# Samsung Electronics Nordic AB: Norwegian Transparency Act report 2023

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## 1. Samsung Electronics' business structure and operations

Samsung Electronics Co., Ltd. is a South Korean multinational electronics corporation headquartered in Yeongtong-gu, Suwon, South Korea. As of the end of 2022, our global business network consists of more than 232 operational facilities including 31 own production sites, sales offices, R&D centers, and design centers in 74 countries worldwide and a workforce totalling 270,372 employees. We have 15 regional offices around the world, including our global headquarters in Korea, as well as in North America, Southeast Asia, Europe, Africa, and other regions. In 2022, Samsung reported a turnover of KRW 279.6 trillion and invested KRW 24.9 Trillion in research and development.

Supporting our success as a global leader in the manufacture of electronic products, Samsung is reliant on a network of 2,131 first-tier suppliers. Our website includes our <u>Supplier List</u>, which provides details of suppliers responsible for 80% of Samsung Electronics' transaction volume. Samsung Electronics Nordic AB began their operations in 1992 in order to act as a sales and marketing company for the Nordic market. It has 414 employees (2022) and is a wholly-owned subsidiary of Samsung Electronics Co. Ltd, South Korea and embedded in the global Samsung network. Samsung Electronics Nordic conducts its operations through a limited company based in Kista, Sweden, and through branches in Norway (Samsung Electronics, Filial av Samsung Electronics Nordic AB), Finland (Samsung Electronics Nordic Aktiebolag, Suomen sivuliike), and Denmark (Samsung Electronics, Filial af Samsung Electronics Nordic AB). In Norway, Samsung's presence consists of a sales and marketing branch of Samsung Electronics Nordic (i.e. Samsung Electronics, Filial av Samsung Electronics Nordic AB). Samsung Electronics Nordic purchases all products from Samsung factories outside of the Nordics and ships them either to its central warehouse in the Netherlands, to Samsung Electronics Nordic's warehouses in Sweden, or directly to customers.

During the financial year ending 31 December 2022, Samsung Electronics Nordic AB principal activities in Norway were NACE code 46.180 Agents specialised in the sale of other particular products (Agenturhandel med spesialisert vareutvalg ellers).

More information on Samsung's business operations and human rights due diligence approach can be found in the global sustainability report 2023.

Unless specified, references in this statement to "Samsung", "our", "us", or "we" refer to Samsung Electronics Co., Ltd. and its subsidiaries, Samsung Electronics Nordic AB in particular.

## 2. Norwegian Transparency Act

The Norwegian Transparency Act (NTA) entered into force on July 1<sup>st</sup>, 2022. It is intended to strengthen the impact of international guidelines and principles for responsible business, such as the UN's Guiding Principles for Business and Human Rights (UNGPs) as well as the OECD's guidelines for multinational enterprises. The law requires companies falling under a defined threshold in Norway to carry out due diligence assessments including in both their own business and their supply chain, publish an annual report of the due diligence assessments and respond to any reasonable request for access to information on human and labour rights in their own business and one's supply chain. Samsung Electronics Nordic AB is covered by the act.

More information on the Norwegian Transparency Act can be read in the legislation itself <a href="here">here</a>, and on the Norwegian Consumer Authority's <a href="website">website</a>.

# 3. Samsung's labour and human rights salient risks and measures taken

### a. Samsung's labour and human rights commitment and framework

We operate across vast geographies, including in locations where social, economic, and political factors may put human rights and decent working conditions at risk. We believe that respect for human rights is the best foundation to run our business and that it adds value to the Company. We are committed to making our best effort not to be complicit in or cause any human rights violations and to respect the human rights of every individual or group connected to our business with particular care for vulnerable and marginalized groups who may be impacted by our activities. In line with the UNGPs and OCED guidelines we are committed to prevent, mitigate, and address adverse human rights impacts and to provide timely and effective access to remedy where harm has occurred. This accounts for our own business activities, and we hold our suppliers and other business partners to this same high standard.

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

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



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

### **Human Rights Governance**

Strong governance is essential to successfully embed respect for human rights in our business operations. Samsung's human rights governance is centred on the Sustainability Committee under the Board of Directors, enabling the Board of Directors to closely monitor relevant companywide issues and determining strategic priorities into business decision-making, and the Labour and Human Rights Council, a cross-functional consultative body managing company-wide sustainability issues. The Sustainability Council headed by the CEO reviews and manages company-wide sustainability issues with those

in charge of sustainability in individual businesses. The issues discussed by the Council are reported to the Board of Directors and the Sustainability Committee.

