



Samsung - Modern Tech, Medieval Conditions

ITUC End Corporate Greed Campaign 2016



ITUC CSI IGB

International Trade Union Confederation



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Samsung Exposed - Modern Tech, Medieval Conditions

When industrial chemicals that induce workers' deaths and injuries are secretly covered up in the interests of trade secrets, then the global model of trade that relies on huge multinational companies and their supply chains is bankrupt.

Samsung is one of the largest and best known companies in the world, but no corporate giant can be allowed to operate with disregard for the lives of people.

If you have a smart phone, a television, an air-conditioner – then there's a good chance that you have one of Samsung's electronic products. Or you may have one of their life insurance policies, been to one of their theme parks in South Korea or even seen an advert made by their advertising company.

**SAMSUNG
EXPOSED**
MODERN TECH, MEDIEVAL CONDITIONS

Samsung is everywhere.

The ITUC has first-hand accounts of the bullying wrought on workers who are desperate enough to exercise their right to form a union – and as a result they are sacked.

And for contractors in Samsung's supply chains whose workers join a union, there is a contract guillotine. Contracts are simply torn up.

The ITUC is petitioning Samsung to end worker abuse and abolish its no-union policy.

<http://act.samsungexposed.org>



Foreword

Samsung is a huge company accounting for around one fifth of Korea's gross domestic product. Its supply chains reach around the world with a predominance of workers in Asia.

Leaked documents show that Samsung corporate policy is to punish union leaders. Samsung Electronics intervenes actively to prevent the formation of unions at its suppliers.

Dominated by Samsung, the cut-throat electronics business outsources work to a network of factories with low-paid workers in unsafe conditions.

Samsung's "no-union" policy affects the entire Asian electronics industry.

When workers in electronics factories supplying parts to Samsung, Panasonic, Toshiba, Sanyo and Canon have stood together to demand fairer wages and conditions, their leaders have been sacked.

ITUC research shows that up to 94 per cent of supply chain workers whom multinationals depend on are a hidden workforce: living on poverty wages, and in jobs which are insecure and too often unsafe work for the profits of a company which takes no responsibility.

The model of global supply chains is broken. If the Government of South Korea, a G20 country which sits side by side with world leaders from the 20 largest economies in the world each year, cares less for its workers and denies fundamental rights, then other governments must act.

Samsung's is a business model that has lost its moral compass, based on exploitation and abuse of human

rights in its supply chain. In time, this same business model will become financially bankrupt with falling and stagnating global growth as low wage, insecure workers are simply unable to buy products.

Corporate greed, corporate bullying cannot be tolerated – it's time for a global rule of law to guarantee globalisation with fair working conditions, with rights, minimum wages on which people can live with dignity, and safe and secure work.

Under the banner of the ITUC's Frontline campaigns, workers are organising in supply chains to clean them up and demand better rights and conditions, to tackle informality, slavery and other violations of workers' rights, and to achieve tax justice.

Beginning with Samsung, we will expose corporate greed and the failure of the world's biggest corporations to account for abuse in their supply chains – from union busting, poverty wages, insecure and unsafe work, to forced overtime, informal work and modern slavery.

We will engage with pension funds managing workers' capital regarding investment strategies.

We will end corporate greed.



Sharan Burrow
General Secretary
International Trade
Union Confederation



Jyrki Raina
General Secretary
IndustriALL

50 companies with a combined
revenue of **US\$3.4 trillion**

94% of supply chain workers
are a hidden workforce

A global footprint that covers
almost every country in the world



End Corporate Greed – What we're fighting for

- 1** A new normal, where multinational companies no longer hide behind subsidiaries and subcontractors, but rather map and publish their suppliers;
- 2** Mandated due diligence so that MNEs ensure that all employees, direct and indirect, are not being exploited – so that safe work, an end to short-term contracts, minimum living wages, and the right to collectively bargain with safe working environments are the basic guarantees;
- 3** A world where all governments implement and enforce the rule of law based on ILO standards, while taking responsibility for the dignity of a social protection floor for their people; and,
- 4** A framework of legal accountability and enforcement with countries legislating to mandate due diligence (as per the UN Guidelines for Business and Human Rights) – including extraterritorial legislation binding multinational corporations to act on the risk of exploitation by their suppliers beyond national borders.

At a glance	The Samsung Group with a focus on Samsung Electronics
Name	Samsung
Company type	Family-owned corporate group of 69 business affiliates known as a chaebol
Headquarters	Seoul, South Korea Affiliate companies have their HQs in different South Korean cities, although the majority are in Seoul.
Products	Apparel, chemicals, consumer electronics, electronic components, medical equipment, semiconductors, ships, telecommunications equipment
Services	Advertising, construction, entertainment, financial services, hospitality, information and communications technology, medical and health care services, retail, shipbuilding
Company Chairman of Samsung Electronics	Lee Kun-hee The Samsung Group itself does not have its own board of directors because it is a network of listed and unlisted companies. At Samsung Electronics, Mr. Lee retains the chairman title of the company, not the chairman of Board of Directors. By taking up that title, he can control the company without subjecting himself to a shareholder vote.
Slogan	Imagine the Possibilities
History	Samsung is a Korean name formed from the Chinese characters 三星, meaning the “three stars” that gave the company its logo for decades.
Company employees Samsung Electronics	326,000
Supply chain workers Samsung Electronics	1.5 million
Revenue (2015)	USD 177.3 billion
Tax avoidance	Executives of the Samsung Group are suspected of having established paper companies in tax havens. Top-level executives at the Samsung Group came under formal investigation in 2015 over allegations of insider trading.
Notable shareholders	National Pension Service of Korea, Samsung Life Insurance, Samsung C&T Corp, Chairman Lee Kun-hee, Samsung Fire & Marine Insurance, BlackRock

1. Introduction

Samsung has a powerful influence on South Korea's economic development, politics, media and culture.

The Samsung Group is a family-owned conglomerate. Its flagship company Samsung Electronics is the world's second largest tech company by revenue and the world's largest smartphone maker.

The company has a footprint in Brazil, Canada, China, Europe, India, Indonesia, Korea, Malaysia, Mexico, Philippines, Taiwan, Thailand, the USA and Vietnam.

It has a long history of disrespecting labour and human rights. Samsung's violations of workers' rights range from kidnapping and battering of union leaders, to special training for managers to implement an effective "union-free" policy, as evident in Korea and other countries in Asia^{vii}.

Samsung has adhered to a "no union" management policy. This is not localised at each subsidiary, but rather the systematic corporate policy of Samsung Group. Workers at Samsung's shipbuilding operations have managed to organise a union and went on strike in September 2016 against a unilateral restructuring imposed by management.

More than 90 per cent of its production is made in-house, unlike most competitors which outsource their manufacturing; however, it's estimated Samsung's annual supplier spend of USD 135 billion impacts at least 1.5 million workers through subcontractors.



Samsung use Mafia,
they use police.
They buy soldiers,
they buy police, they
buy government.

Ismail, 35, Indonesia

“ So sprawling is Samsung's modern-day empire that some South Koreans say it has become possible to live a Samsung-only life: You can use a Samsung credit card to buy a Samsung TV for the living room of your Samsung-made apartment on which you'll watch the Samsung-owned pro baseball team^{vii}. ”



Samsung also relies on suppliers in Asian countries like China, South Korea and Indonesia. In South Korea, it was estimated to employ 8,000 workers through in-house subcontractors to lower costs. That practice was found to be illegal at another Korean manufacturer, Hyundai.

**FAST FACT
SAMSUNG**

Samsung's revenue was equal to 17 per cent of South Korea's USD 1,082 billion GDP.ⁱⁱ

Samsung was able to push Japanese companies out of display market dominance and push Nokia from its position in the global mobile phone market.

**FAST FACT
SAMSUNG**

Samsung chairman Lee Kun-hee has an estimated net worth of \$12.6 billion.

The traditional "chaebol" model – of a typically large Korean family-controlled company – has helped Samsung become one of the world's most successful brands, but its conservative values run counter to its need for constant innovation^{ix}.

