



ESG Integration in Action— Samsung Electronics

Firm displays progress across a range of environmental, social, and ethics issues.

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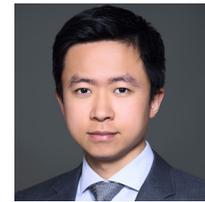
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Company Profile

Samsung is one of the market leaders in the production of key components along the technology food chain, including memory, LCD panels, and logical semiconductors. The company is also a world-leading seller of flat-screen TVs and the second-largest mobile handset company.

Investment Analysis

- As of July 2021, Samsung held more than a 35% share of the world's memory supply and has been strongly positioned within the industry due to cost leadership and technological innovation.
- The potential for increasing penetration of 5G phones and extensive data center buildout may drive further secular growth for memory demand.
- The company has made clear progress on a range of environmental, social, and ethics issues, showing a commitment to achieving standards in line with global best practices.



Frank Shi
Technology Sector
Equity Analyst

ESG IN DEPTH

- Samsung has demonstrated notable improvement across a host of ESG areas, including disclosures, climate action, supply chain management, and compliance/ethical oversight.
- In relation to ESG disclosure, the firm has aligned its reporting and climate action plan with the Task Force on Climate-Related Financial Disclosures and the Sustainability Accounting Standards Board recommendations.
- The recent conviction of Samsung's vice chairman on bribery charges is a concern, but there were notable improvements to oversight arrangements in 2020. A new independent compliance and ethics committee has been established, meeting regularly to review all potential compliance issues and decisions at Samsung. Also, the first independent Board chair was appointed, and the remit of the chief compliance officer has been extended.

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