

# **Samsung Electro-Mechanics**

## **Supplier Code of Conduct**

Version 4.0

## **Introduction**

Samsung Electro-Mechanics is a multinational group of companies headquartered in Seoul, South Korea. Samsung Electro-Mechanics, and its global customer base in consumer and business markets, have high standards about the conduct and work practices of Samsung Electro-Mechanics and its suppliers. Therefore, the Samsung Electro-Mechanics 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 Electro-Mechanics requires and which are essential for mutual growth.

The Code is a mandatory requirement on the Supplier by Samsung Electro-Mechanics. 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 Electro-Mechanics. 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.

Samsung Electro-Mechanics or third party auditors appointed by Samsung Electro-Mechanics (“Auditors”) may visit the Supplier to evaluate whether the Supplier is complying with the Code.

If major failures to comply with the Code are not remedied within a timescale set by Samsung Electro-Mechanics, Samsung Electro-Mechanics may suspend or terminate the contract with the Supplier.

The Code is based on the RBA Code of Conduct. The global standards and guidelines established by organizations such as ILO and ISO may be used as the reference for the Code. The Code may be revised by Samsung Electro-Mechanics from time to time according to changes to Samsung Electro-Mechanics’s supplier management policy and the developing standards of Samsung Electro-Mechanics.

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

## **1. Labor and 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, contract, direct employees, 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. Suppliers or labor dispatch agencies shall not receive deposits or fees (e.g. recruitment or hiring fees) from

workers as part of recruitment. 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 in any stage of manufacturing. 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. The use of legitimate student intern programs, which comply with all laws and regulations, is supported.

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 60 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 applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. 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 is to be provided in a timely manner 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. Disciplinary policies and procedures in support of these

requirements shall be clearly defined and communicated to workers.

### **1.6 Non-Discrimination**

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 for legal or safety reasons, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

### **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, 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 share ideas and concerns with management regarding working conditions and

management practices without fear of discrimination, reprisal, intimidation or harassment.



## **2. Health and Safety**

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers shall ensure to maintain safe and healthy working conditions according to the local laws and regulations.

### **2.1 Occupational Safety**

Potential or actual worker exposure to safety hazards (e.g. chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified, assessed, and controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lock out/tag out), and ongoing safety training. 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. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant

women and nursing mothers including those associated with their work assignments, and include reasonable accommodations for nursing mothers.

## **2.2 Emergency Preparedness**

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, clear and unobstructed egress adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

## **2.3 Occupational Injury and Illness**

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of injured or ill workers to work.

## **2.4 Industrial Hygiene**

The exposure of workers to biological agents (e.g. chemicals used in manufacturing sites, pathogenic viruses etc.) and physical agents (e.g. high temperatures, radiation) are to be identified, evaluated and controlled according to the hierarchy of controls. Potential hazards are to be eliminated or controlled through proper design, engineering (e.g. the improvement of production facilities) or administrative (e.g. laws and regulations) controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, workers are to be provided with appropriate, well-maintained, personal protective equipment. Protective programs shall include educational materials about the risks associated with these hazards.

## **2.5 Physically Demanding Work**

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

## **2.6 Machine Safeguarding**

Production and other machinery shall be evaluated for safety hazards.

Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

## **2.7 Sanitation, Food and Housing**

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities.

Worker dormitories provided by the Suppliers or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

## **2.8 Health and Safety Communication**

Suppliers shall provide workers with appropriate workplace health and safety information and training in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not

limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise safety concerns without retaliation.

### **3. Environment**

The Supplier shall control all of the environmental pollutants derived from its business activities, and use its best efforts to reduce its environmental impact when providing products and services to Samsung Electro-Mechanics. Suppliers shall adhere to laws and regulations related to chemical and waste management, recycling, wastewater and air emissions. If Samsung Electro-Mechanics requests environmental requirements related to a process such as product design and production in any agreements or contracts, Suppliers shall adhere to such requirements.

#### **3.1 Environmental Permits and Reporting**

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

#### **3.2 Pollution Prevention and Resource Reduction**

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source by practices such as adding pollution

control equipment; modifying production, maintenance and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

### **3.3 Hazardous Substances**

Chemicals and other materials posing a hazard to humans or the environment are to be identified, labelled 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 chemicals and other materials.

