

## Samsung Electronics Australia Pty Ltd Modern Slavery Act Statement 2020

### Compliance with mandatory criteria / Signing & approval requirements

#	Mandatory criteria <i>Modern Slavery Act 2018 (Cth), s 16(1)</i>	Page reference	Section references
a)	Identify the reporting entity.	2	Introduction
b)	Describe the structure, operations and supply chains of the reporting entity.	3-4	Organisational structure - business and supply chain
c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	4	Modern slavery risks in our operations and supply chains
d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	4-13	Actions taken to assess and address modern slavery risks
e)	Describe how the reporting entity assesses the effectiveness of such actions.	13-14	Measurement and performance standards to assess the effectiveness of our actions
f)	Describe the process of consultation with: (i) any entities that the reporting entity owns or controls; and (ii) in the case of a reporting entity covered by a statement under section 14 - the entity giving the statement.	14	Consultation
g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	14	Other relevant information
#	Signing and approval requirements <i>Modern Slavery Act 2018 (Cth), s 13(2)</i>	Page reference	Section references
h)	The reporting entity must ensure that the statement is approved by the principal governing body of the entity and signed by a responsible member of the entity.	15	Management approval and signing

## Introduction

Samsung Electronics respects the freedom and human rights to which all people are entitled. As such, we are committed to complying with local laws and regulations as well as applying a strict global code of conduct to all employees. We believe that ethical management is not only a tool for responding to the rapid changes in the global business environment, but also a vehicle for building trust with our various stakeholders. With an aim to become one of the most ethical companies in the world, our objective is to use our resources and the power of technology for the greater good of the environment, people and society.

This is Samsung Electronics Australia Pty Ltd's (ACN 002 915 648) (SEAU) first modern slavery statement (**Statement**) and complies with Australia's federal modern slavery legislation - the *Modern Slavery Act 2018* (Cth) (**Act**). SEAU is a reporting entity for the purpose of the Act. This Statement reflects on the risks of, and our activities to prevent, the occurrence of modern slavery in our operations and wider supply chain for the financial year 1 January 2020 to 31 December 2020 (being the "**reporting period**" for the purposes of the Act). This Statement will be filed with the Online Register for Modern Slavery Statements maintained by the Australian Border Force, which is accessible at the URL [www.modernslaveryregister.gov.au](http://www.modernslaveryregister.gov.au). Unless specified, references in this Statement to "**Samsung**", "**Samsung Electronics**", "**our**", "**us**" and "**we**" refer to Samsung Electronics Co., Ltd. (SEAU's parent company) and its subsidiaries.

## Key activities – 2020

This section is a summary of the key activities Samsung and SEAU have undertaken to assess and address modern slavery risks during the reporting period. During the reporting period, Samsung has:

- Updated its Child Labour Policy, Migrant Worker Policy and Global Code of Conduct.
- Developed an internal guide related to Migrant Worker Policy.
- Inducted 50 Human Rights Champions across our overseas subsidiaries.
- Provided workers' human rights education to 583 global supplier companies.
- Conducted special supplier audits on child labour and forced labour.
- Ranked 2<sup>nd</sup> for our efforts to address forced labour in KnowTheChain ICT benchmark.
- Ranked 6<sup>th</sup> in the ICT Manufacturing Industry of Corporate Human Rights Benchmark.

In addition to the actions taken by Samsung at a global level, during the reporting period SEAU has:

- Implemented an inaugural modern slavery compliance program, including:
  - conducting a company-wide identification project to identify key suppliers from a modern slavery risk perspective, and providing self-assessment questionnaires to seven key suppliers;
  - updating the onboarding process for new suppliers by including questions regarding modern slavery;

- updating standard services and supplier agreements to require counterparties to comply with applicable modern slavery legislation; and
- conducting training of new starters and existing staff regarding modern slavery risks.

## **Organisational structure - business and supply chain**

SEAU is an Australian proprietary company. The global electronics manufacturer, Samsung Electronics Co., Ltd., headquartered in South Korea, is the ultimate parent company of SEAU. SEAU does not own or control other entities within the meaning of the Act. Being part of the Samsung Electronics Co., Ltd. corporate group, SEAU is subject to global Samsung policies.

