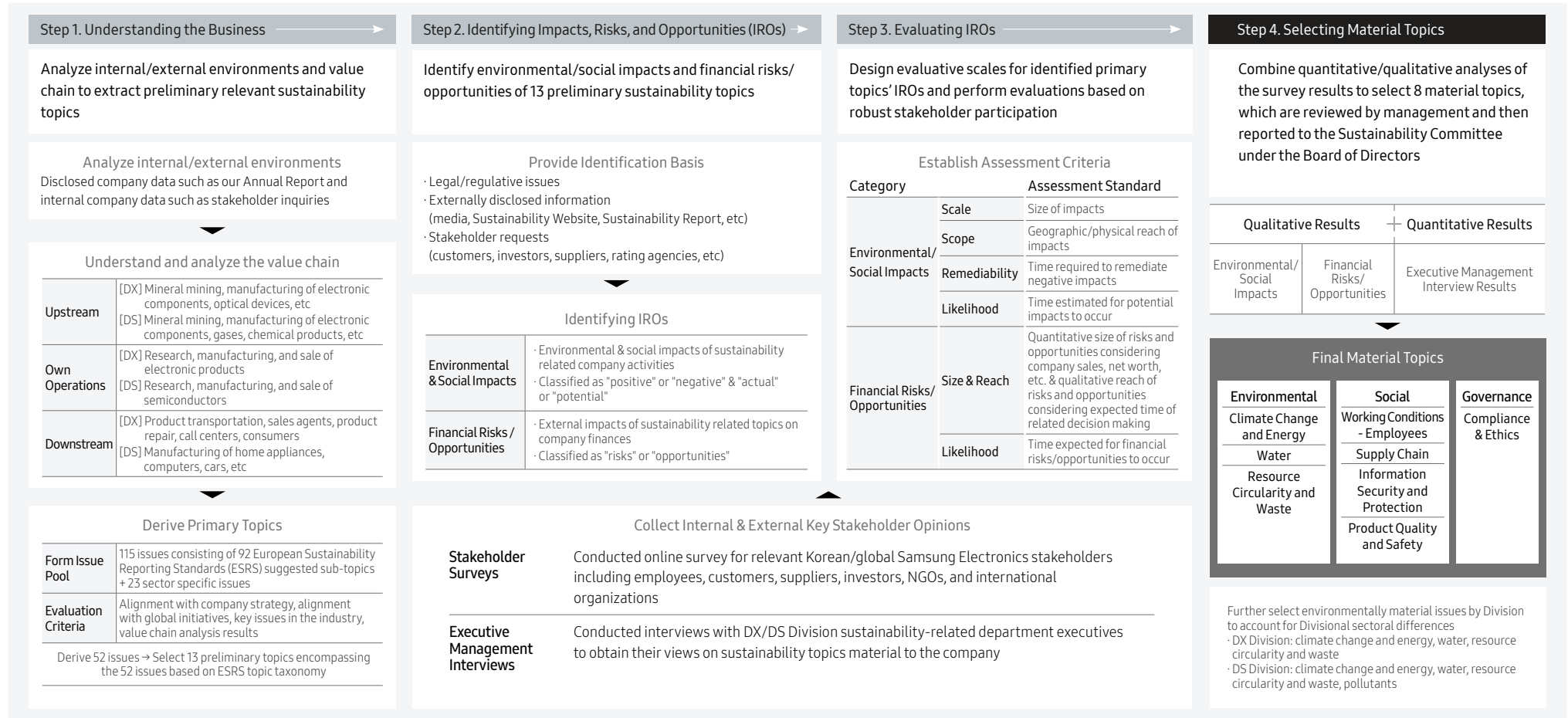


Materiality Assessment



















Samsung Electronics conducts materiality assessments identifying and prioritizing key sustainability issues material to our business, transparently disclosing the processes and results. In 2024, we conducted a Double Materiality Assessment (DMA) adapted from the European Financial Reporting Advisory Group's (EFRAG) [materiality assessment implementation guidance](#) and published the results in our 2024 Sustainability Report. We observed no significant changes in issues related to sustainable management within Samsung Electronics' value chain, leading us to maintain final material topics for the current reporting period. Our materiality assessment considered both relevant company activities' impacts on the external environment and relevant external factors' financial impacts on the company.

Materiality Assessment Process



Material Topic Management

Samsung Electronics identifies the impacts of selected material topics on the company, and reports on company activities to manage these topics.

