2025
SAMSUNG SDI
Sustainability Report

SAMSUNG SDI SAMSUNG

Sustainability Report 2025

Report Overview

The 2025 Sustainability Report outlines Samsung SDI's sustainability performance across its entire business operations. This Report is intended to transparently disclose the company's ESG initiatives and outcomes, as well as the environmental and social impacts of its business activities, to all stakeholders. Moving forward, Samsung SDI will remain committed to strengthening ESG disclosures and expanding the reach of its sustainability efforts in pursuit of sustainable management.

Reporting Period

This Report covers Samsung SDI's sustainability management activities and achievements for the 2024 fiscal year(January 1, 2024 – December 31, 2024). For the sake of timeliness and materiality, it includes data from the first half of 2025. For data that requires an understanding of trends over time, figures from the past three years(2022–2024) are also presented.

Reporting Scope

This Report presents the economic, social, and environmental information of Samsung SDI and its subsidiaries based on consolidated financial statements in accordance with K-IFRS. Annotations are provided where the reporting scope and boundary vary.

Reporting Principles

This Report was prepared in accordance with the Global Reporting Initiative(GRI) Standards 2021. It also reflects global recommendations, including the industry-specific standards of the Sustainability Accounting Standards Board(SASB), the recommendations of the Task Force on Climate-related Financial Disclosures(TCFD), the European Sustainability Reporting Standards(ESRS), and the International Sustainability Standards Board(ISSB), to provide a wide range of sustainability information.

Reliability of the Report

Samsung SDI undergoes third-party assurance by BSI(British Standards Institution), a professional independent assurance provider, to verify the report preparation process and disclosed data, thereby enhancing the objectivity and reliability of the information presented. The detailed assurance statement is provided on pages 136–138 of this Report.

Reporting Cycle

Reporting cycle | Annually

Most recent report | June 2024

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Samsung SDI publishes its Sustainability Report in an interactive PDF format to enhance reader understanding

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INTRODUCTION

CEO Message

Samsung SDI is advancing toward a sustainable future through innovative technology and responsible management.

President & CEO, Samsung SDI
Joo Sun Choi

Dear stakeholders, Thank you for your continued trust and support for Samsung SDI, even amid a landscape of constant change and challenges.

Despite difficult business conditions stemming from the slowdown in Downstream markets such as EVs and the rapidly shifting global political and economic environment, Samsung SDI continues to prepare for the future through technological innovation and sustainability management. We have initiated mass production of the 46-phi cylindrical battery, becoming the first in Korea to do so, and are also accelerating the development of next-generation technologies, including the All Solid Battery, targeted for mass production in 2027. Notably, we were honored with the Presidential Award at the IR52 Jang Young-Shil Award for our high-performance automotive battery cell. Furthermore, in 2024, we completed the establishment of a unified data platform that integrates development, production, and quality data previously managed by individual production sites, thereby expediting quality innovation grounded in digital capabilities.

We are actively engaged in the global effort to address the climate crisis and are committed to achieving net-zero by 2050 and expanding resource circulation.

Since our declaration of environmentally friendly management in 2022, Samsung SDI has been implementing strategic tasks such as reducing GHG emissions, expanding renewable energy use, and strengthening resource circulation. In 2024, we increased our renewable energy transition rate to 37% through proactive actions including signing power purchase agreements and installing solar panels at domestic and overseas worksites, resulting in a reduction of 560,000 tons of GHG emissions. Furthermore, we obtained Platinum Zero Waste To Landfill certification across all global worksites, while also reinforcing our circular economy efforts by minimizing water consumption and expanding the recycling of battery minerals.

We will continue to communicate and collaborate closely with stakeholders to fulfill our social responsibilities in areas such as human rights and the environment.

To enhance sustainability across our supply chain, we completed ESG audit on 135 partners by 2024 and expanded our education and support programs for partners. Our support has extended beyond manufacturing productivity to include quality, R&D, and intellectual property rights, thereby helping strengthen the competitiveness of our partners. As a result, we maintained the highest rating in the Win-Win Growth Index for 2024.

We also continue to engage in activities for win-win partnerships with local communities, including youth empowerment programs such as Samsung SW Academy for Youth and Samsung Stepping Stone of Hope, along with collaboration with local educational institutions and support for social welfare facilities.

We are building a responsible decision-making structure and enhancing the credibility of our sustainability management through a transparent and independent Board of Directors.

To strengthen our governance, Samsung SDI introduced the lead independent director system in 2023, further improving the independence of the Board. We are also continuously advancing our compliance and ethical management systems. Grounded in a transparent culture that upholds laws and principles, Samsung SDI will continue to pursue sustainable growth.

We would like to express our sincere gratitude for your continued interest and support. With foresight, we will lead a new supercycle by identifying breakthrough technologies that can transform the world.

Thank you.

Company Overview

Company Overview

Samsung SDI operates two core business pillars: eco-friendly energy and advanced materials. The company develops and manufactures batteries for electric vehicles(EVs), Energy Storage Systems(ESS), and IT devices, as well as electronic materials used in semiconductors and displays. We strive to deliver superior quality and value to our customers by securing technological differentiation in global markets. Going forward, we aim to further strengthen our technology-driven competitiveness and lead the transition toward a sustainable future.

Samsung SDI at a Glance

Company Name
Samsung SDI CO., Ltd

President & CEO
Joo Sun Choi

Establishment
January 1970

Headquarters
150-20, Gongse-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Republic of Korea

Total No. of Shares Outstanding(Common shares, as of Dec 31, 2024)
68,764,530

Total No. of Worker(incl. overseas)
30,664

Shareholders with 5% or More Ownership(as of Dec 31, 2024)

Samsung Electronics	13,462,673shares(19.58%)
National Pension Service	5,079,537shares(7.39%)
BlackRock Fund Advisors	3,444,030shares(5.01%)

Business Overview

Samsung SDI operates two main business units: Energy Solution, which manufactures and sells batteries used in electric vehicles, IT devices, and energy storage systems(ESS); and Electronic Materials, which produces and supplies materials for semiconductors and displays.

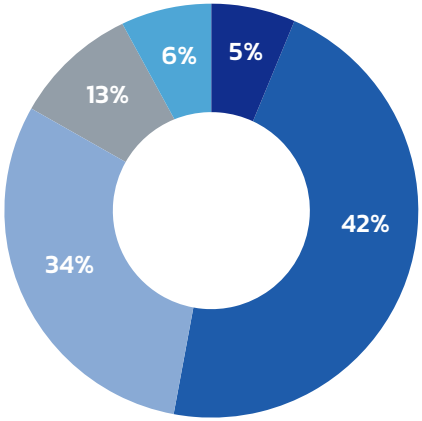
Financial Performance
(Based on 2024 consolidated financial statements)

Revenue
KRW 16,592.2 billion

Operating Profit
KRW 363.3 billion

Regional Sales Composition

Korea	5%
Europe	42%
North America	34%
Southeast Asia and Others	13%
China	6%



Company Overview

Global Network

As of May 2025, Samsung SDI operates a total of 35 global sites, including its headquarters, R&D centers, and production and sales corporations across Korea and major overseas markets. By leveraging its overseas corporations and branches around the world, the company continues to strengthen its global business competitiveness.

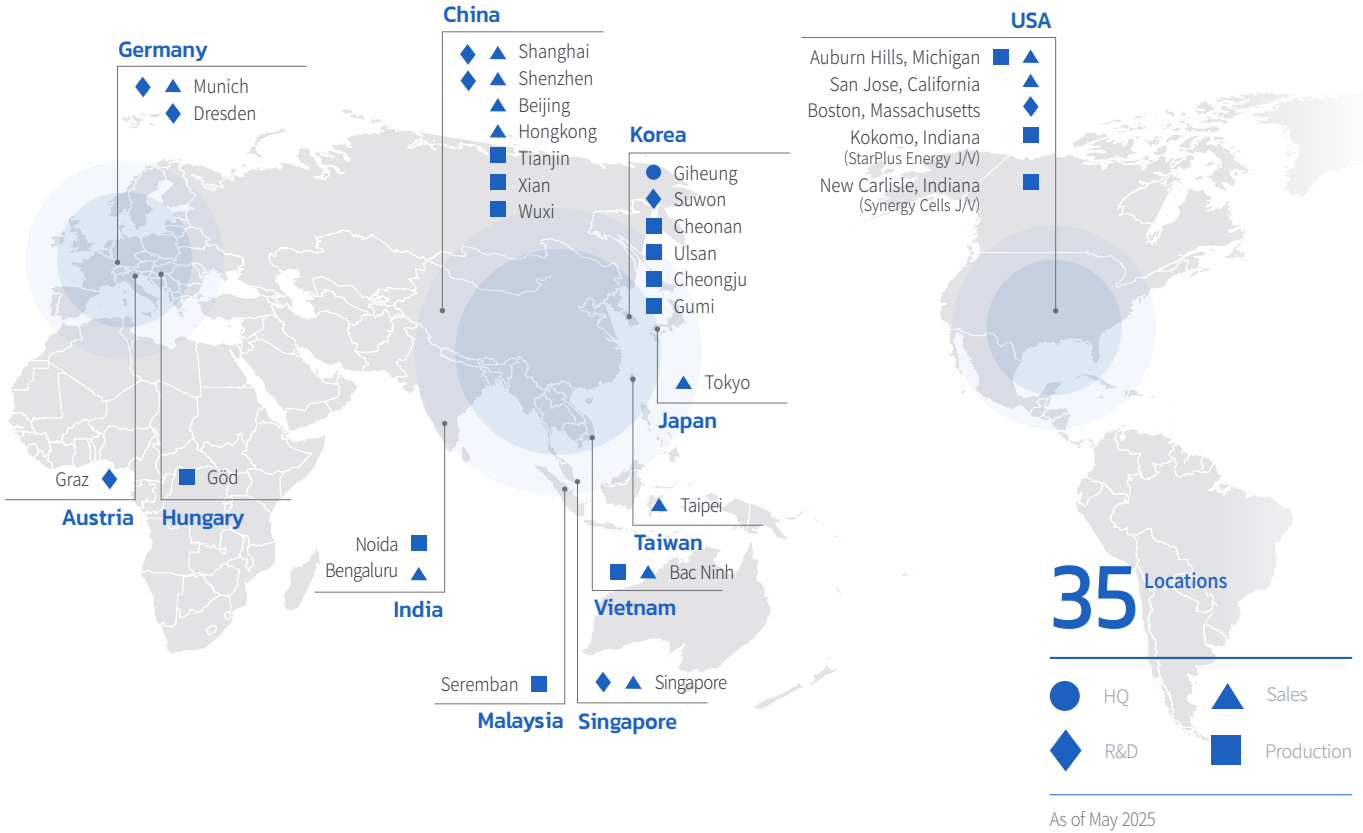
Headquarters 1

Production Corporation 14

Sales Corporation 12

R&D Center 8

As of May 2025 35 in total



Company Overview

Company 2030 Vision

Samsung SDI has established a company-wide vision for 2030 to become a global top-tier company. Guided by the vision, "To make the world greener and sustainable through our innovative technology," all employees are working together toward this common goal.

Vision Statement

To make the world greener and sustainable through our innovative technology

Business Goal

Battery	Electronic Materials
2030 Global Top Tier Battery Company	Global Top Materials Specialist

Mission & Strategy

TECHNOLOGY INNOVATION	PROFITABLE GROWTH	OPERATIONAL COMPETENCE	SUSTAINABILITY LEADERSHIP
Secure super-gap technology and differentiated products	Pursue profitable qualitative growth	Ensure quality leadership, strengthen global operational competency and create a premier corporate culture	Bolster ESG management and seek win-win partnerships

Business Overview

Automotive & ESS Battery Business

Automotive Battery

In 2024, EVs accounted for over 20% of global vehicle sales, signaling their entry into the mainstream market. Amid this market shift, Samsung SDI's Automotive & ESS Battery Business is leading the transition to the EV era through innovation in battery technology development. By securing unrivaled technological competitiveness and offering differentiated products, we are cementing our position as a leading Automotive battery company. We supply high-performance Li-ion batteries to global automobile OEMs, contributing to worldwide green initiatives.

Successful early mass production at U.S. SPE Plant 1 and establishment of a battery joint venture with GM HIGHLIGHT

Samsung SDI's first North American production base, StarPlus Energy(SPE), a joint venture with Stellantis, began battery mass production in December 2024—earlier than originally planned—achieving early stabilization of its production line.

In addition, Samsung SDI has officially confirmed the establishment of a joint venture with GM, the leading automaker in North America. With an investment of approximately USD 3.5 billion, the new joint venture, Synergy Cells, aims to begin mass production in 2027 with an annual capacity of 27GWh.

The successful launch of SPE and the foundation of Synergy Cells mark a key milestone in Samsung SDI's global business expansion. Through these ventures, the company plans to continue supplying batteries with world-class quality and safety to further broaden its global customer base.

ESS Battery

Samsung SDI's ESS segment within the Automotive & ESS Battery Business applies proven EV battery technologies and introduces innovative manufacturing process technology to ESS batteries, securing a strong market presence and maximizing product quality. By leveraging our world-class battery design competency and standardized Battery module, we offer optimized product portfolios across utility, commercial, residential, UPS, and telecom applications. This enables us to deliver comprehensive ESS solutions tailored to diverse customer needs.

Launch of SBB 1.5: Redefining ESS with Industry-Leading Energy Density and Safety HIGHLIGHT

Samsung SDI has launched SBB 1.5, which achieves a 37% improvement in energy density compared to the previous SBB 1.0 by enhancing space efficiency. The new system also delivers a world-leading capacity of 5.26MWh per 20-foot container.

Samsung SDI has also adopted the EDI(Enhanced Direct Injection) system, an agent-impregnated fire suppression method with direct Battery module injection, to significantly strengthen fire prevention and containment capabilities.

With its high energy density and advanced safety features, SBB 1.5 is gaining strong customer trust and contributing to revenue growth through large-scale supply contracts.

Business Overview

Mobile & Power Business

Samsung SDI engages in the development and sale of small batteries, categorized into cylindrical and pouch-type batteries. Cylindrical batteries are expanding their applications in response to rising demand for wireless products such as power tools and vacuum cleaners, as well as the growing electrification of micromobility and electric vehicles. Pouch-type batteries are used to power portable IT devices, including smartphones, notebook PCs, and wearables. Backed by our quality-first management philosophy and continued efforts in technology innovation, Samsung SDI maintains strong market leadership in the global small battery market.

Mass Production of Korea's First 46-phi Battery

HIGHLIGHT

In March 2025, Samsung SDI began mass production of 46-phi batteries, the next-generation form factor in cylindrical small batteries. This marks the first time a Korean battery manufacturer has commenced mass production of 46-phi batteries and does so more than a year ahead of the original schedule. Samsung SDI plans to supply the 46-phi batteries—which deliver more than six times the energy capacity of existing 21700 batteries—to its already secured overseas customers. The company also plans to expand its customer portfolio, including global EV manufacturers, by diversifying its product lineup to include 4680, 4695, 46100, and 46120 models, and gradually increase its market share in the 46-phi battery segment

Electronic Materials Business

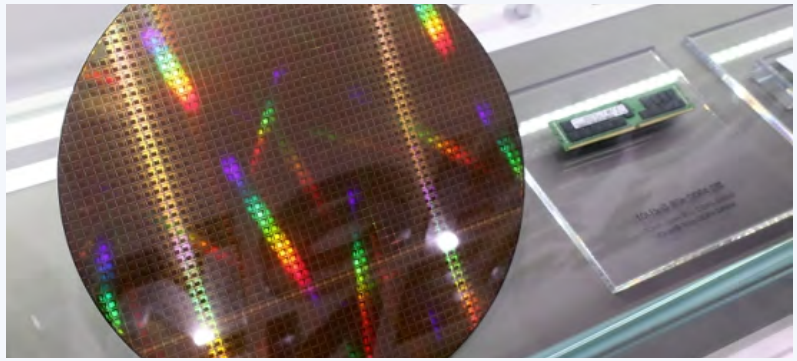
Since the development of EMCs for semiconductor manufacturing in 1994, Samsung SDI has strengthened its sustainable competitiveness in the Electronic Materials Business through core technology and specialized expertise. We currently develop and supply materials for semiconductors and displays, reinforcing our market leadership in existing segments while striving to secure a leading position in the next-generation advanced materials market.

Development and Mass Production of CMP Slurries

HIGHLIGHT

As semiconductor devices become increasingly integrated, the importance of the Chemical Mechanical Polishing(CMP) process—which controls surface topography on wafers—continues to grow due to the need for finer circuit linewidths. In response, Samsung SDI has developed and mass-produced a variety of CMP slurries, achieving sales growth in 2024. Backed by advanced technical capabilities, we are expanding our market share both in Korea and overseas.

*A polishing material used to planarize the surface of semiconductor wafers through chemical reactions and mechanical force.



R&D and Product Innovation

Material Topic

IMPORTANCE

In the battery industry, R&D and product innovation have become essential in response to the growing electric vehicle(EV) and energy storage system(ESS) markets. Technologies for higher capacity, greater output, and faster charging are key to competitiveness, and next-generation technologies such as All Solid Battery and lithium-sulfur batteries are being actively researched to overcome the limitations of lithium-ion batteries. In addition, with increasing concerns over raw material supply stability and more stringent environmental regulations, the development of recycled and eco-friendly battery materials is gaining importance. Accordingly, companies are accelerating R&D efforts to enhance battery safety, extend battery life, and improve energy density, thereby securing their competitive edge in the market.

APPROACH

Samsung SDI continues to lead differentiated battery technology through sustained R&D investment. Recently, we have accelerated the development of All Solid Battery and 46-phi cylindrical batteries, delivering innovative products to the market. In pursuit of a sustainable future, we are driving ongoing technological innovation and providing tailored solutions that meet customer needs.

PERFORMANCE

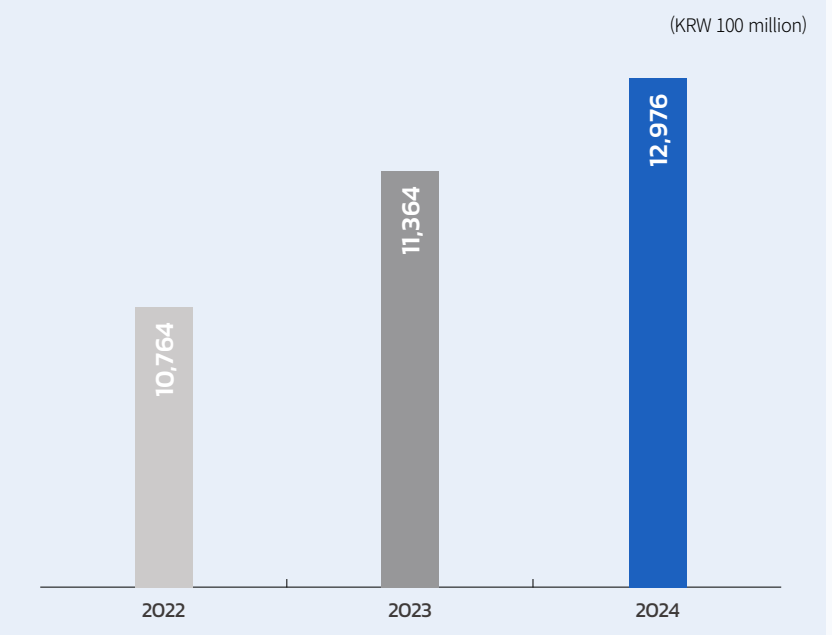
R&D expenditure KRW 1,297.6 billion

Cumulative patent registrations 21,846 cases

R&D Approach

To help realize a sustainable and eco-friendly future, Samsung SDI strives to secure differentiated technological competitiveness by proactively introducing new products and technologies across our business areas—medium/large and small batteries, and electronic materials for semiconductors and displays. In the battery sector, we focus on enhancing safety—a factor that is becoming increasingly important as batteries are used across a broader range of applications. We also prioritize improving the driving range and charging speed of Automotive battery and extending the service life of ESS batteries in response to rapidly growing market demand. We are also concentrating R&D efforts on securing price competitiveness and green technologies for both small and medium/large batteries. In the electronic materials sector, we develop key materials used in advanced IT products such as semiconductors, displays, and batteries. We focus on delivering products that ensure reliable operation even in our customers' most advanced processes, driving innovation through exceptional technology.

R&D Expenditure



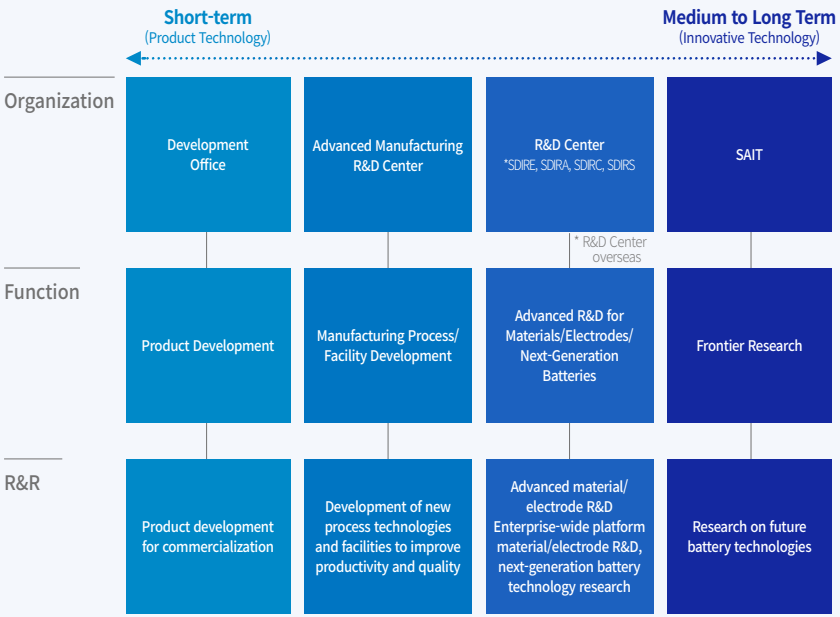
R&D and Product Innovation

Material Topic

R&D Organization Structure

Samsung SDI operates a structured R&D organization to strengthen its global technology leadership. The R&D Center is responsible for the research and development of materials, electrodes, and next-generation batteries, while the Advanced Manufacturing R&D Center focuses on the research and development of new process technologies and equipment. Development Offices within each business division are tasked with developing commercialized products. The small and Automotive & ESS battery development teams and the Advanced Manufacturing R&D Center are located at the Giheung Office to enhance development efficiency. Meanwhile, the R&D Center and the Electronic Materials Business are based at the Samsung Future Technology Campus, where they collaborate with SAIT(Samsung Advanced Institute of Technology) to generate synergies in joint R&D efforts on next-generation technologies. In addition, Samsung SDI has established overseas research centers in Munich(SDIRE), Boston(SDIRA), Shanghai(SDIRC), and Singapore(SDIRS) to build a global R&D network. This enables the company to secure region-specific technological strengths early and further strengthen its leadership in differentiated technologies.