Samsung's business structure, which characterises Korean chaebols, is a complex web of circular investments involving many companies. This structure makes it possible for an investor to control an entire company without directly owning as much as a 10 per cent share, and the head of the company is able



to control the entire group, despite not having a majority share in many of the companies. The chaotic September 2016 collapse of Hanjin Shipping, part of another chaebol, has intensified concerns about how chaebols work and are structured.

The Asia Monitor Resource Centre notes that in 2012 Lee Kun-hee, chairman of Samsung Group, and his family owned only a two per cent share in Samsung Electronics directly, but they were able to control Samsung Electronics because of the circular equity structure of Samsung Everland, Samsung Life, Samsung C&T and Samsung Card.^x

FAST FACT SAMSUNG

Samsung Electronics reached one of the highest operating profit rates in the IT industry, 14.4 per cent in 2012.



FAST FACT SAMSUNG

Samsung's affiliate companies produce around a fifth of South Korea's total exports.¹



2. The Samsung business model

The Samsung Group is a sprawling chaebol – a family-owned conglomerate – with more than 60 companies. What sets Samsung, and other family-owned conglomerates in Korea such as LG and SK, apart from conglomerates elsewhere is the fact that chaebols are networks of companies coalesced by circular, multilayered nexuses of cross-shareholdings. This enables the founding families to control a vast number of companies with little consideration of outside pressure such as stakeholder interests or public accountability.

At Samsung Group, the founding Lee family directly owns around two percent of Samsung Electronics Co., Ltd., the gemstone of the group. The cross shareholdings have not only placed one of the world's largest technology company under a single family's control but also shield it from any outside influence.

Ubiquitous control without responsibility

The inner workings of Samsung Group and Samsung Electronics in particular are tailored to reinforce the Lee family's ubiquitous control while enabling it to shirk basic fiduciary duties. At Samsung Electronics, neither the group's patriarch Lee Kun Hee nor his son and heir apparent, Lee Jae-yong, is a member of the board of directors. They instead have assumed the titles of chairman and vice chairman of the company – the father and the son use the once-titular and honorary titles to control the company while abrogating fiduciary duties and regulatory requirements for corporate directors and named executives.

Samsung Group's operational structure itself exists in a legal gray area. Samsung Group has no holding company. Instead, the so-called office for future corporate planning, under the control of Chairman Lee and his son, has no legal mandate under the

current Korean law but still coordinates management of the group's 60-plus companies.

On various occasions Samsung has floated an idea of dismantling cross-shareholdings to shift a holding-company structure. It is not impossible for Samsung to make such shift, but it is unlikely to be instigated if it weakens the founders' control.

Samsung: end worker abuse and abolish your "no-union" policy now

LEAKED DOCUMENTS:

"...dominate employees..."

"...induce
internal conflicts..."

"...punish leaders..."

**FAST FACT
SAMSUNG**

In 2012 the Samsung conglomerate accounted for 28 per cent of the Korea's exports, twice its share in 1987.^{vi}

Mutual subsidisation

The Samsung founding family can further solidify their control because their affiliated companies boost each other. Samsung is a self-sufficient corporate empire, from high-tech devices to insurance to investment to resorts and hospitality. The majority of its corporate transactions can be completed literally in-house. While Samsung does not disclose a total volume of these related-party transactions, a glimpse of it is staggering. As of fiscal year to December 31 2015, Samsung Electronics leads the pack with about 60 per cent of net earnings of the entire group. For instance, Samsung Electronics has an outstanding corporate credit-card balance of KRW 1.1 trillion (USD 9.5 billion) with Samsung Card Co., Ltd, or about six per cent of the retail credit unit's total assets.



While it helps further strengthen ties between affiliate companies and thus the founding family's control, this mutual subsidisation is viewed by some as inefficient. It allows some Samsung laggards to stay afloat at the cost of resources that could be otherwise allotted outside Samsung.

Personalise gain – socialise risk

Samsung founders personalise gain by feeding off it within their corporate empire. However, they always attempt to ship out risk to the rest of society. South Korea's regulatory inadequacies and Samsung's strong influence on the government and media are also enablers. In 2008, a special prosecutor was appointed to investigate allegations by a whistleblower of Samsung's massive tax evasion and vast network of bribery within the judiciary and bureaucracy. The prosecutor stopped short of investigating the bribery allegations. About five years later, the prosecutor's son landed a job in middle management, as his first job after graduation, at Samsung Electronics.

There is little legal recourse for workers and consumers in Korea to challenge big corporations. In December 2007 a crane barge owned by Samsung Heavy Industries collided into an oil tanker, sending 65 thousand barrels of oil into the western sea of Korea. Six years later, the company finally agreed to pay KRW 360 billion (USD 310 million) in damages, compared with KRW 500 billion (USD 434 million) in direct government support for the victims. Recently, Samsung rapidly pushed risk down to the supply chain as part of a cost-cutting effort. As of July 2016, at least four contractor repairpersons of Samsung Electronics were killed on the job or committed

FAST FACT SAMSUNG

Samsung Electronics alone posted annual revenue in 2015 of over \$177 billion, a figure exceeding the GDP of countries such as Cambodia, and Honduras.

FAST FACT SAMSUNG

Samsung Electronics reached one of the highest operating profit rates in the IT industry, 14.4 per cent in 2012.

**FAST FACT
SAMSUNG**

As of 2013, roughly 41,000 Samsung workers, the largest number of employees in any single country outside of Korea, were employed in China.ⁱⁱⁱ

suicide in protest of poor working conditions and tough time-management rules. In February and March 2016, five workers were poisoned by methanol gas at Samsung Electronics' subcontractors, risking vision loss. Samsung remains exempt from liability.



The man at the top – Chairman, Lee Kun-hee

While Lee Kun-hee lies in a coma following a cardiac arrest in May 2014, a move is underway to transfer corporate control from him to his children.

Lee Kun-hee has an estimated net worth of \$12 billion – he and his family rank among the Forbes Magazine’s list of the richest people in the world. He is the third son of Samsung founder Lee Byung-chul.[2]

In 2014, Lee was named the world’s 35th most powerful person and the most powerful Korean by Forbes’ List of the World’s Most Powerful People along with his son Lee Jae-yong.^{xi}

In 1997, Lee wrote that “a heightened sense of crisis” was needed for any company to succeed, warning of the risks of complacency.^{xii}

A journalist’s recording of a conversation revealed plans for Lee and the Korean ambassador to the United States, Hong Seok-hyun, to funnel around roughly USD 3 million to South Korean presidential candidates, and implicated Samsung in the bribing of senior prosecutors.^{xiii}

In 2008 Lee quit less than a week after he was charged with tax evasion and breach of trust. On December 29, 2009, the South Korean government moved to pardon him and on March 24, 2010, he announced his return to Samsung Electronics as its chairman.

Kim Yong-chul alleged that the company had a USD 200 million budget for bribing prosecutors and politicians into ignoring its legal misconduct. Despite prosecutors seeking seven years in jail with a fine of USD 350 million, Lee was handed a suspended three-year sentence and fined just USD 100 million – a relative pittance for the world’s 106th richest man.^{xiv}

Months later, South Korean president Lee Myung-bak pardoned Lee so he could remain on the International Olympic Committee.

A 2010 book called Think Samsung by the company’s former chief legal counsel Kim Yong-chul revealed alleged details of Lee Kun-hee’s personal corruption, claiming he stole up to USD 10 billion from Samsung subsidiaries, destroyed evidence, and bribed government officials to ensure the smooth transfer of power to his son.^{xv}

Lee Kun-hee’s older brother and sister have both sued him over the ownership of inherited shares, and for the first time this year the family split to hold separate memorial services for their father.^{xvi} The court ruled in favour of Lee Kun-hee.^{xvii}

Controlling a company that is notoriously anti-union, Lee Kun-hee has said:

“(..What) Samsung does not recognise is not the trade union itself, but the need to have a trade union. In other words, Samsung has a principle of management that does not need trade unions.”



▲ Lee Kun-hee, chairman of Samsung Group

FAST FACT SAMSUNG

Samsung chairman Lee Kun-hee has been in a coma since May 2014 after he suffered a cardiac arrest. His son, Jae-Young, is the heir apparent of the Samsung Group.