Material Topics	UN SDGs	Governance	Strategy	Risk Management (Policy)	Activities (Major Progress)
 Climate Change and Energy		<ul style="list-style-type: none"> Sustainability Committee under the Board of Directors oversees sustainability management (including environmental management) strategy and progress 	<ul style="list-style-type: none"> DX Division: net zero Scope 1 and 2 emission by 2030 DS Division: net zero Scope 1 and 2 emission by 2050 	<ul style="list-style-type: none"> Identify key risks and opportunities due to climate change and develop response strategies by assessing financial impacts based on climate scenarios 	<ul style="list-style-type: none"> Reduce direct emissions, expand renewable energy, reduce external GHG emissions
 Water	 	<ul style="list-style-type: none"> Sustainability Council and ESG Management Council chaired by respective Division Heads discuss and decide on current issues 	<ul style="list-style-type: none"> DX Division: replenish 100% of water used globally by 2030 DS Division: achieve zero increase in water intake for Korean manufacturing sites relative to 2021 levels by 2030 	<ul style="list-style-type: none"> Assess water resource risks and develop regional response strategies 	<ul style="list-style-type: none"> Expand scope of AWS¹⁾ certification 1) Alliance for Water Stewardship
 Resource Circularity and Waste			<ul style="list-style-type: none"> DX Division: apply recycled plastic to all plastic parts in our products by 2050 DS Division: achieve 99.9% waste recycling rate across all Korean manufacturing sites by 2030 	<ul style="list-style-type: none"> Identify (midpoint) and evaluate resource-related risk and opportunity factors and systematically manage resource inflow and outflow data 	<ul style="list-style-type: none"> Operate product waste retrieval system, attain Zero Waste to Landfill validations at business sites
 Working Conditions - Employees	 	<ul style="list-style-type: none"> Sustainability Committee under the Board of Directors, the DX Division's Sustainability Council, and the DS Division's ESG Management Council lead oversight and management agendas for labor and human rights, organizational culture, talent development, and health and safety issues for our own employees and workers across our supply chain. 	<ul style="list-style-type: none"> Respect human rights based on management philosophy of "People First", continue to pursue safe work environment, and create positive workplace culture 	<ul style="list-style-type: none"> Establish various policies and standards including fundamental principles of human rights, grievance policy, environmental health and safety policy Operate employee communication and grievance channels and perform human rights due diligence 	<ul style="list-style-type: none"> Observe freedom of association and right to collective bargaining Analyze and improve living wage gap Operate manufacturing site safety management programs and employee health promotion programs Provide fringe benefits and work policies for work-life balance
 Supply Chain			<ul style="list-style-type: none"> Secure sustainable supply chain by assisting not only business competitiveness but also supplier labor and human rights, occupational health and safety, and talent development 	<ul style="list-style-type: none"> Establish various policies and standards including Supplier Code of Conduct, Global Purchasing Code of Conduct Provide supplier employee comm. channels, grievance channels, and operate combined supplier due diligence process 	<ul style="list-style-type: none"> Perform forced labor, child labor special audits Perform regular EHS audits, consulting, and training for suppliers Operate Partner Collaboration Academy
 Information Security and Protection		<ul style="list-style-type: none"> Privacy protection team leader acts as Chief Privacy Officer and Information Protection Center Head as Chief Information Security Officer to serve as control towers Operate Privacy Protection Committee and Security Council 	<ul style="list-style-type: none"> Three Privacy Protection Principles: 'Transparency, Security, Choice' Four Pillars of Cybersecurity: 'Preventing & Hardening, Prediction, Detection, Response' 	<ul style="list-style-type: none"> Establish global privacy protection policy Operate Samsung Privacy Website and Samsung Security Reporting Portal 	<ul style="list-style-type: none"> Operate Privacy Legal Management System (PLMS) and educate employees Operate security platform Samsung Knox and Samsung Knox Vault Establish semiconductor technology security
 Product Quality and Safety		<ul style="list-style-type: none"> Operate Quality Innovation Committee, the highest product quality related decision making body Global CS Center Head performs role of company-wide chief Customer Satisfaction (CS) officer 	<ul style="list-style-type: none"> Based on quality vision of "Pursuing Perfect Quality and Service for the Best Customer Experience," announce Quality Management Code of Conduct centered on customer focus, fundamentals, professionalism, creation of premium products, and customer creation, committing to practicing quality responsibility 	<ul style="list-style-type: none"> Operate quality assurance system and incident response process 	<ul style="list-style-type: none"> Secure product safety and improve product quality/customer service
 Compliance & Ethics		<ul style="list-style-type: none"> Board of Directors and affiliated committees oversee compliance, performing relevant operations through Compliance Committee 	<ul style="list-style-type: none"> Establish and specify employee and business guidelines with compliance and ethics as top priorities for a fair and transparent business management 	<ul style="list-style-type: none"> CPMS¹⁾ based risk management 1) Compliance Program Management System 	<ul style="list-style-type: none"> Operate education and reporting programs, evaluate corruption risk