Samsung inspires the world and shapes the future with transformative ideas and technologies. Samsung is redefining the world of TVs, smartphones, wearable devices, tablets, digital appliances, network systems, and memory, system LSI, foundry and LED solutions. The business is organised across three independent business divisions: Consumer Electronics (CE), IT & Mobile Communications (IM), and Device Solutions (DS), and unlike many of our competitors which have limited or no direct manufacturing capability, Samsung is responsible for the manufacture of approximately 90% of the products it sells to consumers every year. Samsung has 230 operational facilities in 74 countries worldwide, including 36 production sites and a workforce totalling 267,937 employees. In 2020, we reported a turnover of KRW 236.8 trillion and invested KRW 21.2 trillion in research and development.

Samsung's success as a global leader in the manufacture of electronic products is underpinned by a network of 2,122 first-tier suppliers. We actively engage to support the competitiveness and sustainability of our supply chain, and provide guidance so that suppliers can operate in adherence to global laws and regulations to fulfil their social responsibilities. Our website includes our [Supplier List](#) which provides details of suppliers responsible for 80% of Samsung Electronics' transaction volume.

At a local level, SEAU's supply chains include SEAU's global affiliates that supply Samsung products to SEAU. SEAU's supply chains also include suppliers of call centre services, labour hire companies, logistics and transport suppliers, cleaning service providers, IT equipment suppliers, marketing firms and professional services firms, among others.

SEAU is the local entity. During the financial year ending 31 December 2020, SEAU's principal activities as part of its operations were as importer, distributor and retailer of consumer electronics, the marketing of consumer electronics and the purchase and sale of components and capital equipment. SEAU itself does not manufacture any products as it relies on other entities (including members of the Samsung Electronics Co., Ltd. corporate group) to supply Samsung products to SEAU. SEAU's business is organised across two main business divisions: Consumer Electronics (CE) and IT & Mobile Communications (IM). SEAU's operations are centred at its head office based in Sydney Olympic Park in the State of New South Wales, as well as at interstate offices in Melbourne (Victoria), Brisbane (Queensland), Perth (Western Australia) and Adelaide (South Australia). As at 31 December 2020, SEAU had a workforce of

approximately 400 people (comprising of SEAU employees and contractors who are employed by labour hire companies), the majority of whom were based at our headquarters at Sydney Olympic Park in the State of New South Wales. SEAU's turnover for the financial year ending 31 December 2020 was approximately AU\$2.77 billion.

## **Modern slavery risks in our operations and supply chains**

Using the modern slavery risk indicators set out in the *Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities (Commonwealth Guidance)*, SEAU has identified electronics as an industry with higher modern slavery risks. As stated earlier, SEAU obtains its products (including electronics) from other entities (including members of the Samsung Electronics Co., Ltd. corporate group). There are policies and procedures at a global level to ensure that Samsung maintains oversight of this higher risk area (these are set out in the following sections of this Statement - "Human rights and labour and other policies", "Partnerships and Collaborations", "Due diligence processes" and "Risk management systems").

At the local level, SEAU conducted a company-wide review of its existing suppliers deemed to be at greater risk of having modern slavery in their own operations and supply chains during the reporting period. As a result of this supplier identification task, SEAU identified that potential risks of modern slavery in SEAU's supply chains are in the industries of logistics, call centre operations and labour hire.

## **Actions taken to assess and address modern slavery risks**

At Samsung, we take a global approach to assessing and addressing modern slavery risks. As a company in the Samsung Electronics Co., Ltd. corporate group, SEAU complies with applicable global Samsung policies and processes. Therefore, this Statement refers to actions taken to assess and address modern slavery at a global level, as well as specific actions SEAU has taken at a local level.

## **Human rights and labour and other policies**

At Samsung our human rights and labour policies are influenced by the international human rights principles and standards set forth in the: Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs); Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises; UN Convention on the Rights of the Child (UNCRC); International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work; and the ILO Core Conventions. As an active member of the [Responsible Business Alliance](#) (RBA) since 2007, which was created by global electronics companies to improve working and environmental conditions, we abide by their [Code of Conduct](#). We also ensure that we comply with the laws and regulations of the countries where we conduct our business.