FAST FACT SAMSUNG

In its home country, Samsung C&T is a do-everything monolith, building roads and oil rigs, operating hotels and amusement parks, selling insurance, leading some Koreans to call the country “The Republic of Samsung.”^{iv}

3. Life and death as a Samsung worker

Samsung is notorious for its intransigent no-union policy. A 115-page internal document of Samsung obtained in Oct. 2013 showed Samsung's plan to keep its companies and suppliers union-free. It discusses how to detect workers who are most likely to attempt to organise, how to monitor them and how to isolate and eventually thwart workers who exercise their rights to form a union.

The workforce of Samsung Electronics Co., Ltd. has three layers. At the top are professionals, research and development personnel who are the most highly paid. In the middle are skilled trades and manufacturing workers at Samsung's factories in South Korea and around the world. And at the end of their supply chain are the workers hired by contractors and subcontractors for whom the world's largest technology company takes no responsibility.

In 2012, the high-profile Samsung-Apple patent trial offered a window into how the research and development personnel work. In a hearing, Samsung Electronics' chief designer, Wang Jee-yuen, said she slept two or three hours a night for three months when working on designing app icons for the Galaxy S smartphone. She broke into tears when recalling how she had to spend many hours on her project, away from her infant baby. *"The breastfeeding had to come to a stop,"* Wang said. *"Samsung is a very hard-working company."*

Women make up the large part of Samsung's skilled workers. In the late 1990s and the early 2000s, Samsung Electronics recruited large numbers of young women, mainly from small cities, to its expanding semiconductor labs.

These young women work long hours rotating night and day shifts every two weeks, while exposed to hazardous chemicals used in chip production. Samsung Electronics



did not provide safety education or protective gear. The result: an occupational disease cluster affecting much of semiconductor and LCD operations.

As of 2016, Supporters for The Health and Rights of People in the Semiconductor Industry (SHARPS), the Seoul-based advocacy group for Samsung victims, also known as Banolim, has profiled 223 Samsung Electronics employees who developed a variety of blood disorders ranging from leukemia to brain tumors to multiple sclerosis. Of the 223, 76 have died.

The first publicly known deceased victim is Hwang Yu-mi. In October 2003, at the age of 17, Hwang began to work at the semiconductor lab in Samsung Electronics' Giheung plant. In October 2005, she was diagnosed with acute leukemia. In March 2007, Hwang died.



▲ Yumi Hwang
(1985-2007)
Acute Leukemia



▲ Eun-ju Lee
(1976-2012)
Ovarian Cancer

Her story is almost a template for those of the remaining victims who were all model students with impeccable academic and behavioral records from small city high schools. Most of the victims began to work at Samsung Electronics in their late teens and developed some form of blood or pulmonary disorder in their early 20s. For instance, five Samsung lab workers who graduated in 1998-2000 from Gunsan Girls' Commercial High School, where the company recruited tens of graduates annually in that period, have developed leukemia. One is now deceased and three are bedridden.

Currently, only 11 of the 223 victims profiled by SHARPS have been granted workers compensation, as in Korea workers compensation petitioners are required by law to prove the causality between their disease and working conditions. On average, fewer

than 10 per cent of petitioners earn workers' compensation. Also, up until 2014, Samsung hired an army of lawyers to meddle in administrative lawsuits filed by the victims. These lawyers, in various expert capacities on behalf of the country's workers' compensation service, used delaying tactics, exhausting the victims' already-meager financial resources.



▲ Yun Seul-ki
(1981-2012)
Aplastic anemia

In May 2014, Samsung finally offered the cluster victims the first-ever – and cautiously worded – apology for a “failure to understand and console them over their pain.” It promised them compensation. However, in October 2015, Samsung abruptly discontinued negotiations with SHARPS and victims over remuneration and permanent safety measures, and began to pay compensation to some victims who agreed to its confidential terms. In protest, SHARPS began a sit-in at Samsung D'light, the company's exhibition space in south Seoul.



▲ Kim Do-eun
(1976-2012)
Breast Cancer

**FAST FACT
SAMSUNG**

Young females make up many of those employed or sub-contracted to Samsung Electronics' factories.



Since the Asian financial crisis of 1997-98, the South Korean economy has been increasingly depending on a temporary workforce supplanting the once norm of permanent seniority employment. As at 31 December 2015, about 21 per cent of Samsung Electronics' workforce was temporary.

What is even more serious, is that Samsung Electronics uses subsidiaries to hire casual workers. Its after-sale subsidiary Samsung Electronics Services owns

**FAST FACT
SAMSUNG**

Samsung workplaces are highly authoritarian with surveillance and a strict “no union” policy that puts workers, and consumers too, at risk.

only nine of its 107 repair branches. The other 98 branches are contractors who hire a total of around 6,000 repair personnel on a piecework basis. Although the subsidiary manages the repair network in its entirety, the outsourcing exempts it from safety liability. The company imposes tough time management rules on the personnel. They are required to spend fewer than 40 minutes on an assignment, even depriving them of time to put up protective gear or call in extra help such as ladder trucks. The supervisors urge them to work faster and faster via texting. In 2014-16, at least four repairpersons died on the job or committed suicide in protest of the fatal speed of their work and the company's attempts at crushing a unionisation drive. The latest victim was Jin Nam-jin. While fixing an air-conditioner on the third floor of a multi-housing unit in Seoul in June 2016, Nam, 45 years old, fell to his death. Samsung remains free of liability.

Samsung Electronics outsources manufacturing jobs, most of which are high-risk, to contractors who in turn subcontract the majority of them to smaller manufacturers – the outlawed but oft-used practice in the country. In January and February 2016, five workers – one woman and four men in their 20s, employed at two separate Samsung Electronics subcontractors – were exposed to gasified methanol and put at risk of vision loss. In a country with per-capita GDP of USD 26,000, the five victims earned KRW 5,700 (USD 4.71) an hour using gasified methanol as a coolant when cutting smartphone circuits. The employers selected methanol over ethanol, which is less hazardous but three times the price. In April, four of the five victims filed damages lawsuits against their temporary labour agencies, the subcontractors and Samsung Electronics. Their identities are withheld at the victims' request.

Samsung relies on a hidden workforce of contracted and subcontracted workers in countries around the world. Starting in 2013, Samsung Electronics began to use a similarly aggressive recruitment drive in Vietnam, where it hired 20,000 workers right out of high school that year alone, for ever-expanding smartphone operations. As of 2015, the 50,000-strong Vietnamese operations make up 40 per cent of the company's annual smartphone

FAST FACT
SAMSUNG

In 2011, 84 per cent of Samsung's electronics revenue was generated outside Korea.^Y

production. There is little disclosure regarding their working conditions while the workers frequently work the night shift assembling smartphones at one-tenth the cost that would be incurred in South Korea.

Samsung's lack of concern for its consumers too came under the spotlight in September 2016 with the launch of the Galaxy Note 7 smartphone. Several dozen of the phones exploded due to faulty batteries. Despite offering to replace the phones, Samsung failed to follow proper product recall procedures, including in the US where phones were still on sale after Samsung announced the "recall". The main source of the problem was Samsung's own battery maker Samsung SDI, where management have aggressively resisted workers' efforts to form a union over the past decade and announced major cuts in its workforce early in 2016. Samsung's repressive attitude to its workforce is putting consumers at risk too.



A system of exploitation

How multinational corporations exploit workers through global supply chains



Offshoring

In many cases companies use global supply chains to source and distribute products and services squeezing local suppliers, manufacturers, distributors, wholesalers and retailers.



Unfair wages and working conditions

Companies continually search for lower-cost countries to maximise profits, with workers in labour-intensive sectors most affected, creating a dangerous “race to the bottom”.



Insecure work, forced labour, child labour

Employment is often affected by fluctuations in demand, creating seasonal demand for employment instead of steady jobs. Workers are kept on revolving short-term contracts to avoid labour rights found in permanent roles.



Unsafe work

Multinationals often choose to operate in low-labour-cost countries with weak regulatory environments. When workers are injured or fall ill, proper compensation is often denied, with companies failing to provide insurance and governments under corporate pressure and influence failing to ensure compensation schemes.



