

SAMSUNG C & T CORPORATION

Modern Slavery Statement 2020



Introduction

This *Modern Slavery Statement 2020* has been prepared on behalf of Samsung C&T Corporation (“Samsung C&T”).

Samsung C&T is committed to mitigating the risk of modern slavery occurring within its business, supply chains and business relationships.

Samsung C&T understands that modern slavery can take many forms and is committed to increasing awareness within its workforce of exploitative practices including human trafficking, forced labour, servitude, deceptive recruiting and child labour.

Samsung C&T does not tolerate modern slavery and will not knowingly engage in modern slavery with any consultants, suppliers or contractors.

Purpose

Samsung C&T is committed to having a robust framework and processes in place to minimise the risk of modern slavery in its business operations and supply chains.

Our Structure

Samsung C&T Corporation, which is not incorporated in Australia, (ABN 49 160 079 470) is a branch of Samsung C&T Engineering and Construction Group.

Samsung C&T Corporation was established in Australia in 2012, participating in major infrastructure construction projects.

The Samsung Group is a South Korean multinational conglomerate headquartered in Samsung Town, Seoul, South Korea. It comprises numerous affiliated businesses, most of them under the Samsung brand.

Notable Samsung industrial affiliates include:

- Samsung Electronics (information technology company, consumer electronics maker and chipmaker);
- Samsung Heavy Industries (shipbuilder);
- Samsung Engineering and Samsung C&T Corporation (construction);
- Samsung Life Insurance; and
- Cheil Worldwide (largest advertising agency).

Samsung C&T Corporation (Construction & Trading Corporation) (formerly Samsung Corporation) was founded in 1938 as a parent company of Samsung Group to engage in overseas sales operations.

Since 1995, it has been largely focused on global engineering and construction projects, trade and investment, fashion and resorts. We are governed by an 11-member Board of Directors, made up of the President and CEOs of its four working groups (Engineering & Construction, Trading & Investment, Fashion, and Resort), the corporation's CFO, and six independent members.

Samsung C&T Engineering & Construction Group specialises in engineering, procurement, and construction.

Our Commitment

Samsung C&T Corporation acknowledges that it will:

- Address identified modern slavery instances when they occur; and
- Seek to prevent or mitigate any identified modern slavery instances/risks that are linked (directly or indirectly) to its business operations even where it has not knowingly or directly contributed to these.

Reporting Period

This statement is made in respect of the period ended 31 December 2020.

Operations and Supply Chains

Samsung C&T's registered address and principal place of business is Level 2, 44 Market Street Sydney NSW 2000.

Samsung C&T currently forms part of the Acciona, Samsung, Bouygues Joint Venture ("The contractor"), delivering the WestConnex M4-M5 Link Tunnels New South Wales.

This Joint Venture has local procurement personnel on the project who are in charge of procurement operations, category management, subcontractor relationships and strategic sourcing. This procurement and commercial team report into the Joint Venture project leadership.

There are 108 Samsung C&T employees who are employed in various roles across the project.

The contractor engages with various local and overseas suppliers who at times obtain commodities from European and Asian countries.

In addition to the Joint Venture, Samsung C&T Corporation is supplied with a range of goods and services to support its branch office operations. These include:

- Cleaning
- Marketing suppliers
- IT consulting
- Payroll
- Catering

Suppliers, of these services and products, are generally located overseas although cleaning, IT consulting and catering are located in Australia.

As part of its evaluation process, suppliers are required to perform mandatory on-site audits.

Mandatory compliance items including a ban on child labour, guarantee a minimum wage, adherence to hours regulations and a ban on inhumane treatment.



Modern Slavery Risks

Samsung C&T is committed to identifying any possible modern slavery risks in its business operations and supply chains.

We acknowledge that in the industry sector and the supply chains we operate in, certain aspects of business operations and supply chains may have a higher risk of modern slavery practices.