R&D Organizational Structure



Accelerating Innovation Through Data & IT Technologies

In 2024, Samsung SDI established a Data Platform to standardize and integrate production and quality data, which had previously been managed separately at each site. In addition, the Manufacturing Execution System(MES) that supported operations for automated production was implemented across all domestic and overseas sites to enable fast, data-driven decision-making. Based on this foundation, Samsung SDI is promoting innovation across product R&D, equipment development and control, and production operations through AI, digital twin, and automation technologies, thereby enhancing its battery business competitiveness.

In R&D, we are shortening product development timelines by adopting AI and digital twin technologies capable of predicting battery lifespan based on theoretical models. We have also built a large-scale material database and developed an AI-based model that significantly improves the speed of property prediction, enabling the optimal combination of materials needed to achieve target performance.

In equipment area, we are expanding the use of AI learning to improve defect detection during vision inspections of internal X-ray and external images of products, preventing the outflow of defective goods. We are also developing models that optimize operating conditions after product changes and enable early detection of anomalies and predictive maintenance.

In production operations area, we established a virtual factory model for the formation process to monitor and predict logistics flow and in-warehouse inventory in real time at the Hungary factory. This enabled us to improve production capacity without additional capital investment, and we are now expanding this approach to other processes.

Going forward, Samsung SDI plans to expand the scope of digital twin applications beyond internal data to include field operation data from ESS and automotive batteries, aiming to realize safer batteries and optimized operations.

R&D and Product Innovation Material Topic

Battery R&D Activities

Samsung SDI takes the lead in developing differentiated material, electrode, and Battery cell technology to enhance battery performance. Based on this, we offer platform battery products tailored to meet diverse customer needs.

All Solid Battery

Samsung SDI is developing All Solid Battery that replace conventional liquid electrolytes with solid ones to enhance battery safety and energy density. We are working to achieve best-in-class energy density and performance by developing proprietary solid electrolyte materials and anode-less technology. Following the completion of a 6,500㎡-sized All Solid Battery pilot line in March 2023, prototype samples were delivered to key customers in December 2023 and A-samples in second half of 2024. We plan to continue securing All Solid Battery technology and process technology with the aim of starting mass production in 2027.

46-phi Cylindrical Battery

Samsung SDI has become the first battery manufacturer in Korea to begin mass production of the next-generation 46-phi cylindrical battery. By applying high-capacity cathode materials and proprietary anode technologies, the battery achieves enhanced energy density. It also incorporates tabless technology, which expands the current path by processing multiple tabs at the end of the electrode, improving output and enabling rapid charging to 80% in just 20 minutes. With the start of mass production, Samsung SDI expects to see tangible results in the EV sector going forward.

Premium EV Platform Technology

Samsung SDI has focused on developing high energy density materials to enhance driving range for premium platform batteries. We differentiated performance by increasing the nickel(Ni) content in cathode active materials and the silicon content and efficiency of anode active materials. As a result, we were the first to apply our proprietary high-nickel NCA cathode and SCN anode materials to cylindrical premium batteries, and later expanded their application to prismatic EV batteries. Following the use of Ni88% cathode materials, we pioneered mass production of premium batteries using Ni91% cathode materials and SCN anode materials. Moving forward, we will continue to secure differentiated high energy density technologies to maintain our competitive edge in premium battery products.

Volume Segment EV Platform Technology

Samsung SDI is developing mid-nickel cathode materials for volume platform batteries, where price competitiveness is a top priority. By reducing cobalt content—a costly material with high supply risks—and increasing manganese content to enhance structural stability, we have improved both price competitiveness and battery lifespan. We plan to apply this material to mass production and strengthen our competitiveness in the volume segment Automotive battery market.

Entry EV and ESS Platform Technology

Samsung SDI is developing LFP materials to enhance the price competitiveness of entry EV platform and ESS batteries. We are targeting mass production of ESS batteries by 2026 and are securing cost competitiveness through Samsung SDI's proprietary product design optimization and innovations in process and facilities. Backed by top-tier quality, we plan to successfully enter the LFP market and strengthen our market competitiveness.

R&D and Product Innovation

Material Topic

Battery R&D Activities

Safety(Materials)

Samsung SDI continues to enhance safety to meet the key requirements of customers and end users. While maintaining battery performance, we apply active material surface coating technologies to prevent side reactions, introduce newly formulated electrolytes, and develop technologies that improve the thermal resistance of separators to suppress shrinkage. Through these efforts, we aim to continuously advance both safety and performance.

Battery Safety

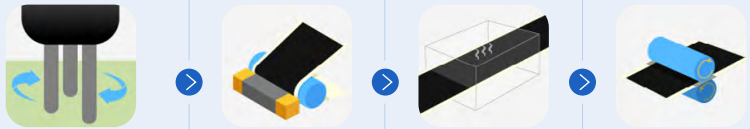
Ultra-fast Charging(Materials, Electrode, and Cell Technology)

Samsung SDI is focused on reducing charging time—one of the key performance indicators for Automotive battery. To this end, we are developing high input/output anode materials and fast-charging electrode technologies. By combining low-resistance components that reduce cell resistance with newly developed process technologies, we plan to begin mass production of ultra-fast charging batteries in 2026, offering significantly shorter charging times compared to conventional batteries.

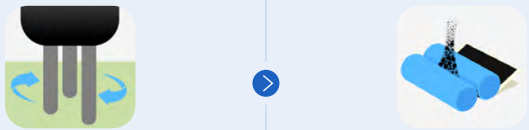
Dry-type Electrode(Process Technology)

Samsung SDI is developing an innovative and eco-friendly dry-type electrode manufacturing process technology. Traditional electrode processes rely heavily on NMP(N-methyl-2-pyrrolidone), an organic solvent, resulting in significant energy consumption. The new dry-type electrode process technology is expected to minimize solvent use and energy consumption while enhancing battery performance.

Wet-Type Electrode Manufacturing Process



Dry-Type Electrode Manufacturing Process



Product Innovation

Cell to Pack(Process Technology)

Samsung SDI has set a new milestone for enhanced safety and efficiency in mobility batteries through the application of Cell to Pack(CtP) technology. CtP is a structural innovation that eliminates the intermediate Battery module stage by directly assembling battery cells into packs without separate modularization. This maximizes space efficiency and energy density, significantly increasing the driving range of electric vehicles. The technology also contributes to lightweighting by removing unnecessary Battery module components and streamlines the design and manufacturing process.

Given that CtP simplifies the structural protective layers, ensuring absolute safety is critical. Samsung SDI has addressed this challenge by leveraging its technological strengths. The company's prismatic battery features a durable aluminum can-type housing, offering excellent resistance to external impact. Thanks to this structural advantage, Samsung SDI ensures a high level of safety even with the CtP configuration.

Samsung SDI began mass-producing batteries with CtP technology in 2023 for PHEV models and plans to expand the application across the EV market. The company will continue to deliver next-generation battery solutions with higher energy density and enhanced safety.

Cell – Module – Pack

CtP

R&D and Product Innovation

Material Topic

CASE

Winner of The Smarter E Award

In May 2025, Samsung SDI was honored with The Smarter E Award at Europe's largest energy exhibition, The Smarter E Europe, for two innovations: the high-output 'U8A1' battery for UPS systems and the 'No TP(No Thermal Propagation)' technology for Automotive battery. As the only company to receive awards in two categories, Samsung SDI demonstrated its leadership in battery technology. The 'U8A1' battery enhances output performance in UPS systems by approximately 40% and reduces installation area by around 33%, improving spatial efficiency. The 'No TP' technology strengthens Automotive battery safety through a structural design that prevents thermal propagation. Backed by these innovations, Samsung SDI plans to further expand its presence in European and global markets.

IR52 Jang Young-shil Award Presidential Prize

In 2024, Samsung SDI was honored with the Presidential Prize at the IR52 Jang Young-shil Award, Korea's most prestigious industrial technology award, for its high-performance EV battery technology. The awarded battery achieves the world's highest energy density of 650Wh/L, enabling a driving range of 700km on a single charge and supporting ultra-fast charging to 80% in just 20 minutes. The prismatic battery features an aluminum can-type housing, enhanced safety design with vents and fuses, and new insulation materials, ensuring outstanding safety performance.

In addition, Samsung SDI also won a second IR52 Jang Young-shil Award in the same year for its UV-adjustable adhesive film for OLED applications. This product, the first of its kind globally, can adjust adhesion strength up to 100 times depending on the level of ultraviolet(UV) exposure. By replacing various types of conventional adhesive films with a single product, this innovation contributes to improved manufacturing efficiency, resource savings, and waste reduction. It has been recognized for overcoming the limitations of fixed-adhesion films and achieving both process flexibility and environmental friendliness.

Awarded at the 71st Engineer of Korea Award

Nam Joong-hyun, Executive Director at Samsung SDI, was selected as the recipient of the 71st Engineer of Korea Award, hosted by the Korea Industrial Technology Association, in recognition of his technological innovation and commercialization achievements in the field of Automotive battery. He developed a conductive additive(CNT dispersion) for high-voltage conductive cathode materials and a high-ion-conductive binder for anodes, which are core technologies that enable 9-minute ultra-fast charging and a driving range of 600km on a single charge. These innovations help ease charging time concerns for EV users and have been acknowledged for their contributions to advancing the core technologies for EV mass adoption.

Open Innovation

Samsung SDI collaborates with leading domestic and international universities to secure next-generation battery technologies. Through strategic industry-academia programs, we secure battery core technology and outstanding talent, and partner with top-tier experts to develop advanced, differentiated solutions. We also strengthen our global R&D capabilities by operating overseas research centers. Each center focuses on research areas aligned with regional strengths—SDIRA(U.S., next generation batteries), SDIRE(Europe, battery process technology), SDIRC(China, battery materials), SDIRS(Singapore)—to secure innovative technologies at an early stage.

Patent Management

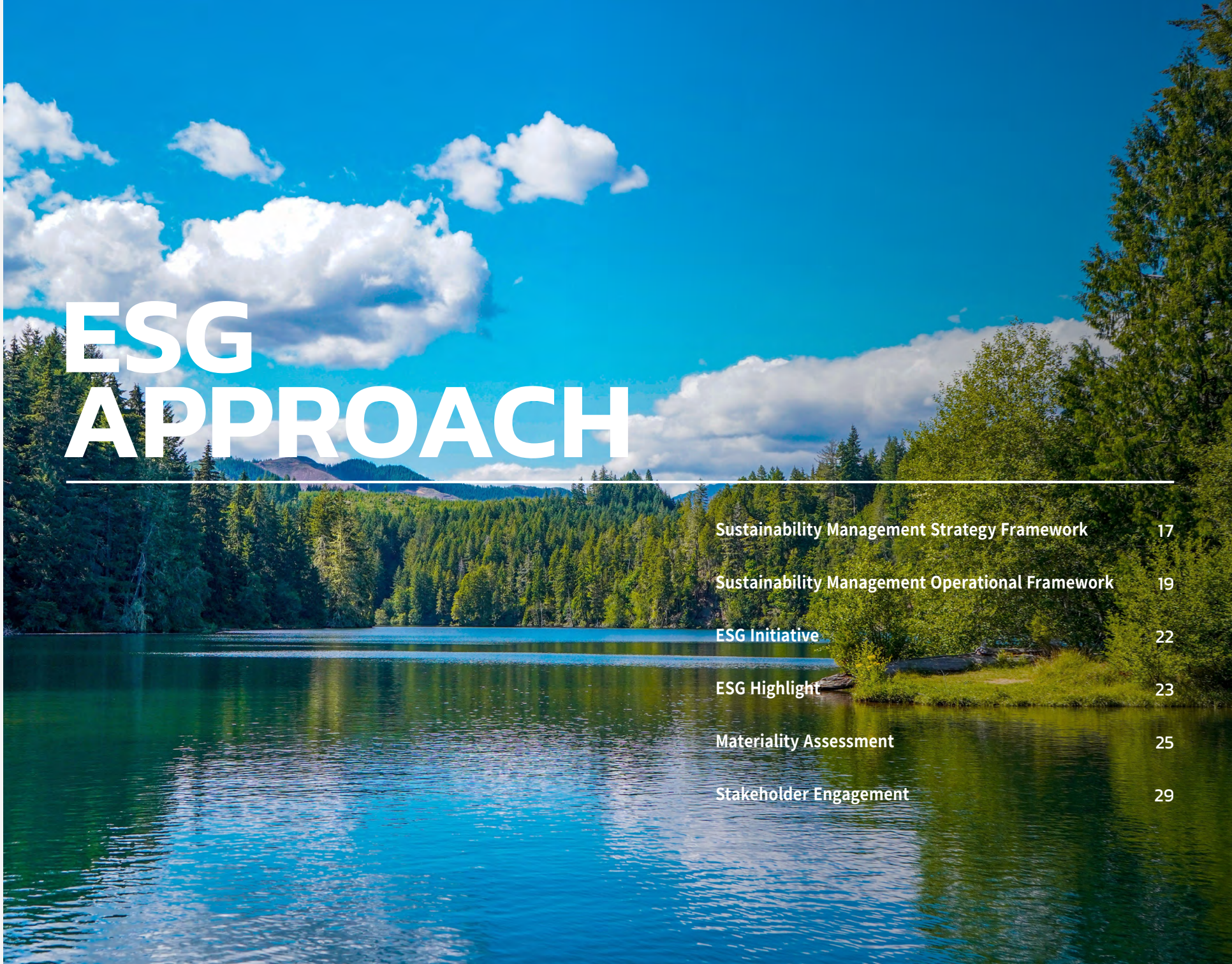
Samsung SDI strengthens its intellectual property(IP) competitiveness by securing proprietary technologies and leading R&D efforts that keep pace with evolving technology trends. Since the early stages of its business, the company has steadily built a comprehensive patent portfolio across all areas of rechargeable batteries and electronic materials. Technologies related to trade secrets are registered and managed internally as corporate assets to prevent external leakage.

In the field of next-generation technologies, Samsung SDI not only leverages internal development capabilities but also collaborates with top-tier universities and research institutions at home and abroad to secure high-quality future-oriented patents. To proactively respond to potential patent disputes and safeguard IP rights, the company pursues a range of activities including patent acquisition and licensing.

As of the end of 2024, Samsung SDI holds 6,403 domestic patents and 15,443 overseas patents. The company conducts regular patent monitoring by product category to identify and address areas requiring technical reinforcement. In addition, it evaluates the value of acquired patents on a regular basis to effectively manage and optimize its patent portfolio.

Patents Registered on a Cumulative Basis

Category	Unit	2022	2023	2024
Total	cases	19,197	20,991	21,846
└ Korea	cases	5,782	6,355	6,403
└ United States	cases	4,107	4,391	4,483
└ China	cases	2,326	2,584	2,787
└ Japan	cases	1,435	1,532	1,502
└ Europe	cases	4,743	5,291	5,781
└ Others	cases	804	838	890

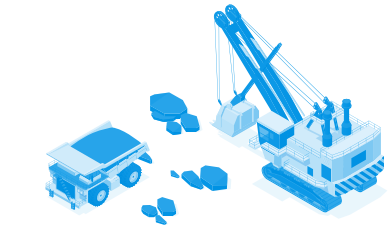


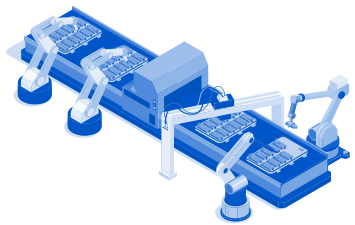
ESG APPROACH

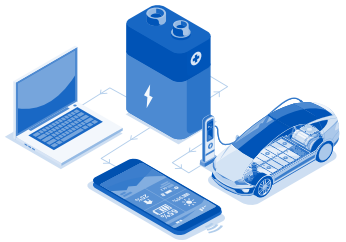
Sustainability Management Strategy Framework

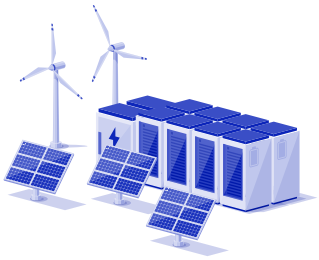
Management of Value Chain ESG Risk and Opportunity

Samsung SDI identifies environmental and social risks across the entire value chain—including Upstream, in-house operations, and Downstream—and manages them systematically to explore potential opportunities. Through company-wide sustainability practices, we strive to mitigate non-financial risks and create new value opportunities, thereby enhancing the value delivered to both internal and external stakeholders.









	Raw Material Mining and Manufacturing	Battery Manufacturing	Manufacturing of Finished Products and Product Use	Disposal(Resource Circulation)
Impact	• Human rights and labor rights issues, such as forced labor and child labor, in raw material mining and manufacturing processes • Environmental impact on water and soil pollution and biodiversity caused by raw material extraction and processing	• Environmental impact on local communities due to potential GHG emissions, energy consumption, and hazardous substance release during battery manufacturing	• Environmental impact on local communities through the production and use of eco-friendly, high-efficiency products • Impact on customer trust through enhanced product safety and accountability	• Impact on ecosystems through mineral resource circulation via end-of-life battery recycling
Risk	• Reputational and brand value damage due to human rights violations in raw material mining and manufacturing processes • Increased compliance costs due to the strengthening of global regulations such as the U.S. IRA and EU Battery Regulation	• Increased operational costs due to the mandate to calculate and disclose product carbon footprints • Greater risk of reputational damage and operational suspension in the event of violations of occupational health and safety, labor, or human rights regulations	• Reputational damage and loss of customer trust in the event of safety incidents such as fires, recalls, or injuries • Increased facility and R&D costs to meet rising customer demand for renewable energy use and low-carbon battery production	• Increased compliance costs due to strengthened recycling regulations in major regions such as the U.S. and Europe
Opportunity	• Enhancement of corporate credibility through the establishment of a responsible supply chain	• Increased market share by meeting regulatory requirements and customer demand for proactive product carbon footprint reduction	• Expansion of EV and ESS product sales driven by global net-zero efforts • Strengthening of global partnerships through enhanced product reliability and sustainability	• Improved operational efficiency through advancement of recycling systems for process scrap and end-of-life batteries
Mitigation	• Strengthened ESG due diligence across the supply chain, including in-house operations • Participation in global initiatives such as RMI and GBA to build a sustainable supply chain	• Implementation of Life Cycle Assessment(LCA) • Calculation and reduction of product carbon footprints	• Establishment of quality management principles and certification of quality management systems • Reinforcement of product safety management, including battery safety testing	• Recovery of raw materials from end-of-life batteries and scrap, and expansion of recycled material usage in products • Operation of a Recycle Research Lab under the R&D Center

Sustainability Management Strategy Framework

Sustainability Focus Areas

Samsung SDI remains committed to the philosophy that "ESG management lies at the core of our business growth strategy and offers a differentiating competitive edge." We focus on environmentally friendly management practices such as climate change response and resource circulation. We also identify and carry out various initiatives to fulfil our corporate social responsibility, including boosting supply chain sustainability, ensuring employee and product safety, and fostering a culture of diversity and inclusion. Through these efforts, we aim to enhance stakeholder engagement and pursue sustainable growth based on trust by transparently disclosing information related to sustainability management.

SUSTAINABILITY LEADERSHIP

Environmental	Social	Governance
Climate Change Response and Energy Consumption	Boosting Sustainability of our supply chains	Advancing the BOD
Resource Circulation	Employee and Product Safety	Ethics & Compliance Management
Workplace Environmental Impact	Diversity & Inclusion	Transparent Disclosure

Sustainability Management Operational Framework

Sustainability Management Governance

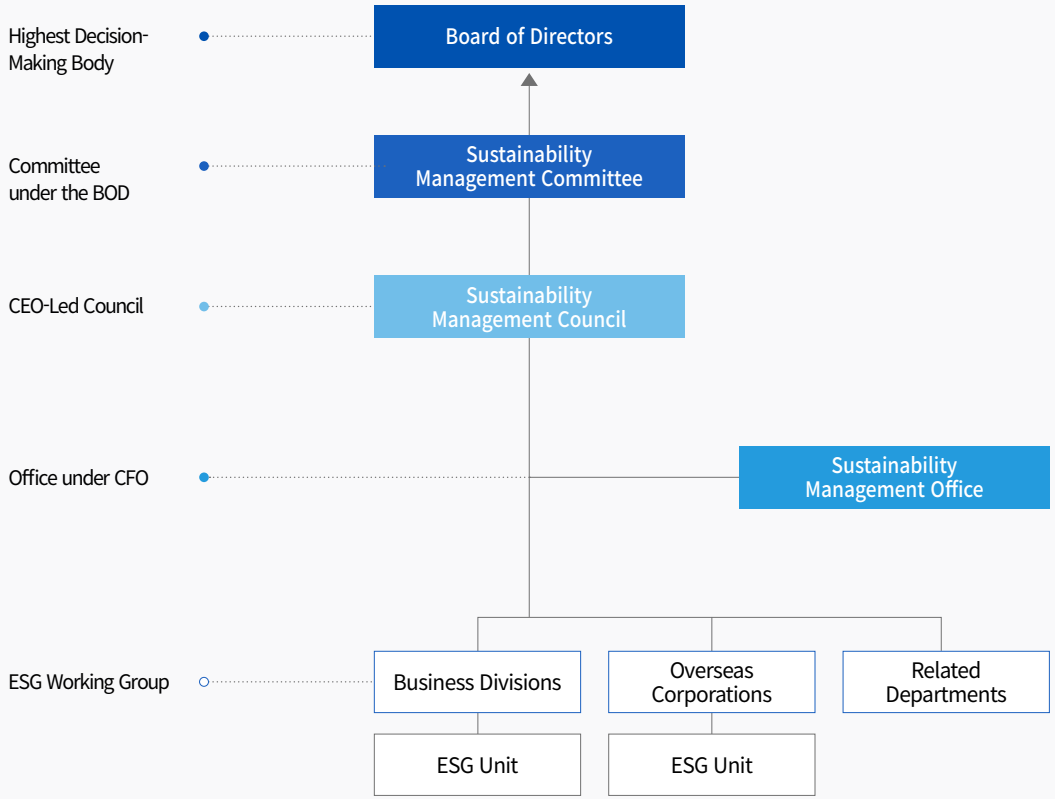
The Board of Directors at Samsung SDI serves as the highest decision-making body for sustainable management and ensures systematic and effective ESG management through the operation of the Sustainability Management Committee. This Committee carries out key sustainability-related responsibilities, including reviewing and approving double materiality assessment results, monitoring company-wide ESG performance, and managing sustainability issues that may significantly affect shareholder value.

