

Performance Summary

Economic Performance

		2016	2017	2018	Unit
Key Financial Performance		* Based on the consolidated financial statement			
Sales		201.9	239.6	243.8	KRW trillion
	Operating profit	29.2	53.6	58.9	KRW trillion
	Net income	22.7	42.2	44.3	KRW trillion
Sales by Business Division / Region		* Based on net sales			
Sales by Business Division (Absolute value)	Consumer Electronics ¹⁾	44.7	44.6	42.1	KRW trillion
	IT & Mobile Communications	100.3	106.7	100.7	KRW trillion
	Device Solutions_Semiconductor	51.2	74.2	86.3	KRW trillion
	Device Solutions_Display	26.9	34.5	32.5	KRW trillion
	Harman		7.1	8.8	KRW trillion
Sales by Business Division (%)	Consumer Electronics ¹⁾	20	17	16	%
	IT & Mobile Communications	45	40	37	%
	Device Solutions_Semiconductor	23	28	32	%
	Device Solutions_Display	12	13	12	%
	Harman	-	2	3	%
Sales by Region (Absolute value)	Americas	68.7	81	81.7	KRW trillion
	Europe/CIS	38.3	44.4	43	KRW trillion
	China	35.6	38.3	43.2	KRW trillion
	Korea	20.2	31.6	33.9	KRW trillion
	Asia/Africa	39.1	44.3	42	KRW trillion
Sales by Region (%)	Americas	34	34	34	%
	Europe/CIS	19	19	18	%
	China	18	16	18	%
	Korea	10	13	14	%
	Asia/Africa	19	18	16	%
Economic Value Distribution					
[Supplier] Procurement costs		127	135.2	156	KRW trillion
[Local Community] Social contributions		444	385	409	KRW billion
[Shareholder/Investor] Dividends		3,992	5,826	9,619	KRW billion
[Shareholder/Investor] Pay-out ratio		17.8	14.1	21.9	%
[Creditor] Interest expenses		588	655	675	KRW billion
[Employee] Remuneration		24	27.2	27.8	KRW trillion
[Government] Taxes and dues by region		8.9	15.1	17.8	KRW trillion
	Asia	19	10	6	%
	Korea	67	81	86	%
	Americas/Europe	13	8	7	%
	Others	1	1	1	%

Ratio of Economic Value Distributed in 2018						Unit : %
Supplier ²⁾	Local Community ³⁾	Shareholder & Investor ⁴⁾	Creditor ⁵⁾	Employee ⁶⁾	Government ⁷⁾	
63.2	0.2	3.9	0.3	11.3	7.2	

Footnote:

- 1) Changed the data from 2016 and 2017 according to excluding health & medical equipment business from CE business division
- 2) Cost of all products and services purchased by Samsung Electronics for its business operation
- 3) Sum of all social contributions made through donations and other expense accounts

- 4) Dividends paid
- 5) Interest expenses paid
- 6) Sum of salaries, severance payments, and welfare benefits included in the cost of sales, R&D costs and SG&A costs
- 7) Sum of consolidated income taxes, other taxes, and dues calculated on an accrued basis