No legal recourse

Meanwhile companies are usually immune from legal action by workers, as host country tribunals are weak and ineffective and it can be difficult if not impossible to hold parent companies accountable for human rights violations of their subsidiaries in other countries.



Union busting

In countries with weak regulatory environments, workers can encounter difficulties pursuing their legal rights to organise and form unions and take industrial action. Many multinationals recognise unions in their home countries but actively engage in union busting in offshore countries where legal recourse is harder.



No safety net

The absence of a social protection floor, including the payment of social security and pension schemes, deprives workers and the economy of a safety net.



Tax avoidance

Communities are deprived of essential tax revenue when multinationals actively avoid paying their dues to countries in which they operate. Manipulating transfer pricing is one method, whereby companies manipulate prices to lower the profits in the subsidiary located in a country that levies higher taxes while declaring higher profits in a country with lower taxes.

4. Institutional shareholders

Around half of Samsung's shareholdings are owned by foreign entities; the largest include some of the world's biggest international and US-based investment management companies that control trillions of assets worldwide.

Some of the largest include:

National Pension Service of Korea	The South Korean public pension fund is Samsung's biggest shareholder. With USD 430 billion in assets, the National Pension Service is the largest Samsung investor in South Korea and the third largest globally.
Samsung Life Insurance	Korea's largest insurance company, with USD 195 billion in total assets, is Samsung's second largest shareholder and a subsidiary of the Samsung Group itself. Other notable shareholding subsidiaries include the Samsung Group's parent company, the Samsung Construction & Trading Corporation; Samsung Asset Management; and, Samsung Fire & Marine Insurance.
Korea Investment Corporation (KIC)	As of late 2013 South Korea's sovereign wealth fund managed assets totaling USD 64.5 billion.
Lee Kun-hee	Samsung's enigmatic chairman is one of the company's top ten shareholders and as of May 2016 boasts a net worth of USD 12 billion.
Capital Research and Management Company	This is a privately owned US investment manager, primarily servicing investment companies, high net-worth individuals, and banks. It is part of the Capital Group, ranked as one of world's oldest and largest investment management organisations, with \$1.39 trillion in assets.
BlackRock	This is a global investment management corporation based in New York City. It is by far the world's largest asset manager with \$4.6 trillion in assets under management, 22 investment centres, 70 offices in 30 countries and clients in 100 countries.
Franklin Resources	The US holding company, referred to as Franklin Templeton Investments, is one of the world's largest asset management groups with more than USD 850 billion in managed assets on behalf of over 25 million private, professional and institutional investors.
Dodge & Cox	This is a US mutual fund company providing professional investment management services. As of 2015 the company managed USD 270 billion worth of assets. ^{xviii}
The Vanguard Group	This is a US-based investment management company that manages approximately USD 3.4 trillion in assets. It is the largest provider of mutual funds and the world's second-largest provider of exchange-traded funds after BlackRock.

5. Samsung by country: a global overview

Brazil

Dangerous working conditions, long hours, harassment, workplace injuries, company fines

Canada

Alleged cartels/
price fixing

China

Child labour, forced work, forced and excessive overtime, unpaid work, exhausting working conditions, labour contract violations, lack of worker safety, verbal and physical abuse, discrimination

Europe

Price fixing/cartel behaviour, low wages, long working hours, company fines

India

Exploiting apprentice labour, workplace accidents and injuries, low wages, workers hospitalised

Indonesia

Worker deaths, union busting allegations, below standard wages, outsourcing labour, health and safety concerns, short-term contracts, sourced material from unsafe mines

Korea

Worker suicides, workplace deaths, workplace accidents, cancer scandals, exposure to hazardous chemicals, investigation cover-ups, union busting and anti-union activities, false subcontracting, long working hours, low wages, worker surveillance, strikes, demonstrations, CEO scandals, financial scandals, antitrust allegations

Malaysia

Operating in a system where modern-day slavery, outsourced labour and debt bondage are systemic

Mexico

Widespread discrimination against women

Philippines

Intimidating workers, union-busting, illegal sackings, anti-union activities, below minimum wages, safety breaches, hazardous chemical exposure, verbal harassment

Taiwan

Low wages, long working days, no overtime pay, union member workers sacked, underage labour, unsafe workplaces, viral marketing

Thailand

Outsourcing labour, targeting union members, lock-outs, strikes and demonstrations

United States

Criminal antitrust, executives imprisoned, copyright infringement

Vietnam

Long hours, excessive overtime, workers rioting

BRAZIL



Dangerous working conditions, long hours, harassment, workplace injuries, company fines

In August 2013, the Brazilian labour ministry filed a lawsuit against Samsung, alleging dangerous and precarious working conditions imposed on its 6,000 employees at a manufacturing facility in Brazil.^{xx}

Brazil issued an arrest warrant for Lee Kun-hee.

Federal prosecutors said Samsung was “subjecting employees to the risk of disease by repetitive activity and intense pace of work on the assembly line” as well as working shifts of up to 15 hours, lack of seats on the production line, lack of breaks and days off as well as harassment in the workplace in its Manaus plant.

The prosecutors asked for USD 108 million in compensation that would be distributed to workers. Some 2,000 employees had to take sick leave of up to two weeks in 2012 alone, due to issues such as back problems and repetitive strain injury.

In September 2011, the company had to pay USD 214,000 in damages to employees at a facility in Campinas, in the state of São Paulo.^{xx}

CANADA



Alleged cartels/ price fixing

In October 2014 a number of class action lawsuits claimed a number of electronics’ giants including Samsung acted as a cartel to “wring” CAD 480 million in illegal profits from Canadian consumers for almost a decade.^{xxi}

The lawsuits filed recently in Ontario, British Columbia, Saskatchewan and Quebec name 40 companies that allegedly colluded to fix prices for the electronic capacitors that are a basic building block for everything from cellphones to refrigerators.

CHINA



Child labour, forced work, forced and excessive overtime, unpaid work, exhausting working conditions, labour contract violations, lack of worker safety, verbal and physical abuse, discrimination

As of 2012, there were roughly 41,000 workers employed in China – the largest number of employees working in a single country outside Korea.^{xxii}

In September 2012, China Labor Watch released an investigative report on Samsung’s eight supplier factories in China employing approximately 15,000 workers.^{xxiii}

It included reports of well over 100 hours of forced overtime work per month, unpaid work, standing for 11 to 12 hours while working, underage workers, severe age and gender discrimination, abuse of student and labour dispatch workers, a lack of worker safety, and verbal and physical abuse. Moreover, workers lack of any effective internal grievance channel by which to rectify these transgressions.

Samsung uses contractors to produce outmoded, cheap gadgets in China and Vietnam for markets in Africa and Asia. The cost cutting pressure can be more intense because the company has to rely on a cheap labour pool to cater to a low-margin market.

In 2014, Samsung began to produce memory chips in Xian, China. All materials are shipped from South Korea.

In August 2014 China Labor Watch reported children were working at a facility in Samsung’s supply chain.^{xxiv} HEG Electronics employed over 10 children under the age of 16 at a facility in Huizhou, Guangdong Province. The youngest child was 14 years old.

In previous years Samsung faced several complaints against suppliers that have allegedly used child labour. Also in 2014 Samsung announced that it would sever ties with one of its suppliers, Shinyang Electronics, after word came that the company was allegedly violating child labour regulations.

The Asia Monitor Resource Centre reports mainland Chinese workers being used as foreign labour in supply chain factories in Taiwan, with the Chinese workers being paid less than the local employees.

EUROPE

Europe

Price fixing/cartel behaviour, low wages, long working hours, company fines

In May 2010 Samsung was named among ten electronics companies to be fined by the European Commission for operating price-fixing cartel for memory chips used in computers and servers.^{xxv}

In December 2010, the European Commission imposed EUR 649 million in fines on a number South Korean and Taiwanese

electronics firms, including Samsung, for secretly fixing prices of LCD flat screens for Europe's televisions and computers.^{xxvi}

Samsung, the then leader in the LCD business, escaped cash sanctions for coming forward first with information on the alleged scheme.

