May 30, 2018

Prof. Anita Ramasastry  
Chair-Rapporteur of the Working Group  
on the issue of human rights and transnational corporations  
and other business enterprises

To Professor Ramasastry and the Working Group,

Thank you for reaching out to us for information relevant to your assessment of the state of play of corporate human rights due diligence in practice in the letter dated May 4, addressed to President and Chief Executive Officer Ki-Nam Kim at Samsung Electronics Co., Ltd. ("Samsung").

As a global company, we are committed to respecting the human rights of our employees - men and women alike - and any of those who may be adversely affected by our business activities. As we are on a human rights journey, we seek to continuously improve. Therefore, beyond looking at our own efforts, we are aware that reaching out to stakeholders, sharing experience with other companies but also the UN, civil society and governments is crucial. We would therefore like to take this opportunity to share our experience and input.

In this context, we would like to highlight three aspects of our efforts to ensure human rights due diligence: human rights risk assessments and human rights training, protection of vulnerable groups and providing effective grievance mechanisms.

Human Rights Risk Assessment and Human Rights Training

In 2014, we developed a human rights risk assessment and analysis system to understand a broad range of factors that could possibly affect the management of human rights at our worksites, and to identify high-risk sites. It was the creation in 2013 of a dedicated organization for the work environment management of our overseas worksites, which led to the introduction of a human rights risk monitoring system applicable at site level. This forms part of our core human rights due diligence processes.

The legal compliance of our domestic sites is reviewed regularly to identify their respective level of work environment management, and to identify necessary improvements. Each year, we conduct ‘Samsung Expert Diagnoses’ (Assessments) of worksites where the managerial performance is found to be sub-standard or at high risk in the field of labor and human rights, based on the data registered in our worksite monitoring system and in our risk analysis system.

In 2016, we conducted ‘Samsung Expert Diagnoses’ of 11 high-risk worksites – four in the Americas, two in South East/West Asia, and five elsewhere. A total of 227 improvement tasks were identified, of which 211 tasks (93%) have been completed within all the assessed worksites. At three sites, all improvement tasks have been completed.
To supplement these expert assessments, special quarterly analyses are performed under the supervision of the respective business divisions, while third-party reviews are made at the request of our customers and on other occasions. The special analyses aim at reviewing risk factors in specific areas – working hours, protection of vulnerable employees, proficient usage of the monitoring system, and organizational culture – while offering intensive consultative support with necessary improvements. In 2016, a total of nine worksites in Americas, Europe, and South East/West Asia underwent such special analysis in order to enhance their managerial capacity.

When conducting third-party reviews, RBA ("Responsible Business Alliance") criteria, and other industry standards are used to objectively analyze risks and identify efficient improvement measures. In 2016, external third-party reviews have been performed on a total of 6 worksites in domestic and global sites on 7 occasions.

We are providing mandatory training on labor and human rights throughout the company through a range of training programs aiming at enhancing employee awareness and helping employees build capacity. Notable in this context is that we have independently developed training programs that cater to local needs, considering the cultural characteristics of overseas worksites.

More information about the training and the risk process including the four human rights risk assessment and monitoring steps can be found in our Sustainability Report.¹

**Vulnerable Groups Protection**

We have identified key vulnerable groups to include children, apprentices, and migrant workers. These groups are at heightened risk for adverse human rights impacts. We have dedicated special care and attention to these particular groups and have developed various policies to ensure respect for the rights of individuals belonging to these vulnerable groups. Notable in this context is that we have developed the Child Labor Prohibition Policy in China, the Guidelines for Migrant Workers and the Guidelines for Apprenticeship Training.

_Samsung Electronics Child Labor Prohibition Policy in China²_, adopted in June 2014, states a zero-tolerance for child labor and set criteria to protect teenage workers and employ apprentices.

_The Guidelines for Migrant Workers³_, adopted in December 2016, ban the collection of recruitment fee, states that labor contracts shall be provided in the language of the migrant workers, and bans inhumane and discriminatory treatment.

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The Guidelines for Apprenticeship Training\textsuperscript{4}, adopted by Samsung India in October 2016, aims at ensuring compliance with local regulations on apprentice employment (e.g. recruitment size, and apprentice hours and expenses), and states that expertise improvement training should be offered and grievance handling systems should be developed in order to protect apprentices’ rights. Additional global guidelines are currently being developed with the support of external human rights expertise.

We educate the top management and Human Resources officers of our worksites, suppliers and labor supply agencies on the intention and details of our policies and guidelines while sharing the RBA Code of Conduct, region-specific labor regulations and newly enacted/revised regulations, along with best practices on the management of work environments. In doing so, we support working-level capacity building to protect the human rights of vulnerable individuals. Furthermore, we require that our suppliers sign a pledge to implement such policies and guidelines to confirm their commitment to voluntary compliance.

In addition to providing policies and guidelines, we developed self-assessment checklists and on-site inspection manuals to verify the violation of human rights – forced labor, discrimination, and unjust treatment – and distribute these checklists and manuals to respective worksites and suppliers. We educated the compliance management officers of respective worksites on such on-site inspection manuals. In January 2017, we translated our migrant worker survey questionnaire into ten languages including Bangladesh, Cambodian, Indonesian, Nepali, Vietnamese, and Myanmar and distributed these questionnaires across all our worksites to help them identify and mitigate the risks these workers face.

More information about our work to protect vulnerable workers can be found in our Sustainability Report.\textsuperscript{5}

**Providing Effective Grievance Mechanisms**

Providing individuals with access to a grievance mechanism is not only a key part of our commitment to respecting human rights, but also an important source of information about potential adverse human rights impacts. In line with our ‘Global Grievance Resolution Guideline’ developed in 2015, we operate four types of grievance-handling channels, considering worksite-specific characteristics – a hotline, online channels, offline channels and employee committees (276 channels at 25 worksites as of March 2017).

Since 2016, we have used our worksite monitoring system to track the type of grievances reported and their progress status, as well as to handle outcomes by managing performance

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indicators such as meeting handling deadlines, employee satisfaction and awareness by grievance type and channel.

We work hard to ensure that these mechanisms are accessible to the intended stakeholders. Worksites which hire migrant workers, for instance, are obliged to provide grievance channels in the mother tongue of the migrant workers. In 2016, we received a total of 9,278 grievance reports, out of which 9,265 or 99.8% were completely resolved.

We are constantly working to ensure that accurate information is provided on grievance handling processes and outcomes. We have therefor evaluated our grievance mechanisms vis-à-vis the UNGP 31, the so-called effectiveness criteria of non-judicial grievance mechanisms.

We also work hard to ensure that individuals who raise grievances are not faced with any retaliation or disadvantage. Discrimination is prohibited in handling grievances, and we work to protect the substantial and procedural rights of our employees and complainants. More information about our grievance mechanisms and reporting statistics can be found in our Sustainability Report⁶.

Finally, we would like to thank you for the invitation to the upcoming UN Forum on Business and Human Rights. We can confirm attendance and look forward to being inspired by, and to learning from, thought leaders, peers, and stakeholders on how we can advance our respect for human rights.

Please do not hesitate to contact us, should you have questions – or comments and suggestions – in relation to what we have presented in this letter.

Yours sincerely,

Won-kyong Kim
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Global Public Affairs
Samsung Electronics Co., Ltd.