Find a full overview of Samsung's sustainability governance structure including teams responsible for day-to-day activities in our global <u>sustainability report</u>.

#### **Transparency & Reporting**

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

See relevant Code of Conducts, policies, statements and sustainability reports on Samsung's sustainability website.

### b. Samsung's salient human rights risks

### **Identification of Actual and Potential Human Rights Impacts**

We identify actual and potential human rights impacts through diverse channels including: internal audits by in-house experts; assessments of specific human rights areas by regional employee relations experts; human rights risk analysis and human rights impact assessments by third-party human rights experts; reports of intergovernmental organizations and civil society organizations on geopolitical situation and human rights landscape; media reports; third-party audits based on RBA (Responsible Business Alliance) protocols; grievances and complaints filed by our employees and other right-holders as well as external stakeholders; and dialogues with human rights experts and external stakeholders including, but not limited to, investors, and industry associations.

### **Salient Human Rights Risks**

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

### Salient Human Rights Risks and Some Related Actions

Salient	Function	Actually or	Actions to prevent, mitigate, or address
human rights risks	in charge	potentially affected stakeholders	human rights risks
		stakenoiders	-Internal monitoring and third-party audits -Industry network engagement
			[Working hours] -Pre-building of new products prior to their official release -Regular review of working hours at our production sites and suppliers -Review of shift patterns, in compliance with our internal standards, at our production sites
Working hours and adequate standard of living	People Team Partner Collaboration Center	Our employees Workers in the supply chain	[Standard of living] -Commitment (in Samsung's Global Human Rights Principles (policy) to provide an adequate standard of living defines as 'remuneration for a regular workweek which satisfies the basic needs of workers and their family members who are directly dependent on them', accounting for Samsung's own operations and business relationships including suppliers -Calculation of living wage based on Anker methodology with third-party experts -Gap analysis between wages paid to 20 of our production sites and living wages -Leverage human rights training to help employees in key roles understand connection between excessive overtime and living wages
Forced labor and child labor	People Team Partner Collaboration Center	Our employees Workers in the supply chain	-Internal monitoring and third-party audits - Industry network engagement [Forced labor] -Development of tailored assessment tool for our production sites employing foreign migrant workers -On-site audits of our production sites and dormitories -Face-to-face interviews with foreign migrant workers on their working and living conditions [Child labor] -Employment management system -Age verification process -Capacity-building and training
Freedom of association and collective bargaining	People Team Partner Collaboration Center	Our employees Workers in the supply chain	-Internal and third-party audits -Reinforcement of relevant provisions in Code of Conduct -Labor and Human Rights Council overseen by the Board of Directors -Capacity-building and training - Dialogues and collaboration with employee representative bodies, including labor unions and Works Councils
Occupational health and safety	Global EHS Center Partner Collaboration Center	Our employees Workers in the supply chain	-Internal and third-party monitoring -Acquiring and retaining internationally recognized EHS certifications at all of our business sites -Establishing a monitoring system for all of our global production sites -Development and adoption of new protective gear -Safety capacity-building and training, fostering experts
Non-discrimination & diversity and inclusion	People Team Partner Collaboration Center	Our employees Workers in the supply chain End users/ Consumers Local communities/Society	-Internal and third-party audits -Internal DEI network -Capacity-building and training - Annual Employee Surveys (Samsung Culture Index) -Industry network engagement
Anti-harassment	People Team	Our employees	-Internal and third-party audits -Capacity-building and training

	Partner Collaboration	Workers in the supply chain	-Annual Employee Surveys (Samsung Culture Index)
Product responsibility including AI ethics	Center Corporate Sustainability Center R&D Teams at each Business Units Samsung Research	End users/Consumers	-AI Ethics Principles of fairness, transparency, and accountability -Guidelines on AI Ethics -Provision of AI models and data card templates -Online training and partnership -Commitment to prohibit misuse of products
Digital responsibility including privacy and freedom of expression	Information Security Center Global Privacy Office Communications Team Partner Collaboration Center	Our employees Workers in the supply chain End users/Consumers Local communities/Society	-Provision of products and services in compliance with Samsung Privacy Protection Principles (including transparency, security, and choice -Enabling freedom of expression in products and services
Environmental responsibility	Global EHS Center Partner Collaboration Center Corporate Sustainability Center	Our employees Workers in the supply chain End users/Consumers Local communities/Society	-Announcement of the New Environmental Strategy incorporating emissions reduction, new sustainability practices, and innovative technologies and products -Acquiring and retaining internationally recognized environment and energy certifications
Supplier responsibility	Partner Collaboration Center Purchase Teams Global EHS Center	Our suppliers' employees	-Responsible purchasing practice requirements in contracts and evaluations of suppliers -Internal and third-party monitoring -Regular verification of supplier data -Capacity-building and training
Responsible minerals sourcing	Partner Collaboration Center Purchase Teams Corporate Sustainability Center	Our suppliers' employees Local communities/Society	-Participation in grassroots projects -Capacity-building and training - Industry network engagement