In December 2013, Samsung was named among a number of companies that employed Hungarian electronics workers on wages too low to support a family, working weeks up to 72-hours long, circumvention of overtime payments violating international standards, 12-hour shifts and temporary agency workers exceeding the number of permanent workers in times of peak production.^{xxvii}

INDIA



Exploiting apprentice labour, workplace accidents and injuries, low wages, workers hospitalised

Samsung is a major player in India's electronic industry. Unlike China with its large homegrown companies, India's electronics market has been dominated by foreign multinationals.

In 1995 Samsung started its operations in India and soon emerged as a leading provider of consumer electronics, IT and telecommunications products in the domestic market, with its regional headquarters near Delhi. However, as the Asia Monitor Resource Centre (AMRC) reported in 2013, many of the workers employed by Samsung suppliers are migrants from other districts.^{xxviii}

In the country's north, electronics manufacturing is dominated by male employees, who are mostly migrants, while in the south and west, women from surrounding rural areas make up 50-60 per cent of the workforce.

The complex structure of India's labour legislation provides a huge scope and incentives for labour law violation, the AMRC noted.

A 2013 report noted that workers at Samsung Electronics India's Noida operations reported about half of the 2,500-3,000 assembly line production staff were apprentice workers. Legally apprentices are not considered workers and do not have any right to collective bargaining.

“ It is very clear that Samsung's strategy to keep labour costs down is based on exploiting the apprentice workers, ” the report stated.

“ They are legally engaged only for one year and so they provide lot of space for a flexible workforce; and they are paid a fixed honorarium and not wages. ”

Samsung's production line is highly automated, and the assembly line speed forces workers to work rapidly and continuously. Workers on mobile phone lines have reported that they have between 3.5 to four seconds to complete their individual task.

Workers reported such a hectic production process that there was no time or space for anything other than their own task, with little time for going to the toilet or stopping for a drink of water. Workers reported a number of associated health problems, including, exhaustion, anxiety, headaches, fever and body pain.

In November 2009, at least 55 workers at Samsung's Noida manufacturing facility were admitted to hospital with complaints of breathing problems, watering of the eyes, and fainting. Hospital sources reported that it was probably due to inhaling some type of poisonous gas.^{xxix}

The local Police superintendent was quoted as saying that initial inspections suggested the gas was “probably LPG that got leaked from a pipeline in the lift installed in plant”, but no follow-up enquiries took place and no action was taken by the labour department.

INDONESIA

Worker deaths, union busting allegations, below standard wages, outsourcing labour, health and safety concerns, short-term contracts, sourced material from unsafe mines

At Samsung's Indonesian sites, there have been cases of worker deaths and allegations of union busting. At its suppliers' sites in Indonesia, there has been union busting and cases of wages paid below the mandated minimum.

Samsung relies on Indonesian supply companies that employ migrant labour, mostly from Central Java and Sumatra Island, via outsourcing or contracts. Around eight out of ten of the workers are women aged between 20 and 25 who have been working for two to five years in that factory.^{xxx}

Workers report that non-unionised workers were often on precarious contracts, either as day labourers or as agency workers. Outsourced workers received less pay, which is often below the minimum wage.

In October 2012 Samsung Electronics Indonesia dismissed union leaders and activists by terminating subcontracting contracts. A month later the company intimidated the rest of the workers by deploying armed thugs who raided cars and motorcycles as directed by management.

In December 2012, the Council of Indonesian Labour (MPBI) protested in front of the South Korean embassy in Jakarta urging Samsung to reinstate the dismissed workers and stop using hired thugs.

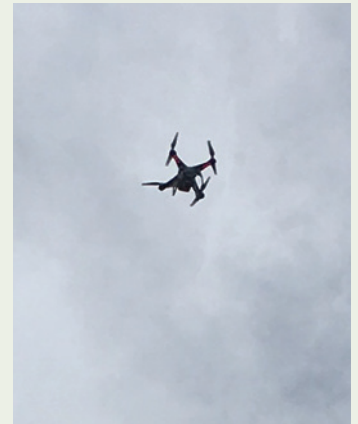
In April 2013, Samsung admitted to using tin sourced from Indonesia's controversial Bangka Island, where an investigation by the Guardian and environmental charity Friends of the Earth found that unregulated tin mining depends on child labour, wrecks the environment and kills an estimated 150 miners every year.^{xxxi}

The Indonesian Trade Union Confederation (KSPI) described mass union busting in Samsung's supplier factories in 2013 – the union had previously organised workers in 22 suppliers and saw nearly all of the unions (19) busted within a year. Other common concerns were short-term contracts, low wages and occupational safety and health issues.

One tactic was for Samsung to cancel orders from organised factories. The union described how at one factory, PT. Samindo Electronics, 200 of 700 workers were union members. Those 200, and those only, were sacked. After the 200 were dismissed, the company got their Samsung orders back.

Across Indonesia, unions have reported the criminalisation of trade union activity, with 26 workers facing charges this year and the government not allowing unions to strike or demon-

strate in listed sectors. Workers have been beaten and jailed for demonstrating. Police in East Java have used dogs to attack workers, with some workers hospitalised with dog bites. In general, the government is trying to frustrate any union action to make the country more investor friendly. Yet many Japanese and European investors have left, replaced by Chinese investors.



▲ A government drone flies over a workers' rally for a minimum wage in Jakarta recording images of those taking part.

Hesty, Semi-Conductor Production, Samsung

"My job is making connectors, current connecting devices. After we okay the stuff, it gets packed, labeled and shipped to the customer.

It's applied to various kinds of appliances such as audio, video, laptops, TV, mobile phone – and sent overseas, to Thailand, Korea, Japan. This would be applied to appliances.

The electronic products we make, in one hour we produce 500 pieces of output.

I work in an electronics company with a salary of three million two hundred thousand a month.

If we were to calculate for the needs in Batam here, well two children with different kinds of needs, the salary is actually not enough.

There are so many needs such as for paying child care.

For household needs such as food, buying soups. And all kinds of our needs in the household alone is 500 thousand.

Yet we have to pay our children's school fees about 500 thousand and pay the water, rice, milk, sugar – are needed every day.

And for the other needs as well, such as buying children's milk, buying nappies for the child, then social needs of the children, buying them clothes.

That's where my salary goes. I have to make it work.

If it is not enough, I will make it work so that it could be enough. That's just the way it is."



▲ Hesty, 35, Semi-Conductor Production, Samsung

Watch Hesty's story at act.samsungexposed.org

KOREA

Worker suicides, workplace deaths, workplace accidents, cancer scandals, exposure to hazardous chemicals, investigation cover-ups, union busting and anti-union activities, false subcontracting, long working hours, low wages, worker surveillance, strikes, demonstrations, CEO scandals, financial scandals, antitrust allegations

Samsung is South Korea's biggest company by far, with about 100,000 workers. Its market capitalisation is more than five times greater than the number two company in this country of 50 million. It employs about 45,000 people in its South Korean semiconductor and LCD departments, though not all of them are factory workers.^{xxxii}

The UN Working Group on Business and Human Rights visited Korea in June 2016 and found^{xxxiii}:

- “From the information gathered and testimonies heard about cases of business-related human rights abuse, one key underlying concern and contributing factor was a failure to ensure adequate oversight of supply chains and a lack of willingness of some lead business enterprises to effectively assume responsibility to prevent or mitigate human rights impacts linked to their operations. The risk of adverse human rights impacts increases in the lower tiers of supply chains, and even more so when supply chains extend beyond national borders.”
- “Some of the companies that we met with claimed that it was practically impossible for them to monitor the supply chains beyond their direct suppliers. Another company indicated that reports of human rights abuse implicating one of its direct suppliers was none of its business. This is not a correct approach under the Guiding Principles.”



Worker suicides

In January 2011, two Samsung Electronics factory workers – employed at Samsung's liquid-crystal-display factories – committed suicide, jumping off company dormitories on 3 and 11 January.^{xxxiv}

In October 2013, Korean Metal Workers' Union (KMWU) member Jong-Beom Choi, 32, self-immolated after being pushed into extreme hardship through targeted auditing, and in protest of Samsung's repression. He left behind a wife and daughter.^{xxxv}

The young leader committed suicide after being heaped with verbal abuse and insulting treatment just 100 days since the workers had formed a union. The KMWU said the same repression faced 1,600 other union members at Samsung Electronics Service Local.^{xxxvi}

His suicide note read: “*The whole time I worked at Samsung SVC was so hard for me. I haven't been able to enjoy life being so hungry, and everyone's struggling so hard that just bearing witness to this is also painful. Though I can't be like Jeon Tae-il, still I have made my choice. Please, I hope it helps.*”

His letter referred to Jeon Tae-il, a South Korean worker and workers' rights activist who committed suicide by burning himself to death in 1970, in protest of the poor working conditions in South Korean factories.

