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Korea Exchange: **005930**

ISIN: **KR7005930003**

MEETING DATE: 19 MARCH 2025

RECORD DATE: 31 DECEMBER 2024

PUBLISH DATE: 25 FEBRUARY 2025

INDEX MEMBERSHIP: S&P GLOBAL 100; KOSPI 200

SECTOR: INFORMATION TECHNOLOGY

INDUSTRY: TECHNOLOGY HARDWARE, STORAGE AND PERIPHERALS

COMPANY DESCRIPTION

Samsung Electronics Co., Ltd. engages in the consumer electronics, information technology and mobile communications, and device solutions businesses worldwide.

COUNTRY OF TRADE: KOREA, REPUBLIC OF

COUNTRY OF INCORPORATION: KOREA, REPUBLIC OF

VOTING IMPEDIMENT: NONE

OWNERSHIP	COMPANY PROFILE	ESG PROFILE	COMPANY UPDATES	PREVIOUS BOARD	VOTE RESULTS
COMPANY FEEDBACK	APPENDIX	SUSTAINALYTICS ESG	ESG BOOK PROFILE	BITSIGHT CYBER SECURITY	

2025 ANNUAL MEETING

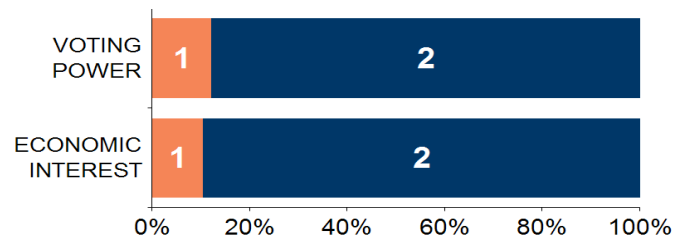
PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Financial Statements and Allocation of Profits/Dividends	FOR	FOR	
2.00	Election of Directors (Slate)	FOR	AGAINST	• Board independence
2.11	Elect KIM Jun Sung	FOR	FOR	
2.12	Elect HEO Eun Nyeong	FOR	FOR	
2.13	Elect YOO Myung Hee	FOR	FOR	
2.14	Elect LEE Hyuk Jae	FOR	AGAINST	• Related party transactions • Board independence
2.21	Elect JUN Young Hyun	FOR	FOR	
2.22	Elect ROH Tae Moon	FOR	FOR	
2.23	Elect SONG Jai Hyuk	FOR	AGAINST	• Board independence
3.00	Directors' Fees	FOR	FOR	
4.00	Election of Audit Committee Members (Slate)	FOR	AGAINST	• Board independence • Affiliate/Insider on a committee
4.01	Election of Audit Committee Member: SHIN Je Yoon	FOR	AGAINST	• Board independence • Committee independence • Nominating chair not independent • Professional services relationship
4.02	Election of Audit Committee Member: YOO Myung Hee	FOR	FOR	

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1	2
SHARE CLASS	Preferred Stock	Common Stock
SHARES OUTSTANDING	816.0 M	5,919.6 M
VOTES PER SHARE	1	1

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 24-FEB-2025



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	Samsung Life Insurance Co., Ltd.	7.57%	South Korea	Public Company
2.	National Pension Service	6.33%	South Korea	Government Pension Plan Sponsor
3.	BlackRock, Inc.	4.97%	United States	Traditional Investment Manager
4.	Samsung C&T Corporation	4.44%	South Korea	Public Company
5.	The Vanguard Group, Inc.	3.21%	United States	Traditional Investment Manager
6.	Norges Bank Investment Management	1.85%	Norway	Sovereign Wealth Fund
7.	Hong, Ra Hui	1.46%	N/A	Individuals/Insiders
8.	Lee, Jae-Yong	1.45%	N/A	Individuals/Insiders
9.	Samsung Fire & Marine Insurance Co., Ltd.	1.31%	South Korea	Public Company
10.	FMR LLC	1.17%	United States	Traditional Investment Manager
11.	Capital Research and Management Company	1.04%	United States	Traditional Investment Manager
12.	JP Morgan Asset Management	0.74%	United States	Traditional Investment Manager
13.	Samsung Asset Management Company, Ltd.	0.73%	South Korea	Traditional Investment Manager
14.	Lee, Boo Jin	0.71%	N/A	Individuals/Insiders
15.	Lee, Seo Hyun	0.70%	N/A	Individuals/Insiders
16.	Artisan Partners Limited Partnership	0.68%	United States	Traditional Investment Manager
17.	Fidelity International Ltd	0.62%	Bermuda	Traditional Investment Manager
18.	Massachusetts Financial Services Company	0.54%	United States	Traditional Investment Manager
19.	Dimensional Fund Advisors LP	0.48%	United States	Traditional Investment Manager
20.	Invesco Ltd.	0.46%	United States	Traditional Investment Manager

*COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 24-FEB-2025

**CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD ¹
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	3.00%	3.00%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	1.00%	1.00%

¹N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.

COMPANY PROFILE

GENERAL	COUNTRY OF INCORPORATION	Korea, Republic of
	COUNTRY OF TRADE	Korea, Republic of
	STOCK EXCHANGE	Korea Exchange

FINANCIALS		1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
	005930	-30.8%	-10.1%	1.6%
	FTSE Korea Index	-22.6%	-11.9%	-1.4%
	MARKET CAPITALIZATION (MM KRW)	353,964,024		
	ENTERPRISE VALUE (MM KRW)	260,642,424		
	REVENUES (MM KRW)	300,900,000		

ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2024. SOURCE: CAPITAL IQ

BOARD & MANAGEMENT	BOARD TYPE	One-Tier, large company	EARLY DISCLOSURE (21 DAYS BEFORE MEETING)	Greater than 20 Days
	ELECTION METHOD	Majority	MULTI-CLASS SHARE STRUCTURE WITH INEQUITABLE VOTING RIGHTS	No
	POST MEETING BOARD COMPOSITION DISCLOSED	Yes	CONTROLLED WITHIN PAST YEAR	No
	BOARD SKILL MATRIX DISCLOSED	Yes	STAGGERED BOARD	Yes
	AVERAGE NED TENURE	2	COMBINED CHAIRMAN/CEO (no SID)	No
	MEETING MATERIALS AVAILABLE IN ENGLISH	Yes	AUDIT REPORT DISCLOSED WITH MEETING CIRCULAR	Yes

SASB MATERIALITY	PRIMARY SASB INDUSTRY: Hardware
	FINANCIALLY MATERIAL TOPICS:
	<ul style="list-style-type: none"> • Product Security • Product Lifecycle Management • Materials Sourcing • Employee Diversity & Inclusion • Supply Chain Management
	COMPANY REPORTS TO SASB/EXTENT OF DISCLOSURE: Yes; Full Standard

CURRENT AS OF FEB 24, 2025

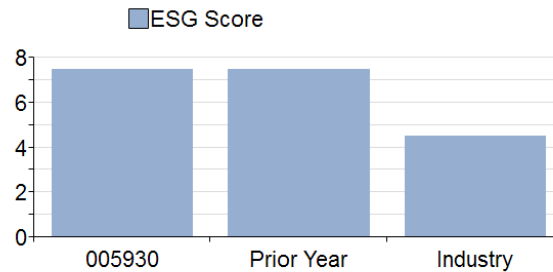
GLASS LEWIS ESG PROFILE

GLASS LEWIS ESG SCORE: 7.5 / 10

ESG SCORE SUMMARY

Board Accountability Score:	4.0 / 10	ESG Transparency Score:	10.0 / 10	Targets and Alignment Score:	7.7 / 10
Climate Risk Mitigation Score:	6.8 / 10	Biodiversity Score:	N/A		

