduct which all employees are guided by.

1.3.2 Business model and governance structure

Samsung Electronics Nordic began its operations in 1992 in order to act as a sales and marketing company for the Nordic market. Samsung Electronics Nordic is a fully owned subsidiary of Samsung Electronics Co. Ltd, South Korea, and embedded in the global Samsung network with 230 worldwide operating hubs in 74 countries, with around 287,439 employees (2019). Samsung Electronics Nordic pursues its operations via the limited company in Kista, Sweden, as well as through branches in Finland (Samsung Electronics Nordic Aktiebolag, Suomen Sivuliike), Denmark (Samsung Electronics, Filial af Samsung Electronics Nordic AB) and Norway (Samsung Electronics, Filial av Samsung Electronics Nordic AB).

Samsung Electronics Nordic sells TV and AV products, monitors, refrigerators, ovens, washing machines, dishwashers, SSD, smartphones, tablets, laptops, Chromebooks, wearables and accessories, etc.

Our customers are leading distributors and retailers of consumer electronics and IT products, for example retail chains and telecom operators. We also have our own online business channel. Most of our sales are in the consumer market; however, we also have a sizeable B2B segment.

Samsung Electronics Nordic purchases all products from Samsung factories outside of the Nordics and ships them either to the central warehouse in the Netherlands, to the Samsung Electronics Nordic warehouse in Sweden or directly to the customer. Samsung manufactures the majority of its products in-house. Most of the products are manufactured in China, Southeast Asia, South Korea, and Europe. More information on the global Samsung network can be found in the global sustainability report for 2020²².

Sales during the financial year amounted to 18 995 630 KSEK, which is an increase by 5.7 % compared to the previous year. Samsung Electronics Nordic's five departments report directly to the chairman and CEO. Samsung's comprehensive corporate governance report can be found in the global sustainability report 2020²³.

²² Samsung Electronics Sustainability Report 2020, p.4

²³ Samsung Electronics Sustainability Report 2020, pp.46-49



See you next year!