SAMSUNG

Migrant Worker Policy

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Corporate Human Resources Team

Respecting and protecting human rights is a top priority for Samsung Electronics Co., Ltd ("Samsung") and is codified and enforced through Samsung's Code of Conduct. Samsung has a zero tolerance policy against workers paying fees for their employment.

Migrant workers are often vulnerable to the risk of forced, bonded, or indentured labor as well as human trafficking as they are seeking economic opportunities outside their own country due to unstable political or economic situation in their home countries. As a result, migrant workers have been identified as a key risk group who are at heightened risk for adverse human rights impacts. Consequently, this policy has been developed and updated to commit to the protection of migrant workers and support compliance with international standards and regulations within its worksites.

Samsung strongly supports the right of voluntary work and is committed to banning participation in, or imposition of, forced labor, bonded (including debt bondage) or indentured labor, involuntary or exploitive prison labor, slavery or trafficking of persons as articulated in the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Convention on the Protection of the Rights of Migrant Workers and Members of Their Families, The International Convention on Migrant Workers, the relevant conventions[1] by the International Labor Organization ("ILO") as well as stipulated in relevant legislations such as the California Transparency in Supply Chains Act and the UK Modern Slavery Act.

In addition, Samsung is committed to respect the fundamental human rights of workers including international human rights principles and standards set forth in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development's guidelines for multinational enterprises, the UN Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, and the laws of the countries in which we operate. Our respect of fundamental human rights does apply to all workers in an equal manner including migrant workers.

[1] ILO refer to "Forced Labour Convention, 1930 (No. 29)" and "Abolition of Forced Labour Convention, 1957 (No. 105)

As a dedicated member of the Responsible Business Alliance (RBA), Samsung is also committed to fully align with RBA's Code of Conduct[2], a core requirement that contains a set of standards on social, environmental and ethical issues in the electronics industry supply chain and the additional RBA Trafficked and Forced Labor – "Definition of Fees" policy.

Reflecting on the above commitment, Migrant Worker Policy (the "Policy") sets out minimum requirements for the ethical and transparent recruitment process, essential for the eradication of forced, bonded, or indentured labor and human trafficking of migrant workers.

Samsung shall review and update this Policy on a regular basis to ensure compliance with changes in applicable laws and regulations and to ensure consistency with Samsung's values.

1. Definitions

Forced Labor refers to all work or service which is exacted from any person under the threat of any penalty and for which the person has not offered himself or herself voluntarily.

A Migrant Worker refers to a person who either migrates within their country of origin (internal migration) or outside it (crossing an international border) to pursue employment.

A) A Foreign Migrant Worker refers to an individual that is recruited and migrates from their country of origin to another country where they are not a permanent resident for specific purposes of employment.

B) An Internal Migrant Worker refers to an individual that is recruited and migrates from their habitual place of residence to another state or province within the same country where they are a national for specific purposes of employment.

Employees refer to all workers including migrant workers employed by Samsung.

Sending Country refers to the country where the foreign migrant worker was born and resided in or the country where the foreign migrant worker was recruited.

Receiving Country refers to the country where Samsung's worksites are located or where the foreign migrant worker is employed.

[2] The most recent version of the RBA Code of Conduct is applied to the Migrant Worker Policy.

Recruitment fees refers to any fees or expenses in connection with securing employment, except for those that are payable by the workers in accordance with the definition of recruitment fees and costs under the RBA Code of Conduct and the RBA Trafficked and Forced Labor – “Definition of Fees” policy.

Recruitment Agency refers to labor recruiters, labor brokers, and any other third parties involved in the recruitment, selection, hiring, transportation, and/or in some cases management of migrant workers in either sending or receiving countries.

Native language is the language of the worker's country of origin or a language that the worker speaks and understands.

2. Scope

The Policy applies to Samsung's worksites as well as its suppliers. All our suppliers, including third party recruitment agencies, are to adhere to our Supplier Code of Conduct which includes "Freely Chosen Employment" provisions in line with the RBA Code of Conduct.

3. Requirement for Ethical Recruitment

3.1 Recruitment Fees

- Samsung shall ensure that its employees are not responsible for paying any fees or expenses for their employment, except for those that are payable by the employees in accordance with the definition of recruitment fees under the RBA Code of Conduct and the RBA Trafficked and Forced Labor – “Definition of Fees” policy.