Social performance indicator

External Contributions¹⁾

Contribution	Amount	Details	Others
Management plans for the Social Contribution Fund for 2018	KRW 12.21 billion	<ul style="list-style-type: none"> The Social Contribution Fund consists of voluntary contributions of employees and matching funds raised by SEC. SEC plans to contribute KRW 12.21 billion in matching funds in 2018. The contribution will be used for domestic and overseas volunteer programs as well as and local social contribution activities. 	The Board approved this action at the meeting held on January 31, 2018.
Samsung Dream Scholarship Foundation	KRW 1.12 billion	<ul style="list-style-type: none"> The contribution was made to support education of low-income high school students. 	
Chungnam Samsung Academy	KRW 2.742 billion	<ul style="list-style-type: none"> The contribution was made to improve education of the region. 	The Board approved this action at the meeting held on February
Donation of Electronics to celebrate Samsung's 80th anniversary	Approximately KRW 7.5 billion	<ul style="list-style-type: none"> Electronics were donated to about 1,500 social welfare centers to celebrate the 80th anniversary of Samsung. 	The Board approved this action at the meeting held on March 23, 2018.
Samsung Welfare Foundation	KRW 19.5 billion	<ul style="list-style-type: none"> The contribution was made to support education of low-income middle school students. 	The Board approved this action at the meeting held on April 26, 2018.
Samsung Life Public Welfare Foundation	KRW 41.5 billion	<ul style="list-style-type: none"> The contribution was made to support the Samsung Medical Center. 	
Ho-Am Foundation	KRW 4.0 billion	<ul style="list-style-type: none"> The contribution was made to support the Foundation's activities such as the Ho-Am Award. 	
Sungkyunkwan University	KRW 15.0 billion	<ul style="list-style-type: none"> The contribution was made to support Samsung Scholarship. 	
Smart Factory	KRW 60 billion	<ul style="list-style-type: none"> The contribution was made to support small- and mid-sized enterprises strengthen manufacturing competitiveness, foster talent, and achieve sustainable growth. 	The Board approved this action at the meeting held on July 31, 2018.
Samsung Software Academy For Youth	KRW 499.6 billion	<ul style="list-style-type: none"> The contribution was made to provide quality software education and support job seekers foster capabilities expected by companies. (Date: Dec 2018–Jun 2024) 	The Board approved this action at the meeting held on October 31, 2018.
2019 Annual Fundraising	KRW 25.2 billion	<ul style="list-style-type: none"> The contribution was made to fulfil corporate social responsibilities and help the marginalized. 	The Board approved this action at the meeting held on
Performance incentive to secondary suppliers of the DS division	Approximately KRW 4.32 billion	<ul style="list-style-type: none"> The contribution was provided to 89 suppliers of the DS division to improve safety accident prevention, boost productivity, and enable co-growth with suppliers. 	November 30, 2018.

Footnote:

1) External contributions are based on the resolution of Board

	2016	2017	2018	Unit
Empowering Society				
Total corporate citizenship management expenditures	444,789	385,571	409,636	KRW million
Total hours of domestic and global sites employee volunteer work hours	1,083,849	1,259,893	1,131,915	No. of hours
Volunteer hours per person ¹⁾	3.51	3.93	3.66	No. of hours
Corporate Citizenship Program				
Accumulated no. of Samsung Smart School beneficiaries	1,401,776	2,228,150	2,712,024	No. of persons
Accumulated no. of Samsung Smart School beneficiaries	74,192	85,388	113,395	No. of persons
Labor and Human Rights				
Total employees ²⁾	308,745	320,671	309,630	No. of persons
Global (Excluding Korea)	215,541	224,213	209,925	No. of persons
Korea	93,204	96,458	99,705	No. of persons
Employees by Contract Type				
Employees on permanent contracts	304,715	316,534	304,640	No. of persons
Employees on fixed-term contracts ³⁾	4,030	4,137	4,990	No. of persons
Employees by Age Group				
Under 30	172,272	171,877	150,565	No. of persons
30's	93,348	100,856	106,226	No. of persons
40 and older	43,125	47,938	52,839	No. of persons
Employees by Job Functions				
Product development	62,546	65,494	66,328	No. of persons
Manufacturing	194,669	203,076	187,326	No. of persons
Sales/Marketing	25,836	25,266	25,731	No. of persons
Others	25,694	26,835	30,245	No. of persons
Employees by Job Positions				
Staff ⁴⁾	248,415	256,944	240,135	No. of persons
Managers	59,014	62,406	68,156	No. of persons
Executives ⁵⁾	1,316	1,321	1,339	No. of persons
Employees by Region				
Korea	93,204	96,458	99,705	No. of persons
Southeast Asia/Southwest Asia/Japan	134,386	145,577	137,365	No. of persons
China	37,070	34,843	29,110	No. of persons
North America/Central & Latin America	25,988	25,814	25,630	No. of persons
Europe/CIS	14,445	14,711	14,681	No. of persons
Middle East	2,810	2,592	2,552	No. of persons
Africa	842	676	587	No. of persons
Employees by Region				
Global Turnover Rate Excluding Korea ⁶⁾	16.9	17.1	17.9	%
Turnover Rate in Korea ⁶⁾	5.5	2.3	2.3	%
Welfare and Benefit Expenditure in Domestic and Global Sites	3,459	3,813	4,096	KRW billion
Human Capital (Diversity and Employee Development)				
Employees who took childcare leave ⁷⁾	3,818	3,643	3,305	No. of persons
Employees who return to work after childcare leave ⁷⁾	93.8	94.4	95.9	%
Daycare center capacity ⁷⁾	2,905	2,905	2,980	No. of persons
No. of daycare centers ⁷⁾	14	14	14	No. of centers
No. of mentally/physically-challenged employees ⁷⁾	1,550	1,530	1,538	No. of persons
Ratio of mentally/physically-challenged employees ⁷⁾	1.7	1.6	1.5	%
Ratio of Female Employees ⁸⁾	44	45	43	%
Career Development				
Product development	17	18	17	%
Manufacturing	56	57	55	%
Sales/Marketing	29	30	31	%
Others	37	39	36	%