In an expression of our commitment to devoting our human resources and technology to create superior products and services, thereby contributing to a better global society, we translated our five [Samsung Business Principles](#) into detailed action plan guidelines in 2005. The principles serve as the foundation for our [Global Code of Conduct](#) in compliance with legal and ethical standards and the fulfilment of Samsung's corporate social responsibilities. To drive sustainable growth and define our way forward, we are guided by these core values, which are instrumental to the way our employees conduct business. In 2020, we added the following language to our Global Code of Conduct: "Samsung Electronics will respect the rights to freedom of association and collective bargaining and action in accordance with the local labour laws where our worksites operate in order to maintain and develop our cooperative labour-management relations based on mutual trust and integrity."

Samsung demands high standards of integrity from its suppliers to ensure they operate in adherence to global laws and standards in order to fulfil environmental and social responsibilities. Our [Supplier Code of Conduct](#) places a mandatory requirement on the supplier by Samsung to manage their work environment risks related to human rights, environmental health and safety (EHS) and ethics, in compliance with local regulations and global standards. Samsung supports its suppliers, where appropriate and practical, in their efforts to achieve compliance with the Code through various channels.

Additional global policies which demonstrate our commitment to responsible work practices, and which encompass issues relating to slavery and forced labour, include our Business Conduct Guidelines, Responsible Sourcing of Minerals Policy, and our Migrant Worker Policy. These policies are supported by a range of local policies where the risk of human rights and labour issue violations have been identified and which require specific mitigation measures. These policies are listed on [SEAU's Sustainability website](#), and further information on the responsible standards of performance and integrity we require can be found in our annual Sustainability Report (which is also available on SEAU's Sustainability website).

In 2019, SEAU finalised its Whistleblower Policy, which was designed to comply with new whistleblowing legislation in Australia which took effect on 1 July 2019. The Whistleblowing Policy is referred to on [SEAU's website](#) and a copy is available to eligible recipients upon request. We have also introduced training on whistleblowing rights and duties to new starters and existing staff members.

## **Partnerships and collaboration**

Samsung works with several civil society partners to realign its policies to ensure workers' rights and to lay the groundwork for our global human rights governance. In 2020, we amended our Child Labour Prohibition Policy, Migrant Worker Policy, and our Global Code of Conduct.

## **Child Labour**

In 2014, we collaborated with [The Centre for Child Rights and Business](#) (Centre), to create a child labour prohibition policy and a juvenile worker's policy that would apply to our Chinese work sites. We partnered with the Centre again in 2020 to amend and integrate the policies so that they could be extended to all of our business sites around the world, rather than only those in China. The policy makes it clear that we have a zero-tolerance policy for the use of child labour at all Samsung Electronics locations and across our entire supply chain. We also worked tirelessly to eliminate the use of child labour. For example, we developed the Remediation for Child Labour Guidelines in collaboration with the Centre to take corrective measures if a child labourer is discovered at any of our worksites.

## **Migrant Workers**

In 2016, we collaborated with Business for Social Responsibility ([BSR](#)), a global non-profit organisation specialising in human rights, to establish the Migrant Worker Policy. Since then, we've updated the policy to reflect developments in international standards relating to migrant workers, such as the concept of migrant workers and the appropriate ranges of job commissions as specified in the RBA Code of Conduct. Furthermore, the Migrant Worker Policy's provision prohibiting forced labour, which was previously limited to migrant workers, was extended to all Samsung Electronics employees.

To support our newly amended Migrant Worker Policy, we developed internal guidelines during the reporting period to provide detailed steps towards the effective implementation of international principles outlined in the policy, related examples and guidelines for HR team members and managers at recruiting agencies who are responsible for hiring and handling migrant workers at our workplaces. Those guidelines build on leading industry recommendations such as from the RBA, BSR and Institute for Human Rights and Business (IHRB). Starting from hiring and ending with the termination of the employment contract, the guidelines cover a total of 14 phases. Each phase is complemented with comprehensive guidance on identification, implementation and remediation.