- Any fees that should not be paid by employees under the RBA Code of Conduct and the additional RBA Trafficked and Forced Labor – “Definition of Fees” policy are found to have been paid by employees, shall be repaid to the employee.

- Samsung shall continuously work to ensure that its recruitment agencies do not impose directly or indirectly, in whole or in part, any recruitment fees on its employees and their employees who work at its worksitesduring their recruitment, hiring, employment and termination.

- Samsung shall regularly monitor fees, expenses, and any other costs related to recruitment through regular dialogue and communication between worksites management and employees and by auditing its recruitment agencies.

3.2 Employment Contract

- All employees must be provided prior to the start of employment with a written employment agreement in their native language that contains a description of terms and conditions of employment as prior agreed to by both parties.

- The written employment contract shall be explained verbally to foreign migrant workers in their native language to enable review and understanding prior to signing the employment contract and departure from the sending country.

- Employment contracts shall be signed by the foreign migrant workers directly and voluntarily without deception or threat of violence, and a signed copy of the contract by both parties will also be provided to foreign migrant workers in the sending country.

- Changes to the employment contract at any point during the foreign migrant worker's employment after signing the contract shall be prohibited. If there are any amendments to be made to the employment contract in line with applicable local laws, they must be clearly explained to the foreign migrant workers to get their full written consent before the amendments are formalized. If the foreign migrant workers do not agree with the change, they shall be provided with the choice to terminate their contract voluntarily without any penalty and be provided with coverage of expenses related to returning to the sending country.

3.3 Pre-departure and Post-arrival Training

- Samsung shall conduct pre-departure training toprovide foreign migrant workers a better understanding of their workers' rights and their working conditions prior to signing the employment contract in the sending country. Samsung shall furthermore conduct post-arrival training before commencing the employment of foreign migrant workers in the receiving country in their native language.

- If Samsung is unable to conduct the pre-departure training in the sending country, the recruitment agency shall conduct the pre-departure training using the training materials provided by Samsung.

3.4 Document Retention

- Samsung shall not hold any employees' identification, other personal legal documents (e.g. passports, government-issued identification, work permits, etc.) or vital possessions (e.g. wedding ring).

- Secure, safe and lockable storage for documents and other valuable items shall be provided to each foreign migrant worker and protected against unauthorized access. There shall be no barriers to storage access and stored items shall be freely and immediately accessible to foreign migrant workers at any time without restrictions or required permissions.

- If it is identified that workers' identification or other personal legal documents are being withheld by suppliers, Samsung shall request they be returned to the workers immediately. If suppliers refuse to return the identification or other personal legal documents , Samsung shall give suppliers commercial penalties up to the termination of the relationship.

3.5 Equal treatment

- To protect migrant workers' fundamental human rights, and other legal rights, migrant workers shall be provided with opportunities, treatment, working and living conditions, wage rates for the same job performed, insurance and any other benefits, equal opportunities for bonuses, shift arrangements, holidays, and regular and overtime hours equivalent to that provided for local workers without discrimination in the workplace, except where different requirements or standards are specified under applicable local laws or regulations.

- The cultural and religious identity of migrant workers shall be respected and protected. Specific attention shall be given to vulnerable groups such as ethnical minorities which are at heightened risk of identity loss and female migrant workers.

- Any behaviors of harassment or discrimination based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, nationality, sexual orientation, gender identity, union membership, or any other status protected by applicable local laws, are prohibited in all employment stages including recruitment, hiring, employment and termination.

3.6 Wages

- Samsung shall pay wages directly to its employees which are not less than the minimum wage prescribed by applicable local laws and regulations. The wages shall not be paid on the basis of piece work.

- The payment of wages shall be credited to the bank account of the employee no later than designated date of the following month by the facility. In case the employee does not have a bank account, the wage shall be paid in cash directly to the employee on the designated date of the following month.

- Samsung shall provide a wage statement in the employee's native language with an explanation of the basis on which employees are compensated including regular wage, overtime, bonuses, deductions, and other components if any. There shall be no unlawful deductions taken from the wages. If its employees have deductions on their wages, a full listing of deductions including a specification of the types and amounts of each deduction (if any) shall be specified on the wage statement.