# c. Human rights due diligence and measures undertaken in our own entities and subsidiaries

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

**Human rights due diligence:** In line with the UNGPs and the OCED MNE Guidelines, we work proactively to identify, prevent, and mitigate actual and potential adverse human rights impacts across all aspects of our business operations. Our due diligence includes engagement with various right-holders and stakeholders. We

integrate the findings from our due diligence activities in our internal processes to ensure that our policies and management systems remain aligned with the latest internal developments. We monitor the outcomes of the measures taken and report them to our internal and external stakeholders. We adjust the frequency and nature of assessment as deemed necessary based on changing conditions such as entry into new markets, on boarding of new suppliers, and newly identified human rights challenges in certain markets. Our activities include self-assessments, audits and topic-specific assessments—such as on responsible migrant worker management--led by internal experts, third-party RBA audits and more in-depth external assessments such as Human Rights Saliency Analysis (HRSA) and human rights impact assessment (HRIA) as well as topic-focused external assessments such as the effectiveness of our grievance channels.

Access to remedy: Samsung offers a variety of direct and anonymous grievance channels for individuals or groups that are adversely affected by our business operations (e.g. Samsung Electronics' Global Business Ethics & Compliance system (<a href="www.sec-audit.com">www.sec-audit.com</a>)). Grievances are promptly investigated in line with our internal procedure and timelines to seek effective and satisfactory remedies. Upon detecting human rights abuses, we investigate their root causes and change our systems, processes, and practices if deemed necessary to prevent the recurrence of similar cases. Our <a href="mailto:grievance channels">grievance channels</a> are open to internal and external stakeholders including our suppliers' employees and civil society organizations (<a href="mailto:civilsociety@Samsung.com">civilsociety@Samsung.com</a>). While most of our channels are operated at the corporate level, we also partner with third-party organizations in select countries to provide additional channels for our employees.

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

Training and development: To help our employees understand their rights and train managers and relevant departments on the implementation of human rights into business practices and everyday activities, Samsung conducts every year a range of different labour and human rights trainings tailored to different target groups. Those include trainings to HR professionals and procurement teams on human rights more broadly and conflict minerals management more specifically. We also lead internal global networks supporting us in further embedding human rights across the organization--ranging from a global Human Rights Champion network of more than 50 professionals to drive human rights awareness and activities within the organization to a global network of 150 HR Diversity & Inclusion Managers driving local buy-in, initiatives, projects and engagement. Further information on Samsung's human rights work in its own operations including figures can be found in the global sustainability report 2023 in the sections "Own operations" and "DEI".

# d. Human rights due diligence and measures undertaken for business relations and suppliers

**Policies and standards:** Complementing Samsung's Global Human Rights Principles (policy) and other human rights related policies, Samsung requests its suppliers to adopt our Supplier Code of Conduct and Guidelines, which is based on international human rights principles and which set of social, environmental and ethical industry standards. As a signatory of the UN Global Compact, one of the world's largest corporate

sustainability initiative, we adhere to its ten principles as well as to the Responsible Business Alliance (RBA) code of conduct against which audits in our supply chain across the globe are conducted. Our Global Purchasing Code of Conduct comprises the key requirements from the regulations and guidelines on purchase-related tasks and ethical obligations of employees in charge of purchasing. Samsung's Responsible Minerals Sourcing Policy sets expectations for its supplier and their subcontractors on responsible minerals management.

**Human rights due diligence:** Samsung closely cooperates with its suppliers and other business partners to address, prevent and mitigate risks as well as to provide and support the facilitation of access to remedy where harm has occurred. Samsung promotes long-term business partnerships based on the concept of continuous improvement, addressing human rights risks in collaboration with its partners. Responsible disengagement is part of human rights due diligence efforts where corrective actions and improvements are not possible.