SCORE BREAKDOWN



PRIOR YEAR ESG SCORE*	7.509
CHANGE IN ESG SCORE	-0.02
INDUSTRY	N/A
COUNTRY	4.5 (2.98)
INDUSTRY / COUNTRY	N/A

*As of our Proxy Paper for the Annual Meeting on 20-Mar-24

BOARD ACCOUNTABILITY (4.0 / 10)

Average NED Tenure	2 years	Percent Gender Diversity	20%
Director Independence	40%	Board Oversight of ESG	Yes
Board Oversight of Cyber	N/A	Board Oversight of Human Capital	N/A
Compensation Linked to E&S Metrics	N/A	Lowest Support for Directors in Prior Year	N/A
Prior Year Say on Pay Support	N/A	Annual Director Elections	No
Inequitable Voting Rights	No		

ESG TRANSPARENCY (10.0 / 10)

Comprehensive Sustainability Reporting	Yes	GRI-Indicated Report	Yes
Reporting Assurance	Yes	Reporting Aligns with TCFD/IFRS S2	Yes
Discloses Scope 1 & 2 Emissions	Yes	Discloses Scope 3 Emissions	Yes
Reports to SASB	Yes	Extent of SASB Reporting	Full Standard

ESG TARGETS AND ALIGNMENT (7.7 / 10)

Has Scope 1 and/or 2 GHG Reduction Targets	Yes	Has Scope 3 GHG Reduction Targets	No
Has Net Zero GHG Target	Yes	Reduction Target Certified by SBTi	No
SBTi Near-Term Target	N/A	SBTi Long-Term Target	N/A
SBTi Net Zero Target	N/A	UNGC Participant or Signatory	Yes
Has Human Rights Policy	Yes	Human Rights Policy Aligns with ILO, UNGP, or UDHR	Yes
Has Human Rights Due Diligence Framework	Yes	Has Supplier Code of Conduct	Yes
Has Biodiversity Policy	Yes		

CLIMATE RISK MITIGATION (6.8 / 10)

TPI Management Quality Score	4	Board Oversight of Climate	Yes
TPI Carbon Performance Score	N/A	Has Interim GHG Targets	Yes
Just Transition Disclosure	Yes	Climate Lobbying Statement	No
Discloses Results of Scenario Analysis	Below 2 Degrees	Compensation Linked to Climate	No
Net Zero Target - Scope 1 & 2	Yes	Net Zero Target - Scope 3	No
Climate Risk in Financial Statements	No	Quality of Climate Reporting	Good

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COMPANY UPDATES

SUMMARY

We believe that shareholders should be mindful of the following issues:

ISSUES	Controversial Merger and Accounting Fraud
	Suspected Violation of The Fair-Trade Act
	Bribery and Embezzlement
	Drug Conviction
	<p>CONTROVERSIAL MERGER AND ACCOUNTING FRAUD</p> <p>2012-2015: Samsung Biologics Co., Ltd. ("Biologics") and Biogen, a US-based company, jointly established Samsung Bioepis ("Bioepis"). Biologics reclassified the status of Bioepis from subsidiary to affiliate, resulting in the change of the valuation methodology and increasing the estimated value of Bioepis from KRW 330 billion to KRW 4.8 trillion. Soon after, Samsung C&T Corporation ("C&T") acquired Cheil Industries ("Cheil") for KRW 8.9 trillion, with Biologics being a subsidiary of Cheil. Following the merger, LEE Jae Yong ("LEE") became the largest shareholder of C&T.</p> <p>2016: Civil organizations and the minority opposition Justic Party called for an investigation. They alleged that Samsung deliberately inflated the value of Biologics to facilitate LEE's succession to leadership through the merger of C&T and Cheil.</p> <p>2017: The Securities and Futures Commission ("SFC") investigated Samsung C&T for suspicions of accounting fraud at Biologics. Investigators also raided Biologics and four accounting firms (KPMG Samjong, Deloitte Anjin, Samil PwC and EY Han Young) on alleged inflation of the estimated value of Bioepis.</p> <p>2018: The SFC concluded that Biologics violated accounting standards. The Financial Supervisory Commission ("FSC") enforced a trading suspension on Biologics due to its deliberate fraudulent accounting practices.</p> <p>2019: Samsung Electronics and Bioepis' executives were ruled guilty of destroying evidence related to the accounting fraud at Biologics.</p> <p>2020: In January, prosecutors launched an investigation on controversial merger. Former CEO of C&T KIM Shin was summoned to the Seoul Central District Prosecutors Office for the suspected devaluation of C&T for the merger with Cheil. Afterward, Samsung Group set up an anti-corruption panel to improve compliance and prevent the violation of governance rules. However, in September, the Seoul Central District Prosecutors' office charged LEE with the manipulation of the stock price and the illegal trading related to the C&T merger. In addition, Samsung Securities was accused of providing loans of over KRW 100 million to executives of the Group's affiliates, including Bioepis. As a result, JANG Seok Hoon, CEO of Samsung Securities, was summoned as testifier, but he denied his allegations. In October, the court initiated a trial preparation on LEE and other executives.</p> <p>December 2023: The 100th trial on the suspected unfair C&T merger and accounting fraud case was held.</p> <p>November 2023: During the 106th trial, prosecutors sought a prison sentence of 5 years and a fine of KRW 500 million for LEE. In addition, they also demanded a prison sentence of 4.5 years and a fine of KRW 500 million for CHOI Gee Sung, former representative of Samsung Electronics, and 4 years in prison with a fine of KRW 300 million for KIM Shin. Samsung refuted the prosecutors' claims, denying all the allegations.</p> <p>February 2024: At the first trial, the Court acquitted LEE, insisting that LEE's succession cannot be considered as the only reason for the merger because other business purposes could be found, and there was no intent to harm shareholders' interest. KIM Tae Han, Kim Shin, CHOI Gee Sung were also acquitted at the first trial. The prosecution appealed the ruling.</p> <p>November 2024: Prosecutors have requested a five-year prison sentence and a fine of 500 million won for LEE, maintaining the same penalties as in the first trial.</p> <p>February 2025: In the appeal trial, LEE was acquitted on charges of unlawful mergers and accounting fraud. In addition, the remaining 13 defendants, who were also indicted, were also acquitted. The prosecution appealed to the Supreme Court.</p> <p>SUSPECTED VIOLATION OF THE FAIR-TRADE ACT</p> <p>2013 - 2020 - Samsung Electronics and its former representative director CHOI Gee Sung were accused of engaging in unfair deals with Samsung Welstory, which was suspected of acting as a "cash cow" for the benefit of Lee Jae Yong's succession plan.</p> <p>June 2021 - The Fair-Trade Commission ("FTC") imposed penalties of KRW 234.9 billion on Samsung Electronics, Samsung Display, Samsung Electro-Mechanics, Samsung SDI, and Samsung WelStory ("WelStory"). In addition, the Commission filed a complaint against CHOI Gee Sung and Samsung Electronics on possible charges of violation of the Fair-Trade Act.</p> <p>November 2022 - The prosecutors mentioned the possibility of an indirect link between the unfair deal and Lee's succession plan, but not a direct relationship. Thus, without charges of breach of trust, they indicted Samsung Electronics and CHOI Gee Sung only for the violation of the Fair-Trade Act and sent the case to trial.</p> <p>October 2023 - The first trial was held for WelStory, CHOI Gee Sung and other executives. Samsung refuted all the allegations, and the trials are still ongoing.</p> <p>May 2024 - During the trial on May 9, 2024, Samsung still refuted all the allegation, requesting clarification on the evidence</p>
CHRONOLOGY/ CONSEQUENCES	

collection process. We have not found any updates as of the writing of this report.