Footnote:

- 1) Total hours of domestic and global sites employee volunteer work hours / total employees
- 2) As of the end of the year, excluding supplier employees stationed in Samsung Electronics, those who are taking leave, interns, and those who are taking full-time degree courses
- 3) South Korea: Classified according to the law, Overseas: Contractor + apprentice

- 4) Including those working flexible work hours and other positions
- 5) Including the Vice President at global worksites
- 6) Ratio of employees who resigned against the average No. of employees during the concerned fiscal year
- 7) Scope of data collection: Domestic employees
- 8) Based on the total number of global employees

Social performance indicator

		2016	2017	2018	Unit
Labor and Human Rights					
Ratio of female employees by Region	Korea	25.3	25.3	25.2	%
	Southeast Asia/Southwest Asia/Japan	63.2	63.1	59.9	%
	China	41.4	39.5	40.3	%
	North America/Central & Latin America	34.9	34.8	34.4	%
	Europe/CIS	35.0	35.0	34.7	%
	Middle East	14.1	14.9	14.5	%
	Africa	32.5	33.6	36.5	%
Ratio of female employees by Job Positions	Staff	51.8	53.1	51.6	%
	Managers	12.7	13.2	14.2	%
	Executives ¹⁾	6.3	6.8	6.3	%
Career Development	Employees who received training ²⁾	477	463	488	10,000 persons
	Global (Excluding Korea)	368	327	346	10,000 persons
	Korea	109	136	142	10,000 persons
	Average training hours per person ³⁾	71	73.5	62.2	No. of hours
	Global (Excluding Korea)	67	68.3	57.1	No. of hours
	Korea	80	85.6	72.8	No. of hours
	Training Expenditures				
	Total training expenditures ⁴⁾	1117	1097	1,469	KRW100 million
	Training expenditures per person ⁵⁾	1,198	1,137	1,473	KRW thousand
	Training expenditure against sales ⁶⁾	0.06	0.05	0.06	%
	Training expenditures against remuneration costs ⁷⁾	1.1	1.0	1.2	%
	Employees who applied for re-employment through the Career Development Center ⁸⁾	6,400	6,924	7,126	No. of persons
	Employees re-employed through the Career Development Center ⁸⁾	5,508	5,886	6,187	No. of persons
	Employees re-employed through the Career Development Center	86.1	85.0	86.8	%
Investing in the Competitiveness of Our Suppliers					
Investment in the Win-Win Fund		8,232	8,228	8,339	KRW100 million
	1st-tier suppliers	6,015	6,173	6,113	KRW100 million
	2nd-, 3rd-tier suppliers ⁹⁾	2,217	2,054	2,226	KRW100 million
Supplier Incentive in Monetary Value ¹⁰⁾		368	653	821	KRW100 million
Attendees at Supplier Training		759	805	877	No. of suppliers
	1st-tier suppliers	664	632	589	No. of suppliers
	2nd-tier suppliers	95	173	288	No. of suppliers
Trainees at Supplier Training ¹¹⁾		13,089	16,209	18,777	No. of persons
	1st-tier suppliers	12,673	12,687	13,673	No. of persons
	2nd-tier suppliers	416	3,522	5,104	No. of persons
1st-tier Suppliers Supported for Their Innovation Initiatives		64	137	124	No. of suppliers
	Global (Excluding Korea)	19	22	26	No. of suppliers
	Korea	45	115	98	No. of suppliers
Beneficiaries of the Smart Factory Program ¹²⁾		479	487	0	No. of suppliers
	Samsung Electronics suppliers	39	66	0	No. of suppliers
	SMEs without business transactions with Samsung Electronics	440	421	0	No. of suppliers