In addition, Samsung SDI has strengthened executive-level commitment through the Sustainability Management Council, a C-level consultative body led by the CEO. The Sustainability Management Office, reporting directly to the CFO, develops long-term ESG strategies and oversees the integrated management of material sustainability issues.

The Sustainability Management Office supports the operation of both the Sustainability Management Council and the Sustainability Management Committee, ensuring that key ESG matters are discussed and resolved in a timely manner by executive leadership and the Board.

Furthermore, ESG units have been established across each business division and overseas corporation, enabling company-wide ESG implementation in close collaboration with the Sustainability Management Office.

Sustainability Management Governance Framework



Sustainability Management Operational Framework

Activities of the Sustainability Management Council in 2024

Date	Agenda
Jan 18, 2024	• Reporting operational plans for the 2024 Sustainability Management Council • Reporting sustainability management operational plans for 2024 - Responding to the EU Battery Regulation, calculating Scope 3 emissions, and strengthening ESG practices in the supply chain
Apr 17, 2024	• Updates on global ESG trends • Reporting progress on sustainability management operations - Preparations for global ESG disclosure, progress on environmental management strategy tasks etc. • Reporting ESG activities of business divisions • Strengthening ESG practices of partners - ESG audit and GHG calculations of partners
Jul 16, 2024	• Updates on global ESG trends • Reporting on the publication of the 2024 Sustainability Report • Mid-to-long-term goals for key ESG focus areas • ESG risk management progress - Responses to ESG disclosure and supply chain regulations, status of ESG audits at sites and domestic/overseas partners
Oct 22, 2024	• Updates on global ESG trends • Reporting results of PI consulting for enhanced ESG management • Reporting progress on environmental management strategic tasks

Activities of the Sustainability Management Committee in 2024

Date	Agenda
Jan 29, 2024	• Reporting sustainability management operational plans for 2024 - Responding to EU Battery Regulation, calculating Scope 3 emissions, and strengthening ESG practices in the supply chain • Reporting on IR trends
Apr 30, 2024	• Reporting updates on global ESG trends • Reporting on RE100 implementation status and plans - Renewable energy transition roadmap, PPA implementation status and plans • Reporting progress on preparations for global ESG disclosure requirements • Reporting on IR trends
Jul 29, 2024	• Reporting updates on global ESG trends • Reporting on the publication of the 2024 Sustainability Report • Reporting progress on PI consulting for enhanced ESG management • Reporting on IR trends
Oct 29, 2024	• Reporting updates on global ESG trends • Reporting results of PI consulting for enhanced ESG management • Reporting progress on environmental management strategic tasks • Reporting on IR trends

Sustainability Management Operational Framework

Incorporating ESG Performance in Executive and Organizational Assessment

Samsung SDI has systematically assessed ESG performance for all executives since 2022 to reinforce management accountability and effectively track the outcomes of ESG-related activities. In 2024, we introduced sustainability KPIs tailored to each function to increase executive engagement in ESG activities closely aligned with their responsibilities, and to further enhance their commitment to improving overall ESG performance. At the beginning of each year, ESG-related tasks are identified and specific goals are set through the Management by Objectives(MBO) process, based on the executive's role. Performance outcomes for these tasks are reflected in the year-end executive evaluations and are directly linked to the remuneration system.

Since 2023, we have also strengthened ESG execution at the business division level by sharing division-level ESG goals, evaluating performance at year-end, and incorporating the results into the calculation of financial incentives for employees in each division.

Company-wide ESG Training

In 2024, Samsung SDI conducted ESG Mind-set training primarily for new hires to communicate the company's ESG efforts and achievements. The training was held eight times throughout the year, with a total of 897 participants. It covered the background, meaning, and necessity of ESG, followed by an overview of Samsung SDI's ESG performance and goals in each area(E/S/G). This program encouraged new employees to reflect on how they could contribute to the company's ESG management from their respective roles. Additionally, in-depth ESG training was provided four times a year for mid-level managers in relevant departments and overseas corporations, focusing on the roles of each department in driving ESG initiatives.

Samsung SDI ESG Training

Training Frequency and Participants	Training Content
* Total of 12 sessions in 2024 * Target participants: New employees, managers in relevant departments, and managers at overseas corporations	• Background and necessity of sustainability and ESG management • Alignment between Samsung SDI's mid/long-term strategy and ESG management strategy • Samsung SDI's ESG focus areas and goals - Environment: environmentally friendly management declaration, execution approach and goals of environmental management strategy tasks* * Environmental management strategy tasks: 100% transition to renewable energy, reducing GHG emissions, Shifting to zero-emission vehicles for all business vehicles, Expanding CarbonTrust-certified products, increasing battery recycling, minimizing landfill waste, reducing water consumption, Minimize the use of single-use products, Reduction of use of electricity in campus, Installing solar panels on campus - Social: Supply chain social responsibility, corporate social contribution, diversity and inclusion - Governance: Advancing the Board of Directors, transparent information disclosure, ethical and compliance management • Overview and structure of Samsung SDI's Sustainability Report publication history • Key ESG stakeholder requirements

ESG Initiative

Joining Global Initiatives

Samsung SDI voluntarily participates in a wide range of global initiatives to strengthen sustainability management. Through these initiatives, we engage in discussions and take action on key topics such as renewable energy, social responsibility, the battery value chain, responsible minerals, and ecosystem protection. Moving forward, Samsung SDI will continue to enhance its ESG leadership in alignment with global standards across the Environmental, Social, and Governance areas.

RE100
Renewable Energy 100%

RE100 is a global initiative through which companies voluntarily commit to sourcing 100% of their electricity from renewable energy, aiming to contribute to the successful implementation of the Paris Agreement. Samsung SDI joined RE100 in October 2022 and has set a goal to achieve 100% renewable energy usage by 2050.

RMI
Responsible Minerals Initiative

Samsung SDI joined the Responsible Minerals Initiative(RMI) in May 2020 to take part in the global effort to improve mineral sourcing practices. As an RMI member, we actively promote improvements in supply chain due diligence.

UNGC
United Nations Global Compact

In July 2022, Samsung SDI joined the UN Global Compact to reinforce our commitment to corporate social responsibility. Through this, we officially declared our adherence to the UNGC's 10 principles in the areas of human rights, labor, environment, and anti-corruption.

'Cobalt for Development' Project

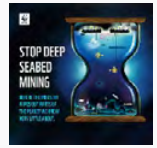
In September 2019, Samsung SDI participated in the "Cobalt for Development" project alongside BMW, VW, and BASF. Through this initiative, we have been actively working to improve working conditions and promote community development near cobalt mines in the Democratic Republic of the Congo.

GBA
Global Battery Alliance

In March 2023, Samsung SDI joined the Global Battery Alliance (GBA), which aims to build sustainable battery value chains. By participating in the development of the GBA's Battery Passport, we plan to thoroughly prepare for the battery passport system, which is expected to become mandatory in the near future.

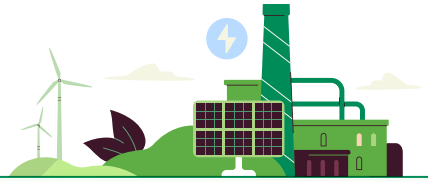
Ban on Deep Seabed Mining Initiative

In March 2021, Samsung SDI became the first in the battery industry to join the Deep Sea Mining(DSM) Moratorium Initiative, together with BMW, Volvo, and Google. Through this participation, we are taking a leading role in protecting the marine ecosystem.



ESG Highlight

Environmental



Renewable energy transition rate
37%

Up 10%p from 27% in 2023

Zero Waste to Landfill(ZWTL) Certification
Platinum level

Certified across 12 sites(all domestic manufacturing sites and overseas production subsidiaries)

Carbon Footprint Certification by Carbon Trust
4products

Cumulative since 2022, Verified Claim Certification

Water reuse rate
42%

Up 11%p from 31% in 2023

Social

Partner ESG audits
135partners

Cumulative since 2023, covering domestic and overseas raw material suppliers

Selected by JLR
Winner of the JLRQ Award

Certified as an outstanding global partner

Win-Win Growth Index
Highest rating

Maintained for two consecutive years

Governance

Enhanced board diversity
Women account for 50% of independent directors

Women now account for 50% of independent directors since 2023

Cyber Security Management System
(CSMS) Certification

Certified at 5 global sites, including those in Korea

Anti-Bribery Management System
ISO 37001 Certification

Strengthened transparency in ethical business conduct

ESG Highlight

ESG Ratings and Recognitions

Dow Jones Sustainability Indices

Listed on the DJSI World for the **20th** time in 2024

Selected as a S&P Global Sustainability Yearbook 2025 Member

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

Received an **A** rating in 2024, **marking six consecutive years of recognition**

CDP

Awarded Sector Leader in Carbon Management for **three consecutive years**

2024 Climate Change, Water Security Score B

Korea Institute of Corporate Governance and Sustainability(KCGS)
Awarded Overall A+ rating

Environmental A+ Social A+ Governance A

Corporate ESG Performance
RATED BY ISS ESG
Prime

Achieved "Prime" status in ISS Corporate ESG Performance ratings

GLOBAL 100

Corporate Knights Global 100
Selected for 8 consecutive years

Ranked 52nd in 2025

Materiality Assessment

Double Materiality Assessment Process

Samsung SDI conducts a double materiality assessment annually in accordance with the Global Reporting Initiative(GRI Standards 2021) and the EU's Corporate Sustainability Reporting Directive(CSRD). Based on an understanding of our business context, we identify sustainability topics material to the company and assess both their inside-out and outside-in impacts—how our business activities affect society, the environment, and stakeholders, and how external ESG factors impact the company's financial performance. We then conduct impact assessments with internal and external experts who possess deep knowledge of Samsung SDI and ESG. The results undergo final review and approval by the Board of Directors, leading to the identification of six key material topics. These topics are incorporated into our enterprise risk management process and are managed accordingly.

Process	STEP 1 Sustainability Context Analysis	STEP 2 Define IRO	STEP 3 Conduct a Materiality Assessment	STEP 4 Prioritize Topics
	Gain a comprehensive understanding of Samsung SDI's current sustainability issues	Define detailed IRO(Impact, Risk, Opportunity) implied by each sustainability topic and compile an IRO longlist	Conduct an impact and financial materiality assessment based on the identified IRO longlist.	Prioritize sustainability issues based on the results of the materiality assessment.
Detailed Procedure	• Analyze disclosure standards and evaluation indicators • Conduct media analysis • Review material issues in peer industries • Review previous year's material topics	• Define social/environmental impacts, financial risks, and opportunities associated with each topic • Incorporate IROs identified in the sustainability context analysis • Derive a topic-specific IRO longlist based on ESRS indicators and the results of the context analysis	**Impact Materiality Assessment** • **Disclosure standards analysis** Analyze international standards related to environmental and social materiality, including GRI Standards and the UN SDGs. • **Benchmarking analysis** Review key material topics and disclosure content of peers and automotive OEMs. • **Media analysis** Analyze issues related to corporate activities reported in the media (52 media outlets, 7,981 articles published from Jan–Dec 2024; 59 articles were used for impact materiality assessment). • **Stakeholder survey** Identify and analyze material issues through a survey of 141 stakeholders including employees, partners, customers, government and association officials, NGOs, local communities, and ESG experts. **Financial Materiality Assessment** • **Disclosure standards analysis** Analyze financial materiality indicators, including SASB and TCFD. • **Assessment indicators analysis** Analyze ESG assessment indicators that impact investment and external reputation, such as DJSI and MSCI. • **Media analysis** Analyze issues related to corporate activities reported in the media (52 media outlets, 7,981 articles published from Jan–Dec 2024; 17 articles were used for financial materiality assessment). • **Stakeholder survey** Identify and analyze financial material issues through a survey of 31 internal employees working in finance-related departments.	• Prioritize issues by considering double materiality(impact and financial). • Select the top six issues as material topics. • Disclose activities and performance on the material topics through the Sustainability Report.

Materiality Assessment

Double Materiality Assessment Result

Results Legend: ●●●●● Very high impact ●●●●○ High impact ●●●○○ Moderate impact ●●○○○ Low impact ●○○○○ Very low impact

Material Topics	Value Chain	Social/Environmental Impact			Financial Impact		
		Identified Impact	Impact Description	Result*	Identified Impact	Impact Description	Result*
Supply Chain Sustainability Management	Entire value chain	Positive / Potential	• Impact of Responsible Minerals Sourcing Policies on protecting the environment and upholding human rights in conflict-affected areas • Impact of ESG assessment and monitoring of suppliers on improving working conditions at partners	●●●●●	Risk	• Risk of weakened supplier status due to failure to meet customer requirements for mandatory supply chain due diligence	●●●○○
					Opportunity	• Impact of enhancing partner sustainability levels and capabilities on maintaining sustainable customer relationships	●●●●○
Occupational Health and Safety Management	Upstream, Own operations	Negative / Actual	• Impact of safety incidents during operation of production facilities on workers	●●●○○	Risk	• Impact of safety incidents on production line shutdowns and work suspensions • Impact of occupational accidents and lack of attention to worker safety on corporate reputation and brand value	●●●●●
		Positive / Actual	• Impact of the occupational health and safety management system at worksites on spreading a culture of safety across partner companies and the industrial ecosystem	●●●●○	Opportunity	• Impact of minimizing occupational health and safety risks at worksites on securing continuity and productivity in manufacturing	●●●●●
Climate Change Response	Entire value chain	Negative / Actual	• Impact of greenhouse gas emissions from raw material extraction and processing, battery manufacturing, and disposal on the environment	●●●●●	Risk	• Impact of increased response costs due to stricter regulations on greenhouse gases • Impact of disrupted raw material supply and physical damage caused by climate change on reduced productivity	●●●●●
		Positive / Actual	• Impact of building systems and conducting mitigation activities to address climate change on reducing greenhouse gas emissions and protecting the environment	●●●●●	Opportunity	• Impact of growing demand for low-carbon products and services on expanded business opportunities in EV and ESS markets	●●●●○
Energy Management	Entire value chain	Negative / Actual	• Impact of using non-renewable energy in raw material extraction, battery manufacturing, and disposal processes on the environment	●●●●○	Risk	• Increase in operating costs due to procurement of renewable energy and replacement/installation of high-efficiency equipment	●●●●●
		Positive / Actual	• Impact of improving energy-intensive equipment efficiency and adopting renewable energy on the environment	●●●●●	Opportunity	• Long-term cost efficiency and customer relationship retention driven by energy savings and expanded use of renewable energy	●●●●●
R&D and Product Innovation	Own operations	Positive / Actual	• Impact of infrastructure investments for R&D on the local economy • Impact of developing innovative products on the industrial ecosystem and the local community environment	●●●●●	Risk	• Increase in R&D costs due to rapid innovation cycles • Risk of losing customer trust and contract termination resulting from failure to meet customer needs	●●●○○
					Opportunity	• Impact of launching new products and strengthening technological capabilities on improving customer trust and pioneering new markets	●●●●●
Waste Management and Circular Economy	Own operations, Downstream	Negative / Actual	• Impact of waste and hazardous substances generated during end-of-life battery processing and recycling on human health and the environment	●●●●○	Risk	• Risk of contract termination due to failure to meet regulatory requirements • Increase in operating costs related to procurement and use of recycled raw materials	●●●○○
		Positive / Actual	• Impact of resource circulation through end-of-life battery recycling on the environment	●●●○○	Opportunity	• Expansion of the resource circulation market, including end-of-life battery recycling, driven by stricter regulations	●●●●●

Materiality Assessment

Material Topics for Corporate Value Creation

Samsung SDI systematically identifies and manages key issues that have a significant impact on our business operations to ensure sustainable growth and value creation. We thoroughly analyze the risks and opportunities associated with each topic and incorporate them into our business strategy. By setting measurable KPIs and regularly monitoring progress, we aim to drive continuous improvement and development.

Key Issue	Risks or Opportunities	Business Case	Business Impact	Business Strategy	Targets & Indicators		Implementation Status	Executive Compensation (KPI Linked)
Climate Change Response	• Risk of reduced productivity due to supply disruption and physical damage caused by climate change • Opportunity to reduce emissions by expanding low-carbon products	• Rising carbon credit prices and increasing production costs due to climate regulations • Increasing need to adopt technologies that improve GHG reduction and energy efficiency	• Greater operational efficiency through climate tech expansion and low-carbon infrastructure • Strengthen customer and investor trust through proactive climate action	• Establish 2050 Net-Zero Roadmap • Implement effective GHG reduction initiatives including Life Cycle Assessment (LCA) and renewable energy transition	• GHG Emissions (Scope 1+2)	• 2024: 1,291,974tCO$_2$e(actual) • 2030: 1,003,446tCO$_2$e	• Establish and operate climate change governance • Increase investment in renewable energy transition • Invest in and develop low-carbon/ high-efficiency facilities • Conduct LCA for products • Build and expand EV and e-bus infrastructure	• Reduce GHG emissions
Energy Management	• Risk of increased energy costs due to strengthened climate regulations • Opportunity to reduce costs and emissions by transitioning to renewable energy	• Rising energy procurement and carbon trading costs continue to increase climate-related expenses • Growing need to participate in global initiatives such as RE100	• Operational cost savings through energy use reduction and efficiency improvements • Strengthen long-term trust with global clients through expanded renewable energy adoption	• Improve energy efficiency through process innovation • Expand renewable energy sourcing (e.g., PPA contracts, EAC purchase)	• Renewable energy transition rate	• 2024: 37%(actual) • 2030: 90%	• Develop and adopt energy-saving technologies for each site • Enhance energy management systems through integration with smart factory platforms • Establish company-wide energy management systems through ISO 50001 certification	• Achieve renewable energy transition targets
Waste Management and Circular Economy	• Rising waste treatment costs and resource depletion risks • Opportunity to secure materials through circular economy initiatives	• Growing regulations and external demands on waste reduction and use of recycled materials • Increasing requirements under EU Battery Regulation for end-of-life battery recycling	• Reduced treatment costs and improve efficiency through resource circularity • Sustainable materials secured through circular systems	• Establish waste recycling infrastructure • Improve recycling rates	• Waste recycling rate	• 2024: 95.2%(actual) • 2030: 96.5%	• Review regulatory violation verification documents to enhance safety and legal compliance in waste treatment • Establish a resource recovery system through recycling and reuse of end-of-life batteries • Establish a circular recycling system for end-of-life batteries	• Acquire and maintain landfill certification at the Platinum level • Achieve targets for recycled metal usage
					• ZWTL Platinum certified sites	• 2024: 100%(actual) • 2030: 100%	• Acquire ZWTL(Zero Waste to Landfill) Platinum certification at all domestic manufacturing sites and overseas production subsidiaries	
					• Recycled metal usage rate	• 2024: 14%(actual) • 2030: 26%	• Expand process scrap recycling at domestic and overseas manufacturing sites • Promote metal recycling among precursor suppliers	

Materiality Assessment

Material Topics that Impact on External Stakeholders

Samsung SDI identifies and systematically manages key topics that impact or have the potential to impact external stakeholders through its business operations. To this end, we have established measurable indicators to assess the impact on external stakeholders and conduct regular monitoring. We also develop and implement action plans aimed at continuous improvement.

Key Issue	Value Chain	Impact Scope	Impact Assessment Domain / External Stakeholders	Impact Type	Relevance and Materiality to External Stakeholders	Output Indicator	Impact Assessment	Impact Metric
Supply Chain Sustainability Management	• Supply Chain	100%	• Environmental / Society • Partners	Positive	• Responsible mineral sourcing policies may positively influence environmental protection and labor rights improvement in conflict-affected regions. • ESG evaluations and monitoring of the supply chain may lead to institutional improvements and better working environments for partners.	• Partners ESG due diligence on partners ratio	• Social cost reduction	• Social cost savings from preventing labor/human rights violations in the supply chain: KRW 540 million - No. of remediated major labor/human rights violations: 4×social cost per case: KRW 135 million * Based on ILO data on annual individual losses of forced labor victims
Climate Change Response	• Business sites • Supply chain • Products and services	100%	• Environmental / Society • Partners / Consumers / End users	Positive	• Establishing climate change response systems and mitigation activities has a positive environmental impact, including GHG emissions reduction.	• Company-wide GHG emissions reduction vs. baseline year	• Social cost reduction	• Social cost savings from Scope 1 reduction: KRW 4.27 billion - Scope 1 reduction amount 39,798tCO_2e×social cost of GHG emissions* KRW 107,172 / tCO_2e * Based on data from Korea Energy Economics Institute and U.S. EPA estimates of the social cost of carbon, adjusted for domestic conditions
				Negative	• GHG emissions from raw material extraction, battery production, and disposal processes may contribute to climate change and potentially affect local ecosystems.			
Energy Management	• Business sites • Supply chain • Products and services	100%	• Environmental / Society • Partners / Consumers / End users	Positive	• Responding to energy transition demands through expanded use of renewable energy contributes to GHG reduction and alleviates environmental burdens.	• Renewable energy usage ratio • Total energy consumption	• Social cost reduction	• Social cost savings from energy transition: KRW 60.99 billion - (Renewable energy use 1,064,643MWh × power emission factor*×GHG social cost** KRW 107,172 / tCO_2e) * Power emission factors are based on national values where the facilities are located. ** Based on data from Korea Energy Economics Institute and U.S. EPA estimates of social cost of carbon
				Negative	• Increasing energy consumption and electricity demand may burden local energy systems and increase carbon emissions.			