BRIBERY AND EMBEZZLEMENT

2017: Investigations into political corruption scandals indicated that LEE Jae Yong, vice chairman of Samsung Electronics at that time, took advantage of political connections with Former president PARK Geun Hye and CHOI Soon Sil, a secret confidante of PARK Geun Hye, to push the C&T merger through. In August 25, the Seoul Central District Court ("District Court") found Mr. LEE is guilty of bribery, embezzlement, perjury, and involvement in crimes to siphon off funds overseas, in order to strengthen his control over the Group. The District Court sentenced him to five years in prison. Four former Samsung Electronics executives were also convicted of similar charges and sentenced to up to four years in prison or suspended terms.

2018: The Seoul High Court ("High Court") cleared LEE's charges of diverting funds overseas and embezzling the Group's funds of around KRW 1.6 billion suspected of supporting CHOI Soon Sil's Korea Winter Sports Elite Center. In addition, the High Court also stated that Samsung Group's donations of KRW 20.4 billion to MIR Foundation and K-Sports Foundation, which were established and managed by CHOI Soon Sil, were not considered as bribery. In consequence, LEE's five-year sentence was reduced to a suspended two-year and six-month term and two former executives' four-year terms in prison were also reduced to suspended terms. He was released from prison after serving around one year.

2019: The Supreme Court returned LEE Jae Yong's bribery case to the High Court for a retrial on underestimation of the scale of the bribe and the High Court sentenced him to 2 years and 6 months in prison on January 18, 2021. In addition, The Ministry of Justice notified LEE of employment restriction for the next five years.

2021: The parole review committee of the Ministry of Justice decided to parole LEE.

2022: In August, the Korean government decided to lift the employment restriction imposed on him. The reason for the pardon is to revitalize the economy and overcome the economic crisis. In October, LEE was named executive chairman of Samsung Electronics by its board of directors.

DRUG CONVICTION

October 2021: The District Court imposed LEE a fine of KRW 70 million for illegally using propofol, which is normally used as a medical anesthetic, 41 times at a plastic surgery clinic in Seoul from January 2015 to May 2021.

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Noah Manskar. ["Samsung heir Jay Y. Lee sentenced to prison again in bribery case."](#) *New York Post*. January 18, 2021.

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JUNG Min Hoon. ["Prosecutors indicted CHOI GEE Sung and Samsung Electronics on charges suspicion of violating the Fair Trade Act."](#) *ASIATODAY*, November 16, 2022.

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SONG Su Hyun, "[\[News Focus\] Welstory: Food for Samsung workers or the Lees?](#)", *The Korea herald*, July 5, 2021.

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SON Hyun Sung, "[Choi Gee Sung and Samsung Electronics indicted for 'Unfair deals for Samsung WelStory'. but no charges of breach of trust.](#)", *Hankook-Ilbo*, November 17, 2022.

LEE Young Sup, "[At hearing, Samsung denied its allegations on unfair deals](#)", *Yonhap News*, February 2, 2023.

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Glass Lewis's view

As discussed in our company update, we have been paying close attention to the Group and the Company's various scandals and trials. In particular, Controversial Merger and Accounting Fraud case possibly suggests a lack of risk management of the Group and the Company. We are seriously concerned about the number of the Group's top executives involved in the scandals, which may signal poor internal controls and lack of risk management at the Company and its affiliates. In the event that members of management or the board are implicated in any such legal proceedings, we may consider recommending that shareholders withhold votes from certain directors on that basis. However, due to the ongoing nature of the trials and investigations, we will refrain from providing any recommendations to shareholders regarding the board on these matters at this time. We will monitor the issue going forward.

1.00: FINANCIAL STATEMENTS AND ALLOCATION OF PROFITS/DIVIDENDS

FOR

PROPOSAL REQUEST:	Approval of financial statements and allocation of profits	RECOMMENDATIONS & CONCERNS:
PRIOR YEAR VOTE RESULT (FOR):	N/A	FOR- No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	
AUDITOR OPINION:	Unqualified	
UNQUALIFIED FOR THE PAST 3 FYs	Yes	

SUMMARY

in KRW per share	FY 2024	FY 2023
Interim Dividend for Common Share	1,083	1,083
Interim Dividend for Preferred Share	1,083	1,083
Final Dividend for Common Share	363	361
Final Dividend for Preferred Share	364	362
TOTAL DIVIDENDS FOR COMMON SHARE	1,446	1,444
TOTAL DIVIDENDS FOR PREFERRED SHARE	1,447	1,445
DIVIDEND PAYOUT RATIO	28.5%	63.3%

GLASS LEWIS ANALYSIS

FINANCIAL STATEMENTS

As a routine matter, Korean law typically requires that shareholders approve a company's annual financial statements.

In accordance with Korean regulations, the legal deadlines of certain disclosures related to an annual general meeting ("AGM") and financial statements by a Korean company are as follows: (a) meeting notice and meeting circular - 14 days prior to the AGM; (b) auditor's report and annual report - 7 days prior to the AGM. Due to the discrepancy between these two separate mandates regarding the disclosure period, shareholders often cannot review audited financial statements prior to exercising their voting rights for AGM unless a company discloses its auditor's report around the announcement date of AGM circular.

Glass Lewis believes that it is imperative that the board of directors provide shareholders with transparent and accurate financial statements in a timely manner, especially before they need to cast their votes on this matter. The auditor opinion is crucial as it provides investors with reasonable assurance that the financial statements are presented fairly, in all material respects, and give a true and accurate view in accordance with the financial reporting framework. Without objective independent examination and verification of the financial statements, shareholders face challenges to understand the company's true financial condition and bear potential risk regarding any false information, such as errors or omissions in the financial statements, which may directly affect their investment decisions.

However, since Korean companies are required to disclose audited financial statements only seven days prior to AGM, Glass Lewis believes that it may not be in the best interests of shareholders to disapprove financial statements solely because a company has not disclosed its audited financial statements at the time of voting. Given the importance of reviewing a company's accounting practices while taking into account market practices and regulations, we review each company's past three years' financial statements and audit opinion when considering relevant proposals. In a case where we do not identify any accounting issues raised by independent auditors and/or accounting practices during this period, we would generally support the relevant proposals. However, if companies have received independent auditor's opinion other than "unqualified" in the last three years, we may not support the relevant proposals unless the company discloses its auditor's report for the most recently ended fiscal year without any significant issues at the time when we review the relevant proposals.

DIVIDEND

With limited exceptions, Glass Lewis will generally support the dividend policy proposed by a company. Here, we do not see any cause for concern in terms of the board's process in making this determination.

RECOMMENDATION

In this case, having reviewed the Company's auditor report, we are able to confirm that the financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in Korea. We do not see any substantial issue for shareholder concern.

We recommend that shareholders vote **FOR** this proposal.