In 2014, a leader of a new union at Samsung in South Korea named Yeom Ho-seok took his own life to protest the vicious anti-union policies of the company.^{xxxvii}

In his suicide note Yeom wrote: “*I sacrifice myself because I cannot bear to see any longer the sacrifice and pain of others as well as the difficult situation of fellow union members.*”

Then the body of Yeom, who had asked in his suicide note to be “cremated and scattered here [at the site of his death] on the day of victory”, was forcibly taken by a force of 300 policemen despite the written consent of both parents to grant the union custody of the body, according to a union representative.^{xxxviii}

Police asserted that only 80 officers had been dispatched to the scene. They declined to identify the legal grounds for involvement.

The suicide triggered workers to demonstrate across the country, including at Samsung Electronics' Seoul headquarters and the residence of presumed CEO-in-waiting Lee Jae-yong, to protest what they describe as the repression of union activities by Samsung and “*a murderous number of hours and inhumane working conditions while our salary continues to decrease,*” according to union flyers distributed at demonstrations. Strikes lasted for 41 days.

Cancer scandals

A worker safety group, called SHARPS and known locally as Ban-olim, has documented more than 200 cases of serious illnesses, including leukaemia, lupus, lymphoma, multiple sclerosis and brain tumours, among former Samsung semiconductor and LCD workers. Seventy-six have died, most in their 20s and 30s.^{xxxix}

The whole time I worked at Samsung SVC was so hard for me. I haven't been able to enjoy life being so hungry, and everyone's struggling so hard that just bearing witness to this is also painful. Though I can't be like Jeon Tae-il, still I have made my choice. Please, I hope it helps.

I sacrifice myself because I cannot bear to see any longer the sacrifice and pain of others as well as the difficult situation of fellow union members.

the particularly aggressive form of blood cancer the same year and died five weeks after her diagnosis.

In 2012, a South Korean government agency ruled that working at a Samsung Electronics factory caused the breast cancer of a worker who died, only the second time it has recognised a link between cancer and the company's chip plants.^{xii} The Korea Workers' Compensation and Welfare Service, which is part of the labour ministry, said there was a "considerable causal relationship" between the woman's cancer and her five years of work at a semiconductor plant near Seoul.

The woman, whose last name is Kim, died in March, aged 36, three years after being diagnosed with breast cancer. Ms Kim worked for Samsung from 1995 to 2000. Her first name was not released at her family's request.

In 2014, a Seoul court ordered the government to compensate a woman who died of a brain tumour after working at a Samsung Electronics plant, recognising her as an industrial disaster victim, as her death was linked to the plant's work environment.^{xiii}

Lee Yun-jeong was diagnosed with a malignant brain tumour in 2010 after having worked at a Samsung semiconductor plant in central South Korea from 1997 to 2003. The government agency that compensates industrial disaster victims initially refused to cover her medical treatment. Lee filed a lawsuit to reverse the decision in 2011 but died a year later at 32 years of age.

Her widowed husband took over as plaintiff along with her former colleague, Yu Myeng-hwa, who was diagnosed with aplastic anaemia, an irreversible blood disorder, in 2001. Yu, 32, had worked at the same factory from 2000 to 2003.



Since 2008, 56 workers have applied for compensation from the government. As of August 2016 only ten have won compensation, most after years of court battles. Half of the other 46 claims were rejected and half remain under review.

Families of the victims, mostly working-class youths from the countryside, often use up their life savings and sell their homes to pay hospital bills, ending up in subsidised housing. Some of the workers ended up incapacitated and unable to work.

In 2005, Samsung semiconductor factory worker Hwang Yu-mi was diagnosed with acute myeloid leukaemia after complaining of nausea, dizziness and vomiting. Yu-mi had started work with Samsung in 2003 when she was 18 and died at 22.^{xi}

Her colleague Lee Suk-young worked on the same line; the two standing side by side at the same workstation, dipping computer chips into the same vat of chemicals. Lee Suk-young – a mother of two, including a newborn – was also diagnosed with



KOREA (continued)

In August 2016 an Associated Press investigation revealed that South Korean authorities have, at Samsung's request, repeatedly withheld from workers and their families crucial information about chemicals they were exposed to at the computer chip and liquid crystal display factories.^{xliii}

Sick workers were supposed to have access to such data through the government or the courts so they can apply for workers' compensation from the state. But documents from courts and the labour ministry show that as recently as 2015, Samsung asked the government not to disclose details of chemical exposure levels and other inspections – even at judges' request for use in workers' compensation lawsuits – using the excuse it would reveal "trade secrets".

Workplace deaths, workplace accidents

In May 2013, highly poisonous hydrofluoric acid leaked at Samsung Electronics' main chip plant in the South Korean city of Hwaseong and injured three workers.^{xliv}

In March 2014, one worker was killed by a gas leakage at a Samsung facility in southern Seoul when the building's safety system released carbon dioxide after it wrongly detected fire, suffocating a 52-year-old man who worked for a partner company of Samsung.^{xlv}

Union busting and anti-union activities

Samsung Electronics is known in South Korea for its strict anti-union policies. Since the time of Samsung's founder, Lee Byung-chull, to the current leadership of Lee Kun-hee, Samsung has used "any and all means" to stop employees from forming unions, the Asia Monitor Resource Centre notes.

"This policy has affected not only Samsung Electronics, but the entire electronics industry. This is because Samsung Electronics intervenes actively to prevent the formation of unions at its suppliers."^{xlvi}

Under Korea's assembly and demonstration laws, any gathering is banned within a hundred metres of foreign diplomatic missions. As a result, many large companies, such as Samsung, have invited embassies to rent offices in their buildings. This tactic effectively prevents workers from demonstrating in front of the company's headquarters.^{xlvii}

In 2013, a member of the Korean National Assembly, the country's parliament, Sim Sang-jung, revealed a leaked 150-page internal Samsung document on labour-management strategy that ordered group affiliates to persuade staff to disorganise a trade union if one was established, including the laying off of union organisers. To implement its "no union" management policy, the company used this document to train CEOs and labour management officials of Samsung Group affiliates, demanding they carry it out in breach of national and international labour laws.^{xlviii}

In December 2013, a group of unions – including the Korean Metal Workers' Union (KMWU) together with the Korean Confederation of Trade Unions (KCTU), IndustriALL Global Union and the ITUC – formally lodged a complaint against the Korean government for failing to protect workers' right to freedom of association, collective bargaining and collective action, and for aiding and abetting the violation of such rights by Samsung in contravention of ILO Conventions 87 and 98.

The KMWU alleged Samsung workers faced systematic surveillance, intimidation, dismissals, and wage and social victimisation when they tried to exercise the right to form and participate in trade unions.

At Samsung Electronics Service, CEOs and managers have threatened workers during one-on-one meetings with them, instructing the workers to withdraw their membership from the trade unions. Management even threatened one of the workers who had defected to South Korea from North Korea, saying that if he joined the union he would be deported back to North Korea.

Workers were also singled out with targeted audits, some for minor infractions dating back several years; and, if it found them guilty, the company would threaten to sue workers for damages and lodge civil and criminal cases unless they withdrew from the trade union.

False subcontracting, long working hours and low wages

Samsung Electronics Service is more than 99 per cent owned by a Samsung subsidiary, yet it relies on subcontractors to carry out its after-service and repair of branded products through almost 100 Samsung service centres throughout Korea.

Despite the different entities, the actual relationship between Samsung Electronics Service and its subcontractors points to direct involvement and supervision of workers employed to carry out work for Samsung.

Industry sources say Samsung Service Centres pay contract repair workers three to four times less than regular staff.^{xlix}

The subcontractors have no special technology, licenses or patents for servicing Samsung Electronics products, and Samsung also carries out the training of these employees. As business operators, the subcontractors have a weak unique identity and lack independence such that they serve as proxy employers for the labour required by Samsung.