Stakeholder Engagement

Stakeholder Engagement and Communication

Stakeholder Communication Activities in 2024

Samsung SDI defines key stakeholders as customers, partners, governments, industry associations, universities, research institutes, local communities, civic organizations, employees, shareholders, and investors. We operate communication channels tailored to each group to effectively gather diverse feedback and actively reflect it across our business operations, reinforcing collaboration with both internal and external stakeholders.

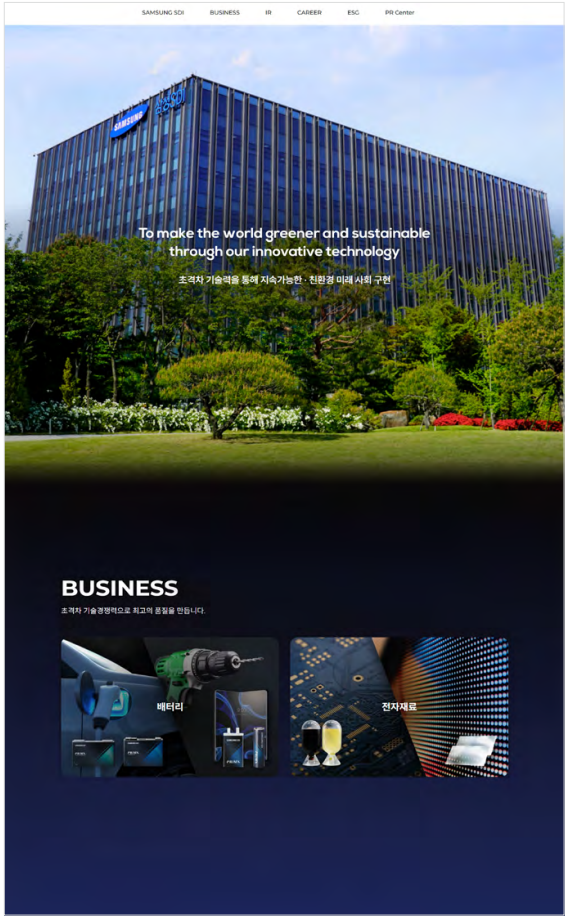
Stakeholders	2024 Communication Activities		Value Creation Plans
Customers	• Customer visits • QBR(Quarterly Business Review) meetings	• QTR(Quarterly Technical Review) meetings • Corporate website	• Enhance product safety and eco-friendliness • Provide timely information through diverse communication channels
Shareholders & Investors	• IR earnings conference calls • IR NDR(Non-Deal Roadshow) activities • IR website and investor hotline	• Hosting of shareholders' meetings • Ongoing IR conferences and ad-hoc meetings • Public disclosures	• Establish sound corporate governance • Expand shareholder returns by enhancing corporate value • Strengthen business competitiveness
Employees	• Operation of Labor-management council • Operation of Open consultation center • Business briefing sessions • Employee satisfaction surveys	• Change Agent program • SDI Talk • Global SDI Talk • Internal newsletters	• Foster a safe and human rights–respecting work environment • Build an advanced organizational culture • Support employee competency development • Improve quality of life through employee welfare programs
Partners	• Operation of procurement portal system • SSP(Samsung SDI Partner's Association)	• Hosting partner exchange programs • CEO and executive visits to partner companies	• Establish fair trade principles and operate benefit sharing system • Enhance business competitiveness by supporting win-win partnerships with consulting, technology, human resources, and funding • Support improvement in ESG management standards
Local Communities	• Social contribution activities		• Participate in social contribution activities to help address local community issues • Contribute to revitalizing the local economy • Create eco-friendly school forests
Academia, Industry Associations & Research Institutes	• Participation in associations and academic society activities • Open innovation R&D initiatives • Joint collaboration programs		• Support research and development • Expand industry-academia collaboration
Government	• Participation in national policy projects • Joint collaboration programs		• Comply with government policies and legal regulations • Pay taxes faithfully • Disclose information transparently
Media	• Provision of timely, transparent, and accurate information • Distribution of newsletters related to press releases, products, technologies, and markets		• Communicate swiftly and transparently with the media • Provide accurate and diverse information

Stakeholder Engagement

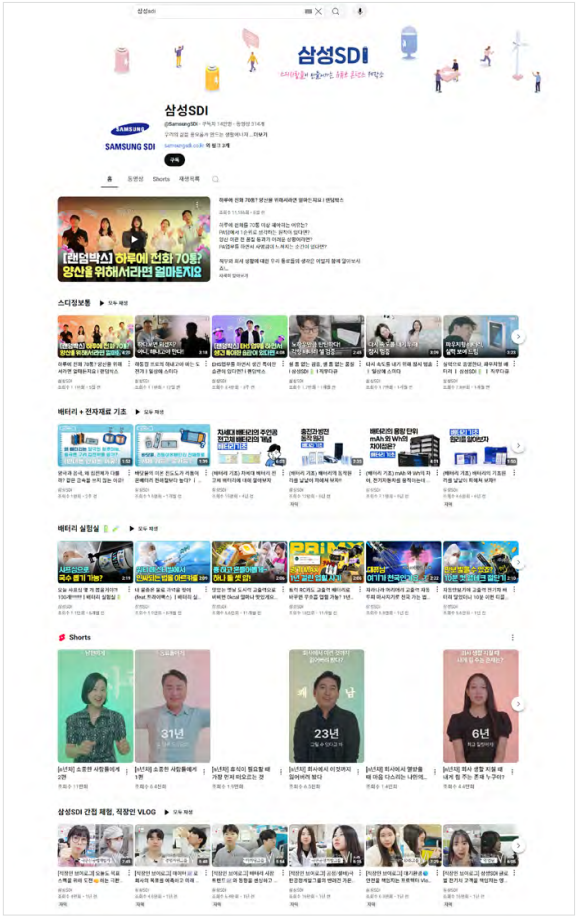
Key Communication Channels

Samsung SDI strives to share the latest company updates in a timely manner through a variety of communication channels while identifying stakeholder needs and actively reflecting them in management. We consistently strengthen engagement with stakeholders by delivering not only industry trends and practical information but also unique content that highlights Samsung SDI's distinctiveness. Recently, we launched a newsroom channel to effectively showcase Samsung SDI's technological capabilities and are producing and distributing content that helps stakeholders better understand our business, products, and technology in an accessible way. In addition, we actively communicate with potential talent by providing recruitment content, including introductions to specific roles at Samsung SDI.

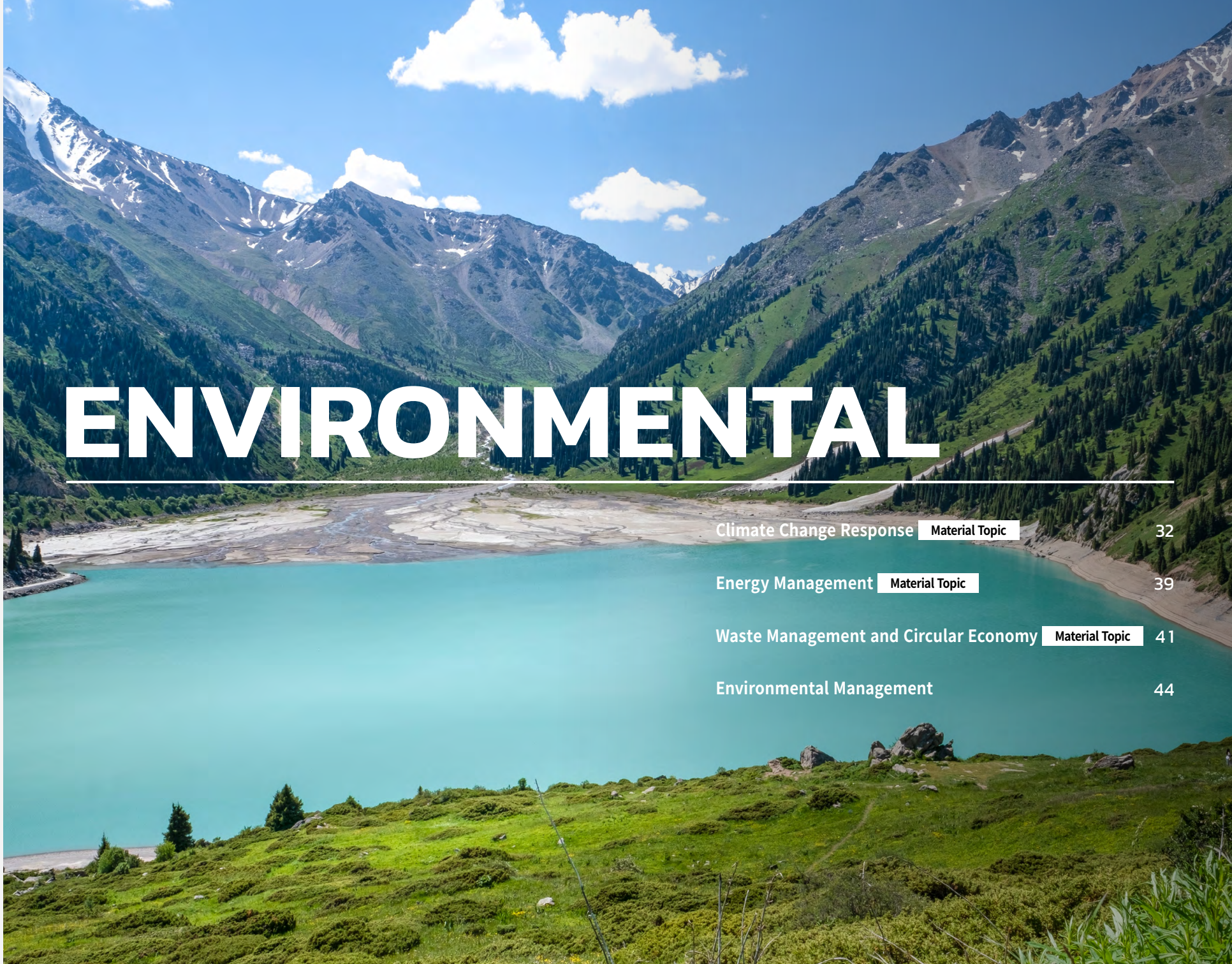
Samsung SDI Newsroom



Samsung SDI Website



Samsung SDI YouTube Channel



ENVIRONMENTAL

Climate Change Response

Material Topic

IMPORTANCE

In response to the growing impact of climate change across the global economy and society, major countries around the world are strengthening climate-related regulations while actively promoting various initiatives such as net-zero declarations, more stringent environmental regulations, and the expansion of renewable energy. In line with this global movement, companies are establishing net-zero targets and engaging in diverse efforts to reduce carbon emissions in support of international climate action.

APPROACH

Samsung SDI has established a 2050 Net-Zero Roadmap to actively respond to climate change and achieve net-zero. To reach this goal, we are expanding investment in the transition to renewable energy and promoting activities to reduce GHG emissions, including lowering LNG use and Shifting to zero-emission vehicles for all business vehicles. In addition, we are increasing the use of recycled battery metals as part of our proactive efforts to address climate change.

PERFORMANCE

GHG emissions reduced (Scope 1+2) 600,000 tons

Carbon footprint-certified by Carbon Trust Cumulative total 4 products

Climate Change Governance

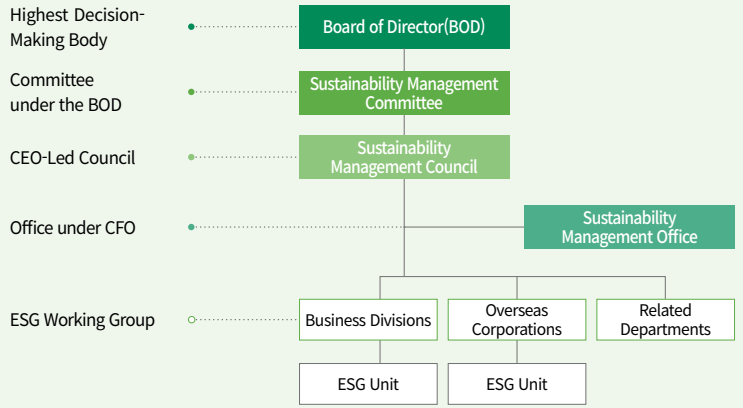
Role of Leadership

Samsung SDI operates the Sustainability Management Council, a C-level consultative body chaired by the CEO, to strengthen executive leadership in sustainability management. The Council convenes quarterly to report, discuss, review, and make decisions on key sustainability issues and tasks. It is the largest CEO-chaired meeting within the company. In 2024, the Council met four times to review the progress and challenges of strategic environmental management tasks. Details of its operations are available on page 20.

In addition, the Sustainability Management Office, established under the direct supervision of the Chief Financial Officer(CFO), reinforces company-wide sustainability governance. The Office identifies climate-related risks and opportunities, formulates response strategies aligned with business objectives, and supports the operation of the Sustainability Management Committee and the Sustainability Management Council. It works closely with ESG teams in business divisions, overseas corporation, and relevant departments to expand and enhance sustainability management across the company.

In addition, to strengthen executive accountability for climate change, Samsung SDI incorporates MBO indicators, including climate-related issues, into performance evaluations for relevant executives(including the CFO). Evaluation outcomes are reflected in decisions regarding compensation and promotion, and additional incentives equivalent to a certain percentage of annual salary are granted accordingly.

Governance Structure for Climate Change Response



Climate Change Response Material Topic

Risk Management Process

Samsung SDI's climate-related risk and opportunity management process is integrated into the company-wide risk management framework. The process involves identifying and assessing climate risks, evaluating their potential impact, and establishing response strategies and decision-making procedures based on the level of influence on the business.

Relevant departments—including EHS, Infra, Marketing, and Procurement—identify climate-related impacts stemming from external regulations and trends, internal operations, and product characteristics, based on the Environmental Management System(ISO 14001) adopted at all sites.

The Sustainability Management Office and the ESG Working Group analyze the identified risk and opportunity factors by considering their financial impact, timing of occurrence, and current level of response. These factors are then prioritized and reported to the Sustainability Management Council, which convenes quarterly to discuss response strategies and implementation plans. Critical risks are further escalated to the Sustainability Management Committee and the Board of Directors for final decision-making. Additionally, country-specific regulatory risks related to climate change are reflected in enterprise-wide business decisions and are managed in an integrated manner.

Risk Management Process

Risk Identification and Assessment

1. Identify enterprise-wide risks based on ISO 14001
2. Identify risk and opportunity factors and assess their impact

Risk and Opportunity Management

3. Prioritize issues and develop response strategies and implementation plans
4. Report to the Sustainability Management Council
5. Report and seek resolutions from the Sustainability Management Committee and the Board of Directors
6. Execute plans across business divisions and relevant departments
7. Monitor through the Sustainability Management Office

Climate Change Response Strategy

Climate-related Risk and Opportunity Identified

Samsung SDI identifies climate-related physical and transition risks and opportunities, analyzes their potential impacts on the company, and establishes and implements response strategies accordingly. Based on leading global disclosure and assessment frameworks[1], we derive a pool of risk and opportunity factors, select key issues through peer industry analysis, stakeholder surveys, and roundtable discussions with relevant departments, and assess materiality and the expected time of impact for each factor. For physical risks, we leverage Jupiter Intelligence™, a global climate modeling service, to assess the degree of impact across different time horizons using a more scientific approach.

Risks and Opportunities			Description	Expected Impact Timeline[2]		
				Short-term	Mid-term	Long-term
Physical Risks	Acute	• Typhoons	• Direct asset damage at business sites • Indirect losses due to business interruption during recovery	• Financial impact over time estimated using Jupiter Intelligence™ climate modeling service.		
	Chronic	• Drought	• Increased operating costs due to potential rise in water procurement prices			
Transition Risks	Policy & Legal	• Increased carbon pricing	• Increased costs due to rising carbon credit prices and expansion of paid allocations under strengthened carbon pricing schemes in various countries		●	
		• Changes in domestic and international laws/ regulations	• Potential fines for noncompliance with the Act on the Allocation and Trading of Greenhouse Gas Emissions Allowances in Korea • Decreased transactions and revenue from major customers due to noncompliance with EU Battery Regulation on carbon footprint calculation, reporting, and raw material recycling		●	
		• Sanctions and litigation due to regulatory noncompliance	• Fines and reputational damage in the event of noncompliance with regulations in operating or exporting countries		●	
	Technology	• Development of low-carbon products/services	• Increased R&D costs for developing low-carbon products/services • Higher capital investment and operating costs due to construction of new production lines		●	
	Market	• Inadequate response to customer preference for low-carbon products/services	• Potential revenue loss if customer demands for carbon footprint reduction and renewable energy transition are not met		●	
Opportunities	Resource Efficiency	• Transition to carbon-reducing production processes	• Cost reduction through improved and optimized production processes • Reduction in GHG-related costs by lowering electricity and fuel consumption			●
		• Recycling and reuse of products/materials	• Revenue growth driven by increased customer demand for recycled products • Cost savings through establishment of efficient resource circulation systems		●	
	Energy Sources	• Reduction in production costs	• Decrease in purchase volume and cost of non-renewable energy • Cost-effective production through improved efficiency of renewable energy use		●	
	Products & Services	• Increased sales of low-carbon products[3]	• Higher demand for low-carbon products leading to increased sales in the EV and ESS battery segments		●	

1) CDP(Carbon Disclosure Project), TCFD(Taskforce on Climate-related Financial Disclosures)
2) The timing of anticipated impact is based on international and domestic disclosure standards, including IFRS S2 Climate-related Disclosures and the Korea Sustainability Standards Board (KSSB). Periods are defined as follows: short-term(within 1 year), medium-term(over 1 year and up to 5 years), long-term(over 5 years).
3) In accordance with environmental classification standards such as the EU Taxonomy and K-Taxonomy, Samsung SDI defines products used in EV and ESS battery segments as low-carbon products.

Climate Change Response Material Topic

Impact on Business Model and Value Chain

Samsung SDI identifies the impacts of climate-related risks and opportunities from the perspective of its business model and value chain. The company's core businesses consist of the Energy Solutions segment, centered on batteries supplied for electric vehicles(EVs) and energy storage systems(ESS), and the Electronic Materials segment, focused on materials for semiconductors and displays. Among these, the battery manufacturing and sales business is deemed most vulnerable to the level of climate change mitigation and adaptation. Accordingly, Samsung SDI identifies and manages climate-related risks and opportunities across the value chain stages of raw material mining and processing(Upstream), battery manufacturing(Own Operation), and end-of-life management(Downstream).

At the raw material mining and processing stage, the company is strengthening collaboration with partners to expand the use of recycled and reused materials in line with global policy changes such as the EU Battery Regulation. These efforts are closely linked to carbon footprint reduction and the transition to renewable energy at the battery manufacturing stage. Advanced climate response measures—such as reducing greenhouse gas emissions during production—are expected to enhance order-winning competitiveness and drive future product sales. At the end-of-life stage, Samsung SDI is enhancing its closed-loop system in response to growing requirements for battery waste management and recycling. Samsung SDI will continue to assess climate-related impacts on its business model and value chain and will develop response strategies and conduct ongoing monitoring to effectively manage risks and seize new opportunities.

IRO on the Value Chain

Category	Value Chain Stage	Description	
		Impact	Anticipated Risks(-) and Opportunities(+)
Up-Stream	Raw material mining and processing	• Greenhouse gas emissions during raw material extraction and processing	(-) Increased compliance costs due to tighter global regulations on raw material sourcing, such as the EU Battery Regulation (+) Enhanced corporate credibility through the establishment of a responsible supply chain
Samsung SDI	Battery manufacturing	• Greenhouse gas emissions and energy consumption during battery manufacturing	(-) Higher costs associated with facility upgrades and R&D to decarbonize production, as well as investments for HVAC and water reuse systems (+) Proactive response through LCA implementation and carbon footprint reduction to meet customer demands and expand market share; efficiency improvements in energy and water use to reduce costs
		• Contribution to a low-carbon society through expansion of EV and ESS production and usage	(-) Increased capital and operating expenses to meet customer requirements for carbon footprint assessments and renewable energy transitions (+) Sales growth in EV and ESS batteries driven by global net-zero efforts and rising energy demand
Down-Stream	End-of-life	• Resource circularity through battery recycling	(-) Higher compliance costs due to stricter recycling regulations (+) Operational efficiency gains and new business opportunities in the circular economy through closed-loop system enhancement

Efforts Toward Climate Change Mitigation and Adaptation

Samsung SDI conducts inspections, maintenance, and monitoring of key facilities to prepare for physical risks such as typhoons and droughts. The company also plans to enhance its risk management system based on analysis provided by Jupiter Intelligence™. To address transition risks, Samsung SDI actively monitors global trends such as carbon pricing and climate-related laws and regulations. It is implementing greenhouse gas reduction and mitigation strategies in alignment with its net-zero roadmap. These efforts include investments in technologies and facilities to support the transition to low-carbon products and processes, as well as strengthened collaboration with partners and client companies to reduce product carbon footprints.

On the opportunity side, Samsung SDI is developing and producing products that proactively respond to customer requirements and global trends by expanding battery recycling and reuse and transitioning to renewable energy. Through continuous R&D on its core product—batteries—the company aims to contribute to the transition to a low-carbon society while enhancing corporate competitiveness through stable revenue generation.