2.00: ELECTION OF DIRECTORS (SLATE)

AGAINST

PROPOSAL REQUEST: Election of seven directors	RECOMMENDATIONS & CONCERNS:		
	AGAINST- SONG Jai Hyuk LEE Hyuk Jae	Board is not sufficiently independent Board is not sufficiently independent, Related party transactions	
ELECTION METHOD: Majority	FOR- ROH Tae Moon JUN Young Hyun HEO Eun Nyeong KIM Jun Sung YOO Myung Hee		
BOARD TYPE: One-Tier, large company	NOT UP- HAN Jong Hee SHIN Je Yoon	Insufficient audit committee independence, Insufficient compensation committee independence requirement, Professional Services Relationship, Nominating committee chair not independent, Responsible for lack of board independence	
	CHO Hye Kyung		

PROPOSAL SUMMARY

If elected, the term of office of the proposed candidates will not exceed three years in accordance with the Commercial Act.

The Commercial Act requires a Korea-listed company with assets over KRW 2 trillion or a Korea-listed company that adopted an audit committee to appoint its audit committee members from among directors appointed by shareholder resolution. In addition, one of the audit committee members shall be elected as a director who will become an audit committee member by shareholder resolution separately from the election of the other directors.




PROPOSAL 4.01

According to the Commercial Act, SHIN Je Yoon will be appointed as an audit committee member at this meeting and continue to serve as director for the remaining director term.

PROPOSALS 2.13 and 4.02

According to the Commercial Act, YOO Myung Hee will be appointed as director and audit committee member in separate proposals at this meeting.

BOARD OF DIRECTORS

UP	NAME	AGE	GENDER	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWN**	COMMITTEES				TERM START	TERM END	YEARS ON BOARD
							AUDIT	COMP	NOM	E&S^			
	✓ SONG Jai Hyuk*	57	M	Insider 1	Insider	N/D					-	-	-
	HAN Jong Hee* ·CEO ·Vice Chair	63	M	Insider 2	Insider	Yes					2020	2026	5
	✓ ROH Tae Moon*	56	M	Insider 3	Insider	Yes					2022	2025	3
	✓ JUN Young Hyun*	64	M	Insider 4	Insider	N/D					-	-	-
	✓ LEE Hyuk Jae	60	M	Affiliated 5	Independent	N/D					-	-	-
	SHIN Je Yoon	66	M	Affiliated 6	Independent	No	✓x	✓	C	✓	2024	2027	1
	✓ HEO Eun Nyeong	60	M	Independent	Independent	No			✓	✓	2022	2025	3
	CHO Hye Kyung	60	F	Independent	Independent	Yes	✓			✓	2024	2027	1
	✓ KIM Jun Sung	57	M	Independent	Independent	No		✓		✓	2022	2025	3
	✓ YOO Myung Hee	57	F	Independent	Independent	No	✓		✓	✓	2022	2025	3

C = Chair, * = Public Company Executive, X = Audit Financial Expert, ■ = Withhold or Against Recommendation

1. Executive director nominee. Incumbent President and CTO of Device Solutions(DS).
2. Representative Director, Vice Chairman, CEO and Head of Device eXperience (DX).
3. President and Head of Mobile eXperience (MX) Business.
4. Executive director nominee. Incumbent Vice Chairman, Head of Device Solutions (DS) and Head of Memory Business.
5. Director of Seoul National University Inter-university Semiconductor Research Center, which received KRW 5 billion donation from the Company in July 2022 (please refer to the Company's semi-annual report disclosed on August 2024). Professor of Department of Electrical and Computer Engineering at Seoul National University, which has led a joint research team with Samsung Electronics' Samsung Advanced Institute of Technology (SAIT) in 2024, and the transaction amount was not disclosed.
6. Senior advisor of BAE, KIM & LEE LLC, which provided legal services to the Group in 2024. The transaction amount for the service was not disclosed.

** Percentages displayed for ownership above 1%, when available

^Indicates board oversight responsibility for environmental and social issues. If this column is empty it indicates that the Company has not provided explicit disclosure concerning the board's role in overseeing environmental and social issues.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
SONG Jai Hyuk	N/A	Yes	None
HAN Jong Hee	N/A	Yes	None
ROH Tae Moon	N/A	Yes	None
JUN Young Hyun	N/A	Yes	None
LEE Hyuk Jae	N/A	No	None
SHIN Je Yoon	Yes	No	None
HEO Eun Nyeong	Yes	No	None
CHO Hye Kyung	Yes	No	(1) Hyundai Engineering & Construction Co., Ltd
KIM Jun Sung	Yes	No	None
YOO Myung Hee	Yes	No	(1) Hyundai Construction Equipment Co. Ltd.

■ MARKET PRACTICE

BOARD	REQUIREMENT	BEST PRACTICE	2023*	2024*	2025*
Independent Chair	N/A	LID required (if Chair is CEO) ⁶	Yes	Yes	No
Board Independence	Majority; One-fourth ¹	Majority; One-fourth ⁷	55%	45%	40%
Gender Diversity	At least one female director ⁵	N/A	18.2%	18.2%	20.0%
COMMITTEES	REQUIREMENT	BEST PRACTICE	2023*	2024*	2025*
Audit Committee Independence	Two-thirds ²	100%	100%	100%	67%
Independent Audit Chair	N/A	Independent	Yes	Yes	N/A
Compensation Committee Independence	Majority ³	100%	100%	100%	50%
Independent Compensation Chair	N/A	Independent	Yes	N/A	N/A
Nominating Committee Independence	Majority ⁴	100%	100%	100%	67%
Independent Nominating Chair	N/A	Independent	Yes	N/A	No

* Based on Glass Lewis classification

1. Commercial Act. For companies with assets exceeding KRW 2 trillion, majority independent
2. Commercial Act
3. Act on Corporate Governance of Financial Companies. For Financial Companies

4. Commercial Act. For companies with assets exceeding KRW 2 trillion, majority independent. Act on Corporate Governance of Financial Companies
5. Financial Investment Services and Capital Markets Act. For companies with assets exceeding KRW 2 trillion, majority independent.
6. Code of Best Practices for Corporate Governance
7. Code of Best Practices for Corporate Governance. For companies with assets exceeding KRW 1 trillion, majority independent

Pursuant to the Commercial Act in Korea, a listed company with assets over KRW 2 trillion ("large company") is required to appoint at least three independent directors to the board and the independent directors should comprise a majority of a board. For a listed company with assets below KRW 2 trillion ("small company"), independent directors must comprise at least 25% of a board of directors.

In accordance with the Commercial Act, large companies are required to establish an audit committee and an independent director candidate nominating committee ("nominating committee"), which is responsible for nominating independent director candidates. The nomination committee should comprise a majority of independent directors and should be chaired by an independent director. According to the Code of Best Practices for Corporate Governance (the "Code"), a listed company should have two or more independent members on the board and both the audit committee and the compensation committee should consist solely of independent non-executive directors.

Glass Lewis believes that for small companies, the board must have at least two independent directors that comprise a minimum of one-third of the board's membership and that for large companies, the board must have at least three independent directors that comprise a majority of the board's membership. In addition, both audit and compensation committees should consist solely of independent directors. Nominating committee should be at least majority independent, including its chairman, and consist solely of non-executive directors. Moreover, we believe all the aforementioned committees should have at least three members.

While most Korean companies allow shareholders to elect directors on an individual basis, shareholders are sometimes limited to voting only on the entire slate of directors due to the extended delivery process of proxy forms. To accommodate this, Glass Lewis provides recommendations for the election of directors both as a slate and individually.