Footnote:

1) Including the Vice President at global worksites

2) Based on online/offline training, including redundancy

3) Based on online/offline training

4) Scope of data collection: Employees in South Korea

5) Total training expenditure ÷ total No. of employees in South Korea

6) Total training expenditure ÷ consolidated sales

7) Total training expenses ÷ labor expenses

8) On an accumulated basis between 2001 and 2018

9) As of 2018, including 3rd tier suppliers

10) Supported a total of 224 suppliers in 2018, Correction of numerical errors in 2016 and 2017

11) Based on the total number of global employees

12) No. of beneficiaries in 2018 didn't included in 2018 performance. That's because the program in 2018 ended in May 2019

	2016	2017	2018	Unit
Responsible Management of Our Supplier Work Environment				
Third Party Initial Audit (Accumulated) ¹⁾	190	214	306	No. of suppliers
Third Party Closure Audit (Accumulated) ¹⁾	92	109	193	No. of suppliers
Responsible Sourcing of Minerals				
Onsite Inspections for Suppliers' Conflict Minerals Management	163	252	244	No. of suppliers
Comprehensive Supplier Evaluation				
Suppliers Evaluated ²⁾	83	89	91	%
Suppliers Rated Excellent	70	60	64	%
Ratio of ISO 14001-certified Suppliers ³⁾	86	86	87	%
Ratio of OSHAS 18001-certified Suppliers	39	32	37	%
Health & Safety				
Frequency Rate ^{4) 5)}	0.227	0.086	0.036	
Injury Rate ^{4) 6)}	0.044	0.017	0.008	
Compliance Management				
Employees who received compliance training ^{7) 8)}	210,229	260,032	214,450	No. of persons
Reports of the violation of business integrity ⁹⁾	628	608	375	No. of occasions
Reports of corruption	18	16	20	%
Reports of consumer complaints	52	42	32	%
Other	31	42	48	%
Employees who received anti-corruption training ¹⁰⁾	313,590	317,965	303,445	No. of persons
Responsible Marketing and Customer Relationship Management				
Ratio of CS Career Path (In-House Certification Program) Certified Employees ¹¹⁾	95	95.8	93	%
Customer Satisfaction	84	83.9	85.4	Point

Footnote:

1) Accumulated since 2013

2) All suppliers excluding those registered less than one years ago (annual registration) are subject to evaluations conducted in eight categories

3) Demand that suppliers comply with ISO 14001 or other corresponding standards in the standard contract form

4) Based on all domestic employees and employees at the overseas manufacturing subsidiaries

5) (No. of injuries ÷ No. of annual work hours) x 1,000,000

6) (No. of injured workers ÷ No. of workers) x 100

7) Scope of data collection: Employees in South Korea

8) Including redundancy

9) Based on the data collected from the Samsung Electronics business integrity website (sec-audit.com)

10) Based on the total number of global employees

11) Among all CS staff

Supplier Compliance by Key Third-party Verification Item¹⁾

	2016	2017	2018	Unit
Labor & Human Rights				
Management System	97	98	99	%
Prohibition of child labor	100	100	100	%
Protection of underage workers	100	100	100	%
Work hour management	83	87	84	%
Guarantee of one-day off per week	94	97	95	%
Wages and benefits	99	95	96	%
Humane treatment	98	100	100	%
Non-discrimination	100	100	99	%
Health & Safety				
Occupational Safety	98	96	96	%
Emergency preparedness	91	94	94	%
Occupational injury and illness	99	98	96	%
Physically-demanding work	100	100	96	%
Machine safeguarding	100	100	100	%
Food, sanitation & housing	98	100	99	%
Environment				
Pollution Prevention	100	100	99	%
Hazardous substance management	100	94	98	%
Wastewater/solid waste management	100	98	100	%
Air pollution	100	100	91	%
Restriction of product materials	100	100	99	%
Ethics				
Business Integrity	100	100	100	%
No improper advantage	100	100	99	%
Disclosure of information	100	100	99	%
Intellectual property	100	100	100	%
Protection of identity	100	100	100	%
Protection of personal information	100	100	99	%
Non-retaliation	100	100	100	%
Management System				
Company Commitment	100	100	100	%
Management responsibility	100	98	100	%
Risk assessment	100	88	92	%
Training	100	100	96	%
Communication	100	100	100	%
Employee feedback	100	100	98	%
Corrective action	100	96	98	%
Management of Business Improvement Goal	100	100	96	%