Workers have reported 15-hour long workdays, below minimum wages, verbal abuse and hazardous working environments, such as clinging to the side of tall apartment buildings in order to carry out repair work or soldering with lead without protective equipment. Workers were also forced to use their own vehicles and tools without reimbursement.

Financial scandals

In 2007, former Samsung chief lawyer Kim Yong Chul claimed he was involved in bribing and fabricating evidence on behalf of the group's chairman Lee Kun-hee and the company. Kim revealed the company had raised a large amount of secret funds through bank accounts illegally opened under the names of up to 1,000 Samsung executives.ⁱ

Kim Yong Chul also claimed that the company established a USD 200m slush fund to buy off politicians and prosecutors.ⁱⁱ

A former senior manager with Samsung, Michael Kim, said officials with a government anti-corruption agency once told him that they had no jurisdiction over Samsung.

“ Samsung definitely controls the careers of prosecutors in Korea, destroying the careers of those that take any action against the company,” Kim said. “Most prosecutors simply opt for the cash (golf bags full of it) and leave Samsung alone.”ⁱⁱⁱ

In 2008 Lee Kun-Hee was forced to quit as group chairman and fined after being convicted of tax evasion and breach of trust following an investigation. But a year later the country's pro-business president Lee Myung-bak controversially pardoned him.

The Samsung leader took full responsibility but denied wrongdoing, saying:

“ I didn't do it. I never thought it (Samsung) was a criminal organisation, and I think it is (the media's) fault to define it that way. ”

He then returned to chair the company.

Anti-trust allegations

Critics have claimed that Samsung knocks out smaller businesses, limiting choices for South Korean consumers, and sometimes colluded with fellow giants to fix prices while bullying those who investigate.ⁱⁱⁱⁱ



MALAYSIA



Operating in a system dominated by modern-day slavery, outsourced labour, debt bondage

Malaysia is attractive to companies wishing to outsource labour due to its low-cost workforce, low levels of unionisation and weak labour rights. Malaysia maintains a highly restrictive labour legislation, which, among other factors, limits collective bargaining rights and the right to strike.

In September 2014 international labour rights group Verité found nearly a third of some 350,000 workers in Malaysia's electronics industry suffer from conditions of modern-day slavery such as debt bondage^{lv}.

The report found that abuse of workers' rights – particularly the tens of thousands from low-wage countries like Nepal, Myanmar and Indonesia – was rife in the USD 75 billion sector.

The report did not name individual employers; however, Samsung relied upon its labour-intensive supplier operations in Malaysia. The Verité report blamed a system in which government and industry policies have given Malaysian recruitment firms increasing control over workers' pay and other conditions.

MEXICO



Widespread discrimination against women

In May 1997, Human Rights Watch, the International Labor Rights Fund and the Mexican Lawyers' Association filed a complaint allegedly widespread discrimination against women who were subject to pregnancy tests and denied employment if positive^{lv}.

Samsung was named among offenders through its Mexican operations.

THE PHILIPPINES



Intimidating workers, union-busting, illegal sackings, anti-union activities, below minimum wages, safety breaches, hazardous chemical exposure, verbal harassment

Local union representatives have revealed a particular anti-union workplace culture in the electronics sector. Local companies supplying to Samsung have employed former governmental lawyers to advise them on union busting. Company lawyers also regularly file court challenges to unions to drain them of resources.

Unions reported that the situation for workers employed in the country's special economic zones is worse, as union access to workers is difficult and security guards and/or police keep trade unions out and intimidate workers. Strikes are prohibited.

In January 2014, thirteen officers from the Sentro union working at Young Shin Tronics, which supplied Samsung Electronics Philippines, were illegally sacked.

The factory produces metal plating for discs for laptops, and the workers there sought a union because the company was not paying into health insurance or social security schemes. Furthermore, the workers were without protective masks, even when they were handling chemicals as part of their job. Some complained of respiratory problems as a result of the solvents used on the metal sheets.

Young Shin Tronics management told workers that if a union formed, Samsung would pull its orders. Management also told the Department of Labour in a hearing that it would close the company's operations.

The union explained that it was common for workers to be dismissed just weeks before they reached regularisation at six months. Subsequently some workers worked for five months before being fired and then applying for the same job later. Some even changed their name to sign a new contract.

Workers at various operations have reported verbal harassment from their supervisors, below minimum wages and having to buy safety shoes, masks or gloves at their own expense, ITUC interviews revealed.

In May 2014, management of NXP Semiconductors – the billion-dollar electronics manufacturer that supplies components for Samsung – fired 24 union leaders for their alleged participation in an illegal strike. At the time workers were attempting to negotiate a new collective bargaining agreement, but no strike ever took place; workers simply observed regular holidays recognised in the union's collective bargaining agreement.^{lv}

Pictures of the 24 were posted around nearby, and the group claim to have subsequently been "treated like crim-

inals”. They received repeated threats from unknown people, which they assumed was organised by management.

In July 2014, NXP Semiconductors was accused of further intimidating workers and using delaying tactics to break trade union demands to reinstate the 24 illegally fired workers.^{lvii}

The company was then said to have conveyed through the Ministry of Labour that it wanted to try and pay off the illegally sacked workers, effectively removing the trade union leadership from the plant.

In late September, the unions, with the intervention of the National Conciliation and Mediation Board of the Philippines’ Department of Labor and Employment, finally reached a settlement with NXP Semiconductors.^{lviii}

The Samsung anti-union playbook instructs managers to “isolate employees”, “punish leaders” and “induce internal conflicts.”

And that’s just the corporate policy.

Workers have low wages, no medical assistance and work with dangerous chemicals.

For workers like Max, harassment and intimidation started as soon as he formed the union.

Leaked PowerPoint presentation: Samsung's union-busting playbook

The Summon to order the company CEO to attend the Gyeonggi Office of the Ministry of Employment and Labor, issued on 7 November 2011

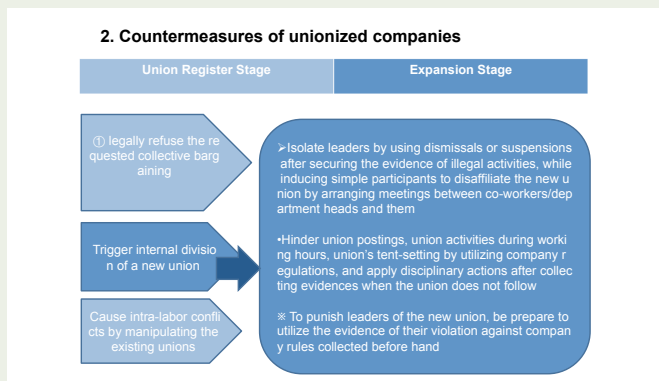
Attendant : Choi (Samsung Everland Resort)

- "If you do not attend, you may be disadvantaged on the basis of the article 200-2 of the Criminal Procedure Code."

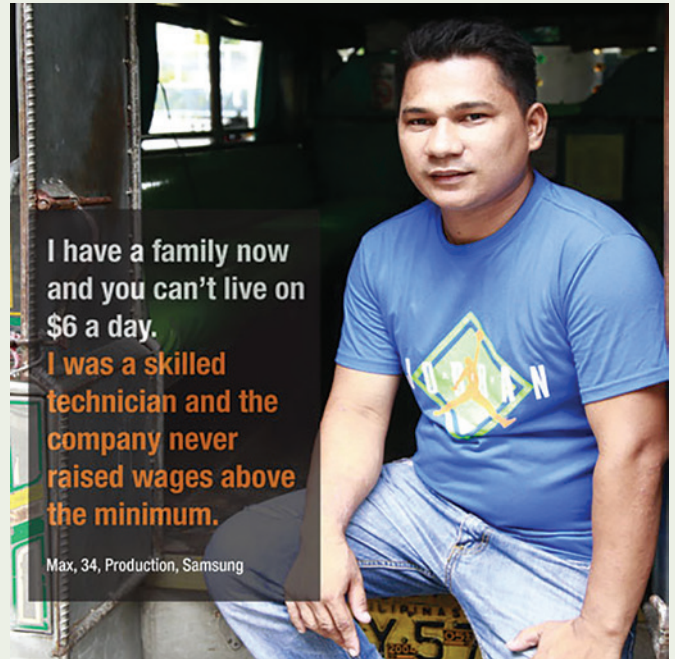
The article 200-2 of the Criminal Procedure Code

"A judicial police officer can arrest a suspect with the arrest warrant issued by a judge, in case that the suspect does not meet the demand of attendance stipulated by the article 200."

