

Samsung' s Statement for DanWatch request

Statement for question #1, #9.

1. What measures has Samsung taken in order to ensure the health of its factory workers at the company's semiconductor plants?

9. The former employee at Samsung's Giheung Factory' s Semiconductor production Line 3 says “I didn' t really think that Samsung would acknowledge the other cases, because if they do, the scope of the coverage will become too high. And it is a lot of money even for Samsung. For what I hear there are also factories outside South Korea where all of these illness cases have been reported, and if they acknowledge something in Korea that can trigger a chain reaction to factories abroad and that is a lot of money to pay for Samsung.” What is Samsung' s comment on that?

Samsung Electronics recognize that our people are our greatest assets, and it has always been our top priority to ensure the health and safety of every person we employ, as well as the environments and communities in which we operate.

We continue to seek new EHS(Environmental health & Safety) strategies, driving needed innovation around safety standards and creating new EHS and chemical management technologies for implementation at all levels and across all aspects of our semiconductor businesses.

We hold ourselves and our suppliers to the highest health and safety standards, and consider our people our greatest asset. That is why in 2014 alone, Samsung invested more than USD 1 billion for continued upkeep and improvement of our semiconductor infrastructure and we will continue to follow up

on our commitment with considerable amounts of investments every year.

We hope the examples below validate our EHS-driven values and help illustrate how we have long been investing in and strengthening our EHS protections.

Enhancement of Organizational Capacity

New environmental safety team was established in Samsung Electronics Giheung-Hwaseong complex headquarters. This unit is in charge of safety inspection, safety education and diagnoses in the potential risk factor of a toxic chemical. In addition, Samsung Electronics expanded the focus of the Samsung Institute of Safety and Environment, which had previously focused on environmental safety inspections and policies, to include all matters related to environmental safety.

To improve health and safety measures, we established a dedicated Samsung Health Research Institute (SHRI) and hired highly-qualified occupational health experts in 2010 in order to better understand potential occupational health risks, chemical engineering and environmental health. The institute has conducted more than 180 research projects since its opening in 2010, to ensure healthy working environments and improve employees' well-being, and raise the standard for assessing workplace health and safety.

Environmental Safety Experts

Samsung Electronics has established an education system that encourages environmental safety experts. It is not only to raise employees' awareness of environmental safety, but also to create a safe work environment. The company opened 24 job function training programs for environmental safety personnel in

the areas of health and safety, environment management, and disaster prevention to improve their knowledge and expertise.

We realize that to be effective, our chemical management measures must be rigorous yet practical, and maintained by qualified, specially trained teams. This is why we have more than 370 EHS employees overseeing our semiconductor operations and compliance initiatives, including a team of 80 experts and engineers overseeing chemical safety and accident prevention. We also have year-round training programs in place that foster such environmental safety experts.

Enhanced Safety Inspections

We meet industry environment, health and safety (EHS) standards across all of our semiconductor manufacturing facilities, our true obligation is to invest in finding better standards for ourselves and the industry. Samsung has innovated many of the processes and controls that are now standard in the industry and continues to look for enhancements.

For instance, in addition to being the first to develop and implement real-time, 24/7 chemical monitoring in 2007, we operate highly effective filtration and ventilation systems at all times in our semiconductor fabrication facilities, and these systems are capable of eliminating any potentially dangerous chemicals in real-time. Therefore, the cleanliness of the air within our facilities is equivalent to or better than that we breathe in our general surroundings.

Semiconductor fabrication is a highly-complex and technical process that uses chemicals and potentially hazardous materials. However, our exposure standard is 1/10th of permitted legal requirements to ensure that exposure levels remain significantly

below any level that could cause harm to humans and the environment. We also constantly evaluate and upgrade our safety controls to ensure employees and neighboring communities are not exposed to any potentially harmful chemicals.

In addition to our routine safety inspections, credible third parties verify our inspections results regularly. Government agencies also conduct frequent and unannounced audits at all our semiconductor fabrication plants.

Safety Education

Every employee is required to participate in health and safety training. We customize each employee's training for his or her role from more than 120 total courses offered, ranging from handling chemicals to ISO/OSHAS protocols to emergency response. Employees begin training at initial employment and continue on a monthly basis for the rest of their careers. Samsung also partners with more than 20 external institutions to ensure we're offering the best training to our people.

Strengthened Communication with Local Communities and Employees

While we take great care to provide a workplace environment that assures the highest industry standards of health, safety and welfare, we also remain steadfastly committed to all labor and human rights laws of the countries in which we operate.

Samsung Electronics has created an official blog in order to actively communicate the truth about industrial health and safety associated with semiconductor production lines in a transparent and open manner.

Furthermore, we have strived for decades to ensure communication and understanding between our employees and management through

various initiatives, such as the employee representative committee, which have allowed the management to quickly address any issues related to the safety and general well-being of our employees.

Statement for question #3, #4, #5.

3. According to Hankyoreh21 barely three out of ten occupational victims (former Samsung employees) qualify to receive Samsung's compensation according to the Samsung proposal. Why isn't Samsung proposing to compensate all the victims?

4. Samsung has announced that it would only provide compensation for seven groups of diseases: five types of hematopoietic cancers (leukemia, non-Hodgkin's lymphoma, aplastic anemia, multiple myeloma, and myelodysplasia) and two types of cancer that have been approved as work-related (brain tumor and breast cancer). Why won't Samsung compensate the other workers with eg. other forms of cancer?