Footnote:

1) Figures that reflect the improvements made

Environment Performance Indicator

	2016	2017	2018	Unit
Product Stewardship				
Development of eco-friendly products ¹⁾	86	94	94	%
Eco Invention_Energy Efficiency				
Estimated GHG emissions reduction in the product ²⁾ use phase ³⁾	188	217	243	Million tCO ₂ e
Estimated GHG emissions reduction in the product ²⁾ use phase of the concerned year ⁴⁾	32,232	28,486	26,482	Thousand tCO ₂ e
Estimated reduction ⁴⁾ in energy consumption for products ²⁾	49	36	39	%
Eco Invention_Resource Efficiency				
Accumulated recovery of end-of-life products ³⁾	271	312	355	10,000 Ton
Recovery of end-of-life products in the concerned year	444,473	417,253	423,229	Ton
Asia/Oceania	127,911	140,814	142,111	Ton
Europe	262,942	220,015	226,616	Ton
Americas	53,618	56,424	54,502	Ton
Recycling				
Recycling of packaging materials ⁵⁾	7,911	9,619	13,934	Ton
Recycling of products ⁵⁾	82,867	92,195	95,856	Ton
Large appliance ⁶⁾	69,905	79,999	83,344	Ton
IT equipment ⁶⁾	7,217	5,831	5,008	Ton
Medium appliance ⁶⁾	2,597	2,421	3,464	Ton
Small appliance ⁶⁾	3,148	3,944	4,041	Ton
Conversion into resources ⁵⁾	71,528	79,579	82,739	Ton
Scrap metal	33,597	37,379	38,863	Ton
Nonferrous metal	12,456	13,858	14,408	Ton
Synthetic resin	20,286	22,569	23,466	Ton
Glass	1,482	1,648	1,714	Ton
Other	3,707	4,125	4,289	Ton
Consumption of recycled plastics	30,849	35,268	39,226	Ton
Adoption of recycled plastics	5	6	6.7	%
Operational Impact				
Environment and safety Investment	9,334	9,513	9,167	KRW100 million
Violation of environmental regulations	0	0	0	No. of violations

Footnote:

- 1) Product development projects rated Good Eco-Product or above
- 2) Scope of data collection: Seven major product categories (mobile phones, notebooks, TVs, monitors, refrigerators, washers, and air conditioners)
- 3) Accumulated since 2009
- 4) Average annual energy consumption against the average annual energy consumption in 2008

5) Scope of data collection: South Korea

6) Reclassified according to "Act for Resource Recycling of Electrical/Electronic Products and Automobiles" in South Korea