## **Human rights impact assessment**

BSR's expertise was also used to support Samsung with its first human rights impact assessment (HRIA). Undertaken in 2018 and completed in 2019, the HRIA of Samsung Electronics Vietnam (SEV) was conducted in order to seek objective information about our business impacts, and as part of a wider global effort to align our internal practices with the United Nations Guiding Principles on Business and Human Rights: Protect, Respect, and Remedy.

The insights from the HRIA were of great value to Samsung, and action to turn learning into improvements were implemented. For example, during 2020, an external effectiveness assessment of the grievance resolution process at SEV was evaluated by [CSR Europe](#). The evaluation was based on the 'principles of ensuring the efficacy of non-judicial grievance mechanisms' specified in Clause 31 of the UNGPs. SEV received high evaluation scores in most areas and was recognised in particular for providing a variety of grievance reporting platforms and grievance resolution mechanisms that allow for open contact with employees and clearly define roles and responsibilities for grievance handling. SEV is continuing to make efforts such

as developing social networking platforms for grievance reporting, strengthening the hotline infrastructure, and reinforcing the promotion of grievance reporting channels to encourage a more accessible dialogue with its employees. Samsung continues to engage with the stakeholders involved in the HRIA.

## **Modern slavery and ethical recruitment**

We have continued our engagement with the International Organization for Migration ([IOM](#)). After delivering successful training programmes with them in 2019 in Malaysia and Hungary, we planned to host similar training in Poland in 2020. Unfortunately, the training was postponed due to COVID-19 and instead took place in May 2021. The two-day workshop under the theme of Modern Slavery and Ethical Recruitment, which was part of our ongoing effort to reduce the risk of forced labour in businesses and supply chains, welcomed approximately 50 participants from Samsung Electronics Poland, local suppliers, and business partners in Poland. All three locations selected for the training partnership employ migrant workers in their operations, and are therefore regarded critical to raise awareness on potential risks and the mitigation thereof.

## **Responsible minerals**

Samsung continues to invest in multi-stakeholder initiatives to support the use of responsible minerals. In 2019, we launched a project focused on sustainable cobalt mining, [Cobalt for Development](#), in cooperation with German International Cooperation Corporation (GIZ), Samsung SDI, BMW Group and BASF, in order to contribute to resolving the human rights and environmental issues arising from cobalt mining in the Democratic Republic of Congo. Our goal in this project was to improve the work environment and the living conditions of the surrounding communities impacted by regional mining. In 2020, Volkswagen joined as a new partner in the project, and together we opened a school for local children and have reached over 2,000 residents with our agricultural and financial education workshops.

Samsung works to source minerals responsibly and minimise the negative social and environmental impacts in mineral sourcing, through our work with global stakeholders and participation in global organisations such as the [RMI](#) (Responsible Minerals Initiative) and [EPRM](#) (European Partnership for Responsible Minerals). All suppliers that conduct business with Samsung comply with the requirements of our [Responsible Minerals Policy](#), and Samsung only uses minerals supplied by smelters that have obtained the [Responsible Minerals Assurance Process \(RMAP\) Certification](#), a reliable smelter certification scheme from the RMI.

In addition to committing to conflict-free minerals, we also manage the supply chain more broadly to monitor any mineral mining that has been raised as an issue with regard to human rights violations or environmental destruction. For example, we addressed the issue of underage workers in cobalt mines in the Congo, and mica mines in Madagascar and India, based on the OECD Due Diligence Guidance.



## Due diligence processes

Samsung strongly supports the UN Guiding Principles on Business and Human Rights (UNGPs), which places a responsibility on companies to undertake human rights due diligence. Based on these principles, we have established our own framework to identify, prevent, and mitigate risks threatening workers' rights that may occur across our business activities. We also endeavour to ensure our partners and first-tier suppliers undertake the same level of effort to respect their workers' rights. First-tier suppliers are required to assess their own vendors based on our Supplier Code of Conduct.



At Samsung we are actively reviewing and updating methods to conduct due diligence, including online audits, in order to create a sustainable and efficient due diligence framework in light of various social and environmental developments. This includes the changes brought about by the COVID-19 pandemic.