#### First-tier suppliers:

- Samsung screens and selects new suppliers based on a set of evaluation criteria that include labour
  and human rights considerations. On-site audits are conducted for potential suppliers based on RBA
  criteria. In 2022, Samsung has complemented this process with additional surveys and interviews of
  prospective suppliers on the three essential items of forced labour, inhumane treatment, and
  discrimination to better protect the rights of workers from socially vulnerable groups. Once selected,
  new suppliers' contract clauses mandate compliance with internationally accepted labour and human
  rights standards.
- All supplier-related matters are handled through Samsung's integrated purchase system based on the Global Purchasing Code of Conduct and the Supplier Code of Conduct, operated by an organizational unit dedicated to comprehensive supply chain management. As part of our due diligence process, we operate an integrated work environment management process consisting of self-assessments, on-site audits, and third-party audits with a priority given to suppliers identified as high-risk. More targeted activities complement those efforts, such as special audits on forced and child labour to detect more severe violations as well as the development of a self-diagnosis tool to support suppliers in their responsible recruitment journey. Samsung requires improvement measures for violations detected in assessments and audits and monitors their implementation status.

Lower tier suppliers: Suppliers from the second tier and below are currently managed through first-tier suppliers in Samsung's supply chains in compliance with our internal work environment policy. For subcontractors with issues deemed to be of serious concern, we monitor via our first-tier suppliers whether remedial actions have been successfully implemented. Near our Suwon business site in Korea, Samsung offers capacity building programs which are free of charge to our tier 1 as well as tier 2 suppliers which cover topics including supply chain due diligence. In 2023, third-party audits will be performed on some second-tier suppliers on a pilot basis and the scope of suppliers gradually expanded. Investments are made by Samsung to improve payment conditions between first- and second-tier suppliers and second- and third-tier suppliers. Low-interest loans are provided for first- and second-tier suppliers to help achieve business stability and to enable on-time payment to subcontractors.

**Responsible minerals management:** Samsung identifies and remediates risk factors in relation to all of its mass-produced materials suppliers based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Samsung conducts inspections on the status of responsible minerals used, utilizing relevant industry reporting templates such as from the RBA's Responsible Minerals Initiative (RMI) and by conducting audits based on Samsung's Responsible Minerals Sourcing Policy.

Samsung only uses minerals from smelters certified by global, independent third-party organizations and requires its suppliers to extend the ban on conflict minerals to their subcontractors in accordance with Samsung's conflict minerals policy. Further information can be found in Samsung Electronics' Responsible Minerals Report.

Access to remedy: Samsung supports its suppliers in establishing and operating an internal grievance handling system to facilitate communication between the executive management and employees. We have operated a direct hotline since 2013 to collect reports on violations of the work environment criteria or human rights by our suppliers via telephone and email, among others, to complement on-site audits. We ensure the protection of informants' privacy throughout the entire grievance process so that employees at our suppliers can submit reports without fearing retaliation. Our organizational unit dedicated to grievance handling handles grievances in line with our internal protocol and timeline and monitors respective suppliers to ensure that they take remedial actions. Training and other measures are taken with the respective suppliers to support the prevention of reoccurrence. An informant satisfaction survey, operated since 2020, supports effective case handling and the integration of workers voices into the process.

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

Training and development: Since 2015, Samsung has hosted a range of compliance and human rights workshops and training sessions for the heads and working-level staff of our suppliers on a yearly basis, ranging from legal requirements, audit results and best practices of our suppliers as well as corporate culture to specific human rights and environmental topics outlined in the Supplier Code. To mitigate forced labour risks among suppliers employing migrant workers, Samsung has put in place the Responsible Recruitment Procedure training course to improve our suppliers' understanding relevant procedures and to help eliminate risks. In 2023, Samsung put forward ESG trainings, prioritizing to build suppliers' capacities in sustainability management in areas including climate action, resource circularity, human rights, compliance, and social responsibility. Legal compliance courses will soon become available also to our tier 2 and 3 suppliers that have signed a fair trade agreement with Samsung.

Further information on Samsung's human rights supply chain management including figures can be found in the global <u>Sustainability Report 2023</u> in the sections "Sustainability in supply chain".

## 5. Right to information

Under Norwegian Transparency Act (NTA) anyone has the right to inquire access to information on how a business in scope of the law addresses human and labour rights risks in its own business and business operations globally. This includes the general public including private individuals, businesses and journalists.

In line with the NTA, Samsung will respond to any information request being made within 3 weeks upon receiving. In some cases, there may be grounds for a postponed deadline, in which case the person inquiring will get information about why and when they can expect an answer. In certain situations, enterprises may reject the information requirement, but this must be justified. If the information requirement is rejected, a more detailed explanation can be requested within three weeks.

Any request for information as outlined above shall be made to: <a href="mailto:nta@samsung.se">nta@samsung.se</a>.

Eugene Chung

CEO

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