▲ The dismissal of key persons prior to the establishment of labour union for the purpose of avoiding the charges of unfair labour practices.



▲ To punish leaders of the new union, be prepared to utilize evidence of their violation against company rules collected before-hand.



Max, Production Technician, Samsung

“ First they demoted me, then they dismissed me. ”

“I am Mr Massimo Kuhano and I worked at Young Shin Tronics Incorporated since 2008. And I am a skilled technician.

We produce a very small metal part, used in Samsung technology. Inside the company... the company gives an industrial fan only. It's not air conditioned. The safety in our company is very bad.

For example, I am a technician and I don't have any goggles to use with the grinding machines. If the company has an audit, the company will give the mask, the safety equipment, but only if an audit. So that our visitors see “oh, it's a good company”.

The main reason why I decided to build a union at Young Shin is to build up my salary of course. We have no medical assistance, no salary increase. And in times of calamities, the company wouldn't even give help.

Since 2008 the company paid the minimum wage which was then 272 pesos (USD 5.86) and later 321 pesos (USD 7).

I am 34 years old and I have a young family now and you can't live on 321 pesos (USD 7). I was a skilled technician and the company never raised wages above the minimum.

I suffered a lot of things. Union busting under labour practice. I was put in other positions, like janitorial level. Mopping floors, removing rust off metal. Then cleaning outside the company premises. And then they dismissed me.”

Watch Max's story at <http://.act.samsungexposed.org>

TAIWAN



Low wages, long working days, no overtime pay, union member workers sacked, underage labour, unsafe workplaces, viral marketing

Workers at one of Samsung's main suppliers in Taiwan, Young Fast Optoelectronics, have reported working extremely long days for meagre wage and no overtime pay.

The factories have hired a host of foreign workers and students from work-study cooperation programs. The Asia Monitor Resource Centre reports that workers under the age of 16 have been recruited.

The Fair Trade Commission of Taiwan was also investigating Samsung and its local Taiwanese advertising agency for false advertising. Samsung Taiwan made an announcement on its Facebook page in which it stated that it had not interfered with any evaluation report and had stopped online marketing campaigns that constituted posting or responding to content in online forums.^{lix}

Fifty-three-year-old male operator at Samsung supplier, Young Fast Optoelectronics Co.^{lix}

“Whenever our managers receive a call from the top level, demanding a certain amount of output this month, they force us to extend our working hours and cancel our weekends and national holidays, ordering us to go to the factory. Last year when a typhoon struck, our shift manager called me back to the factory from home despite the heavy rainfall. But if any accident happens to me on the way, who would take care of my children? I refused and actually stayed home without following his orders. The next morning, the shift manager summoned me, correcting my inappropriate attitude towards overtime work.”

Young Fast Optoelectronics Trade Union member, later laid off for striving for overtime pay.

“Other than thirty minutes for lunch and dinner each, I stand working for eleven hours every day, performing the same action without any rest. Even the time spent using the restroom is recorded. We do not know whether the organic solvents we use in large quantities everyday are toxic or not. The only protection we have is the disposable active carbon mask.^{lix}”

THAILAND



Outsourcing labour, targeting union members, lockouts, strikes and demonstrations

Unions began to organise in 2006 after Samsung moved a section of its production unit to Aneon Electronics Thailand, a direct supplier to Samsung.

Management then tried to transfer the existing workforce to Aneon with new terms and conditions, according to the Asia Monitor Resource Centre, prompting an industrial dispute with almost 1800 workers in support.

During workplace negotiations, seven union leaders were dismissed. After filing complaints to the government, five were reinstated and the rest received compensation from Samsung.

In February 2006, NXP Semiconductors, the billion-dollar electronics manufacturer that supplies components for Samsung, locked out workers in an attempt to force them to accept a new work system. Union members were forced to leave the production line. Locked out employees were given two choices: accept the new system and keep their jobs or to resign.^{lxii}

In April 2011, an accidental fire reportedly destroyed Samsung Electronics warehouse. Around 100 workers escaped the area, but five workers suffered from smoke inhalation. The cost of the damage was around 50 million baht.^{lxiii}

At midnight on 27 February, 2013, hundreds of union members were forced to leave the production line and locked out by their employer, the Dutch semiconductor company NXP Manufacturing, in Bangkok.^{lxiv}

Local management at NXP, a Samsung supplier, gave workers two choices: accept a new work system and keep their job, or resign and leave. Some of the mostly female workforce management locked out in the middle of the night were pregnant.

The union members later went on strike and demonstrated outside the plant gate to voice their concerns about the proposed forced overtime, no overtime pay for weekend work, reduction of wages and the company's discriminatory practice against daily wage workers. Two weeks later, workers demonstrated outside the Netherlands Embassy in Bangkok.

A female worker locked out by management during the 2013 industrial dispute:

“This factory has been operating for 38 years. Most of us have worked here for more than 10 years. Most of the workers have families. The new work schedule proposed by the company means we lose weekends and time with our families.”

UNITED STATES



Criminal antitrust, executives imprisoned, copyright infringement

In November 2005, Samsung pleaded guilty in the US to participating in conspiracy and agreed to pay a 300-million-dollar fine in what was the second largest criminal antitrust fine in American history^{lxv}.

The case marked the shift of price-fixing into the technological

age. Six senior Samsung executives also received prison terms in the US as a result of the case.

In April 2011, rival Apple sued Samsung, its then component supplier, alleging in a 38-page federal complaint in the United States District Court for the Northern District of California that several of Samsung’s Android phones and tablets infringed on Apple’s intellectual property: its patents, trademarks, user interface and style.^{lxvi}

A jury found that several Samsung products copied Apple devices in their design and ordered the Korean company to pay over USD1 billion in compensation.^{lxvii}

VIETNAM



Long hours, excessive overtime, workers rioting

Vietnam has become a global hotspot, following China, in terms of expansion for the electronics sector and the subsequent impacts, with industry descriptions of Vietnam becoming “the new China”.^{lxviii}

The Asia Monitor Resource Centre reports that about 90 per cent of the workers in the Vietnamese electronics industry are female and about 70 per cent are workers who have migrated from rural areas to the cities.

As a result of the Vietnamese government’s preferential treatment towards Samsung Electronics, the company built the world’s largest smart phone factory in the country in 2014. Samsung was expected to employ 100,000 workers by July 2015, making it the largest foreign company in Vietnam^{lxix}.

In a 2010 research project interviewing 20 Samsung Electronics Vietnam workers, 15 workers reported “overtime was frequent all year.” Overtime work depended on the workload and production targets, and workers were sometimes requested to work overtime for a few hours each day or all day Saturday or

Sunday. Some months they were forced to work every day without any rest.^{lxx}

During interviews workers also reported that it was difficult to refuse to work overtime during peak production periods, with a manager often standing in front of the door to monitor those leaving the factory. Those without a reasonable reason for refusing overtime were told to continue working.

In January 2014, a riot broke out at the factory construction site, in which workers clashed violently with local police, leaving 13 people injured, including one police officer, and four critically.

Motorbikes and security guard housing were set on fire during the riot. Samsung blamed the incident on a disagreement between construction workers and security guards over safety protocols at the site.^{lxxi}

Female Samsung Electronics Vietnam worker:^{lxxii}

“ Working extra hours burns all of our energy. It is exhausting and overloading. My daily routine revolves around working, eating and sleeping. I have no idea of anything else except for the factory and my room. We joke with each other that work makes it impossible to update (our knowledge of) the names of State leaders or events. We just sleep to be healthy enough to work. ”

If you have information about Samsung workplace practices in your country, please contact in

info@ituc-csi.org

strict confidence.



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D/2016/11.962/26