Our efforts to raise due diligence standards and practices that protect workers' rights was recognised in industry benchmark studies in 2020. We were ranked 2<sup>nd</sup> for our efforts to address forced labour in the [KnowTheChain](#) benchmark of ICT companies, and ranked 6<sup>th</sup> in the ICT Manufacturing Industry of [Corporate Human Rights Benchmark](#).

## Risk management systems

Across our global production worksites, and our suppliers' worksites, Samsung operates an integrated work environment management process to monitor and manage the work environment. The annual assessments required at our factories and at our suppliers are based on RBA standards, which are reflected in our Business Conduct Guidelines and our Supplier Code of Conduct. This section of the statement now examines the risk management systems at our production worksites, Australian subsidiary and suppliers.

### Samsung worksite management systems

For our own operations, we operate a system that identifies and monitors factors that can affect employee labour and human rights through a range of internal and external channels. Our worksite monitoring system supports the enforcement of labour and human rights and compliance management in areas such as working environment, workplace culture, operation of representative bodies, and management of suppliers. The system, provided in 12 languages, is instrumental in identifying worksites that need in-house expert consultation to strengthen capacity and improvements.

In 2020, many production facilities were in lockdown and many countries closed their borders to overseas travellers, posing great challenges to due diligence activities. However, we conducted [RBA Validated Assessment Program \(VAP\)](#) audits in five domestic sites and four overseas sites after carefully considering COVID-19 assessment in each country, the feasibility



of third-party assessment agency auditing, and the safety of our employees. As a result, a total of five sites including those in Indonesia, Thailand, and China received the RBA platinum grade by attaining the full score of 200 points, three sites acquired the gold grade, and one site acquired the silver grade.

### **Special worksite assessment**

After amending our Migrant Worker Policy, Samsung developed internal compliance guidelines that provide detailed methods to comply with the policy, related case studies, and precautions for HR team members and managers at recruiting agencies who are responsible for hiring and handling migrant workers at our workplaces. The guidelines were established based on industry best practices including from RBA, BSR and [IHRB](#). To assess compliance with these guidelines we undertook audits of the four regional subsidiaries that hire migrant workers (Malaysia, Slovakia, Hungary, and Poland). All of them were found to have followed the applicable policies and guidelines without incident. We plan to perform regular audits to assess the Migrant Worker Guidelines' compliance.

### **Corporate risk management structure**

Whilst efforts to manage the impacts and risks of labour and human rights are generally managed by local teams with the appropriate skills and competencies, oversight of Samsung's risk management systems on human rights and labour issues rests with our Global Labour Issues (GLI) Committee. The GLI Committee, which convenes bi-weekly to discuss labour and human rights issues, consists of executives and working-level employees from six functions (Human Resources Team, Investor Relations Team, Legal Office, Partner Collaboration Centre, Corporate Sustainability Centre and Global EHS Team). Any important matters that require measures and actions to take are escalated to the Sustainability Council, which consists of key executives, and then reported to top management.

### **Managing the working environment of our suppliers**

We have developed a self-assessment tool using 85 categories based on the RBA Code of Conduct and have distributed it to all our suppliers. Using this tool, our suppliers conduct a self-assessment once a year. We encourage suppliers to obtain international certifications related to the social responsibilities of companies such as SA8000, and we have incorporated this element as a self-assessment category.

### **Internal supplier audits**

On-site audits of our suppliers are conducted by designated independent assessment managers at Samsung. For thorough inspection of the working environment of our suppliers, we collect and examine the opinions of suppliers' employees and identify problems that need improvement. We record these problems in the GSRM system and suppliers draw up plans and implement measures to improve them. We advise our suppliers to take immediate actions wherever possible, and conduct audits to determine whether necessary steps have been taken within three months after issues have been flagged. For matters that require significant time and financial resources, such as facilities investment and certifications, we check the progress and monitor the improvements based on action plans developed by the suppliers.

In 2020, we conducted on-site audits on 376 suppliers considered to be of high risk. As a result of the implementation of improvement measures, the average compliance rate recorded was 95%. We consider high risk suppliers to be companies with geopolitical risks related to workers' rights or highly influential on such rights (i.e. suppliers that meet a specified amount of business volume and ratio in their transactions with Samsung Electronics, rank low in self-assessment, or have been mentioned in the context of work environment issues raised by stakeholders, such as NGOs).