Current Actions and Future Plans for Mitigation and Adaptation

Climate-related Risks and Opportunities		Current Actions	Future Plans
Physical Risk	Typhoon	- Inspect and maintain critical structures; obtain disaster insurance	- Enhance facility safety
	Drought	- Expand water reuse and reduce water intake	- Consider associated risks when reviewing new plant construction plans
Transition Risk	Increased carbon pricing	- Establish and implement strategies to reduce direct GHG emissions	- Strengthen GHG emissions management
	Changes in domestic and international laws/regulations	- Promote net-zero and transition to renewable energy - Establish an LCA(Life Cycle Assessment) system - Manage GHG emissions on a consolidated basis	- Advance Scope 3 measurement system and expand coverage - Enhance collaboration with partners to reduce product carbon footprint
	Sanctions and litigation due to regulatory noncompliance	- Monitor global regulations and develop response strategies	- Strengthen climate governance and risk management systems
	Development of low-carbon products/services	- Invest in technologies for product decarbonization and efficiency improvement	- Expand investment in low-carbon and high-efficiency technologies
	Inadequate response to customer preference for low-carbon products/services	- Expand use of renewable energy and strengthen LCA system implementation	- Identify and proactively respond to customer and market demands
Opportunity	Transition to carbon-reducing production processes	- Achieve annual reduction targets for electricity and LNG consumption - Replace outdated facilities and improve operational efficiency - Optimize production efficiency through logistics simulation - Optimize logistics and floor space utilization through automation	- Upgrade energy management systems integrated with smart factories
	Recycling and reuse of products/materials	- Expand recycling rate of key raw materials	- Continuously develop technologies to improve recycled material recovery rates
	Reduction in production costs	- Join RE100 and declare 100% renewable energy transition by 2050 - Operate environmental management strategy tasks - Introduce technologies to reduce energy consumption and improve energy efficiency	- Expand Power Purchase Agreements(PPA) - Expand investment in energy efficiency technologies
	Increased sales of low-carbon products	- Expand CarbonTrust-certified products	- Expand investment in low-carbon and high-efficiency technologies

Climate Change Response Material Topic

GHG Emissions Management

Samsung SDI is implementing various initiatives across all domestic and overseas manufacturing sites to reduce direct GHG emissions(Scope 1), particularly by lowering LNG consumption. In 2024, the company reduced direct GHG emissions by 40,000 tons through measures such as introducing low-temperature regenerative dehumidifiers and waste heat recovery from flash steam.

Category	Unit	Performance			Target	
		2022	2023	2024	2025	2030
Reduction in direct GHG emissions	10,000 tCO_2e	0.6	1.6	4.0	5.7	21.5

Renewable Energy Transition

Samsung SDI has officially joined the RE100 initiative in fulfillment of its responsibility as a global company to address climate change and achieve net-zero emissions. Through this initiative, the company has declared its commitment to transitioning 100% of the electricity used at all domestic and overseas sites to renewable energy by 2050. A structured roadmap has been established, and the renewable energy transition rate continues to increase steadily. As part of these efforts, Samsung SDI raised its renewable energy transition rate from 27% in 2023 to 37% in 2024, reducing greenhouse gas emissions by 560,000 tons.

In 2024, the Cheonan, Ulsan, and Gumi plants in Korea have signed PPA agreements. The Hungary corporation supplies power through its own solar power generation facilities.

Category	Unit	2022	2023	2024
Renewable energy consumption	MWh	239,591	763,124	1,064,643

Category	Unit	Performance			Target	
		2022	2023	2024	2025	2030
Renewable energy transition rate	%	9	27	37	38	90

Internal Carbon Pricing

To promote low-carbon investments and assess the financial implications of climate change, Samsung SDI has adopted an internal carbon pricing mechanism, which is reflected in budget planning, including the establishment of provisions. The internal carbon price is determined annually based on a review of emission allowance price trends. This value is incorporated into the annual business planning process and is reviewed and adjusted each year. Through this monitoring and adjustment process, the internal carbon pricing supports the company's greenhouse gas reduction targets and the implementation of its transition plans.

LCA and Product Carbon Footprint Certification

Since 2022, Samsung SDI has continued to obtain product carbon footprint certifications from Carbon Trust for its battery products. In 2024, the company added certifications for two additional products, bringing the total to four. Under the revised standard, Samsung SDI also obtained the Verified Claim certification, which is suitable for business-to-business(B2B) products.

In addition, the company is establishing a data management system for calculating carbon footprints. This system is currently under development to collect essential data items—covering manufacturing, energy, and environmental factors—on a product-level basis. Samsung SDI plans to complete the system by 2025 and leverage the collected data to transparently and accurately calculate the carbon footprint of its all products.

Building Infrastructure for EVs and Electric buses

To support the transition to sustainable mobility, Samsung SDI has joined the "K-EV100" initiative led by the Ministry of Environment, committing to convert 100% of its owned and leased vehicles to zero-emission vehicles by 2030. This transition is being implemented in stages. Starting in 2024, the first domestically manufactured high-floor electric bus equipped with Samsung SDI batteries has been deployed. These buses are used to support employee commuting, inter-affiliate shuttle services, and official business transport between sites. In addition, electric vehicle chargers have been installed in the parking lots of all company sites. Samsung SDI currently operates well above the requirement set by the Ministry of Trade, Industry and Energy, which mandates that at least 2% of parking spaces be designated for electric vehicle charging.

Zero-emission Vehicles Deployed and Our Goals

Category	Unit	Performance			Target	
		2022	2023	2024	2025	2030
Zero-emission vehicles shift rate	%	11	15	20	20	100

Climate Change Response Material Topic

Impact on Financial Position, Performance, and Cash Flow

Analysis of Physical Risk

Overview and Approach

To ensure a scientifically grounded analysis of physical climate risks, Samsung SDI utilizes Jupiter Intelligence™, a global climate risk assessment tool. Jupiter Intelligence™ applies the Shared Socioeconomic Pathway(SSP) scenarios used in the IPCC's[1] Sixth Assessment Report to evaluate the physical risks associated with major natural hazards. Samsung SDI conducted its analysis based on three SSP scenarios, including net-zero and high-emissions pathways. In alignment with the company's net-zero target timeline, this report covers projections through 2050.

The physical risk analysis was conducted across nine major production and sales sites[2] in Korea and overseas. It evaluated the risk level of eight climate-related hazards: Flood, Typhoon, Heatwave, Cold Wave, Drought, Heavy Rain, Hail/Thunderstorm, Wildfire. Among these, five hazards—Typhoon, Heatwave, Drought, Heavy Rain, Wildfire—were selected for detailed financial impact assessments.

Climate Scenarios Utilized

Physical Risk Level	SSP Scenario	SSP scenarios model future socio-economic conditions by incorporating factors such as population, economy, energy, and technology policies that influence climate change
Low ↑ ↓ High	SSP1-2.6	Scenario where the development of renewable energy technologies enables environmentally friendly and sustainable economic growth.
	SSP2-4.5	Scenario reflecting moderate levels of climate change mitigation and socio-economic development.
	SSP5-8.5	Scenario where rapid industrial and technological development is centered around fossil fuel use and unrestrained resource exploitation.

1) Intergovernmental Panel on Climate Change(IPCC)
2) Korea(Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi), Hungary, Tianjin(China), and Malaysia.

Overall Analysis Results

Site-Level Risk Exposure

Samsung SDI confirmed through Jupiter Intelligence™ that its overall exposure to physical climate risks remains non-material across all climate scenarios, including SSP5-8.5. Among the hazards analyzed, heatwaves and heavy rainfall are expected to increase in risk level by 2050 compared to 2025. However, the company continues to mitigate and manage these risks through the efficient operation of cooling and HVAC systems and by reinforcing infrastructure stability.

Analysis of Physical Risk Exposure by Site[3]

Category	Flood	Typhoon	Heatwave	Cold Wave	Drought	Heavy Rain	Hail/ Thunderstorm	Wildfire
Exposed to high risk both now and in the future	-	-	Tianjin, Malaysia	-	-	Tianjin	-	-
New risk emerging in the future compared to the present	Tianjin	-	Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi, Hungary	-	-	-	Cheonan	-
Manageable level of risk rising in the future	-	Ulsan, Cheongju, Gumi	-	-	Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi	Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi, Malaysia	-	-
Low risk both now and in the future, or risk reduced in the future	Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi, Hungary, Malaysia	Giheung, Suwon, Cheonan, Hungary, Tianjin, Malaysia	-	Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi, Hungary, Tianjin, Malaysia	Hungary, Tianjin, Malaysia	Hungary	Giheung, Suwon, Ulsan, Cheongju, Gumi, Hungary, Tianjin, Malaysia	Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi, Hungary, Tianjin, Malaysia

3) Based on the 4°C scenario, analyzing changes in risk levels from the present(2025) to the future(2050).

Financial Impact by Hazard Type

Based on the analysis, the financial losses associated with physical climate risks are not expected to have a material impact on Samsung SDI. Under the SSP5-8.5 scenario for 2050, typhoons(acute risk) and droughts(chronic risk) were identified as having relatively higher financial impact potential. For typhoons, both direct damages to facility assets and indirect losses due to operational disruptions during recovery periods were considered. Among the company's nine major sites, the Ulsan factory in Korea was identified as having relatively higher exposure to typhoon risk. However, this remains at a manageable level, with no significant changes expected moving forward. As for droughts, six domestic sites showed higher exposure levels, but a gradual alleviation of this risk is anticipated. The financial impact of heatwaves, heavy rainfall, and wildfires was assessed to be minimal.

Climate Change Response Material Topic

Impact on Financial Position, Performance, and Cash Flow

Analysis of Transition Risks and Opportunities

Samsung SDI assesses the financial impacts of identified key transition risks and opportunities using an internally developed evaluation methodology. Furthermore, by linking the resulting financial impacts to relevant accounting items, the company proactively aligns with global climate disclosure standards such as IFRS S2, thereby preparing for upcoming mandatory climate-related disclosures.

Transition Risks & Opportunities			Financial Impact Considering Short-/Mid-/Long-Term Strategy	
			Financial Impact Pathway	Linkage to Financial Statement Accounts
Transition Risks	Policy & Regulation	Increased carbon pricing	• Increased cost of purchasing emissions allowances due to reduced free allocation • Partial offset of emissions trading costs through emissions reduction under Net-Zero strategies	• Selling, General and Administrative Expenses • Operating Cash Flow
Oppor-tunity	Technology	Transition to low-carbon manufacturing processes	• Increased assets from investment in low-carbon facilities, along with depreciation and operating expenses • Investment costs related to execution of Net-Zero strategies(e.g., LNG and Reduction of use of electricity in campus)	• Property, plant and equipment • Operating Expenses • Operating Cash Flow • Investing Cash Flow
	Energy Sources	Reduction in production costs	• Although operating and investment costs arise from purchasing or self-generating renewable energy, the substitution for conventional electricity results in reduced utility bills • Reduced cost of purchasing emissions allowances due to decreased use of fossil fuels(e.g., LNG, electricity)	• Operating Expenses • Property, plant and equipment • Operating Cash Flow • Investing Cash Flow
	Products & Services	Increased sales of low-carbon products	• Sales growth driven by expansion of the EV market and increase in renewable energy generation, leading to greater battery market share	• Revenue • Operating Cash Flow

※ Due to the characteristics of each factor and limitations in available data, the financial impact of the following items has not been quantified:

- Changes in domestic and international laws/regulations: the detailed criteria for carbon footprint regulations under the EU Battery Regulation remain pending due to delays in the adoption of delegated acts
- Sanctions and litigation due to regulatory noncompliance: Samsung SDI continues to implement compliance policies and practices to minimize related risks and therefore does not assume any scenario involving regulatory violations.
- Inadequate response to customer preference for low-carbon products/services: Since carbon footprint reduction is a prerequisite for major customer contracts, any failure to respond adequately could significantly impact overall revenue. For this reason, the potential financial impact cannot be separately calculated.
- Recycling and reuse of products/materials: Due to data limitations, it is difficult to quantify the financial impact of using recycled and reused raw materials.

Resilience Analysis

According to the results of the physical risk analysis based on Jupiter Intelligence™, typhoons and droughts are identified as the disasters with the highest potential financial impact across Samsung SDI's nine major domestic and overseas sites. All Samsung SDI business sites are covered by natural disaster insurance to minimize such impacts, and critical infrastructure is inspected regularly. To mitigate the financial risks associated with droughts, which are projected to remain significant in both the short and long term, Samsung SDI is actively implementing water reuse and recycling measures across its operations, thereby building resilience against physical risks.

Among transition risks, rising carbon prices in regulated markets such as Korea and Hungary were identified as key concerns. However, Samsung SDI is mitigating these risks by accelerating direct GHG emissions reductions and renewable energy transition as part of its environmental management strategy. If the company meets its environmental targets, the projected financial losses under all scenarios are expected to be significantly reduced compared to the business-as-usual(BAU) case.

Samsung SDI's flagship products—batteries for electric vehicles(EVs) and energy storage systems(ESS)—play a pivotal role in advancing a low-carbon society. These products are closely linked to the global trends of electrification and the expansion of renewable energy. In particular, the EV market is projected to achieve a compound annual growth rate of approximately 13–18%[1)] through 2035 based on IEA scenario forecasts. This is expected to positively impact Samsung SDI's revenue and market share, especially as it serves global OEMs as major clients.

Based on this multi-scenario assessment, Samsung SDI's climate-related risks, opportunities, response strategies, and management capabilities have been comprehensively evaluated. The company is deemed to possess robust and adaptive climate resilience to navigate climate change and its associated uncertainties.

1) Compared to 2023; minimum based on IEA STEPS scenario, maximum based on IEA NZE scenario.

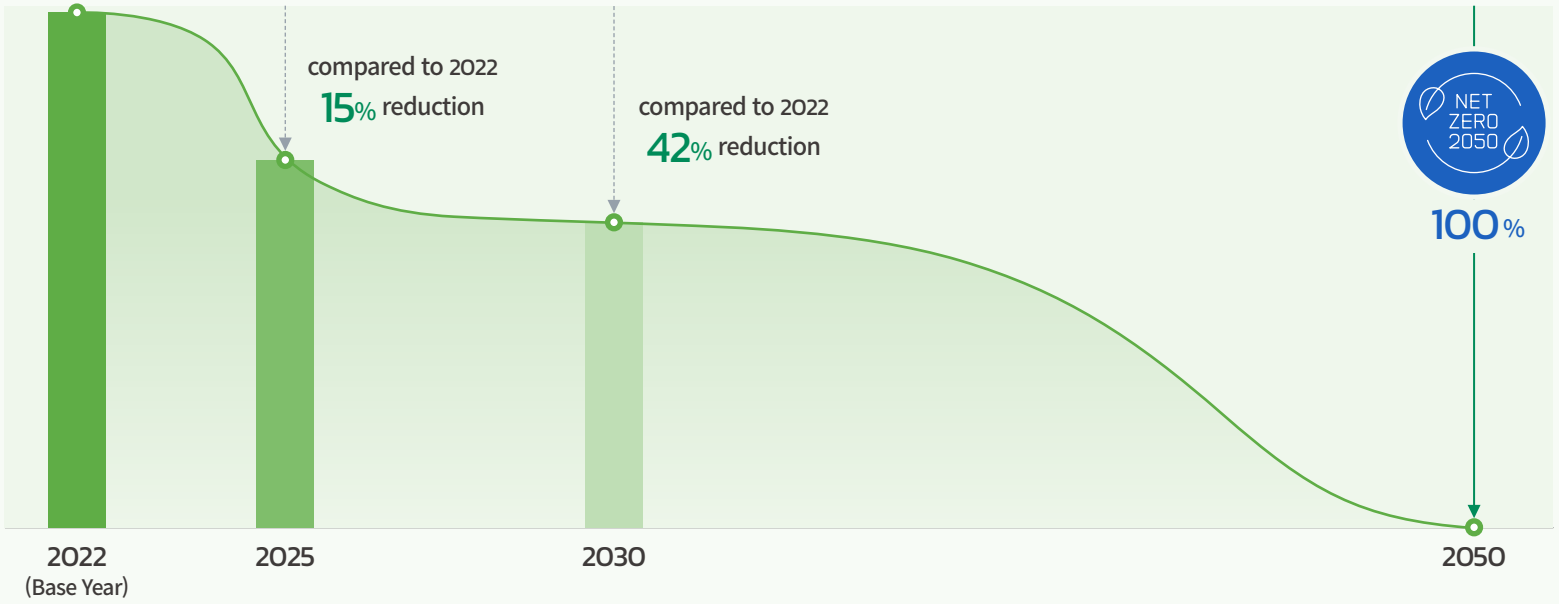
Climate Change Response

Material Topic

Climate Change Mitigation Metrics and Targets

In October 2022, we made our environmentally friendly management declaration to define strategic tasks to achieve net-zero by 2050 and mitigate climate change, and are setting and managing task-specific short/mid/long-term goals. The Sustainability Management Council supervised by our CEO serves to review the progress made for each task on a quarterly basis, including 100% transitioning to renewable energy, reducing direct GHG emissions, Shifting to zero-emission vehicles for all business vehicles, and expanding resource recovery through battery recycling.

2050 Net-Zero Roadmap (Scope 1+2)



Tasks

Renewable Energy Transition

100% Transition to Renewable Energy

Fully shift to renewable energy power for all worksites by 2050 through the increased use of renewable energy at key locations

GHG Emission Reduction

Reduce direct GHG emissions

Reduced direct greenhouse gas emissions by lowering LNG use

Shift to Zero-Emission Vehicles for All Business Vehicles

Make a 100% switch to zero-emission vehicles powered by Samsung SDI batteries for business vehicles by 2030

Battery Circular Economy

Expand Battery Recycling

Establish a closed-loop recycling system for process scrap and waste batteries and expanding the use of recycled metals

Energy Management Material Topic

IMPORTANCE

Due to increasing volatility in global energy prices and the tightening of net-zero goals, companies are now required to use energy more efficiently and adopt renewable energy. As regulations on carbon emissions—such as the EU Carbon Border Adjustment Mechanism(CBAM) and the U.S. Inflation Reduction Act(IRA)—become more stringent, companies are responding by implementing energy-saving technologies, building smart factories, and developing environmentally friendly technologies.

APPROACH

Samsung SDI joined the RE100 initiative in 2022 and declared its goal to transition to 100% renewable energy across all worksites by 2050. To achieve this target, we are actively engaging in energy management by establishing a system for reducing energy consumption and introducing environmentally friendly technologies at our worksites.

PERFORMANCE

Investment in energy management KRW 29.6 billion

Energy consumption reduced 3,600 TJ

* Fuel, Electricity, steam

Energy Management

Energy Consumption Reduction Implementation System

Samsung SDI has set yearly targets to reduce electricity and LNG consumption by 2050 and is carrying out company-wide key tasks such as the introduction of high-efficiency equipment and the waste heat recovery to achieve these goals. Progress in reducing energy consumption is reported quarterly to the Sustainability Management Council chaired by the CEO.

In 2024, we introduced low-temperature regenerative dehumidifiers company-wide and installed steam flash recovery systems to reduce energy use. We also improved utility operations by adjusting chilled water supply temperatures in consideration of site-specific thermal loads, and by reducing chilled water production load in winter through the use of low-temperature outdoor air. Furthermore, we dispatch energy and equipment experts to newly built or expanded worksites to intensively pursue energy-saving initiatives and optimize operational standards.

Advancing Energy Management Systems at Our Worksites

In line with our smart factory development efforts, Samsung SDI has upgraded its energy management system. In 2024, we completed the installation of an energy management system and utility facility monitoring/control system across our domestic production worksites. This allows us to monitor energy consumption in real-time by process, line, and equipment, and analyze utility supply trends to enhance energy efficiency. We plan to expand the application of this system to our overseas corporations, starting with the Hungary corporation in 2025.

All four of our domestic production worksites operate energy management systems certified to the ISO 50001 international standard, and continue to maintain this certification based on regular renewal audits.

Energy Management Material Topic

CASE

Introduction of Low-Temperature Regenerative Dehumidifiers

Samsung SDI operates dry rooms to enable battery manufacturing in a low-humidity environment and supplies dehumidified air through desiccant dehumidifier. Desiccant rotors require regeneration at high temperatures of around 180°C, which accounts for the largest portion of energy consumption in the process.

To reduce the energy required to produce dehumidified air, Samsung SDI introduced low-temperature regenerative dehumidifiers, which applies improved desiccant coating method, based on sensing new technologies. This improvement allows regeneration at temperatures below 140°C. After validating its performance through pilot testing in the second half of 2023, we began sequentially replacing single-type desiccant rotors across the company with low-temperature regenerative rotors starting in 2024, with full replacement scheduled by Q3 2025. This initiative is expected to reduce annual electricity consumption for dehumidifier operation by approximately 180GWh and LNG usage by around 4.25 million Nm^3

Introduction of Flash Steam Recovery System

Samsung SDI supplies high-pressure steam(approximately 5 bar) as a heat source for regenerating dehumidifier. Steam is used to heat up air, and heated air is supplied to the dehumidifier for regeneration. During this process, the steam loses heat and condenses, and part of it re-evaporates due to pressure drop(to 1–2 bar) during condensation. Previously, we recovered the condensate and reused it as boiler feedwater, thereby partially recovering waste heat. However, the flash steam generated during condensation was released into the atmosphere without being recovered.

To increase heat recovery efficiency, Samsung SDI reviewed the recovery and utilization methods for flash steam. As a result, we adopted a technology that separates and recovers flash steam in its gaseous state through steam separators. The recovered flash steam is reused to preheat the air for dehumidifier regeneration, partially replacing newly produced steam. This initiative has led to an annual reduction of approximately 2.3 million Nm^3 of LNG used in the steam generation process.

