

# **Samsung SDS Supplier Code of Conduct**

**Version 2.3**

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## Introduction

Samsung SDS is a multinational group of companies headquartered in Seoul, South Korea. Samsung SDS, and its global customer base in consumer and business markets, have high standards about the conduct and work practices of Samsung SDS and its suppliers. Therefore, the Samsung SDS Supplier Code of Conduct (the "Code") establishes standards for suppliers (referred to individually as the "Supplier" and collectively "Suppliers" in this document) to ensure compliance with the standards that Samsung SDS requires and which are essential for mutual growth.

In particular, Suppliers shall ensure safe working conditions, treat its employees with respect and dignity, ensure all business operations are operated in an environmentally friendly and responsible manner, and conduct all of its activities ethically and in full compliance with all applicable laws, rules and regulations of the country in which the Supplier operates its business.

The Code is a mandatory requirement on the Supplier by Samsung SDS. The Code shall be adopted by all organizations that design, sell, manufacture, or otherwise provide goods or services related to the manufacturing process of Samsung SDS. All Suppliers shall adhere to the Code and ensure all of their direct or indirect sub-suppliers related to assembly, components, raw materials and packaging comply with the Code.

Suppliers shall self-monitor and demonstrate its compliance with the Code, and Samsung SDS may inspect the Supplier to evaluate whether the Supplier is complying with the Code.

Samsung SDS may revise the Code in accordance with changes in Supplier-related policies and standards, and may notify Suppliers of the revised Code through the Samsung SDS website and Supplier portal (Smart Together, Cello portal), etc.

If there are any conflicts between the Code and any other local regulations, the higher standard shall prevail.

# **1. Labor & Human Rights**

Suppliers must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community.

This applies to all workers including temporary, migrant, student, dispatch workers, and any other type of worker.

Workers must be legally entitled to work in the country in which they work, and must be granted the protections and rights granted to legal workers in that country.

## **1.1 Freely Chosen Employment**

All work must be voluntary. Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation.

Workers must not be required to surrender any government issued identification, passports, or work permits as a condition of employment.

In addition, labor conditions must be provided in written form to the workers in the language that they are able to understand.

## **1.2 Young Workers**

Child labor must not be used. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. If any child labor is detected, the Supplier shall immediately take required action steps. The Supplier shall immediately stop such child labor and improve the reviewing process regarding the age of the worker during recruitment.

Young workers over the legal minimum age for employment may be hired, however, young workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers,

including night shifts and overtime, or work longer hours than is permitted by local law.

### **1.3 Working Hours**

Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 52 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days.

### **1.4 Wages and Benefits**

Compensation paid to workers shall comply with all local laws, which shall include those relating to minimum wages, overtime hours and legally mandated benefits.

All overtime work must be voluntary under worker's consent.

In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Deductions from wages as a disciplinary measure shall not be permitted.

The basis on which workers are being paid and itemized earnings must be provided in a language that workers are able to understand, via pay stub, similar documentation or Supplier intranet.

### **1.5 Humane Treatment**

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment.

Suppliers shall define disciplinary policies and procedures in support of these requirements, and explain and train workers with respect to such policies and procedures.

## **1.6 Supply Chain Diversity**

Suppliers should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

In addition, unless medical tests are required under local laws or for workplace safety reasons, workers or prospective workers should not be subjected to medical tests that could be used in a discriminatory way.

It is necessary to create a culture of diversity and inclusion of workers in order to create an organizational culture in which all members can feel a sense of belonging and fulfill their original potential based on equal opportunities. In terms of diversity, discrimination should not be made on the grounds of minorities, the socially vulnerable, and other physical differences, and it is necessary to create an environment in which the workers can demonstrate their abilities within the company. This can also be achieved by working with partners with people from various backgrounds.

## **1.7 Freedom of Association**

In conformance with local law, Suppliers shall respect the right of all workers to form and join worker council or trade unions of their own choosing, and associate freely with other workers to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities.

Workers and/or their representatives shall be able to openly communicate and exchange views with Supplier regarding ideas and concerns about working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

## **1.8 Job training**

Suppliers shall provide opportunities for workers to receive the education they need in order to develop their capabilities, improve their work productivity, and improve their work satisfaction, including education that is essential for management. It is necessary to motivate workers to strengthen their self-development capabilities and provide education more actively.

## **2. Safety & Environment**

Suppliers recognize that activities that ensure the safety of workers is essential in all activities that take place in the course of business.

Suppliers shall strive to build and maintain a safe and healthy workplace according to the local laws and regulations.

Also, the Supplier shall recognize its potential to impact the environment and protect natural resources for the next generation, and use its best efforts to reduce its environmental impact.

### **2.1 Emergency Preparedness**

Potential emergency situations and events are to be identified and assessed in advance, and their harmful impact minimized by implementing emergency plans and response procedures including reporting, employee notification and evacuation procedures in case of emergency, worker training and drills to prevent emergency, exit facilities providing clear and unobstructed escape, appropriate fire detection and suppression equipment, and recovery plans.

### **2.2 Environmental Permits**

All required environmental permits, approvals and registrations required in the operation of the company are to be obtained, maintained and kept current, and their operational and reporting requirements are to be followed.