## Special supplier assessments

In addition to our on-site audit programme, we conduct special assessments of suppliers.

**Child Labour:** We hold a zero-tolerance policy against suppliers that allow child labour (in its worst forms recognised by the ILO as one form of forced labour), which is why we hold an annual special audit on suppliers. Where violations are identified we require immediate corrective measures to be taken and will impose penalties in comprehensive evaluation of the supplier. In 2020, having investigated 177 suppliers, we found no evidence of child labour; however, we requested improvement to companies that had a weak hiring process, such as exempting ID verification.

**Forced Labour:** In 2019, we conducted a special investigation of forced labour claims, where issues regarding work environments and migrant workers were raised. From January to April 2020, we visited 26 local suppliers to provide customised consulting to address vulnerabilities and follow up on status improvement measures.

Responding to stakeholder concerns relating to the Human Rights Commission's report into working conditions, we reiterated the position outlined in our Supplier Code of Conduct (Section 1,1, Freely Chosen Employment) – Samsung prohibits its suppliers from using all forms of forced labour and requires that all employment be freely chosen. As a member of the RBA, Samsung conforms to the RBA Code of Conduct and its implementation methods, including enabling due diligence across the company and our suppliers. Together with the RBA, we are committed to upholding the labour rights of workers in supply chains throughout the world and take this matter very seriously. The RBA assisted its members in conducting due diligence in line with international standards related to this matter. We found no evidence of any forced labour in the production lines related to Samsung products at this point. We know, however, that the current due diligence process on human rights and forced labour may not be perfect. Therefore, we continue to conduct due diligence and will address findings where necessary.

## External supplier audits

Although COVID-19 posed considerable challenges in conducting work environment audits in 2020, 78 third-party audits were conducted globally. The results found that our suppliers' compliance rate in 2020 was similar to that of last year and that efforts to improve the working environment were well in progress. Where violations were found during an initial third-party audit, we require our suppliers to provide a detailed plan for corrective measures, and follow up on the status of required improvements during the closure audit. In cases where

improvement measures on key areas of violation take a prolonged period of time, we continually collaborate with our suppliers to ensure that the necessary corrections are made.

### **SEAU domestic efforts**

In addition to the actions taken by Samsung at global level, during 2020 SEAU's domestic efforts included conducting a company-wide review of its existing suppliers deemed to be at greater risk of having modern slavery in their own operations and supply chains. As a result of this supplier identification task, SEAU sent modern slavery questionnaires to seven key suppliers and carefully considered their responses. These key suppliers operate across a range of industries, including logistics, call centre operations and labour hire (among others). To date, no non-compliance with the Act has been identified. The ability to conduct on-site audits of these suppliers was curtailed due to the COVID-19 pandemic. Depending on the progression of the COVID-19 pandemic in Australia, SEAU may look to introduce more 'on the ground' supplier due diligence measures as part of its 2021 modern slavery compliance program.

In addition to the above work in relation to existing suppliers, in 2020 SEAU strengthened its procurement practices in order to ensure that all new suppliers are required to provide pertinent information in relation to the risk of modern slavery occurring in their operations and supply chains prior to those suppliers being on-boarded with SEAU.

In addition, SEAU updated its precedent master services and trade agreements during this reporting period to require compliance with applicable modern slavery legislation as a pre-condition of new suppliers commencing business with SEAU.

### **Remediation**

Samsung's global grievance handling mechanism not only seeks to identify adverse human rights impacts that the business enterprise may cause or contribute to, but also complaints, demands, and suggestions about the work environment. To achieve this, we operate various channels for receiving grievances and complaints depending on the characteristics of each Samsung worksite, including the hotline call, online and offline channels, and our employees' representative bodies. For migrant workers, we provide materials about the grievance resolution procedures in their native languages, making the grievance resolution more accessible and more effective.

