



Samsung Electronics recognises that corporate responsibility should address the whole value chain of our products. We also recognise that given the complexity of the supply chain for electronics products involving many thousands of components and suppliers this is no easy task to achieve.

Sphere of influence will vary from metal to metal and the ability of a single electronics company to impose CSR requirements down to the extractives level is complicated by the length of the supply chain for many metals, trading via commodity markets, lack of current tools to ensure traceability and a metals market facing extremely high levels of demand. These elements are not an 'excuse' for lack of action but a realisation that there are significant challenges to finding an **effective** solution.

The diluted sphere of influence down the supply chain to the extractives level mean it is likely that any action will be most effective if taken by the electronic industry on a collective rather than individual basis. Similarly, influence could be strengthened in some areas by considering options to work alongside other major end-use sectors such as the automotive industry and supporting existing mining sector CSR initiatives rather than 'starting from scratch'. All these issues were openly discussed at the NGO organised roundtable event earlier this year in which Samsung Electronics participated.

Next Steps:

1. As a first step in understanding the role the electronics industry currently plays in purchasing a range of metals and the associated social and environmental impacts, EICC and GeSI have commissioned an investigative study. The results were finalised in June 2008 and further details can be found at:

http://www.eicc.info/downloads/EICC_GeSI%20Extractive%20Study.pdf &

<http://www.eicc.info/downloads/EICC%20and%20GeSI%20Joint%20Study%20on%20Metal%20Extraction%20-%20Final%20Report.pdf>

Samsung Electronics is a member of EICC and has adopted the Electronic Industry Code of Conduct (see www.eicc.info) which provides the framework for our supplier CSR management. Further discussions to identify how the electronics industry could develop or support specific CSR policies/initiatives related to metals extraction are ongoing following the finalization of the extractives report commissioned by EICC & GeSI.

2. Samsung Mobile first investigated the origin of coltan used in tantalum-based components several years ago which led to the development of our existing policy to avoid illegally mined coltan/tantalum sourced from the DRC.
http://www.samsung.com/us/aboutsamsung/corporateactivity/corpcitizenship/enviromentsocialreport/CorporateActivity_PolicyOnColtan.html

More recently, Samsung Mobile investigated the origin of a wider range of metals used in our mobile phones via supplier questionnaires. The responses received were mixed as several first tier suppliers refused to divulge this information citing confidentiality reasons.