We believe that attendance at board meetings is one of the fundamental responsibilities of a board member, and that all directors should attend meetings regularly to review the company's performance and to ensure the protection of shareholder interests. However, Korean laws and regulations require public companies to disclose only independent directors' attendance at board meetings. While we note some companies disclose non-independent directors' attendance records in quarterly reports, we find such disclosures inconsistent and incomplete. Thus, when evaluating director attendance, we will reflect director attendance records available in meeting circulars or corporate governance reports, whichever is more recent.

The gender quota law in Korea passed in 2020 became effective in August 2022 after a 2-year grace period. Now the law demands Korean large company boards (assets of KRW 2 trillion or more) to consist of more than one gender among board members. With increasing domestic and foreign investor demands for board diversity, we believe that at least large companies need to increase the board gender diversity beyond legal requirement to approach the global standard. Therefore, at Large Companies which are subject to the mandatory gender quota, we will recommend voting against the nominating committee chair (or the board chair in the absence of nomination committee) if the board is not at least 10 percent gender diverse. However, for large companies already satisfying the one female-director gender quota, we will carefully review their disclosures (mainly CGR and Sustainability Report) on board diversity plans and its timelines, and we may not recommend voting against the nominating committee chair, if a sufficient rationale or plan is provided.

CLIMATE ACTION 100+ COMPANY

The Company has been identified as a focus company by [Climate Action 100+](#), an investor-led initiative to ensure the world's largest corporate greenhouse gas ("GHG") emitters take necessary action on climate change. The Climate Action 100+, founded in 2017, currently represents 700 investors, responsible for over \$68 trillion in assets under management. The Company is one of 170 companies that comprise up to 80% of global corporate industrial GHG emissions and has been selected for engagement by the initiative.

GLASS LEWIS ANALYSIS

We believe shareholders should be mindful of the following:

COMPENSATION COMMITTEE COMPOSITION

We note that due to the retirement of the compensation committee members, the proposed board table in this report reflects only the remaining members in the committee. Given the current composition and the Company's articles of incorporation, we believe that the Company will appoint additional independent members to the committee in order to fill the vacancies. Therefore, we refrain from recommending to vote against any particular nominee on this basis at this time. We will monitor this issue going forward.

RECOMMENDATION

We recommend voting against nominees up for election as follows:

RELATED PARTY TRANSACTIONS

Director **LEE Hyuk Jae** serves as a director of [Inter-university Semiconductor Research Center at Seoul National University](#), which received [KRW 5 billion donation](#) from the Company in July 2022 (please refer to the Company's semi-annual report disclosed on August 2024). In addition, **LEE Hyuk Jae** is a professor of [Department of Electrical and Computer Engineering at Seoul National University](#), which has led [a joint research team](#) with Samsung Electronics' Samsung Advanced Institute of Technology (SAIT) in 2024, and the transaction amount was not disclosed. We view such relationships as potentially creating conflicts for directors, as they may be forced to weigh their own interests in relation to shareholder interests when making board decisions. In addition, a company's decision regarding where to turn for the best products and services may be compromised when doing business with the firm of one of the company's directors.

PROFESSIONAL SERVICES

Director [SHIN Je Yoon](#) serves as senior advisor of [BAE, KIM & LEE LLC](#) which has provided legal services to the Group in 2024. We view such relationships as creating conflicts for directors, as they may be forced to weigh their own interests in relation to shareholder interests when making board decisions. In addition, a company's decision regarding where to turn for the best professional services may be compromised when doing business with the professional services firm of one of the Company's directors.

INSUFFICIENT AUDIT COMMITTEE INDEPENDENCE

Director **SHIN Je Yoon** serves on the audit committee, which we believe should consist solely of independent non-executive directors. In our view, the audit committee must be granted full independence to effectively perform internal control and oversight for the financial reporting process. To accomplish this, it should be composed entirely of independent non-executive directors. The Code of Best Practices for Corporate Governance in Korea also recommends that the audit committee should consist entirely of independent non-executive directors.

INSUFFICIENT COMPENSATION COMMITTEE INDEPENDENCE

Director **SHIN Je Yoon** serves on the compensation committee, which we believe should consist solely of independent non-executive directors.

RESPONSIBLE FOR BOARD INDEPENDENCE

Based on our analysis and definition of independence, we find that the board does not have a sufficient number of independent directors to effectively perform proper oversight to protect shareholders' interests. We believe the nominating committee chair, or its member with the longest tenure, should be held responsible for allowing insufficient independent representation. In cases where a nominating committee is not established, we will recommend shareholders hold the board chair accountable for this issue. In this case, we believe director **SHIN Je Yoon** should be held responsible for the lack of board independence.

BOARD INDEPENDENCE

Based on our analysis and definition of independence, we find that the board does not have a sufficient number of independent directors to effectively perform proper oversight to protect shareholders' interests. However, we will refrain from recommending shareholders vote against any particular nominees in the event that: (i) none of the non-independent director nominees are up for election; and (ii) the only non-independent director nominee is the Company's CEO/representative director whom we find no other concerns save this issue. In this case, we recommend voting against nominees **LEE Hyuk Jae, SHIN Je Yoon, SONG Jai Hyuk**.

(For shareholders electing directors individually)

We recommend that shareholders vote:

AGAINST: LEE Hyuk Jae; SHIN Je Yoon; SONG Jai Hyuk

FOR: HEO Eun Nyeong; JUN Young Hyun; KIM Jun Sung; ROH Tae Moon; YOO Myung Hee

(For shareholders electing directors as a slate)

Given the nature and extent of the concerns regarding the aforementioned issue(s), we recommend voting against the entire slate of directors.

We recommend that shareholders vote **AGAINST** this proposal.

The Company discloses the following biographical information for directors SONG Jai Hyuk, JUN Young Hyun and LEE Hyuk Jae, new nominees to the board:

SONG Jai Hyuk (2022-Present) CTO of Device Solutions (DS), Head of Semiconductor R&D Center; (2020-2022) Head of Flash Product & Technology, Memory Business; (2017-2020) Head of Flash Process Architecture, Memory Business; (2014-2016) Executive in Charge, Samsung China Semiconductor; (2010-2014) Executive in Charge, Flash Process Architecture, Memory Business

JUN Young Hyun (2024-Present) Head of Device Solutions (DS), Head of Memory Business, Head of Samsung Advanced Institute of Technology (SAIT); (2024~2024) Head of Device Solutions (DS); (2023-2024) Head of Future Business Division; (2022-2023) Chairman of the Board, Samsung SDI; (2017-2022) CEO, Samsung SDI; (2014-2017) Head of Memory Business; (2009~2014) Head of DRAM Development team, Head of Flash Development team and Head of Strategic Marketing Team in Memory Business

LEE Hyuk Jae (2024-present) Director of Inter-university Semiconductor Research Center, Seoul National University (SNU); (2024-present) Co-chair, the Semiconductor Special Committee, National Academy of Engineering of Korea; (2023-present) Head of Project Team, SNU Graduate School of AI Semiconductor; (2023-2023) President, The Institute of Electronics and Information Engineers; (2022-present) Full member, National Academy of Engineering of Korea; (2022-2022) General Chair, AI Circuits and Systems Conference, Institute of Electrical and Electronics Engineers (IEEE); (2021-present) CEO, SNU System-IC Industry Promotion Center; (2001-present) Professor, Department of Electrical and Computer Engineering, Seoul National University

3.00: DIRECTORS' FEES

FOR

PROPOSAL REQUEST:	Approval of the fees to be paid to the Company's board of directors for the current fiscal year	RECOMMENDATIONS & CONCERNS:
PRIOR YEAR VOTE RESULT (FOR):	N/A	FOR- No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	