Key Achievements in Energy Savings by Worksite

Category	Worksite	Activity	Achievement
Company-wide	All worksites * Excluding Cheongju, Wuxi, Xi'an	Applied low-temperature regenerative desiccant rotors	Reduced power, LNG consumption
	Giheung, Cheonan, Cheongju	Introduced high-efficiency chillers	Reduced power consumption
Mobile & Power Battery Business	Cheonan	Utilized low-temperature outdoor air in winter to reduce chilled water load	Reduced power consumption
	Cheonan, Malaysia	Reused flash steam and exhaust from dust collection	Reduced LNG consumption
Automotive & ESS Battery Business	Ulsan, Xi'an, Hungary	Optimized air conditioning system operations	Reduced power and LNG consumption
	Hungary	Installed solar panels on unused rooftop areas	Reduced power consumption
Electronic Materials Business	Suwon, Cheongju, Wuxi	Raised chilled water supply temperature	Reduced power consumption
	Wuxi	Improved retention of combustion gas to enhance RTO efficiency	Reduced LNG consumption

Global Company-wide Energy Investments and Achievements in Reducing Energy Use

Category		Unit	2022	2023	2024
Total Investments		KRW million	4,692	6,183	29,555
Fuel Saving Activities		Cases	61	99	100
Electricity & Steam Saving Activities		Cases	404	644	559
Savings Generated	Total reductions made	TJ	1,905	1,704	3,600
	- Fuel reduced	TJ	277	280	611
	- Electricity & steam reduced	TJ	1,628	1,422	2,989
	Total savings generated	KRW 100 million	313	375	638
	- Fuel savings generated	KRW 100 million	43	78	125
	- Electricity & steam savings generated	KRW 100 million	270	297	513

Waste Management and Circular Economy

Material Topic

IMPORTANCE

With the increasing use of EV and ESS batteries, the issue of managing end-of-life batteries is gaining importance, and recovering metals and reusing resources through advanced recycling technologies has become essential. The EU Battery Regulation and environmental regulations in major countries now mandate the recycling of end-of-life batteries, aiming to address environmental challenges such as carbon emissions and resource depletion. In response, companies are building collection and recycling systems for end-of-life batteries and are engaging in various initiatives, including the development of technologies to maximize resource circulation.

APPROACH

Samsung SDI has established a closed-loop battery system to increase the use of recycled minerals such as nickel, cobalt, and lithium, which are key materials for batteries. We extract and reuse core minerals from production process scraps and end-of-life batteries. We are also building regional systems for the collection and recycling of end-of-life batteries and working closely with recycling partners to actively secure recycled minerals from process scraps and used batteries. In parallel, we are advancing our recycling strategies to minimize waste generated at our operations and have obtained Zero Waste to Landfill(ZWTL) certification for all our domestic and overseas production sites.

PERFORMANCE

Zero Waste to Landfill (ZWTL) Platinum certifications acquired 6 sites Domestic / 6 sites overseas

Recycled metal usage rate 14%

Waste Management

Minimizing Waste Generation and Ensuring Safe Treatment

Samsung SDI is continuously improving its recycling measures to minimize the landfill or incineration of waste generated from its domestic and overseas operations. Starting in 2022, we began acquiring Zero Waste to Landfill(ZWTL) certification for our domestic manufacturing sites. By 2024, all domestic manufacturing sites and overseas production subsidiaries had achieved the highest certification level, Platinum.

To ensure the safe and lawful treatment of waste, we verify regulatory compliance of our waste outsourcing companies through submission of regulatory compliance confirmation forms. In cases of violations, we communicate our regulatory compliance requirements to encourage proper corrective actions. In 2024, we requested specialized organizations to inspect our major waste outsourcing companies to enhance operational efficiency of our waste management personnel and promote autonomous environmental management among these companies. Scraps generated during the manufacturing process and end-of-life batteries from R&D and process operations are 100% recycled through our recycling partners. Furthermore, we are working with customers to explore ways to recycle batteries discarded by end-users, and plan to review and introduce appropriate end-of-life battery recycling methods.

Our Progress and Goals towards Waste Management

Category	Unit	Performance			Target	
		2022	2023	2024	2025	2030
Waste recycling rate[1]	%	93	94.7	95.2[2]	95.5	96.5
Number of Platinum validated worksites	Sites	2	9	12	10[3]	Across all business sites

1) Waste recycled/waste generated 2) Target for 2024: 95.0% 3) Excluding Cheongju and Wuxi sites

6 domestic worksites and 6 overseas worksites earned ZWTL Platinum Certification

Waste Management and Circular Economy

Material Topic

Minimizing the Use of Single-Use Products

As part of our effort to conserve resources and protect the environment, Samsung SDI has been engaging in various initiatives to reduce the use of single-use products. In 2024, we transitioned all beverage cups used at our in-house cafeterias and cafés across domestic worksites from disposables to reusables. We also distributed reusable eco bags to all employees to minimize the use of plastic and paper bags. In 2025, we aim to replace disposable containers used for items such as fruit and gimbap in employee cafeterias with reusable alternatives. We plan to begin pilot operations at one worksite within the year and gradually expand the initiative company-wide.

Building a Circular Economy for Batteries

Establishing a Circular System for Battery Recycling

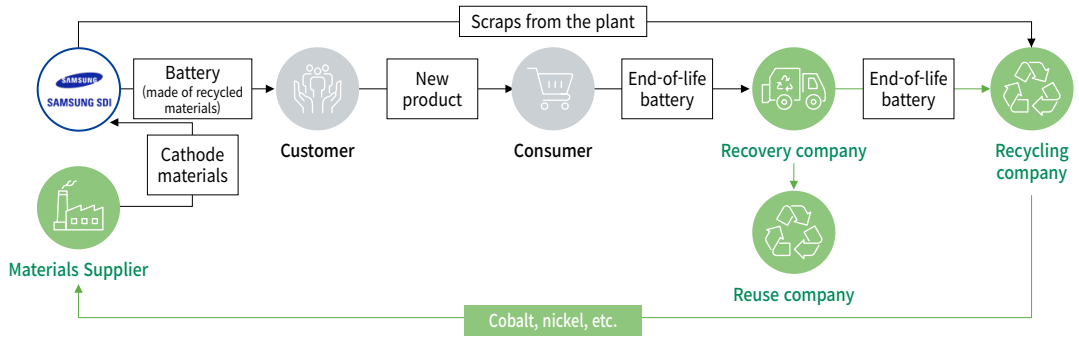
Samsung SDI is establishing a resource recovery system through battery recycling and reuse to minimize environmental impact throughout the battery lifecycle, in response to the rapid growth of the global battery market. In particular, we are steadily increasing the proportion of recycled metals such as nickel, cobalt, and lithium to proactively respond to regulatory requirements such as the EU Battery Regulation. We are also actively addressing customer demand for recycled materials aligned with their sustainability policies, thereby contributing to the circular economy.

Samsung SDI's closed-loop recycling system consists of two main streams: scrap generated during manufacturing and end-of-life batteries. From process scrap generated during production, we extract key minerals such as nickel and cobalt and supply them to materials partners, including precursor and cathode material manufacturers. In addition, used batteries are collected in collaboration with customers, and recycled metals recovered through recycling partners are supplied to material manufacturers. Through these efforts, Samsung SDI aims to further expand the proportion of recycled metals used in its batteries.

To strengthen the competitiveness of recycled materials, Samsung SDI operates a dedicated Recycle Research Lab to improve recovery rates and develop technologies for recovering environmentally friendly materials. In addition, we are exploring new recycling technologies through technical collaboration with partners and academia.

Furthermore, in preparation for the EU Battery Regulation's Battery Passport system, Samsung SDI is reviewing systems to collect and manage data related to product carbon footprints, recycled content ratios, and supply chain traceability. We will continue cross-functional collaboration to ensure swift and effective compliance when the regulation comes into effect.

Samsung SDI's Resource Recovery Process



Waste Management and Circular Economy

Material Topic

Recycling Raw Materials

Samsung SDI is collaborating with recycling partners and customers to establish a regional end-of-life battery recovery and recycling system, focusing on our domestic and overseas production and sales locations to secure recycled minerals. By partnering with recycling companies equipped with top-tier technology, we are actively sourcing recycled mineral materials not only from our own process scraps but also from the process scraps and end-of-life batteries of customers and partners. Building on our collaboration model with highly competitive recycling companies, we will secure advanced recycling technologies and proactively use recycled materials beyond the mandatory proportions required by customers and markets.

Our Goal in Using Recycled Metal

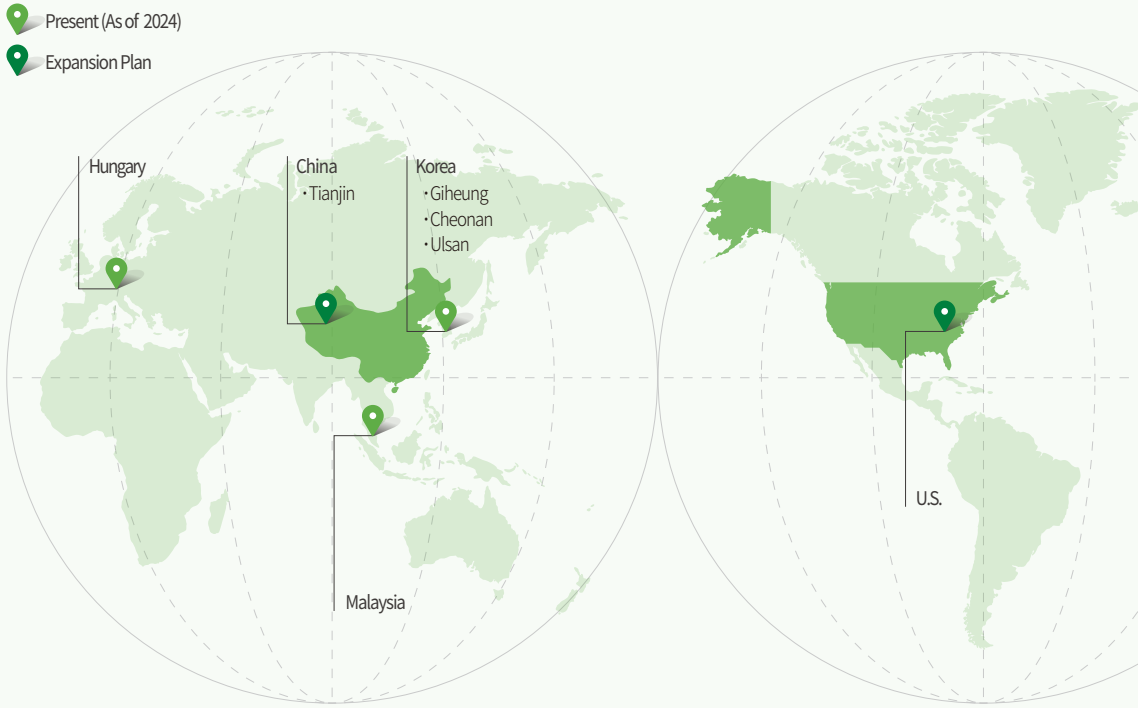
Category	Unit	Performance			Target	
		2022	2023	2024	2025	2030
Usage rate[1] of recycled metals[2]	%	8	12	14	16	26

1) Until 2022, only the recycling rate of scrapped materials within Samsung SDI's processes was measured. However, starting in 2023, the calculation also includes recycled metals from material partners.
2) Cobalt, nickel, and lithium

Our Progress Towards Reuse

Samsung SDI is undertaking a range of initiatives to reuse end-of-life Automotive battery for applications such as Energy Storage Systems(ESS). As part of the Jeollanam-do provincial initiative to industrialize EV and ESS battery recycling, we participated in an R&D and demonstration project focused on developing and testing MWh-scale ESS technology using reused and remanufactured batteries linked to renewable energy. Moving forward, we plan to review the technical conditions and feasibility requirements for the reuse of end-of-life batteries based on the outcomes of our R&D and demonstration projects on battery reuse.

Samsung SDI's Plant Scrap Collection Locations



Category		Region
Present(As of End-2024)	Domestic	Giheung, Cheonan, Ulsan
	Overseas	Malaysia, Hungary
Expansion Plan	Domestic	-
	Overseas	U.S., China(Tianjin)

Environmental Management

Environmental Management Governance

Environmental Management System

Samsung SDI has established a governance system led by the Board of Directors and management to systematically and effectively promote environmental management. Based on the Environmental Management System(ISO 14001), we identify, assess, and manage key issues across various environmental areas including Climate Change, Pollutants, Water resources, Biodiversity, Circulation of resources, striving for continuous improvement in our environmental performance.

The Board of Directors serves as the highest decision-making body, deliberating and approving the Safety Environment Management Policy and related environmental management policies, while the Sustainability Management Committee supervises and deliberates major ESG issues, including environmental management. The Sustainability Management Council, chaired by the CEO, reviews and discusses response strategies and progress regarding environmental impacts, risks, and opportunities, and comprehensively manages company-wide environmental management activities.

The Sustainability Management Office establishes mid- to long-term environmental management strategies, oversees key environmental issues in an integrated manner, and supports the operation of the Board of Directors, the Sustainability Management Committee, and the Sustainability Management Council.

The Infra Center serves as the primary implementation body for environmental management operations. The Advanced Manufacturing R&D Center promotes environmental management through process innovation, while the R&D Center advances environmental initiatives through material and product development.

Key Roles and Responsibilities

Board of Directors	Sustainability Management Committee	Sustainability Management Council	Sustainability Management Office	Execution Divisions
• Serves as the highest decision-making body, deliberating and approving the Safety Environment Management Policy and Environmental Management Policy.	• Presents environmental management goals and directions. • Oversees overall management activities regarding environmental impacts, risks, and opportunities, and deliberates and approves major agendas(held at least once every half year).	• Oversees company-wide environmental management activities. • Reviews, discusses, and approves response strategies and progress regarding environmental impacts, risks, and opportunities(held at least once every quarter).	• Conducts integrated monitoring, management, and reporting of environmental issues. • Supports the operation of decision-making bodies(Sustainability Management Committee and Council).	• Infra Center: Oversees environmental management operations. • Advanced Manufacturing R&D Center: Drives environmentally friendly process innovation. • R&D Center: Develops eco-friendly materials and products.

Environmental Management System

Environmental Management Principle

Samsung SDI has established a company-wide Environmental Management Policy to fulfill its environmental responsibilities and reflects it across all its business activities. We are committed to strictly complying with domestic and international environmental and energy-related laws and agreements, and to minimizing environmental impacts throughout the entire product lifecycle by reducing pollutant emissions and resource consumption. We also aim to create environmental value by building close cooperation systems with partners and stakeholders and by making continuous efforts to preserve the environment and ecosystems.

Recognizing safety, environment, and health as core pillars of management, Samsung SDI will actively implement activities to create a healthy and safe workplace and protect the global environment, thereby realizing sustainable management that fulfills its social responsibility.

Safety Environment Management Policy

Environmental Management Policy

Samsung SDI has established an Environmental Management Policy under the Safety Environment Management Policy to actively implement environmentally friendly management and respond to climate change and biodiversity issues. This Policy sets forth the management principles for each environmental area. The Policy applies to all domestic and overseas subsidiaries, joint ventures, and is recommended for partners doing business with Samsung SDI, and covers five environmental areas: Climate Change, Pollutants, Water resources, Biodiversity, Circulation of resources.

Samsung SDI plans to continue to enhance the scope and content of this Environmental Management Policy by incorporating it into our business activities and key decision-making processes.

Environmental Management Policy

Environmental Management

Establishing an Environmental Management System

Samsung SDI operates a company-wide, systematic environmental management system to actively fulfill its environmental responsibilities. Our major production sites have acquired ISO 14001(Environmental Management System) and ISO 50001(Energy Management System) certifications, ensuring transparency and reliability in environmental management. We conduct annual renewal audits by accredited certification bodies, identify areas for improvement, and implement corrective actions to continuously upgrade our environmental management system. Going forward, we will further strengthen our efforts to minimize environmental impact across all business activities and contribute to making a positive change for the environment.

Status of Environmental and Energy Management System Certification at Major Sites

Major sites	ISO 14001 Certification	ISO 50001 Certification
Giheung	✓	
Suwon	✓	
Cheonan	✓	✓
Ulsan	✓	✓
Cheongju	✓	✓
Gumi	✓	✓

Employee Training and Campaigns

Samsung SDI is committed to raising employees' environmental awareness by offering a variety of environmental training programs and campaigns. Our training programs focus on core ESG topics such as net- zero, climate change response, and pollutant management, and the use of digital content and expert lectures to make the programs more engaging and accessible. At the company-wide level, we are also conducting a campaign to reduce the use of single-use products, aiming to gradually eliminate plastic container use across all our operations. Through these activities, we encourage employees to actively participate in environmental management and ultimately strengthen the company's sustainability and capacity to fulfill its social responsibility.

Water Resources Management

Reducing Water Consumption and Increasing Water Reuse

Samsung SDI has set annual water reuse rate targets by 2050 and identified company-wide Key tasks to achieve these targets. The progress made towards the water reuse rate targets is reported to the Sustainability Management Council supervised by the CEO on a quarterly basis.

In 2024, Samsung SDI achieved a water reuse rate of 42%, marking an 11%p increase year-over-year. To achieve this, we established a system at the Ulsan Factory to reuse rainwater inflows within the site. We also improved and expanded the effluent reuse systems installed at our three Chinese corporations, allowing us to recover an additional 700 tons of water per day. Going forward, Samsung SDI will continue to build a sustainable water resource management system by expanding investments in the development of innovative water-saving technologies and the enhancement of water reuse infrastructure across all operations.

Our Performance and Targets towards Water Management

Category	Unit	Performance			Target	
		2022	2023	2024[2]	2025	2030
Water reused	10 thousand tons	285	418	624	684	1,334
Water reuse rate[1]	%	23	31	42	46	58

1) Water reused/(Water withdrawal+Water reused) 2) Target for 2024: Reuse volume of 6.26 million tons, reuse rate of 39%

CASE

Introduction of rainwater reuse system in Ulsan factory

In 2024, Samsung SDI introduced a pilot rainwater reuse system at the Ulsan factory to reuse rainwater flowing into the site. Previously, rainwater was collected through drainage pipes into an oil-water separator tank, analyzed for water quality, and then discharged into nearby streams or reservoirs. In contrast, a new system was designed to recover rainwater from the oil-water separator tank to the raw water treatment facility, enabling the reuse of rainwater on-site through a dedicated recovery line. As a result, the Ulsan factory is now reusing approximately 400 tons of rainwater per day.

Environmental Management

Pollutant Management

Managing Air Pollutant Emissions

Samsung SDI installs air pollution control equipment at its operations to minimize the emission of air pollutants. In particular, we apply internal standards that are more stringent than legally-mandated ones(below 30% of the legal threshold) and regularly monitor the air pollutants discharged into the environment through analyses performed either by external certified bodies or internally. By continuously tracking emission trends, we are taking the lead in reducing air pollutants. Additionally, to minimize the generation of particulate matters and reduce environmental impact on nearby communities, we have replaced existing burners for boilers with super low-NOx burners emitting less NOx and continue our efforts to manage the total amount of air pollutants.

Air Pollutants Emissions Status

Category	Unit	2022	2023	2024
NOx	kg	39,548	40,301	65,180
SOx	kg	1,281	5,648	1,328
PM	kg	44,554	45,828	48,770
VOC[1)]	kg	-	76,826	36,585

1) VOC data collected from 2023, only includes overseas corporation

Managing Water Pollutant Emissions

Samsung SDI is strengthening the operation and management of wastewater treatment facilities at its operations to minimize the discharge of water pollutants and preserve local aquatic ecosystems. We introduced alternatives to harmful chemicals at our domestic operations and are currently using substitutes for sulfuric acid and caustic soda at our wastewater treatment facilities. We also apply internal standards that are more stringent than legally-mandated ones(below 30% of the legal threshold) to manage water quality. To ensure compliance with our internal discharge standards, we operate the Tele Monitoring System(TMS) even at worksites not legally required to do so, enabling real-time monitoring of water pollutant discharge. Daily monitoring is performed through analyses conducted either by external certified bodies or internally, and the water quality data are stored and regularly managed.

Water Pollutant Emissions Status

Category	Unit	2022	2023	2024
BOD	kg	14,098	6,467	7,520
TOC[1)]	kg	-	7,836	7,433
SS	kg	48,654	31,997	29,946

1) TOC has been tracked since 2023 and applies only to domestic sites

Environmental Management

Biodiversity Protection

Biodiversity and Deforestation Prevention Policy

Samsung SDI has established a biodiversity and deforestation prevention policy based on the UN SDGs related to biodiversity and forest conservation, as well as the Global Biodiversity Framework.

The policy aims to comply with local laws and regulations where operations are located, while preventing biodiversity and ecosystem loss and enhancing positive impacts throughout business activities. It applies to Samsung SDI's domestic and overseas sites, including subsidiaries and joint ventures, and encourages compliance among business partners.

Samsung SDI integrates this policy into its broader Environmental Management Policy to manage biodiversity alongside other environmental factors such as climate change, pollution, and resource use. Based on this integration, we will identify and mitigate adverse impacts on biodiversity and ecosystem services in a phased manner to contribute to global environmental protection.

Detailed Biodiversity Protection Policy

- We recognize international conventions on biodiversity and the protection of land, freshwater, and marine ecosystems, including the World Heritage areas and IUCN Category I-IV protected areas. We comply with national and local regulatory requirements at worksites covered by these conventions, and actively cooperate with external professional organizations and expert groups when necessary.
- We strive to prevent the loss of biodiversity(No Net Loss) and promote net positive impact across our directly operated worksites and surrounding areas. To this end, we mitigate environmental impacts including biological toxicity, identify and monitor the impacts of our value chain — including products, parts, and raw materials — on ecosystems and biodiversity, and do our utmost to preserve them.
- We prioritize the protection of rare and endemic species at risk of extinction, and consider participating in biodiversity protection initiatives at the local, national, and global levels. We also continue to provide relevant information to employees and stakeholders to enhance their knowledge and understanding of biodiversity protection.
- In undertaking new projects such as advancing into new markets or expanding operations, we conduct necessary studies and actions to prevent, minimize, and mitigate factors threatening biodiversity.