3.7 Deposits

- No employee wage deposit or savings programs shall be operated unless required by applicable local laws and regulations. In the event of a legally required deposit or savings programs, the employees shall be able to freely access their account at any time. Samsung shall not have direct control of or access to the bank accounts of its employees.

3.8 Health and Safety

- Appropriate workplace health and safety training shall be regularly conducted in the native language of migrant workers. Samsung shall also provide appropriate and well-maintained personal protective equipment to migrant workers which has been approved by authorities and meets industry standards for their safety.

- Where dormitories are provided by Samsung for migrant workers, the dormitories shall be maintained so as to be clean and safe, and equipped with emergency exits, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges. Dormitory facilities shall have all relevant official permits related to health, safety and security, including fire protection, sanitation and electrical, mechanical, and structural safety.

3.9 Freedom of Movement

- There shall be no unreasonable restrictions on employees' freedom of movement in the facilities or accommodations, and excessive facility entry and exit restrictions shall not be imposed, except where necessary for worker safety.

3.10 Grievance Mechanism

- All employees have a right to have access to effective grievance remedies. To this end, Samsung shall provide confidential and effective grievance redressal mechanisms and allow for reports to be made anonymously. Samsung shall actively communicate these channels in their local language to the workers.

- Migrant workers shall receive equal access to existing grievance channels. The grievance channels shall be made available in the migrant worker's native language to enhance accessibility and migrant workers shall, like any other worker, be able to raise grievances without fear of discrimination, intimidation, retaliation, or any other penalty.

3.11 Repatriation

- Foreign migrant workers shall not be responsible for their repatriation cost upon completion of the employment contract or early termination of the employment contract if adequate notice as required under applicable local laws and regulations have been provided and in line with the RBA Code of Conduct and the RBA Trafficked and Forced Labor – "Definition of Fees" policy.

- Samsung shall consider providing for expenses related to foreign migrant workers return to the sending country in the event that foreign migrant workers resign without timely and reasonable notice due to extenuating circumstance such as critical illness or incapacity.

- The costs of repatriating foreign migrant workers in cases of termination for misconduct (including criminal activities), obtaining other employment or termination of the employment contract voluntarily of their own volition in the receiving country, or involuntarily termination for cause in accordance with internal disciplinary procedures will be borne by the foreign migrant worker. Legally required notice periods for these cases of termination shall be observed.

3.12 Termination

- Migrant workers shall be free to terminate their employment contract prior to the contract end date voluntarily without any penalty, threat of punishment, fines, or withholding wages or personal documents upon required notice as defined by applicable local laws and regulations, the employment contract, or a period of one month.

4. Implementation, Improvement and Assessment

- Samsung shall seek to hire migrant workers for its own operations directly whenever possible. When the subcontracting of recruitment and hiring is necessary, Samsung shall ensure that migrant workers are recruited through agencies that are certified or licensed by the relevant authorities in the sending and/or receiving countries.

- Samsung shall directly contract its recruitment agencies. The contracts shall include the terms and conditions on the prohibition of imposing recruitment fees and expenses on migrant workers by the recruitment agency. Samsung requires all its recruitment agencies to sign a formal letter agreeing to comply with this Policy.

- Samsung shall continue to conduct regular training and audits of its recruitment agencies to ensure that they understand the requirements specified in the contract and the Policy. If Samsung finds that recruitment agencies are not in compliance with the Policy, Samsung and the recruitment agencies will seek to take immediate steps to ensure compliance with the Policy in accordance with applicable laws, and regulations.

- Samsung shall ensure its suppliers work with its or governments certified or licensed recruitment agencies. If Samsung finds that suppliers are not in compliance with the Policy, Samsung and the supplier will seek to take immediate steps to ensure compliance with the Policy in accordance with applicable laws, and regulations.

- Samsung shall provide training programs for its employees, suppliers and recruitment agencies to give them a better understanding of migrant workers' rights and the requirements of the Policy.

- Samsung shall oversee and ensure the implementation of the Policy within its organization, suppliers and recruitment agencies.

※ Miscellaneous: In case of discrepancy and/or inconsistency between the English version and other language versions, the English version shall prevail.