

Sustainable Procurement Policy

Samsung SDS



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Clause 1 Objective

Samsung SDS Co., Ltd. (hereinafter referred to as 'Company') creates a sustainable supply chain ecosystem so that all of its business activities such as environment, labor and human rights, and corporate ethics can contribute to the growth of various stakeholders including customers and partners.

To build a sustainable supply chain, the Company formulates and adheres to a 'Sustainable Procurement Policy' in accordance with the principles of the United Nations Business and Human Rights (UNGPs), ILO (the International Labor Organization) Core Conventions, and the guidelines for multinational corporations, including the OECD's supply chain.

Based on this policy, the company manages the supply chain and promotes practical and long-term shared growth with partner companies.

Clause 2 Scope and application

1) This policy applies to all members, including domestic and overseas corporations, and all individuals and organizations that deal with the company must understand and comply with this policy in their business relationship with the company.

2) Company members must guide and cooperate to ensure that all individuals and organizations doing business with the company comply with this policy.

3) Exceptions to this policy are limited to cases where local laws explicitly permit it, and guidelines for compliance with this policy may be set separately according to local laws and circumstances in each country.

4) It is recommended that all stakeholders in the company's business relationship, such as partners and business partners, apply this policy.

Clause 3 Sustainable Supply Chain Management

In order to establish a sustainable supply chain, the company regularly and systematically checks and evaluates the ESG level of partner companies, and manages the overall business process from partner company selection to collaboration in compliance with ESG values.

The standards for checking and evaluating the ESG level of partner companies consist of four areas: labor human rights, safety environment, corporate ethics, and management system based on the code of conduct for partner companies (hereinafter referred to as "code of conduct") published separately by the company, reflecting important issues both domestically and internationally, It is revised annually.

The company receives a compliance agreement from partner companies once a year with the aim of agreeing to comply with the code of conduct for all selected as the company's partner companies.

Based on the Code of Conduct, the Company develops ESG evaluation items for partner companies and distributes them to all partner companies, and the partner companies conduct their own inspections once a year with evaluation items organized differently depending on the industry.

In addition, the company's win-win cooperation secretariat, which conducts independent verification for partner companies, visits the site directly to conduct on-site inspections to verify the level of ESG of the partner company. Matters that can be improved in the field will be corrected immediately, and other matters are being monitored for implementation measures according to the partner company's improvement establishment plan. In addition, it contributes to raising the ESG management level of partner companies by providing performance guides for improvement and conducting detailed training for each item separately.

Clause 4 Management of Climate Change Response

The company publishes a Climate Report every year to disclose transparent and reliable information related to the company's response to climate change and communicate with various stakeholders in order to reduce greenhouse gas emissions within the supply chain including partner companies.

The company defines the scope of climate change risk management as 'supply chain, workplace, products and services, customers', and manages it according to the process of 'climate change risk analysis → response strategy establishment → strategy execution → performance monitoring and improvement'.

The company encourages the supply chain to calculate and manage its own greenhouse gas emissions (Scope 1 for direct emission, Scope 2 for indirect emission), and supports training when necessary.

In addition, environmental evaluation criteria are presented in the code of conduct for partner companies and regularly checked. (2.2 Environmental Licensing, 2.3 Pollution Prevention, 2.5 Hazardous Substance Management, 2.7 Green Purchasing).

Clause 5 Labor Rights

The company strives to provide an inclusive working environment for members of the supply chain, including the company and its partners, actively respond to the international community's demands for human rights protection activities, and practice respect for human rights.

To this end, we comply with standards and regulations of international organizations and organizations related to labor and human rights, such as the UN Principles for Business and Human Rights (UNGPs), ILO (the International Labor Organization) Core Conventions, the Responsible Business Alliance (RBA) Code of Conduct, and the labor laws of the regions in which we operate.

In addition, in December 2023, we established the Diversity, Equity, and Inclusion (DEI) Secretariat and designated DEI managers for our headquarters and overseas subsidiaries. We formed a new global consultative body and established a human rights management promotion system.

[Human Rights Policy]

The company has established and implemented an 11-item human rights policy to guarantee the human rights of members within the company and supply chain. It protects workers' human rights at a level commonly used in the international community and guarantees their dignity, which applies to stakeholders such as temporary workers, migrant workers, trainees, dispatch workers, all forms of workers, partner companies, and business partners.

- 11 items: Voluntary labor, protection of local residents' human rights, protection of customer human rights, human rights in supply chain, prohibition of discrimination/provision of equal wages, freedom of association, humanitarian treatment, workplace safety/environment, prohibition of child labor, wages and welfare benefits, compliance with working hours

Through this, the company does not tolerate any form of inhumane treatment such as forced labor, child labor, physical/psychological repression, torture, discrimination, etc.

The company receives a compliance agreement from its partners to ensure that workers in the supply chain are not subjected to harassment or illegal discrimination and receive diversity guarantees. It presents standards on labor rights in the code of conduct of partner companies and regularly checks them.

(1.1 Voluntary work, 1.2 Minor workers, 1.3 Compliance with working hours, 1.4 Wages and welfare benefits, 1.5 Humanitarian treatment, 1.6 Supplier diversity, 1.7 Freedom of association, 1.8 Job training/training, 1.9 Foreign workers)



Clause 6 Support for strengthening ESG capabilities

The company supports its partner companies to strengthen their ESG capabilities in order to effectively respond to changes in the business environment in line with global standards such as the EU's supply chain due diligence guidelines and ESG management disclosure.

As part of the supply chain ESG management, the company plans and operates partner company ESG education and consulting programs. The company produces its own implementation guide that reflects the ESG management system and provides regular training, and uses external ESG specialized institutions to diagnose the level of ESG and consult for strengthening the capabilities of partner companies.

Clause 7 Allocation of Responsibility

The Win-Win Cooperation Secretariat is responsible for establishing sustainable purchasing policies and carrying out activities to improve the company's ESG performance. In addition, it is responsible for identifying best practices and improvement elements necessary to achieve the company's ESG policies and goals.

Clause 8 Policy Review

This policy is regularly updated by the Win-Win Cooperation Secretariat, and all details may be shared with stakeholders. Details related to the enactment, revision, and implementation of this policy can be determined by the Win-Win Cooperation Secretariat.

※ Supplementary Provisions

This policy will be enacted on March 28, 2025.