5. The former Samsung employee I have interviewed who has worked at Samsung's Giheung Factory's Semiconductor production Line 3 has gotten thyroid cancer, and according to Samsung's proposal for compensation, she will not be compensated. Why won't Samsung compensate workers with thyroid cancer? Samsung stated that they, could make an exception if there are reasonable grounds from experts. What would qualify as reasonable grounds from experts?

During or after their period of employment at our semiconductor fabrication plants, some employees developed diseases that were difficult to treat. We are deeply saddened by the loss of those who were members of the Samsung family, and are concerned about those who continue to battle illness.

Although there were not substantiated by clear scientific evidence of a correlation between a worker's disease and

employment, we will provide support to employees who become ill while employed with Samsung. This is a humanitarian gesture, not a legal or court-ordered mandate, and support was not provided for negotiation or persuasion purposes.

We have been faithfully committed to working with the affected families to determine how best to help them, and continue to actively engage in discussions with the concerned parties. In December, 2014, an independent, third-party mediating committee was formed to oversee mediation meetings between the concerned parties. It has since conducted in-depth hearings and is currently in the process of assessing the parties' respective proposals.

Currently it's middle of the mediating processes, nothing has been decided yet. We believe this holistic approach will move the conversation forward and open the door for support to as many individuals as possible, as soon as possible. We sincerely hope to reach an agreement that will best meet the needs of all parties involved.

Statement for question #2, #7, #8.

2. She says that it breaks her heart to see young people today work at Samsung's Giheung Factory under similar conditions. What is Samsung's comment on that? Are the working and safety conditions for workers at the Giheung factory the same today? What has Samsung done to improve the safety conditions at the Giheung Factory?

7. The former employee at Samsung's Giheung Factory's Semiconductor production Line 3 says that on the containers of the chemicals there were danger signs, but no one ever told her, they were cancer inducing. She also says that there were no safety instructions by the management. The only instructions they got were that if the chemicals were splashed into their eyes, or if they ever touched the chemicals, they had to wash it off. What is Samsung's comment on that?

8. The former employee at Samsung's Giheung Factory's Semiconductor production Line 3 says she would never have taken the job, if she had known the chemicals were carcinogenic and that she feels Samsung has deceived her and many other workers. What is Samsung's comment on that?

Samsung Electronics' highest priority is to ensure the health and safety of its employees and communities. The company considers its employees as its most important asset, and strives to create a safe and pleasant work environment for all employees. Therefore, all manufacturing plants of Samsung Electronics conduct risk assessments based on OHSAS 18001, an international occupational health and safety management system specification.

The electronics industry is fast-changing and requires the development of new technologies, production techniques and materials. Samsung Electronics recognizes the value of accurate health impact analysis and preventive measures, and is striving to provide a safe working environment for all employees.

We perform pre-assessments of hazardous materials based on the Material Safety Data Sheet, chemical warranty letters, and Letters of Confirmation at the procurement stage.

Permitted chemicals are strictly monitored and counter measures are in place for any possible incident. Samsung Electronics conducts regular training for workers who use and handling these chemicals, particular attention of the production line and inspects storage and handling facilities on an ongoing basis.

In addition, it ensures that chemicals are used only at places equipped with safety equipment and proper protection gear, and where they are stored properly. We managed that this practice has been committed according to the guidelines.

Every employee is required to participate in health and safety training. We customize each employee's training for his or her

role from more than 120 total courses offered, ranging from handling chemicals to ISO/OSHAS protocols to emergency response. Employees begin training at initial employment and continue on a monthly basis for the rest of their careers. Samsung also partners with more than 20 external institutions to ensure we're offering the best training to our people.

Our EHS team of more than 370 employees oversees operations and conducts regular inspections. This oversight ensures that each Samsung Electronics facility complies with the most stringent regulations. For instance, because of sheer caution and strict management of chemicals, we maintain exposure levels below one tenth of permitted legal requirements. In addition to our routine safety inspections, credible third parties verify our inspections results regularly. Government agencies also conduct frequent and unannounced audits at all our semiconductor fabrication plants.

All of our operation sites have received certification from international EHS management systems such as OHSAS 18001. Samsung conducts risk assessments according to OHSAS18001 (Occupational Health and Safety Assessment Series) in all of production facilities, and continues to improve the work environment. Samsung also conducts regular education programs to increase the awareness of Health and safety among its workers and run emergency relief system.

Statement for question #6

6. I have interviewed a former employee at Samsung's Giheung Factory's Semiconductor production Line 3, and she says she was not wearing any protective gears although she was handling cancer inducing chemicals. What is your comment on that?

Samsung Electronics hold ourselves and our suppliers to the highest health and safety standards, and consider our people our

greatest asset. We are committed to complying with all labor laws and regulations where we operate. We maintain world-class health, environment and safety infrastructure to ensure we operate state-of-the-art practices in chemical management, process safety management. We committed that we will provide support to employees who become ill while employed with Samsung Electronics.

As is standard practice and a sign of respect in Korea, we provide support to employees who become ill while employed with Samsung. Support may include financial aid, medical expense assistance and insurance coverage. This is a humanitarian gesture, not a legal or court-ordered mandate, and support was not provided for negotiation or persuasion purposes.

Out of deep concern for our employees, we also extended one of our health support programs to assist former semiconductor employees with cancer-related health issues and those who qualify. While we cannot discuss cases in detail, a number of employees have received aid from this program.

For more detail information about Samsung' s Health and Safety at Semiconductor Facilities, you can find as below web page.

: <http://global.samsungtomorrow.com/employee-health-and-safety-at-semiconductor-facilities/>
<http://samsung.com/safety>