The criteria for selecting high-risk suppliers

□ Samsung Electronics(“Samsung”) determines high-risk suppliers through multiple criteria, including but not limited to

– Geopolitical risks such as

· countries with policies that reinforce corruption or repression,

· countries with identified cases of human trafficking and/or no specific regulations to prevent trafficking

– Supplier Specific risks such as

· unresolved 'Priority' non-conformance in the previous audit,

· unresolved allegation from media or worker representation,

· ties to manufacturing products made with forced labor as identified on internationally respected global lists developed by national and/or regional governments,

· the purchasing amount,

· the sales dependency on Samsung,

· Samsung’s ranking among customers

□ Samsung selects high-risk suppliers once every year. The list may be changed throughout the year due to transaction termination or additional allegation with sufficient evidence.

□ The selected high-risk suppliers will be subjected to Samsung's social responsibility audits such as

− On-site audit : Audits conducted by dedicated organizational unit consisting of RBA-certified auditors. The supplier will be subjected to review of documents thoroughly, including wage information, contracts, and policies, and interviews of their employees (a minimum of square root of the total number of employees) engaging with both working level staff and managers during the audits.

− Third Party audit : Audits conducted by RBA-certified third-party audit firms, in accordance with Samsung Supplier Code of Conduct based on RBA criteria and processes. Any improvements that can be made immediately after initial audits are corrected on site, and the implementation of improvements is confirmed through closure audits.

□ High-risk suppliers should implement corrective action for non-conformances found during the aforementioned audit. If failed to do so, they may be subjected to additional audits.