

# Samsung Biologics Labor Union-Management Conflict Escalates: Official Negotiations Break Down

*Samsung Biologics Faces Escalating Labor Dispute, Threatening Global ESG Reputation*

INCHEON, SOUTH KOREA, March 18, 2025 /EINPresswire.com/ -- □ Background of Negotiation Breakdown and Union's Position

The Samsung Biologics Labor Union, established in May 2023, represents approximately 60% of all employees. The union announced an official breakdown in wage negotiations, stating that despite multiple negotiation sessions—including two pre-mediation processes at the Incheon Regional Labor Relations Commission—the company's proposals regarding wages and working conditions remained insufficient.

According to the union, the company's unfair wage policy and manpower reduction strategies have negatively impacted working conditions. The union strongly criticized the company's aggressive cost-cutting measures, emphasizing these policies have led to a deterioration in production quality and internal labor conditions.

□ Serious Quality Crisis and Erosion of Internal Trust

Ahead of the FDA inspection scheduled for May, an external Mock Inspection conducted by consultants with prior FDA experience highlighted critical issues related to insufficient staffing. Specifically, shortages in production and quality control personnel have significantly increased the risk of Data Integrity (DI) violations and human errors. Notably, instances of Data Integrity violations were directly reported to the labor union rather than through official internal channels, clearly indicating a rapid erosion of trust in company management among employees.

According to internal sources who requested anonymity, multiple global pharmaceutical clients are closely monitoring Samsung Biologics' ongoing labor-management conflict and have explicitly expressed concerns regarding the prolonged situation, highlighting potential adverse effects on contract continuity and production timelines.

□ Violation of Global ESG Trust

The union criticized Samsung Biologics for superficially embracing ESG principles while maintaining anti-union policies that infringe on workers' rights. Recently, at a shareholders' meeting, the union planned to raise ESG-related questions on behalf of corporate shareholders,

but their attempts were blocked by company representatives, reflecting serious governance issues.

Additionally, multiple violations of the Labor Standards Act were officially confirmed through a labor inspection conducted by the Ministry of Employment and Labor in 2024, clearly demonstrating that Samsung Biologics' ESG claims are superficial.

The union also revealed it obtained evidence that Samsung Biologics attempted to exert pressure on journalists to suppress or control reporting related to union activities, further highlighting concerns over the company's governance practices.

#### □ Company Claims "No Additional Resources," Union Responds Firmly

Samsung Biologics has argued it lacks the financial capacity for additional wage increases due to ongoing investment activities, including M&A and factory expansion. While the company indicated it could provide additional compensation in the future under improved conditions, the union criticized this as an indefinite delay tactic, refusing to accept the company's proposal as credible. The union emphasized that Samsung Biologics generates annual cash flows exceeding 1 trillion KRW and holds retained earnings exceeding 5 trillion KRW, making the company's refusal to increase wages by around 30 billion KRW unreasonable.

#### □ Union Plans Escalating Actions Including Strike

The union revealed it has applied for official mediation at the Incheon Regional Labor Relations Commission, preparing to secure lawful rights for collective actions. The union intends to organize large-scale demonstrations and rallies, ultimately considering a full-scale strike if necessary.

The union warned that continued uncooperative attitudes by management could seriously damage the company's global reputation, particularly regarding ESG compliance. The union strongly urged Samsung Biologics to fundamentally change its management approach and engage sincerely in negotiations to restore trust and ensure sustainable growth.

Jaesung Park

Samsung Biologics Labor Union

+82 10-4133-5744

js002.park@samsung.com

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