Detailed Deforestation Prevention Policy

- We refrain from operations that result in deforestation of protected areas for forests and biodiversity, and contribute to the restoration of nature that has been damaged during previous operations.
- We will take part in Net Deforestation Zero, as part of our environmental sustainability policies.
- We monitor the deforestation risks of our partners' operations and work to protect the environment and minimize deforestation alongside our partners.
- We collaborate with civic and environmental organizations, and when necessary, with specialized organizations to preserve forested areas near our worksites.

Managing Biodiversity Risks

Samsung SDI references the LEAP(Locate, Evaluate, Assess, Prepare) methodology and framework of the Taskforce on Nature-related Financial Disclosures(TNFD) to identify its dependencies and impacts on biodiversity and to assess and manage biodiversity-related risks at its sites and surrounding areas. To ensure a comprehensive understanding of ecosystem status and ecological value, we use the Biodiversity Risk Filter developed by the World Wide Fund for Nature(WWF). Based on the location and industry category of our major sites, we assess pressures on biodiversity and key environmental factors.

Key Site Biodiversity Risk Factors

Rating Legend: Very low | Low | Medium | High | Very High

Category	Site Address	Biodiversity Pressure[1]	Environmental Factor[2]
Headquarters	150-20 Gongse-ro, Giheung-gu, Yongin-si, Gyeonggi-do	Medium	Low
Mobile & Power Battery Business	467 Beonyeong-ro, Seobuk-gu, Cheonan-si, Chungcheongnam-do	Medium	Low
Automotive & ESS Battery Business	163 Bangudae-ro, Samnam-eup, Ulju-gun, Ulsan	Low	Medium
Electronic Materials Business	58 Gumi-daero, Gumi-si, Gyeongsangbuk-do	Low	Low

1) Comprehensive risk assessment based on land/freshwater/marine use changes, deforestation, invasive species, and pollution-related impacts.

2) Comprehensive risk assessment considering protected or conserved areas, key biodiversity areas, other ecologically important zones, ecosystem condition, and species rarity.

Biodiversity Risk Factors and Mitigation Measures

Value Chain		Key Sites	Dependence on Natural Capital	Impact on Biodiversity	Mitigation Measures
Up-Stream	Raw material production/ refining	• Mines and smelters	• Use of water in mining and refining processes	• GHG emissions and pollutant discharge during mining and refining	• Implement raw material risk due diligence system • Conduct third-party audit
Samsung SDI	Site operation	• Domestic - Headquarters: Giheung - Major manufacturing: Cheonan, Ulsan, Gumi	• Use of water in battery manufacturing(Sites assessed as Medium-High(20–40%) water stress)[1]	• GHG emissions and pollutant discharge from battery production	• Conduct environmental impact monitoring and mitigation - Conduct environmental impact assessments at sites - Upgrade energy management systems / transition to renewable energy - Manage pollutant emissions - Reduce and reuse water consumption - Minimize waste discharge and ensure safe treatment • Promote biodiversity conservation activities in local communities - Conserve Sohwang Coastal Dune in Chungcheongnam-do(marine protected species habitat) - Participate in "One Company, One River" initiatives
	Local communities	• Communities near manufacturing sites			
Down-stream	Waste/ Recycling	• Recycling regions	• Use of water in recycling of end-of-life products	• GHG emissions and pollutant discharge during recycling	• Establish battery circulation system • Conduct ESG audit on partners

1) Based on the World Resources Institute(WRI) Aqueduct Water Risk Atlas / Classification Legend: Low(<10%), Low-Medium(10–20%), Medium-High(20–40%), High(40–80%), Extremely High(80%)

Environmental Management

Environmental Impact Assessment at Worksites

Samsung SDI conducts environmental impact assessments when establishing new sites or expanding existing operations to ensure biodiversity conservation and environmental protection. These assessments evaluate the potential effects of development activities on natural ecosystems, water resources, and land use prior to project implementation. Environmental impact assessments are carried out in accordance with the legal requirements of each country where the facilities are located. Samsung SDI continues to minimize environmental risks through ongoing monitoring. In particular, during the development of new sites, the company identifies and addresses factors that may pose a threat to biodiversity in advance and implements appropriate mitigation measures.

Findings from the environmental impact assessments are incorporated into project plans, and environmental impacts are continuously managed through regular post-assessment monitoring. Moving forward, Samsung SDI will continue to minimize negative impacts on local communities and natural ecosystems through environmental impact assessments, fulfilling its commitment to sustainable growth and environmental responsibility.

CASE

Environmental Impact Assessment and Mitigation Plan – Ulsan factory

Location(Administrative Region)		Ulju-gun, Samnam-eup, Ulsan Metropolitan City
Assessment Period		Until May 2024
Proximity Characteristics	Ecological Conservation Area	X
	Wildlife Protection Area	O
Plans for Environmental Impact and Mitigation Measures	Greenhouse Gas Emissions, Flora/ Fauna, Landscape	• Gradual reduction of GHG emissions through target setting and implementation measures - Establishment of green buffer zones along site boundary, creation of community parks, adoption of renewable energy(on-site solar PPA), and installation of LED lighting
	Air Quality	• Ongoing air quality monitoring and compliance with legal standards - Installation and operation of process/material-specific air pollution control systems(e.g., filtration, absorption, adsorption)
	Water Quality	• Optimal operation of on-site wastewater treatment facilities • Installation and operation of non-point pollution reduction systems
	Eco-friendly Resource Circulation	• Proper waste treatment through licensed contractors • Pursuit of eco-friendly waste treatment methods(minimizing landfill and incineration)

Our Efforts for Biodiversity Protection

Management of the Sohwang Coastal Dune

Samsung SDI has signed a management agreement for an ecological and landscape conservation area in collaboration with the Chungcheongnam-do provincial government, the Geum River Basin Environmental Office, the City of Boryeong, the Boryeong Sustainable Development Council, and four Samsung affiliates to support ongoing ecological restoration activities. The Sohwang coastal dune is the only intact dune along Korea's west coast and serves as a habitat for endangered species such as the Chinese egret and black-faced spoonbill, as well as rare plant species like Glehnia littoralis and Vitex rotundifolia.

Samsung SDI contributes to local ecosystem preservation through activities such as dune maintenance, marine waste collection, and removal of invasive plant species. Moving forward, we will continue to work with local communities and relevant institutions to preserve biodiversity and ensure the sustainable management of natural ecosystems.

Hungary Corporation(SDIHU) - Animal Shelter

Since 2022, SDIHU has been supporting animal shelters near its operations as part of its commitment to coexist with local communities. Employees voluntarily participate in maintaining and cleaning the facilities to help over 600 stray animals live in a more pleasant environment, while also donating animal feeds and toys to foster closer ties with community members. SDIHU also actively engages in emergency wildlife rescue activities, such as saving a wild fox trapped in a sewage drain near the operations. In addition, the corporation takes meticulous care to maintain the local ecological balance by strategically placing food in surrounding areas to prevent migratory birds from entering the plant.

SOCIAL

Supply Chain Sustainability Management

Material Topic

IMPORTANCE

The uncertainty surrounding global supply chains is increasing due to factors such as geopolitical risks(including U.S.-China tensions and the Russia-Ukraine war), climate change, and the pandemic. In addition, carbon emissions and human rights issues across supply chains have emerged as key topics in response to strengthened regulations. Accordingly, countries around the world are implementing policies such as reshoring and strengthening critical resource supply chains(e.g., the U.S. IRA and the EU Critical Raw Materials Act) to protect their domestic industries. As a result, supply chain management is no longer simply about cost reduction, but has become a critical factor directly tied to corporate sustainability.

APPROACH

Samsung SDI operates a dedicated supply chain management organization to enhance sustainability across its supply chain and systematically manages supply chain risks by conducting ESG due diligence in accordance with the OECD Due Diligence Guidance. In particular, we actively participate in global initiatives to uphold the principles of responsible mineral sourcing and to prevent environmental pollution and human rights violations. For key raw materials such as cobalt, we conduct assessments through independent third-party institutions. In addition, we implement various support programs—including ESG training—to strengthen the ESG management capabilities of our partners. We also collect signed Supplier Code of Conduct to ensure compliance.

PERFORMANCE

Partners subject to ESG audit	70	companies
Partners participating in capacity-building programs	168	companies

Supply Chain Management System

Supply Chain Management Approach

Samsung SDI operates the ESG Due Diligence on Partners scheme to foster a responsible supply chain environment. Through this scheme, we preemptively manage ESG risks across the areas of safety, environment, ethics, and human rights that may arise within our supply chains. We also provide training on the latest legal and regulatory developments concerning labor, environment, and other issues, along with compliance guidelines and case studies, supporting our partners in faithfully fulfilling their social responsibility. Furthermore, we perform ESG due diligence on partners in the mineral supply chains to ensure that no social issues such as environmental pollution or human rights violations occur during the mining process, and actively participate in global responsible minerals sourcing initiatives together with our customers and partners.

Our ESG risk review and improvement activities undertaken through ESG Due Diligence on Partners are planned, executed, and completed under the management responsibility of our leadership, with regular reporting to top management through the Sustainability Management Council. The operational results of ESG Due Diligence on Partners are also reflected in setting the annual goals of the responsible executive(head of the Procurement team) and are managed accordingly.

Supplier Code of Conduct

Samsung SDI has established the Samsung SDI Supplier Code of Conduct by reflecting the global social responsibility standards set out in the RBA(Responsible Business Alliance) Code of Conduct, and shares the Code with partners while requiring their compliance. In 2023, we updated the Supplier Code of Conduct to reflect the latest changes made to the RBA Code of Conduct and the key requirements of customers and other stakeholders. We have provided trainings, meetings, and notifications on the amended Code of Conduct to encourage partners' voluntary compliance and implementation. In addition, we require our partners to submit a confirmation of compliance, pledging adherence to the Samsung SDI Supplier Code of Conduct and the Responsible Minerals Sourcing Policy, to promote sustainability management across the entire supply chain. We also strive to raise awareness and communicate our policies among internal and external stakeholders, including customers, investors, leadership, and the procurement department.

Supplier Code of Conduct

Supply Chain Sustainability Management

Material Topic

Supply Chain Management Organization

Samsung SDI operates a dedicated ESG function within the Procurement team to strengthen supply chain ESG management. Through this, we have established a supply chain ESG management system, conducting ESG audit on partners in accordance with the RBA(Responsible Business Alliance) standards and collecting the carbon emission data from respective partners. In 2024, we are expanding the scope of ESG audit to include partners in Europe, the Americas, and China, thereby strengthening ESG management across our global supply chains. We are also working to set reduction goals and define specific pathways to help partners achieve substantive carbon emissions reductions. In addition, we are actively providing customized training and support activities to enhance partners' understanding of ESG management and build their working-level capabilities. Going forward, we will continue to reinforce our ESG collaboration with partners and build a sustainable supply chain through systematic supply chain management.

Definition of Partners

Samsung SDI systematically manages its supply chain, including not only first-tier partners but also second-tier and third-tier partners. First-tier partners are those that directly supply raw materials and services used in Samsung SDI's products. Second-tier partners provide materials and services to first-tier partners, and third-tier partners support the second-tier partners.

We specifically designate the partners of key raw materials and components as primary partners and focus our support activities on these partners. In the process of selecting and managing partners, we conduct paper-based assessments and audit based on transparency and fairness to secure supply chain stability and sustainability. Through this systematic partner management, we work to enhance product quality and minimize supply chain risks.

Status of Key Partners

Category	Unit	2024
Tier 1 partners(based on 2023 performance)	companies	538
Number of key Tier 1 partners	companies	287
Share of purchases from key partners out of total annual procurement	%	90

Supply Chain ESG Management

Refining Supply Chain Due Diligence Policy

Samsung SDI is refining our supply chain due diligence policy to proactively respond to various global regulations, including the EU Battery Regulation, and to clarify the standards for the assessment and evaluation of partners. As part of this effort, we are updating our Supplier Code of Conduct and Responsible Minerals Sourcing Policy, formalizing our supply chain due diligence policy, and further specifying the criteria for partner identification.

Screening of Partners

Samsung SDI operates a screening system based on ESG factors in the selection and renewal of partners to build a sustainable supply chain. Through the screening process, we review issues such as legal sanctions related to human rights, labor, ethics, and governance to minimize ESG risks, and assess whether key production sites are located in conflict-affected or high-risk countries to manage country-specific risks. We also examine the use of conflict minerals and responsible minerals in the raw materials used in product manufacturing to prevent raw material risks, while reviewing the occurrence of safety or quality issues in the products supplied by our partners to preemptively manage product risks.

Partner Screening Factors

Category	Identification Factors
ESG Risk	Review of pollutant emissions, human rights and labor practices, ethics, and management systems
Country-specific Risk	Review of whether key production sites are located in conflict-affected areas experiencing human rights abuses or wars
Raw Material Risk	Review of whether raw materials used in products are associated with controversies(e.g., harmfulness, human rights issues in the manufacturing process)
Product Risk	Review of any safety or quality issues related to supplied products

Supply Chain Sustainability Management

Material Topic

Supply Chain Due Diligence System

Samsung SDI operates a risk due diligence system for all partners of raw and subsidiary materials. Based on this, we identify risks along mineral supply chains and work with partners to establish and implement risk mitigation measures.

Partners Due Diligence System

Target	Assessment	Non-conformance and Action Taken	
		Critical non-conformance	General non-conformance
First-tier partners	Paper-based assessment, On-site audit	Child labor, serious human rights violations, critical non-compliance in environmental and health & safety aspects	Non-compliance with the Supplier Code of Conduct in labor, health & safety, environment, ethics, etc.
Second-tier partners ~ Smelters & refiners, countries of origin	Smelters & Refiners and Country of origin audit, Paper-based assessment/ On-site audit		Non-verification of smelters/refiners or country of origin for raw materials.
All partners	Identification through grievance mechanisms (NGO reports, media coverage, stakeholder demands, etc.)		Other ESG-related issues and non-conformities.
		Action	Action
		Require partners to take immediate improvement measures. Depending on the severity of the issue and review of relevant information, suspend supply if necessary.	Require submission of improvement plans or monitor improvement through additional audits.

Partner ESG audit

Samsung SDI conducts ESG audit on partners by engaging professionals from RBA-accredited auditing organizations to ensure effective sustainability management across our supply chains. We assess our domestic and overseas suppliers of raw/subsidiary materials for their compliance with the Supplier Code of Conduct by referencing standards set by the RBA, RSCI(Responsible Supply Chain Initiative), ILO, ISO, and market requirements, and provide support for improvement activities. In addition to third-party auditors, ESG personnel from the Procurement team also participate in on-site audit to enable practical inspections and support.

The partner ESG audit process follows four steps: (1) self-assessment, (2) on-site audit by external experts, (3) corrective actions, and (4) final review. Partners found to have non-conformities during on-site audit are required to submit an improvement plan within one month, and the completion of corrective actions is verified through final review. For critical non-conformities such as forced labor and child labor, we apply a zero-tolerance policy to drive strict compliance among our partners.

Process for ESG audit on Partners

1 Self-Assessment	• New partners and existing key partners
2 On-Site Audit	• External experts • ESG personnel at the Procurement team of Samsung SDI
3 Submission of Improvement Plans and Corrective Actions	• Partners identified for findings
4 Final Review (verification of improvements made)	• External experts • ESG personnel at the Procurement team of Samsung SDI

Supply Chain Sustainability Management

Material Topic

Status of ESG audit on Partners

Samsung SDI conducts on-site ESG audit on key partners. As of 2024, no critical non-compliance has been found in mandatory compliance items, including the ban on forced labor, ban on child labor, wages and compensation, environmental permits, hazardous substances management, and occupational safety. For non-conformities identified through due diligence, we require immediate corrective actions or the development of improvement plans depending on the severity of the issue and the improvement measures, and we monitor their implementation through regular reviews. We also regularly conduct training programs for leadership and working-level employees to enhance ESG capabilities.

ESG Audit Results of Partners

Category	Unit	2024
Key partners[1]	companies	287
Partners selected for ESG on-site audit(from key partners)	companies	70
Korea	companies	20
China	companies	23
Europe	companies	24
Americas	companies	3
Partners receiving on-site corrective guidance[2]	companies	13
Percentage of partners whose contracts were terminated due to confirmed negative environmental/social impacts	%	0

1) Partners representing the top 90% of total annual procurement.

2) Partners who received corrective guidance on-site from SDI personnel for Actual/Potential Risk identified during ESG audit

Strengthening ESG Management Execution by Partners

Samsung SDI has established a policy to strengthen the execution of ESG management across our supply chains. Under this policy, if a partner violates key requirements of the Supplier Code of Conduct, such as the prohibition of compulsory labor, prohibition of child labor, and the use of conflict minerals, we may request corrective actions within a designated period, and if the issues are not resolved within the timeframe, all or part of the business contracts may be terminated. We also require partners to submit a separate confirmation letter agreeing to their responsibilities, and conduct ESG self-audits for raw/subsidiary material suppliers at the time of registration, requesting the submission of the results. This encourages partners to self-assess their compliance with ESG requirements, identify areas for improvement, and manage them independently.

In addition, we require partners to indicate in the G-SRM(Global Supplier Relationship Management) system whether they have obtained third-party environmental certifications such as ISO 14001 and ISO 50001, and to upload the relevant certificates.

Supporting Partners' ESG Capacity Building

Samsung SDI supports a variety of training programs to raise ESG awareness and enhance the capabilities of its partners. From January to December 2024, we completed training for 416 employees from 168 partners through differentiated programs, including online courses, in-person group training sessions in Korea and abroad, and on-site training tailored to each partner's needs. In these sessions, we delivered basic concepts such as global ESG regulatory trends, market requirements, and response timelines to management and working-level employees, and also provided practical guidance to prepare for ESG risks. This included coverage of RBA requirements during ESG audit, GHG calculation and management methods, and Q&A sessions on practical ESG topics.

In addition, we support partners required to establish corrective or mitigation plans through ESG audit by offering consulting and advisory services to help them adopt ESG management practices.

Partner ESG Training Programs in 2024

Category	Unit	Total	Online Training	Group Training (Domestic)	Group Training (Overseas)	On-Site Training
No. of participating partners	companies	168	70	70	10	18
No. of participants	persons	416	113	100	54	149
Training content		-	Preparation for ESG audits(based on RBA standards)	Samsung SDI ESG plan and carbon emissions management methods	Overview of the Supplier Code of Conduct	Overview of trends and Supplier Code of Conduct
Remarks		-	Practical pre-training for partners subject to 2024 ESG audits	Environmental management and ESG practical training	Practical training for Hungarian partner companies in joint expansion	Management and working-level training for underperforming partners identified in 2023 audits

Supply Chain Sustainability Management

Material Topic

Responsible Minerals Sourcing

Responsible Minerals Sourcing Policy

Samsung SDI endorses and adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We strictly ban the use of minerals sourced in a manner that may cause adverse social and environmental impacts, including funding armed groups, serious human rights violations, health and safety risks, and environmental destruction. This policy applies to conflict minerals such as tin, tantalum, tungsten, and gold mined in conflict-affected areas, as well as responsible minerals used in battery production, including cobalt, nickel, lithium, manganese, graphite, and mica, which may have significant negative social and environmental impacts.

To strengthen the implementation of this policy, Samsung SDI requires all suppliers of raw and subsidiary materials to sign and submit a pledge of compliance. We also publicly disclose the policy through our website to partners, customers, employees, and all other stakeholders. Additionally, we provide annual online and offline training sessions to suppliers and internal related departments to ensure full understanding and implementation of Samsung SDI's policies in their daily operations.

Responsible Minerals Sourcing Policy

Scope of Application

With the growing global emphasis on managing the social and environmental impacts of mineral sourcing, Samsung SDI has managed responsible minerals focusing on the Democratic Republic of the Congo and the four major conflict minerals(tin, tantalum, tungsten, and gold) as well as cobalt. Starting from 2024, we have expanded our responsible minerals management to include nickel, lithium, graphite, and mica—key minerals used in secondary battery production—due to their association with issues such as child labor, human rights violations, and environmental concerns.

Management Structure

Samsung SDI manages and oversees supply chain risk management, including conflict minerals and responsible minerals, through the Sustainability Management Committee under the Board of Directors and the Sustainability Management Council participated by the management. The Procurement team and the Sustainability Management Office are responsible for establishing the responsible minerals sourcing policy and management procedures, identifying risks across the supply chain, and developing and implementing improvement measures.

Management System

Samsung SDI has established a management system based on the 5-Step Framework of the OECD Due Diligence Guidance to manage risks along our mineral supply chains. We conduct regular surveys to ensure traceability and identify social and environmental risks in the supply chains of key minerals. We recommend that all smelters within our supply chains obtain certification through the Responsible Minerals Assurance Program(RMAP) of the Responsible Minerals Initiative(RMI). We also conduct audit through independent third-party organizations for the supply chains of key minerals such as cobalt, nickel, and lithium.

When it is confirmed that a supplier, smelter, or mine is associated with risks frequently occurring in conflict-affected and high-risk areas—such as conflict, child labor, or human rights abuses—we classify the supplier as a high-risk supplier and manage them according to our risk response mechanism.

1	Establish a management system	• Adopt a company policy for mineral supply chains • Establish a robust management system and build internal capacity
2	Identify and assess risk	• Conduct CMRT, EMRT, and mapping for key mineral supply chains • Conduct supply chain risk surveys and assessments
3	Develop and implement risk mitigation measures	• Develop and adopt risk management plans • Report risk assessment results to senior management
4	Conduct supply chain due diligence	• Perform third-party audits on key mineral suppliers • Request smelters to obtain RMI Conformant Refiner certification
5	Report due diligence results	• Disclose due diligence results and activities (sustainability report, website, etc.)