### **3.4 Solid Waste**

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

### **3.5 Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates,

ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge according to local laws and regulations. Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

### **3.6 Product Content Restrictions**

Suppliers are to adhere to all applicable laws, regulations and Samsung Electro-Mechanics requirements regarding prohibition or restriction of specific substances. In addition, Suppliers shall adhere to Samsung Electro-Mechanics 's Green Procurement Regulation.

### **3.7 Water Management**

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Participant shall conduct routine



monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

### **3.8 Energy Consumption and Greenhouse Gas Emissions**

Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Suppliers are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## **4. Ethics**

Suppliers are to adhere to all applicable laws and regulations in its business activities. To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents are to uphold the highest standards of ethics.

### **4.1 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, extortion and embezzlement.

### **4.2 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 enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

### **4.3 Disclosure of Information**

All business dealings should be transparently performed and accurately reflected on Suppliers' business books and records. Information regarding suppliers labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

### **4.4 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 Electro-Mechanics' proprietary information is to be safeguarded.

### **4.5 Fair Business, Advertising and Competition**

Standards of fair business, advertising and competition are to be upheld.

### **4.6 Protection of Identity and Non-Retaliation**

Programs that ensure the confidentiality and protection of supplier and

employee whistleblower are to be maintained unless prohibited by law.

Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

#### **4.7 Responsible Sourcing of Materials**

In supply chain of Samsung Electro-Mechanics, Suppliers, at any rate, shall not use minerals (such as tantalum, tungsten, tin, gold, cobalt, etc.) from any area, where it can cause serious human rights abuses and environmental destruction in the international community. Suppliers shall have a policy and operate to reasonably assure that the minerals in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. In addition, suppliers shall exercise due diligence the use of related minerals in supply chain, including the origin and customers of the minerals, and, in doing so, suppliers shall endeavor to prove the origin of the substance. Furthermore, Suppliers shall make their due diligence measures available to Samsung Electro-Mechanics upon Samsung Electro-Mechanics's request.

#### **4.8 Privacy**

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

## **5. Management System**

The Supplier shall establish a management system in order to comply with the Code, applicable laws, regulations and other requirements of Samsung Electro-Mechanics 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 monitoring and continuous improvement actions.

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continuous improvement actions.

### **5.1 Company Commitment**

A corporate social and environmental responsibility policy statement affirming the Supplier's commitment to compliance and continual improvement, endorsed by executive management, must be announced to all facilities of the Supplier in the local language of each facility.

### **5.2 Management Accountability and Responsibility**

The Supplier shall clearly identifies company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

### **5.3 Legal and Customer Requirements**

The Supplier shall establish and continue to operate at all times a process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code and shall comply with the same.

#### **5.4 Risk Assessment and Risk Management**

The Supplier shall establish and continue to operate at all times a process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with supplier's operations.

Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

#### **5.5 Improvement Objectives**

Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of supplier's performance in achieving those objectives.

#### **5.6 Training**

The Supplier shall establish and continue to operate at all times programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

## **5.7 Communication**

The Supplier shall establish and continue to operate at all times a process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, Suppliers and customers.

## **5.8 Worker Feedback, Participation and Grievance**

The Supplier shall establish and continue to operate at all times processes, including an effective grievance mechanism to assess employees' understanding of and obtain feedback on violations against practices and conditions covered by this Code and to foster continuous improvement.

## **5.9 Audits and Assessments**

The Supplier shall establish and continue to operate at all times periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

## **5.10 Corrective Action Process**



The Supplier shall establish and continue to operate at all times a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

### **5.11 Documentation and Records**

The Supplier shall create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy. The Supplier's adoption of and compliance with this Code must be documented, and relevant information must be promptly shared with Samsung Electro-Mechanics upon its request.

### **5.12 Supply Chain Participation and Responsibilities**

All Suppliers in business relationship with Samsung Electro-Mechanics shall require, support and monitor sub-suppliers' compliance with this Code. Any violations of this Code within the supply chain may result in termination of Supplier's business relationship with Samsung Electro-Mechanics.

## Document History

<b>Ver.</b>	<b>Brief description of change</b>
1.0	Initially released Apr. 2017
2.0	Released May. 2018
3.0	Released January. 2020
4.0	Released July. 2021