We have considered the following factors in evaluating the risk of modern slavery in our operations and supply chains:

- **Industry risks** – as an organisation that operates in the construction industry, we understand that we are identified as a high-risk industry
- **Product and service risks** – we further understand that certain products used in our supply chains are identified as high-risk products
- **Entity risks** – the majority of our direct suppliers are leading suppliers and we are not aware of any non-compliance with human rights or labour standards
- **Geographical risks** – some of the countries that our suppliers have come from, may operate in higher risks environments due to poor governance or socio-economic factors

COVID-19 Considerations

Samsung C&T Corporation was impacted by COVID-19 during the reporting period. Our Employees in our branch office were provided with masks supplied from South Korea.

There were no supply chains interrupted by COVID-19. In addition, there were no suppliers terminated due to COVID-19 related reasons.

Ethical Framework

In addressing and acknowledging modern slavery risks, Samsung C&T have the following ethical frameworks in place which govern our operations.

Global Core Values

As a member of the global Samsung group, our core values are as follows:

- People
- Excellence
- Change
- Integrity
- Co-prosperity

These core values, in conjunction with a rigorous code of conduct, are the cornerstone for the business decisions that we make.

Global Code of Conduct

The Samsung's group code of conduct sets clear expectations with respect to human rights.

These policy guidelines are supported by processes for the management of complaints and grievances including:

- Whistle-blower hotline;
- Pursuit of co-prosperity (where community, employees, country and humanity can prosper together); and
- Fair competition (complying with the laws and ethical standards of the countries and communities).

Samsung discloses its Global Code of Conduct ('Samsung Business Principles') to suppliers, customers, and other external stakeholders as well as to our employees through our ethics management website and provides a channel to report on any violation of ethical standards.

Furthermore, the 'Employee Business Conduct Guidelines' that serves as the ethical standards for our employees are translated and available in a total of 15 languages (including Korean) and uploaded on our in-house intranet.

Samsung's Business Principles respect the basic human rights of everyone by engaging in the following:

- We do not, under any circumstances permit forced labour, wage exploitation or child labour
- We do not discriminate against any stakeholders, including customers and employees, on the basis of nationality, race, gender, religion etc
- We comply with the laws of the countries and communities in which we conduct business and we respect business competition standards and practices
- We do not take any profits from unethical business practices
- We do not permit the exchange of gifts, entertainment or any other form of bribery as an inducement to engage in unfair business practices

Separate 'Business Guidelines' are also provided to our suppliers in order to establish transparent business practices.

Actions Taken To Assess and Address Modern Slavery Risks

During the reporting period, Samsung C&T, along with "The Contractor", have focused on understanding the modern slavery risks within business operations and supply chains in order to establish a framework for these relationships.

As part of tender evaluations, The Contractor's procurement Lead performs a risk assessment of suppliers to identify any modern slavery risks by applying the following rating scale:

- **High** (goods are being manufactured in known area for slavery)
- **Medium** (goods are being manufactured in country known for slavery but not in known area)
- **Low** (goods are being manufactured overseas but not in a country known for slavery)
- **Nil** (supplier can account for the full supply chain and confirm there is no risk of slavery)

The Contractor has included modern slavery awareness training within its induction process.

In addition, The Contractor has addressed modern slavery risks with its supplier contracts. Specifically, the Major Works Subcontract contains the following clauses with regard to modern slavery:

- Commitments
- Prohibition of Modern Slavery
- Compliance statements
- Disclosure and Audit
- Rectification
- Consequences of breach

Further, the above identical provisions are contained in the following agreements:

- Major Supply (Plant);
- Major Supply (Materials);
- Minor Services Agreement, Minor Works Agreement; and
- Minor Supply Agreement.

In addition to the above measures, during the next reporting period, the key actions Samsung C&T will aim to undertake to mitigate modern slavery risks will focus on the following:

- Actively participate in multi-stakeholder forums as well as other industry forums to share learnings and knowledge
- Review existing and identify new policies, procedures and practices to better address modern slavery risks
- Roll out training for our targeted key groups including for all our staff
- Communicate with all contractors and suppliers

Approval

This *Modern Slavery Statement 2020* has been authorised and approved by the Board of Directors of Samsung C&T Corporation Branch for the purposes of the Commonwealth Modern Slavery Act 2018 and has been signed on behalf of the Board by Mr. Daehyung Kim, Branch Manager on 30 June 2021.



Daehyung Kim
Branch Manager