

Supplier Code of Conduct

2023. 10.

Samsung SDI

Introduction

Samsung SDI ("Samsung")'s Supplier Code of Conduct (the "Code") establishes standards to ensure the compliance management of Samsung and its supplier (the "Supplier(s)") which is essential for the mutual growth. The Supplier shall ensure safe working conditions, treat its employees with respect and dignity, conduct ethically and operate its business environmentally friendly with responsibility and in all of its activities in full compliance with the applicable laws, rules and regulations of the country ("Laws") in which the Supplier operates its business.

The Code provides Samsung's requirements regarding the Suppliers. The Code shall be adopted by all organizations that design, sale, or manufacture, or otherwise provide any goods or services used in the manufacturing process of Samsung.

All of the Suppliers shall adhere to the Code and shall ensure all of their direct or indirect sub-suppliers related to assembly, components, raw materials and packaging to comply with the Code. Samsung or third party auditors appointed by Samsung may visit the Suppliers to evaluate whether the Suppliers comply with the Code.

The Supplier completely bears the obligation to comply with the Code. If in case of violation the corrective action is not implemented until the date requested by Samsung, Samsung may terminate the contract between Samsung and 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 reference for the Code. The Code may be revised according to the change in the supplier management policy and standard of Samsung.

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

1. LABOR

The Suppliers commit to uphold the human rights of workers, and to 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. The recognized standards, as set out in the References, were used in preparing the Code and may be useful sources of additional information.

The labor standards are:

1) Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers shall be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers shall receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet the Laws and provide equal or better terms. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by the Laws. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

2) Young Workers

Child labor is not to 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. The Suppliers shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with the Laws, is supported. If child labor is identified, the Suppliers shall promptly remedy the same.

Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. The Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with the Laws. The Suppliers shall provide appropriate support and training to all student workers. In the absence of the Laws, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Working hours are not to exceed the maximum set by the Laws. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

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 the 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. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor shall be within the limits of the Laws.

5) Humane Treatment

There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, 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.

6) Non-Discrimination/Non-Harassment

The Suppliers are committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers shall not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

7) Freedom of Association

In conformance with the Laws, the Suppliers shall respect the right of all workers to form and join 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.

8) Vulnerable Groups

The Suppliers commit to protect the rights of vulnerable groups within their businesses and supply chains, particularly the rights of women, indigenous peoples, children, and migrant workers. The Suppliers shall develop and implement internal measures to provide equal pay and opportunities throughout

all levels of employment. The Suppliers shall also implement measures to address health and safety concerns that are particularly prevalent among women workers, including, but not limited to, preventing sexual harassment, offering physical security, and providing reasonable accommodation for nursing mothers.

9) Diversity, Equity, and Inclusion

Samsung encourages the Suppliers to develop and promote inclusive cultures where diversity is properly valued and celebrated and everyone is able to contribute fully and reach their full potential. The Suppliers shall encourage diversity in all levels of their workforce and leadership, including boards of directors.

2. HEALTH and SAFETY

The 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. The Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be useful sources of additional information.

The health and safety standards are:

1) Occupational Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) are to be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and 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 shall also be taken to remove pregnant women and nursing mothers from hazardous working conditions, or remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

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. Emergency drills shall be executed at least annually or as required by the Laws, whichever is more stringent. Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

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 the return of workers to work.

4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, the Suppliers shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

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.

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.

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 Supplier 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 and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

8) Health and Safety Communication

The Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or 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 is to be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

3. ENVIRONMENTAL

The Suppliers recognize that environmental responsibility is integral to producing world-class products. The Suppliers shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

The environmental standards are:

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 lawfully well followed.

2) Pollution Prevention and Resource Reduction

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or 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) Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

4) Solid Waste

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

5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be routinely characterized, monitored, controlled, and treated as required prior to discharge. Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. The Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

6) Materials Restrictions

The Suppliers are to adhere to all the Laws, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

In addition, the Suppliers shall adhere to Samsung's product content restrictions management policy 「Green Procurement Guidelines」.

7) Water Management

The 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. The Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

8) Energy Consumption and Greenhouse Gas Emissions

The Suppliers are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Suppliers are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

9) Animal Welfare

The Suppliers shall respect the welfare of animals and provide humane treatment in line with the five animal freedoms formalized by the World Organization for

Animal Health (OIE) concerning animal welfare which include: freedom from hunger, thirst and malnutrition; freedom from fear and distress; freedom from physical and thermal discomfort; freedom from pain, injury and disease; and freedom to express normal patterns of behavior.

The Suppliers shall not supply any raw materials, components, parts or assemblies to Samsung that involve testing on animals in its research or development.

10) Biodiversity

The Suppliers shall also protect ecosystems, especially key biodiversity areas, impacted by their operations, and avoid illegal deforestation in accordance with international biodiversity regulations, including the IUCN Resolutions and Recommendations on biodiversity.