Environment Performance Indicator

	2016	2017	2018	Unit
Climate Stewardship				
Use of renewable energy	181.77	228.54	1,356.47	GWh
GHG emissions generated in the workplace ¹⁾	11,600	13,585	15,173	1,000tCO ₂ e
Scope 1 ²⁾	2,554	3,668	4,855	1,000tCO ₂ e
Scope 2 ³⁾	9,046	9,917	10,318	1,000tCO ₂ e
CO ₂	9,909	10,889	11,439	1,000tCO ₂ e
CH ₄	2	2	2	1,000tCO ₂ e
N ₂ O	264	343	322	1,000tCO ₂ e
HFCs	218	327	505	1,000tCO ₂ e
PFCs	1,115	1,847	2,737	1,000tCO ₂ e
SF ₆	92	177	168	1,000tCO ₂ e
GHG emissions intensity ⁴⁾	3.0	3.3	3.6	tCO ₂ e/KRW 100 million
Scope 3 emissions				
Emissions from suppliers ⁵⁾	6,326	7,038	7,952	1,000tCO ₂ e
Emissions from logistics	7,562	7,625	7,846	1,000tCO ₂ e
Emissions from business trips ⁶⁾	87	119	110	1,000tCO ₂ e
Energy consumption in the workplace	21,073	23,419	26,028	GWh
Power	16,587	18,450	20,558	GWh
Others	4,486	4,970	5,470	GWh
Energy consumption intensity ⁴⁾	5	5.7	6.2	MWh/KRW 100 million
Water and Wastewater Management				
Water consumption	104,253	120,618	134,230	1,000 Ton
Industrial water	62,986	67,708	78,837	1,000 Ton
Municipal water (tap water)	40,147	51,916	54,434	1,000 Ton
Underground water	1,120	994	959	1,000 Ton
Intensity of water consumption ⁷⁾	60	59	64	Ton/KRW 100 million
Wastewater discharge	81,716	95,919	107,699	1,000 Ton
Reuse of water	48,602	56,154	62,371	1,000 Ton
Rate of water reused	47	47	46	%
Supply of ultra-pure water for reuse	37,770	44,582	52,607	1,000 Ton
Recovery of ultra-pure water for reuse	15,529	16,358	17,513	1,000 Ton
Rate of recovery of ultra-pure water	41	37	33	%
Suppliers' water consumption ⁵⁾	64,407	65,487	67,934	1,000 Ton

Footnote:

- 1) Calculated in accordance with nation-specific GHG management guidelines, IPCC guidelines, and ISO 14064 standards
- 2) Direct GHG Emissions: the consumption of fuel including LPG/LNG, the process emission by fluorinated gas use, and so on.
- 3) Indirect GHG Emissions: the consumption of purchased electricity and steam
- 4) (Total emissions/total consumption/total generation) ÷ consolidated global sales ÷ price index, excluding the sales of the Display Business Division, price index: Producer price index that was announced by the Bank of Korea for the concerned year (basis: 2005 = 1)
- 5) Scope of the Data collection: The carbon emissions and water consumption of top 500 suppliers was examined, and then calculation were made in consideration of their respective share of business conducted with Samsung Electronics. (Changed the date from 2016 and 2017 according to the result.) Scope of the Data collection: The carbon emissions and water consumption of top 500 suppliers was examined, and then calculation were made in consideration of their respective share of business conducted with Samsung Electronics. (Changed the date from 2016 and 2017 according to the result.)

6) Scope of Data collection: Worksites in South Korea

7) Total consumption ÷ consolidated global sales, excluding the sales of the Display Business Division

	2016	2017	2018	Unit
Waste and Hazardous Waste				
Waste generation	1,078,309	1,146,812	1,210,521	Ton
General waste	728,905	760,463	813,831	Ton
Hazardous waste ¹⁾	349,404	386,349	396,690	Ton
Waste processed	1,078,309	1,146,812	1,210,521	Ton
Conversion into resources	1,022,686	1,088,979	1,157,621	Ton
Incineration (outside the Company)	26,622	32,301	31,377	Ton
Landfill (outside the Company)	29,001	25,532	21,524	Ton
Conversion of waste into resources	95	95	96	%
Pollutant Management				
Emission of air pollutants	2,062	1,311	1,060	Ton
NOx	635	685	616	Ton
SOx	196	69	55	Ton
Dust	1,197	509	281	Ton
NH ₃	27	38	95	Ton
HF	7	10	13	Ton
VOC emissions ²⁾	131	166	211	Ton
Discharge of water pollutants	3,055	3,190	3,797	Ton
COD	1,639	1,771	2,407	Ton
BOD	520	521	392	Ton
SS	598	497	649	Ton
F	253	386	337	Ton
Heavy metal	45	15	12	Ton
Consumption of ozone-depleting substances (CFC-eq) ³⁾	5	3	2	Ton
Workplace Chemicals Management ⁴⁾				
Consumption of chemicals ³⁾	321	364	417	1,000 ton
Leakage of major harmful substances	0	0	0	No. of occasions

Footnote:

- 1) Based on the calculation criteria adopted by the country of respective worksites
- 2) Correction of the calculation error in 2017 emissions
- 3) Scope of Data collection: Worksites in South Korea
- 4) Scope of data collection: changed the data from 2016 and 2017 due to reclassified according to PRTR (Pollutant Release and Transfer Registers) as of 2018