SUMMARY

REMUNERATION FOR DIRECTORS

	FY 2022		FY 2023		FY 2024		FY 2025
In KRW billion	Approved	Actual	Approved	Actual	Approved	Actual	Proposed
General Compensation	33.0	15.0	33.0	16.1	33.0	11.6	26.0
Long-Term Incentive	8.0	7.5	15.0	9.9	10.0	9.9	10.0
Total	41.0	22.5	48.0	26.0	43.0	21.5	36.0

ACTUAL REMUNERATION FOR INDEPENDENT DIRECTORS

In KRW million	FY 2022	FY 2023	FY 2024
Number of Directors	6	6	6
Total Amount	1,093	1,219	1,100
Average (per person)	182	203	183

COMPENSATION TABLE FY 2024 (FIRST HALF)

NAME	BASE SALARY	BONUS	TOTAL COMP
HAN Jong Hee (Vice Chairman, CEO and Head of Device eXperience)	KRW 0.8 billion	KRW 0.3 billion	KRW 1.1 billion
KYUNG Kye Hyun (President, CEO and Head of Device Solutions)	KRW 0.6 billion	KRW 0.1 billion	KRW 0.7 billion
ROH Tae Moon (President and Head of Mobile eXperience)	KRW 0.7 billion	KRW 0.4 billion	KRW 1.1 billion
PARK Hark Kyu (President and CFO)	KRW 0.6 billion	KRW 0.2 billion	KRW 0.8 billion
LEE Jung Bae (President and Head of Memory Business)	KRW 0.5 billion	KRW 0.1 billion	KRW 0.6 billion

* The Company mentioned that "Individual remuneration for FY2024 will be disclosed in March 2025 in the annual business report, which is to be posted on the IR website.

COMPENSATION TABLE FY 2023 (ANNUAL)

NAME	BASE SALARY	BONUS	TOTAL COMP
HAN Jong Hee (Vice Chairman, CEO and Head of Device eXperience)	KRW 1.5 billion	KRW 5.4 billion	KRW 6.9 billion
KYUNG Kye Hyun (President, CEO and Head of Device Solutions)	KRW 1.2 billion	KRW 1.2 billion	KRW 2.4 billion

ROH Tae Moon (President and Head of Mobile eXperience)	KRW 1.3 billion	KRW 4.9 billion	KRW 6.2 billion
PARK Hark Kyu (President and CFO)	KRW 1.0 billion	KRW 2.8 billion	KRW 3.8 billion
LEE Jung Bae (President and Head of Memory Business)	KRW 1.0 billion	KRW 1.7 billion	KRW 2.7 billion

*The Company disclosed that KYUNG Kye Hyun resigned as CEO (Head of DS Division) and Executive Director on May 21, 2024 and PARK Hark Kyu resigned as Executive Director on Dec 26, 2024.

GLASS LEWIS ANALYSIS

Glass Lewis believes that fees paid to directors should be substantial enough to attract and retain qualified individuals. We also recognize the value of equity-based incentive programs, which may be included in the proposed directors' compensation. When used appropriately, these programs can provide a vehicle for linking a director's pay to a company's performance, thereby aligning the director's interests with those of shareholders. At the same time, these fees should not impose a high financial cost to the company or threaten to compromise the objectivity and independence of non-executive directors.

In assessing the Company's compensation practices, we compared the level of directors' compensation at the Company to that of directors at peers of similar total assets and market capitalization. We also recognize the Company's international scope and operations as well as the marketplace in which the Company competes for executive talent. We also acknowledge that the Company has provided some disclosure of its compensation program and the way funds are allocated to individual executives. Moreover, we recognize that the Company has adopted certain program features considered best practice in the United States. Notably, the Company utilizes a long-term incentive plan with performance based on three-year ROE, stock performance and EBIT margin measured on a relative basis (ROE and EBIT margin is measured relative to an undisclosed group of global peer companies in each business segment and stock performance is measured against the KOSPI and global peer companies in each business segment). Furthermore, we note that in addition to the three-year performance period, earned long-term incentive awards are released over a further three years, serving to better align executive interests with the long-term health of the Company. Lastly, the Company discloses that it has a clawback policy that may reduce directors' awarded LTI if any financial losses are found afterwards.

Shareholders shall pay attention that the board recommends maintaining the same level of general compensation limit in FY2025 from FY2024 in consideration of macro uncertainties. Regarding LTI, the board recommends an LTI limit of KRW 10.0 billion for FY 2025. Under the current scheme, Directors receive 33% of their LTI each year of the three-year payment period. FY2025 is Year 3 of the payment scheme, with LTI determined by performances over FY2020–2022. Under the current scheme, the LTI limit for FY2025 is the same as it was for FY2024.

We note that the Company seems to be paying its executives at a level approaching the lower remuneration level of peer companies (Apple, Qualcomm, Cisco, Microsoft, Micron, Nvidia, Intel, Broadcom) cited in the Company's compensation comparisons on page 27 of the Reference Material for the 2025 AGM. In addition, we acknowledge that the Company's disclosure far exceeds Korean standards and does allow shareholders a general understanding of the Company's compensation approach, which as mentioned above meets certain best practices in the United States.

Ultimately, recognizing the Company's unique position as a Korean-listed company with a substantial international presence, and considering the available disclosure and what appears to be an acceptable compensation structure in place for the executive team, we believe shareholders may reasonably support this proposal at this time. We will monitor the Company's pay practices going forward.

RECOMMENDATION

In our analysis, taking into account similarly-sized companies and market position, we find that the Company's director fees are reasonable and in line with those paid by the Company's peers. As such, we believe shareholders can support this resolution at this time.

We recommend that shareholders vote **FOR** this proposal.

4.00: ELECTION OF AUDIT COMMITTEE MEMBERS (SLATE)

AGAINST

PROPOSAL REQUEST: Election of audit committee members

PRIOR YEAR VOTE RESULT (FOR): N/A

BINDING/ADVISORY: Binding

REQUIRED TO APPROVE: Majority

RECOMMENDATIONS & CONCERNS:

AGAINST- Board is not sufficiently independent
Affiliate/Insider on a committee

Please refer to the analysis in Proposal 2.00.

APPENDIX

QUESTIONS

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/public-company-overview/ for information and contact directions.

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PARTNER INSIGHTS

The pages following this appendix are included with this Proxy Paper report for informational purposes only. They contain data and insights produced by Glass Lewis' strategic business partners and none of the information included therein is a factor in Glass Lewis' analyses or vote recommendations.

About ESG Book

ESG Book is a global leader in sustainability data and technology. Launched in 2018, the company offers a wide range of sustainability-related data, scoring, and technology products that are used by many of the world's leading investors and companies. Covering over 35,000 companies, ESG Book's product offering includes ESG raw data, company-level and portfolio-level scores and ratings, analytics tools, and a SaaS data management and disclosure platform. ESG Book's solutions cover the full spectrum of sustainable investing including ESG, climate, net-zero, regulatory, and impact products. Read more on: www.esgbook.com.