### **2.3 Pollution Prevention**

Emission of pollutants and generation of waste are to be minimized or eliminated at the source by practices such as adding pollution control equipment. When discharging substances that can cause air pollution, Suppliers must manage or process them in accordance with local laws before discharging. Suppliers must constantly monitor the processing efficiency of air pollution prevention facilities. Also, Suppliers are to look



for cost effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## **2.4 Occupational Safety**

Have effective knowledge of the industry, identify potential risk factors, and provide safe and healthy working environment.

In order to prevent Worker from potential exposure to safety hazards (e.g. chemical, electrical and other energy sources, fire, vehicles, and fall hazards), proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lock out/tag out), and ongoing safety training should be implemented and assessment of such measures should be processed. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards.

In addition, health checkups should be conducted so that workers can engage in healthy work activities and those subject to health care should be identified in advance. In addition, safety and health policies should be established and managed for the safety and working environment of workers.

## **2.5 Hazardous Substances**

Chemicals and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal. Supplier shall comply with local laws and regulations prohibiting or controlling the use of particular materials.

## **2.6 Health and Safety Communication**

Suppliers shall ensure the health and safety of workers in all activities carried out on the company's business, including product production. To

do this, suppliers shall strive to build and maintain safe and healthy workplaces in accordance with local laws and regulations.

This should include appropriate training to help employees understand health and safety related information sharing and the right work practices and judgments of employees, and they should be trained through periodic training.

Training should be conducted in a primary language that is used by workers, and relevant information should be posted in a prominent place on the premises.

## **2.7 Green purchasing**

By purchasing eco-friendly products, it can contribute to maintaining a pleasant life and quality of the environment by minimizing the impact on the human body and the environment in terms of consumption and efficiently using finite resources

### **3. Ethics**

Suppliers are to adhere to all local laws and regulations in its business activities. Samsung SDS requires Suppliers to uphold the highest standards of ethics.

#### **3.1 Business Integrity**

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, wrongful gain and embezzlement. All transactions must be made transparently and be accurately reflected in Suppliers' account books and business records.

Suppliers shall also implement monitoring and enforcement procedures to comply with anti-corruption laws.

#### **3.2 No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

Monitoring and related procedures shall be complied with to ensure compliance with anti-corruption laws.

#### **3.3 Intellectual Property**

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and Samsung SDS's proprietary information is to be safeguarded.

### **3.4 Protection of Identity**

Suppliers shall operate programs that ensure the confidentiality and protection of Supplier and employee whistleblower, unless prohibited by law.

Suppliers should communicate the relevant process for their personnel to be able to raise any concerns without fear of retaliation.

### **3.5 Information Security**

Suppliers shall make reasonable efforts to protect the personal information of everyone, including business partners, customers, consumers, and executives and employees, and the company's technology. In addition, Suppliers shall comply with information security laws and regulations in the collection, storage, processing, transmission, and sharing of information from individuals or companies.

In addition, as stability issues such as information and communication networks and other information assets held by organizations are emphasized, a system should be established to respond to external attacks such as information asset hacking, network intrusion, and situations that may occur in various disasters and risk factors, as well as failures caused by physical and human errors.

## **4. Management System**

The Supplier shall establish a management system in order to comply with not only the Code but also applicable laws, regulations and requirements of Samsung SDS or its clients, that integrates human rights and labor, health & safety, environment and ethics issues into the business decision making process.

Such system shall include clear objectives and goals, regular measurement and performance evaluations, as well as continuous improvement actions.

### **4.1 Company Commitment**

Suppliers shall disseminate internally and externally their willingness to implement the Code or similar level of social responsibility. Suppliers shall share their willingness to implement the Code or similar level of social responsibility within the company through the management's New Year's address, internal guidelines, company bulletin board, etc.

In addition, it is recommended that Suppliers announce the same outside the company by using its website, business report, and promotional materials, etc.

### **4.2 Corrective Action Process**

The Supplier shall have in place a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

### **4.3 Supply Chain Responsibilities**

All Suppliers doing business with Samsung SDS have the same obligation to faithfully fulfill their supply chain responsibilities as Samsung SDS.

This is not only because Suppliers have social and ethical responsibilities as a corporate community by virtue of their participation

in the supply chain, but also because it is possible to achieve more efficient and effective results through the efforts of the whole, not just the efforts of a single company.

Therefore, Samsung SDS and its Suppliers shall promise to voluntarily take part in social and environmental roles and responsibilities for the sustainable growth in the supply chain, and make efforts to establish healthier management systems.

Suppliers are responsible for ensuring that their subcontractors make efforts to implement the Samsung SDS Code of Conduct.

As required under this Code, this includes setting various requirements related to social responsibility in the selection and maintaining of Suppliers, and risk management through evaluation and due diligence so that their own sub-suppliers comply with the same.

## Document History

<b>Ver.</b>	<b>Description of changes</b>
1.0	Initially released June 2020
2.0	Released Mar. 2021: Minor language changes
2.1	Released June 2021: Minor language changes
2.2	Released Dec. 2021: Occupational Safety, Hazardous Substances, Health and Safety Communication added
2.3	Released Jan. 2023 : Add new item : Supply Chain Diversity, Job training, Green purchasing, Information Security,