Samsung publicly reports the number of worksite grievances it receives in its annual Sustainability Report. In 2020, as a result of the COVID-19 pandemic, offline grievance submissions decreased from 43% to 28%; however, virtual channels such as online channels and hotline calls increased. Furthermore, we saw a rise in complaints about the healthy working climate, such as requests to increase disease prevention activities at our workplaces and improve the working environment to comply with the social distancing restrictions. We are working to reduce the obstacles our workers face as a result of COVID-19, attempting to address any issues that have arisen at our workplaces and assisting them in overcoming their personal difficulties.

We also support our suppliers in establishing and operating an internal grievance handling system to facilitate communication between the management team and employees. As an

extension of this effort, we have been operating a direct hotline since 2013 to receive reports on suppliers' issues of work environment standards or workers' rights to supplement the on-site audits. Reports are submitted via landline, email, or mobile phone, and posters that provide guidance to the hotline system in the appropriate local languages are displayed at the workplace, including offices, hallways, manufacturing sites, dormitories, and cafeterias. All reports go through a fact-check within a week, and we update the grievant with a plan of improvement and track the status of corrective measures on the part of the supplier.

In 2020, the most frequent complaints reported were regarding managers and wages, which we swiftly addressed through appropriate training and reinforcement of communication with suppliers. We have confirmed that improvements were made in these areas. In particular, we resolved the issue of unpaid wage claims by interviewing the departed worker and the hiring agency and paying out the correct amount owed. This confirmed the effectiveness of our hotlines in addressing grievances, seeing that it has become a sufficiently accessible channel through which even retired workers could reach out to us.

In addition, in order to establish a more reliable grievance handling system, we collected opinions on the improvement of the hotline system from suppliers and conducted informant satisfaction surveys. The results found that the identity of the grievant were protected and that all measures were satisfactorily handled. We will continue to further improve this system in working with suppliers.

## **Training and capacity building**

In 2020, Samsung worked in collaboration with BSR to create a workers' rights training course for all employees. The course covered topics such as: workers' rights that all employees are entitled to; the value of workers' rights; the company's and employees' responsibility to ensure workers' rights; and, how to protect workers' rights at work. However, depending on the learner's job status, the course could include additional learning materials.

Due to COVID-19, we concentrated on offering the course at all South Korean workplaces as well as overseas sales offices and R&D centres where online education was possible. As a result, 100% of employees in South Korea and 95% of employees in sales and R&D centres in other countries have completed the labour and human rights training.

In 2021, the labour and human rights training for our overseas production sites, which were postponed due to the COVID-19 pandemic, resumed under strict COVID-19 safety precautions.

Complementing our worker's rights training for employees, in 2020 we selected 50 employees from our overseas subsidiaries and trained them as Human Rights Champions. After completing the Human Rights Expert Course, co-designed by Samsung and BSR, and passing the final exam, the Champions were competent to lecture on human rights at each of their worksites and identify potential human rights related risks and provide relevant advice.

Human rights experts at our European human resources arm, Europe Employee Office (EEO), conduct regular webinars on major human rights issues around the world and their consequences, and exchange facts and expertise on human rights, helping our Human Rights Champions to fulfil their positions as human rights experts for the Samsung community.

Samsung Electronics identifies areas of weakness in our suppliers and provides support to make improvements. In 2020, we provided workers' rights education covering various topics including mutual respect, humane treatment, and anti-discrimination to our global suppliers. A total of 583 supplier companies and 977 human resources staff were trained either online or offline depending on each country's status of COVID-19.

As part of our conflict minerals management approach, we provide both online and offline training for staff responsible for global procurement. Conflict mineral online training sessions are mandatory for our employees. In 2020, 2,188 employees completed this training.

Our Conflict Minerals Management Guidance includes a [Conflict Minerals Policy](#) we share with suppliers. Over the past five years, we also provided training for a total of 2,281 suppliers at all levels. In addition, we offer separate training sessions for suppliers found to have vulnerabilities during on-site assessments to support them in closing those gaps.

For its part, in 2020 SEAU added modern slavery training in its induction training (for new starters) and annual compliance training (for existing staff members). Due to the COVID-19 pandemic, training of new starters and existing staff regarding modern slavery risks was rolled out online rather than in person. Depending on the progression of the COVID-19 pandemic in Australia, SEAU may look to introduce more face to face training as part of its 2021 modern slavery compliance program.