SUSTAINALYTICS ESG PROFILE

ESG Risk Rating

Negligible **Low** Med High Severe

All data and ratings provided by:

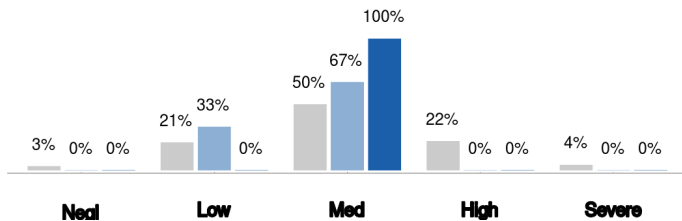


Data Received On: **February 18, 2025**

Rating Overview

The company is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. The company is noted for its strong corporate governance performance, which is reducing its overall risk. The company is noted for its strong stakeholder governance performance, which is reducing its overall risk. Although the company has a high level of controversies, its favourable risk assessment is primarily due to its above average policies and programmes.

ESG Risk Rating Distribution



Relative Performance

	Rank*	Percentile*
Global Universe	1624 of 14915	12th
Technology Hardware (Industry Group)	164 of 624	27th
Communications Equipment (Subindustry)	13 of 110	12th

* 1st = lowest risk

Exposure to ESG Risk

Low **Medium** High

Management of ESG Risk

Strong Average Weak

Top Material Issues

- Business Ethics
- Data Privacy and Security
- Human Capital
- Product Governance
- Human Rights - Supply Chain
- Carbon - Own Operations

ESG Risk Rating

Negl **Low** Med High Severe

Low

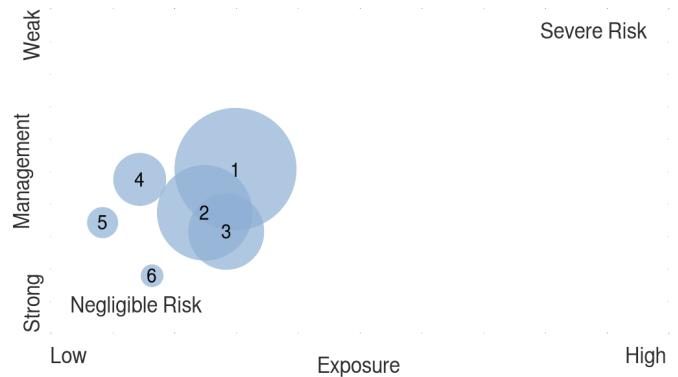
Negl

Negl

Negl

Negl

▲ = Noteworthy Controversy Level



Risk Details

Exposure		
Company Exposure		The company's sensitivity or vulnerability to ESG risks.
Management		
Manageable Risk		Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk		Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap		Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk		Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating		
Overall Unmanaged Risk		Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

NOTEWORTHY CONTROVERSIES

SEVERE

The Event has a severe impact on the environment and society, posing serious business risks to the company. This category represents exceptional egregious corporate behavior, high frequency of recurrence of incidents, very poor management of ESG risks, and a demonstrated lack of willingness by the company to address such risks.

- No severe controversies

HIGH

The Event has a high impact on the environment and society, posing high business risks to the company. This rating level represents systemic and/or structural problems within the company, weak management systems and company response, and a recurrence of incidents.

- No high controversies

SIGNIFICANT

The Event has a significant impact on the environment and society, posing significant business risks to the company. This rating level represents evidence of structural problems in the company due to recurrence of incidents and inadequate implementation of management systems or the lack of.

- No significant controversies

NO PRODUCT INVOLVEMENT



Alcoholic Beverages



Oil Sands



Arctic Drilling



Genetically Modified Plants & Seeds



Pesticides



Adult Entertainment



Gambling



Tobacco



Controversial Weapons



Thermal Coal

* Range values represent the percentage of the Company's revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

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For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

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All data and ratings provided by:



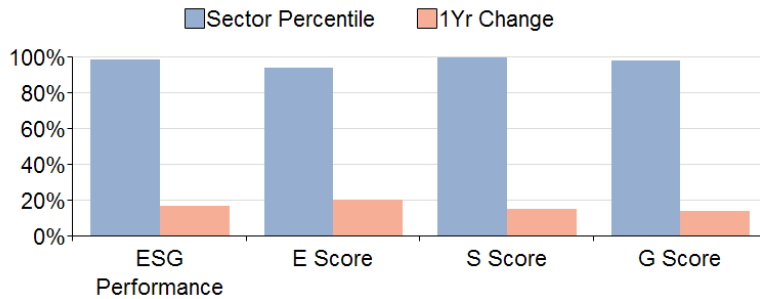
SUSTAINALYTICS

<https://www.sustainalytics.com/>

ESG BOOK PROFILE

Summary of ESG Performance Score

All data and ratings provided by:


esgbook
www.esgbook.com

Country:	Korea - Republic of
Sector:	Electronic Technology
Industry:	Telecommunications Equipment
Data Received:	3/7/2024

ESG Performance Score Details

The ESG Performance Score provides investors and corporates with a systematic and comprehensive sustainability assessment of corporate entities. The score measures company performance relative to salient sustainability issues across the spectrum of environmental, social and governance. The score is driven by a sector-specific scoring model that emphasises financially material issues, where the definition of financial materiality is inspired by the Sustainability Accounting Standards Board (SASB). For more detail please see the [ESG Performance Score methodology here](#).

ESG Performance Score		Environmental	Social	Governance
Absolute Score	76.4	Score 73.6	Score 80.2	Score 74.9
Sector Percentile	99.1%	Weight	39.2%	38.1%
1 Year Change	17.0%	Sector Percentile	94.1%	99.8%
2 Year Change	28.0%	1 Year Change	20.3%	15.4%
3 Year Change	30.3%			14.5%

Risk Score Details

The Risk Score provided by ESG Book assesses company exposures relative to universal principles of corporate conduct defined by the UN's Global Compact. The score is accompanied by a transparent methodology and full data disclosure, enabling users to comprehend performance drivers, explain score changes, and explore associated raw data. Tailored for both investors and corporates, it serves as a universe selection tool for investors identifying companies more exposed to critical sustainability issues, while corporates can use it to assess their exposures, conduct peer comparisons, and pinpoint disclosure gaps. For more detail please see the [risk score methodology user guide here](#).

Risk Score		Human Rights	Labour Rights	Environment	Anti-corruption
Absolute Score	78.6	Score 75.9	Score 89.4	Score 86.7	Score 62.5
Sector Percentile	99.6%	Weight	25.0%	25.0%	25.0%
1 Year Change	17.7%	Sector Percentile	99.6%	97.2%	99.4%
2 Year Change	19.7%	1 Year Change	8.4%	16.6%	16.0%
3 Year Change	26.1%				36.1%

Business Involvements - Over a 5% Revenue Threshold

ESG Book has not found any business involvements for the Company that exceed a 5% revenue threshold.

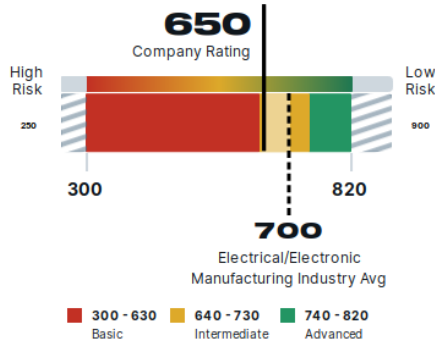
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BITSIGHT CYBERSECURITY RATING PROFILE

Samsung Electronics Group

COMPARATIVE INDUSTRY:
Electrical/Electronic Manufacturing

Bitsight Security Rating



Risk of Ransomware

This company is **2.4x more vulnerable to ransomware** than companies rated 750+



Source: [Link to Research](#)

Risk of Security Incidents

This company is **1.5x more vulnerable to security incidents** than companies rated 750+



Source: [Link to Research](#)

What is a BitSight Security Rating?