11) Soil Quality and Noise Emissions

The Suppliers shall routinely monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence, and contamination. The Suppliers shall routinely monitor and control the levels of industrial noise to avoid noise pollution.

4. ETHICS

To meet social responsibilities and to achieve success in the marketplace, the Suppliers and their agents are to uphold the highest standards of ethics including:

1) Business Integrity

The highest standards of integrity are to be upheld in all business interactions. The Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

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, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption Laws.

3) Disclosure of Information

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

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 customer and supplier information is to be safeguarded.

5) Fair Business, Advertising and Competition

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

6) Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity, and protection of suppliers and their employee whistleblowers are to be maintained, unless prohibited by the Laws. The Suppliers shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

7) Responsible Sourcing of Minerals

The Suppliers shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, gold, cobalt, lithium, graphite, etc. in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

8) Privacy

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

9) Counterfeit Parts

The Suppliers shall not utilize counterfeit components in any product supplied to Samsung. The Suppliers shall also minimize the risk of introducing diverted parts and materials into products and services to Samsung and adhere to relevant technical regulations in the product design process.

10) Export Controls and Economic Sanctions

The Suppliers shall comply with all applicable restrictions on the export, re-export, release or other transfer of goods, software, services, and technology; all applicable economic sanctions restrictions involving certain territories, entities and individuals (to include conducting appropriate due diligence on third parties); and all other similar trade-related Laws.

11) Land Rights

The Suppliers shall respect the communities in which they are based and operate their businesses. The Suppliers shall respect the land rights of individuals, indigenous people, and local communities in accordance with the Laws, including but not limited to, the ILO Indigenous and Tribal Peoples Convention (No. 169), and the United Nations Declaration on the Rights of Indigenous People. The Suppliers shall respect the rights of local communities to decent living conditions, education, employment, social activities, and the right to Free, Prior, and Informed Consent (FPIC, Free, Prior and Informed Consent) to developments that affect them and the lands on which they live, with particular consideration for the presence of vulnerable groups.

E. MANAGEMENT SYSTEM

The Suppliers shall establish and adopt a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with the Laws and customer requirements related to the Supplier's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. The Suppliers shall also facilitate continual improvement.

The management system shall contain the following elements:

1) Company Commitment

Corporate social and environmental responsibility policy statements affirming the Supplier's commitment to compliance and continual improvement, endorsed by executive management, and posted in the facility in the local language.

2) Management Accountability and Responsibility

The Supplier shall clearly identify senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management shall review the status of the management systems on a regular basis.

3) Legal and Customer Requirements

A process to identify, monitor and understand the Laws, and customer requirements, including the requirements of this Code.

4) Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with the 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) Improvement Objectives

Written performance objectives, targets and implementation plans to improve the

Supplier's social, environmental, and health and safety performance, including a periodic assessment of the Supplier's performance in achieving those objectives.

6) Training

Programs for training managers and workers to implement the Supplier's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

7) Communication

A process for communicating clear and accurate information about the Supplier's policies, practices, expectations, and performance to workers, suppliers, and customers.

8) Worker Feedback, Participation and Grievance

Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. Workers shall be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

9) Audits and Assessments

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.

10) Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

11) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

12) Supplier Responsibility

A process to communicate requirements of the Code to suppliers and to monitor supplier's compliance to the Code.

< References >

1. Dodd-Frank Wall Street Reform and Consumer Protection Act
<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>
2. Eco Management & Audit System
http://ec.europa.eu/environment/emas/index_en.htm
3. Ethical Trading Initiative www.ethicaltrade.org/
4. ILO Code of Practice in Safety and Health
www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf
4. ILO International Labor Standards
www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm
5. ISO 14001 www.iso.org
6. National Fire Protection Association www.nfpa.org
7. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas
<https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>
8. OECD Guidelines for Multinational Enterprises
<http://www.oecd.org/investment/mne/1903291.pdf>
9. Universal Declaration of Human Rights
<https://www.un.org/en/universal-declaration-human-rights/>
10. United Nations Convention Against Corruption
<https://www.unodc.org/unodc/en/treaties/CAC/>
11. United Nations Convention on the Rights of the Child
<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>
12. United Nations Convention on the Elimination of All Forms of Discrimination Against Women
<https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx>
13. United Nations Global Compact www.unglobalcompact.org
14. RBA(Responsible Business Alliance) Code of Conduct v7.0
<https://www.responsiblebusiness.org/code-of-conduct/>
15. United States Federal Acquisition Regulation www.acquisition.gov/far/
16. SA 8000 <https://sa-intl.org/programs/sa8000/>
17. Social Accountability International (SAI) www.sa-intl.org

< Document history >

Ver	Date	Brief description of change
1.0	May. 2017	Initially released
2.0	Oct. 2023	Reflect RBA version 7.0 and Customer requirements