## **Measurement and performance standards to assess the effectiveness of our actions**

Samsung assesses the effectiveness of its actions in a variety of ways, including:

- monitoring the number of worksite grievances it receives for the purposes of publishing what it is doing in the annual Sustainability Report; and
- (in relation to our suppliers' progress on establishing and implementing their own internal grievance handling systems and our direct hotline to receive reports on suppliers' issues), tracking the status of corrective measures on the part of the supplier.

As reported in previous statements, Samsung conducts third-party supplier audits and monitors and reports performance against five established indicators: labour and human rights, health & safety, environment, ethics, and management systems. Audit results found that our suppliers' compliance rate in 2020 was similar to that of last year and that efforts to improve the working environment were well in progress.

Third-party supplier audit results	2018	2019	2020
<b>Total</b>	96%	96%	95%
<b>Labour &amp; Human Rights</b>	95%	93%	92%
<b>Health &amp; Safety</b>	96%	97%	95%
<b>Environment</b>	96%	98%	99%
<b>Ethical</b>	99%	99%	98%
<b>Business Management System</b>	96%	96%	94%

Finally, Samsung values the opinion of external stakeholders and promotes a number of reporting channels to enable constructive dialogue and engagement on work environment standards or the infringement of human rights at our worksites, and our suppliers' worksites. We operate the Samsung Electronics' Global Business Ethics & Compliance system ([www.sec-audit.com](http://www.sec-audit.com)), corporate hotline (+82-2255-0114), and global communication address ([civilsociety@Samsung.com](mailto:civilsociety@Samsung.com)), to listen to the opinions of various external stakeholders. We continually evaluate the effectiveness of our internal and external grievance procedures, and seek to improve accessibility and system design where necessary.

## **Consultation**

Consultation with other reporting entities or entities within the meaning of the Act is not relevant as this Statement is not a joint statement and SEAU does not own or control any other entities.

## **Any other relevant information**

Globally, Samsung has complied with reporting requirements for modern slavery in other jurisdictions. Samsung Electronics (UK) Ltd has published four modern slavery statements under the UK Modern Slavery Act.

### **Impact of COVID-19**

Like many global corporate groups, Samsung has been impacted by COVID-19. We have had to divert resources to addressing the immediate effects of the COVID-19 pandemic and change some ways in which we assess and address modern slavery risks during this reporting period. As we mentioned in the subsection "Modern slavery and ethical recruitment" and "Training and capacity building", we had to delay some training originally planned for 2020 to 2021 due to COVID-19. Some training has been conducted online instead of in-person due to COVID-19 restrictions in some areas. Additionally, as per the subsections "Due diligence processes", "Samsung worksite management systems" and "internal supplier audits", some of the due diligence activities we completed were impacted by the consequences of COVID-19 such as lockdowns and closed borders – for example, we had to consider the COVID-19 assessment in each country and our employees' safety when determining which sites we would audit during 2020.

## Management approval and signing

Samsung welcomes the opportunity to report on our efforts to combat slavery and human trafficking in global operations and supply chains. Slavery and human trafficking are an abuse of a person's freedoms and rights and these practices should be eradicated. As a responsible business we aim to ensure that our employees and suppliers do not in any way support these activities, and we will continue to review and develop our management systems to mitigate such risks. This Statement reaffirms the high priority we place on respecting and protecting the human rights of all people, and that these values are at the core of our labour practices. Further information on our labour and human rights practices can be found on [Samsung.com](https://www.samsung.com).

This Statement was approved by the Board of Samsung Electronics Australia Pty Ltd on 28 June 2021. It complies with the requirements set out in the Modern Slavery Act 2018 (Cth).



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**Mr. Kyung Hwan Cha**

Director & President - IT & Mobile Communications  
Samsung Electronics Australia Pty Ltd  
28 June 2021



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**Mr. Wonhee Kim**

President - Consumer Electronics  
Samsung Electronics Australia Pty Ltd  
28 June 2021



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**Mr. Jin Gab Kim**

Director & Chief Financial Officer  
Samsung Electronics Australia Pty Ltd  
28 June 2021