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations. ¹ **This company has delegated security**

EXECUTIVE REPORT

All data and ratings provided by:

Data Received on: **Feb 17, 2025**

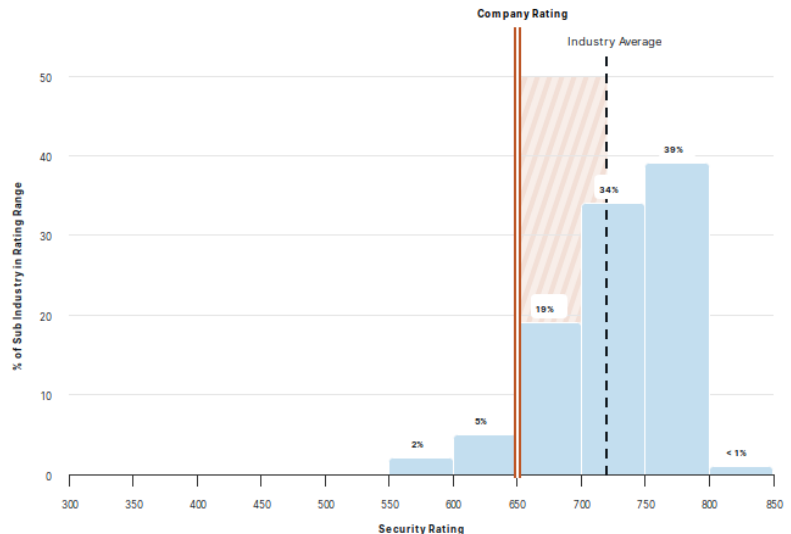
BITSIGHT

PEER ANALYTICS

This compares a company against its industry:

TOTAL COMPANIES
11,154

INDUSTRY RATING
Bottom 9% of the industry



COMPANY RATING
650 Intermediate

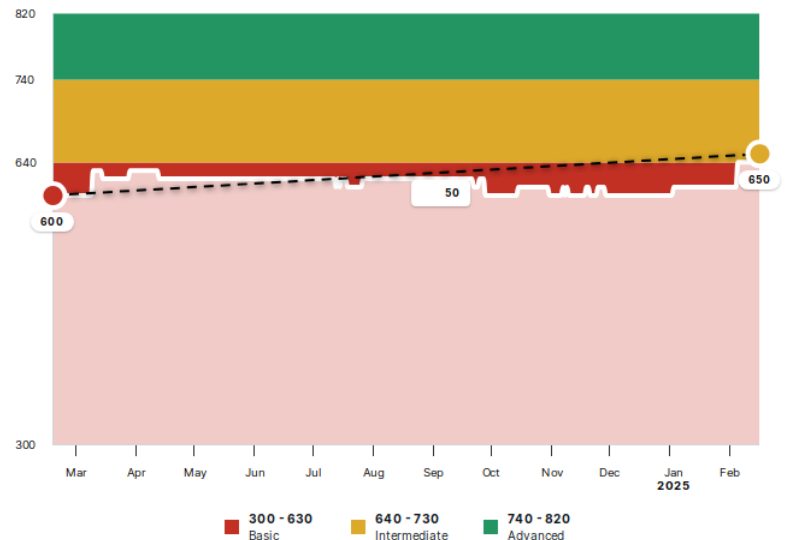
INDUSTRY AVERAGE
720 Intermediate

PERFORMANCE OVER THE LAST 12 MONTHS

This rating change graph includes all rating changes events, including but not limited to, publicly disclosed security events.

HIGHEST
650 on Feb 16, 2025

LOWEST
600 on Feb 18, 2024

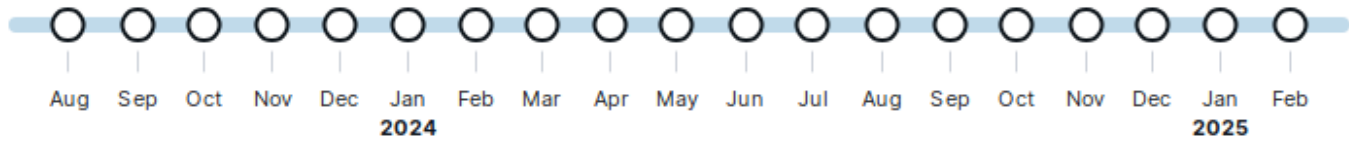


controls, see disclaimer below for more details.

PUBLICLY DISCLOSED SECURITY INCIDENTS THE LAST 18 MONTHS

Security incidents are publicly disclosed events of unauthorized access, often involving data loss or theft. These events are graded based on several factors, including the number of data records lost or exposed.

No incidents in the last 18 months



ADDITIONAL INFORMATION

Security Rating Overview

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

In some cases, a company may designate one or more subsidiaries, business units or locations as representative of the company's overall digital footprint. In these cases, BitSight flags those companies in its reports as a Primary Rating, meaning that the company has undertaken this optional step in further articulating its digital footprint.

Companies often use Primary Ratings to exclude parts of their digital infrastructure that may not be useful in describing their cyber risk and resulting security posture. As examples, Primary Ratings often exclude guest wireless networks, security test environments, or networks used for customer hosting. BitSight does not validate Primary Ratings or whether the digital assets organizations exclude in creating Primary Ratings are properly excluded, nor does it validate the predictive quality of Primary Ratings. Go to [this web page](#) for more information about Primary Ratings.

BitSight rates companies on a scale of 250 to 900, with 250 being the lowest measure of security performance and 900 being the highest. A portion of the upper and lower edge of this range is currently reserved for future use. The effective range as of this report's generation is 300-820. Go to [this web page](#) to learn more about how BitSight security ratings are calculated.

1 Delegated Security Controls Companies ("DCEs")

Companies that, in the normal course of business, delegate the control and allow their customers or the public to control some aspects of security for some of their IT assets can be classified as companies with delegated security controls. These companies may provide internet access or network resources-as-a-service, conduct internet scanning or threat research, or perform other business activities that place some aspects of cyber security beyond the companies' control.

To more accurately assess the security posture of companies with delegated security controls, Bitsight excludes findings in assets with delegated controls from the companies' security ratings. The same enterprise Bitsight ratings algorithm with the same set of risk vectors are used. This means that if you monitor or do business with them, you can consider their Bitsight rating to be a better measurement of their external security performance as a result of this updated approach.

Rating Algorithm Update (RAU)

BitSight periodically makes improvements to its ratings algorithm. These updates often include new observation capabilities, enhancements to reflect the rapidly changing threat landscape, and adjustments to further increase quality and correlation with business outcomes. BitSight's Rating and Methodology Governance Board governs these changes so that they adhere to BitSight's principles and policies. BitSight also has a Policy Review Board which reviews and arbitrates customer disputes associated with its ratings. More information about the Policy Review Board and its cases can be found [here](#). Additionally, BitSight provides a preview of ratings algorithm changes customers (and what the likely impact will be) well before they affect the live ratings, inviting comments and feedback on these changes.

Publicly Disclosed Security Incidents

The Security Incidents risk vector involves a broad range of events related to the unauthorized access of a company's data. BitSight collects information from a large number of verifiable sources such as news organizations and regulatory reports obtained via Freedom of Information Act requests or local analogs. This risk vector only impacts BitSight Security Ratings if a confirmed incident occurs. For more information about publicly disclosed security incidents and how BitSight ratings are calculated, [please go here](#).

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