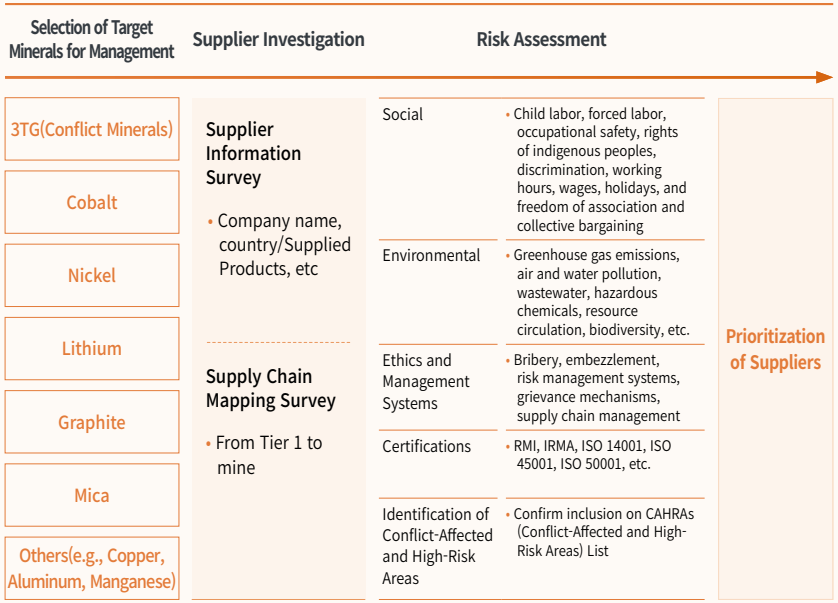
Supply Chain Sustainability Management

Material Topic

Identification and Assessment of Mineral Risks

Samsung SDI operates a systematic process to identify and assess potential risks associated with key raw materials. Through this process, we prioritize key raw materials and establish corresponding response strategies. In particular, for high-priority raw materials with elevated potential risks, we work to enhance traceability to their country of origin through third-party due diligence efforts.

Prioritization of Suppliers through Risk Assessment



Identifying Supply Chain Risk Signals

Samsung SDI conducts annual surveys using our internal survey forms and the RMI mineral reporting templates to accurately map and classify all suppliers across our responsible mineral supply chains. We also perform validity review on upstream supply chain information such as smelters, refiners, and countries of origin obtained through these surveys. Suppliers confirmed or suspected of producing, transporting, distributing, or sourcing minerals from conflict-affected and high-risk areas, or suppliers suspected of providing false information, or smelters and refiners that are not certified under the RMAP are considered potential risk signals(red flags).

Based on the collected information, Samsung SDI conducts risk assessments on suppliers to identify potential or actual risks. Suppliers found to have significant negative impacts on human rights or the environment, or who are directly or indirectly involved in conflicts, are classified as high-risk.

Third-Party audit

Samsung SDI conducts independent third-party audit based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to systematically manage social and environmental risks that may arise in the supply chains of key minerals essential for battery production, such as cobalt, nickel, and lithium. Through these efforts, we are strengthening traceability across our supply chains and identifying and mitigating potential risks in advance, thereby contributing to improving sustainability across the supply chain through responsible mineral sourcing. Moving forward, we plan to expand audit to the mine level based on the outcomes of supply chain due diligence to conduct deeper verification. We will also enhance collaboration with suppliers to advance our risk management system and promote best practices for responsible mineral sourcing by actively participating in global industry initiatives.

Supply Chain Sustainability Management

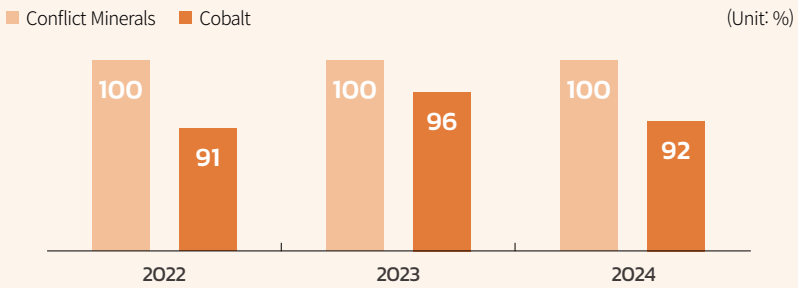
Material Topic

Status of Responsible Minerals Management

Samsung SDI includes not only 3TG(Tin, Tantalum, Tungsten, and Gold) conflict minerals mined in the Democratic Republic of the Congo and its neighboring countries, but also key minerals such as cobalt, for which issues of human rights violations and environmental destruction are raised during mining and sourcing processes, in its scope of management to uphold the principle of responsible minerals sourcing. To this end, we conduct surveys on suppliers using the CMRT(Conflict Minerals Reporting Template) and EMRT(Extended Minerals Reporting Template) developed by the RMI(Responsible Minerals Initiative) to track the list of smelters and refiners.

We also require all partners to source minerals exclusively from smelters and refiners that are certified as conformant under the RMI's Responsible Minerals Assurance Process(RMAP). As of now, all smelters handling 3TG conflict minerals have been confirmed as RMI-conformant, and for cobalt, 23 out of 25 smelters have been verified as RMI-conformant.

Proportion of RMAP-Conformant Smelters and Refiners



Raising Awareness among Internal Stakeholders

Samsung SDI is strengthening awareness activities among employees to promote sustainable sourcing of raw materials. We operate roundtable sessions mainly for procurement personnel to support responsible minerals sourcing, during which we review global trends related to raw material sustainability and discuss key issues to facilitate internalization. Going forward, we plan to actively foster a culture of sustainable raw materials sourcing by promoting training activities alongside these efforts.

Samsung SDI's List of Cobalt Smelters and Refiners

NO.	Refiner	Country
1	Dynatec Madagascar Company Madagascar	Madagascar
2	Zhejiang Greatpower Cobalt Materials Co., Ltd.	China
3	Gem(Jiangsu) Cobalt Industry Co., Ltd. China	China
4	Jingmen GEM Co., Ltd.	China
5	Hunan CNGR New Energy Science & Technology Co., Ltd.	China
6	Ganzhou Tengyuan Cobalt New Material Co., Ltd.	China
7	Guangdong Jiana Energy Technology Co., Ltd.	China
8	Hunan Yacheng New Energy Co., Ltd.	China
9	Ecopro Materials Co.,Ltd.	Korea
10	Jiangsu Xiongfeng Technology Co., Ltd.	China
11	Jiangxi Jiangwu Cobalt industrial Co., Ltd.	China
12	SungEel HiTech Co.,Ltd.	Korea
13	Tianjin Maolian Science & Technology Co., Ltd.	China
14	Quzhou Huayou Cobalt New Material Co., Ltd	China
15	Zhejiang Huayou Cobalt Co., Ltd.	China
16	Zhuhai Kelixin Metal Materials Co., Ltd.	China
17	Zhejiang New Era Zhongneng Technology Co., Ltd.	China
18	Lanzhou Jinchuan Advanced Materials Technology Co., Ltd.	China
19	Umicore Olen	Belgium
20	Ganzhou Yi Hao Umicore Industry	China
21	Umicore Finland Oy	Finland
22	Tenke Fungurume Mining S.A.	DRC
23	Kamoto Copper Company	DRC
24	Kisanfu Mining(Kimin)	DRC
25	Mutanda Mining SPRL	DRC

Supply Chain Sustainability Management

Material Topic

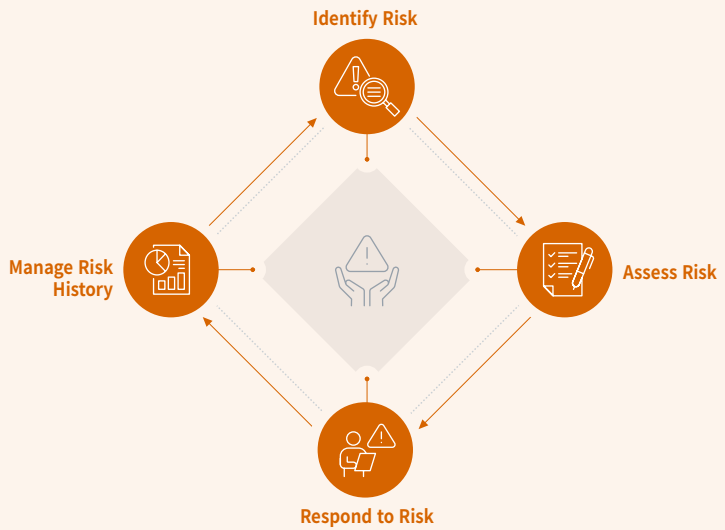
Key Risk Management

Purchasing Risk Management Approach

Supply chain risks include not only environmental and social risks at partners but also risks that may arise during the parts procurement process. Samsung SDI manages purchasing risks through a 4-step process. Following the IATF16949 process[1], the Procurement team first identifies procurement-related risks and investigates risks that may affect the company. The risks identified are assessed for the severity of their impact and the likelihood of occurrence, followed by the development of short-, mid-, and long-term response strategies tailored to each risk. We also build a database of historical risks to assess and manage risks that may arise in the future.

1) International quality management system standard for the automotive industry, jointly developed by the IATF(International Automotive Task Force) and the ISO(International Organization of Standardization)

Managing Purchasing Risks



Efforts to Establish EU-localized Sourcing System

The localization requirements for raw/subsidiary materials and critical minerals used for EV batteries within the EU are strengthening under the EU-UK TCA[1] and the Critical Raw Materials Act(CRMA)[2]. Samsung SDI is expanding its sourcing base primarily within Europe, leading initiatives for key raw/subsidiary partners to establish their presence in the region. We are also monitoring the EU's strategic partnership agreements for critical minerals and engaging in consultations with relevant partners to secure critical minerals within the region.

1) Regulation allowing EVs exported from the EU to the UK to be exempted from tariffs if battery components are sourced within the EU.
2) Regulation aimed at gradually expanding the EU's capacity for extraction, processing, and recycling of strategic raw materials by 2030, while ensuring that no more than 65% of the EU's annual consumption of each strategic raw material depends on a single third country.

Diversifying Supply Chain for North American Customers

With the enactment of the Inflation Reduction Act(IRA) in August 2022, the demand to move away from China in sourcing critical minerals and establishing production locations for components used in EV batteries manufactured in North America has intensified. Samsung SDI is diversifying the sourcing of critical minerals into North America and countries that have signed FTAs with the US to reduce reliance on China, while establishing battery production sites in North America. In response, our key partners are also developing and implementing plans to source raw materials from countries outside China and from North America to meet IRA requirements.

Pursuing Supply Chain Diversification

Samsung SDI is actively pursuing supply chain diversification strategies to secure key raw materials for battery production. To strengthen the supply chain for key minerals used in secondary battery materials in North America, we made a strategic equity investment in a nickel mining company based in Canada, securing a portion of its nickel production over the long term. This supply chain diversification strategy is expected to enhance our ability to respond to geopolitical risks and raw material price volatility, while also contributing to our response to the IRA requirements and the establishment of a localized production system in North America. Going forward, we will continue to enhance the stability of raw material procurement and establish a sustainable battery production system through global supply chain diversification efforts.

Supply Chain Sustainability Management

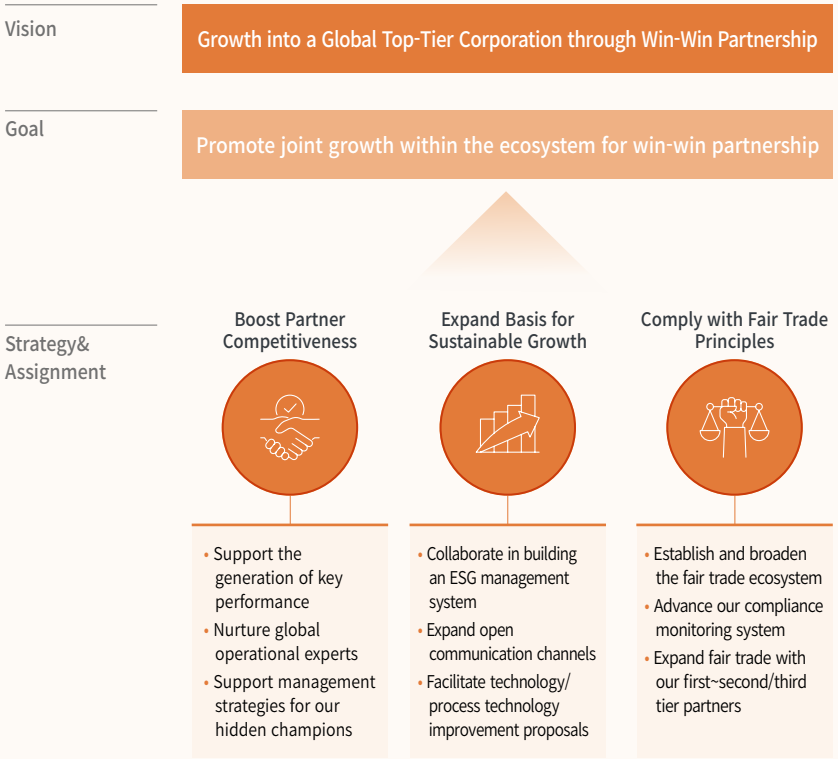
Material Topic

Strengthening Support for Joint Growth

Joint Growth System

Samsung SDI implements three joint growth missions to create a win-win partnership ecosystem with our partners, under the vision of "Growth into a Global Top-Tier Corporation through Win-Win Partnership." We promote fair and free competition by complying with fair trade principles with our partners, thereby helping our partners build a solid foundation for sustainable growth.

Execution Framework for Joint Growth



Operation of the Samsung SDI Partners Association

Samsung SDI pursues joint growth based on mutual cooperation with our partners and operates the Samsung SDI Partners Association(SSP) to maintain close partnerships. The SSP is restructured every two years, and the 11th SSP launched in 2024 consists of 56 partners. It aims to strengthen strategic partnerships by sharing industry prospects at home and abroad as well as Samsung SDI's business outlook. Key activities in 2024 include the SSP general assembly, SSP executive and manager seminars, overseas benchmarking programs for SSP executives, and subcommittee meetings. Additionally, we hosted the Shared Growth Day event, where we shared innovation best practices, awarded outstanding partners, and organized product exhibitions to promote joint growth.

Partner Grievance Handling

Samsung SDI operates the Partner VOP(Voice of Partners) system to facilitate smooth communication and create a fair transaction environment with our partners. This system serves as a communication channel to listen to various opinions arising during transactions, reflect them in internal work, and resolve issues that may occur due to differences in interests. Partners can submit suggestions, inquiries, compliments, complaints, and dispute resolutions through the VOP banner in the partner transaction portal system(G-SRM). In 2024, five cases were received and 100% were addressed in accordance with the VOP operation process. Through this initiative, Samsung SDI continues to strengthen trust with our partners and lay the foundation for mutual cooperation.

Partner Talent Development Support

Samsung SDI operates a structured talent development program leveraging the training system and infrastructure of the Samsung SDI Training Center to strengthen the competitiveness of our partners. In 2024, we provided capacity-building training to 2,630 employees from 103 partners through 29 courses, which cover job skills, quality management, process management, and business administration. To support partner talent acquisition, we operated recruitment and onboarding training programs, helping two partners create a total of 47 new jobs in 2024. In response to strengthening global ESG regulations, we also offered an ESG implementation course for partner employees, which was completed by 52 employees from 42 partners. Through these multifaceted talent development initiatives, Samsung SDI continues to reinforce the sustainable growth foundation of our partners.

Supply Chain Sustainability Management

Material Topic

Manufacturing Innovation Support for Partners

Samsung SDI engages in supply chain manufacturing innovation tasks led by a team of in-house innovation experts to enhance the manufacturing competitiveness of our partners and strengthen win-win partnerships. Starting in 2024, we expanded our support beyond traditional manufacturing productivity innovations to include quality innovations, R&D capability development, and IP (intellectual property) enhancement activities. We also expanded our support from 12 partners with 12 projects in 2023 to 14 partners with 15 projects in 2024.

Koryo Innotech, selected as the top innovation partner for 2024, formed a taskforce team with Samsung SDI's innovation experts to carry out improvement activities centered on four key tasks: defect rate reduction, overall equipment efficiency(OEE) improvement, quality operations process enhancement, and production layout optimization. First, they reorganized the production layout to enable visual management of problem areas and streamlined worker movement to reduce fatigue and boost process efficiency. In addition, efforts were made to refine product and defect codes and standardize procedures to improve quality operations processes. As a result, over a six-month period, the company achieved an 80% reduction in defect rates and a 45% improvement in overall equipment efficiency.

Innovation Task Execution Outcomes in 2024

Category	Manufacturing Productivity	Quality Innovation	R&D	IP	Total
No. of Tasks Identified	5	4	3	3	15
No. of Tasks Completed	5	4	3	3	15

Financial Support for Partners

Samsung SDI operates financial support programs in collaboration with financial institutions to help partners maintain stable business operations. We raised KRW 200 billion in win-win partnership funds together with financial institutions, and use the interest income generated to assist not only first-tier partners but also second- and third-tier partners by reducing the interest on their loans. In December 2024, we added Woori Bank as a new financial institution in addition to the existing partnership with the Industrial Bank of Korea(IBK). As of 2024, a total of 78 partners have received support amounting to KRW 147.2 billion through the win-win partnership funds.

2024 Win-Win Partnership Funds 78 Companies KRW 147.2 billion

Management Consulting for Partners

Since 2020, Samsung SDI has been providing win-win partnerships consulting to help partners enhance their management efficiency and support their sustainable growth. This consulting is conducted by win-win cooperation consultants, who are former Samsung SDI executives with extensive field experience, management know-how, and professional expertise, and offers customized management advice tailored to the specific needs of partners. Through this program, partners have been able to strengthen their management competency and industrial competitiveness in areas such as productivity, quality innovation, strategy, and marketing. In 2024, we conducted regular consulting on 10 tasks for 8 partners through a total of 67 sessions, and held 22 special lectures on 2 tasks for 14 partners.

Management Advisory

Topics	Details
Development/Quality	• New product development, technology strategy, technology development roadmap, development of new materials, processes, and production facilities
Management Innovation/Overseas Corporation Operation	• Operation of overseas production corporations, audit process, operational manufacturing systems, and SCM KPI management
Development/Business Strategy	• Formulation of new business and product development strategies, and development of strategies to enhance product competitiveness and differentiation
Quality/Marketing	• Establishment of quality assurance strategies and development processes, and development of quality assurance systems for development and mass production

Support for Win-Win Smart Factory Deployment

Samsung SDI is promoting the win-win smart factory deployment program for large businesses and SMEs to help small- and medium-sized partners enhance their manufacturing competitiveness. We support partners in establishing management support systems and enable efficient management by aligning production facilities and operation systems with ICT technology. We also assist with shopfloor innovation activities to strengthen the innovation mindset of partner employees, while improving productivity and quality and eliminating unreasonable waste factors. In 2024, we are supporting three partners in building ERP and MES systems. Additionally, to promote the spread of smart factories, we supported benchmarking activities for 24 partners and 53 employees to visit best-practice companies, and provided mailing materials to enhance understanding of the need for and procedures of smart factory deployment.

Supply Chain Sustainability Management

Material Topic

Operating the Benefit Sharing System

Samsung SDI actively operates the benefit sharing system to promote win-win partnerships with small and medium-sized enterprises. The system is designed for both the contractor and subcontractor to jointly pursue shared goals through various collaborative efforts and share the resulting achievements. In 2024, we identified 19 benefit sharing tasks in collaboration with 17 partners, mainly in the areas of innovation activities and smart factory deployment. Working together to accomplish these tasks, we contributed to improving partners' manufacturing competitiveness by reducing defect rates, increasing manhour-based production, and enhancing quality.

Rated the highest grade in the Win-Win Growth Index

Guided by our vision "to emerge as a global top tier company alongside our partners through win-win partnership," Samsung SDI has actively pursued shared growth with our partners. As a result of these efforts, we were awarded the highest grade in the 2024 Win-Win Growth Index, following the same rating in 2023. The Win-Win Growth Index is a system designed to assess the shared growth performance of large corporations by comprehensively evaluating areas such as fair trade, win-win partnerships, and the satisfaction of SME partners. Samsung SDI operates a wide range of shared growth programs for partners, including financial, technology, and training support, helping strengthen partner competitiveness and build a foundation for sustainable growth. We will continue to enhance our win-win partnerships and grow together with our partners in the global market.

Hosted Win-Win Growth Day

On November 13, 2024, Samsung SDI hosted the "Samsung SDI Win-Win Growth Day" to share the outcomes of shared growth activities and reaffirm our commitment to win-win partnerships with our partners. The event brought together approximately 200 participants, including the CEO of Samsung SDI and CEOs of partner companies, to share common goals such as upgrading development capabilities, securing top-tier quality, strengthening cost competitiveness, and advancing ESG management. We recognized 10 partners with the Best Partner Award for their contributions to quality enhancement, technological excellence, and supply chain stability. A best practice case was also shared, highlighting a partner company that reduced its defect rate by 80% and improved equipment efficiency by 45% through Samsung SDI's innovation support. In 2024, Samsung SDI conducted shared growth innovation activities with a total of 15 partners, and we remain committed to fostering sustainable growth with our partners by strengthening ESG management.

Fair Trade Principles

Samsung SDI strictly adheres to fair trade principles to establish a culture of fair and transparent transactions and pursue win-win partnerships with all stakeholders. To this end, we use standard contract forms in our transactions with partners and comply with the "Four Action Principles for Compliance with the Subcontracting Act," which we have established and observe.

Fair Trade 4 Action Principles

Supporting Fair Trade Agreements Across the Supply Chain

Samsung SDI is committed to establishing fair trade practices not only in our transactions with first-tier partners but also across transactions among first-, second-, and third-tier partners, thereby contributing to enhanced industry-wide competitiveness. We support partners in signing fair trade agreements among themselves and encourage cash payments within 30 days as well as payments through the win-win payment system. We also promote the use of the standard subcontract agreement between first- and second-tier partners and continue to expand our joint growth activities including ESG support and open bidding for key areas of work.

Status of Fair Trade Agreements for Partners

Category	Unit	2022	2023	2024
Samsung SDI – First-tier partners	cases	112	109	114
First-tier – Second-tier partners	cases	157	149	169
Second-tier – Third-tier partners	cases	54	48	55

Occupational Health and Safety Management

Material Topic

IMPORTANCE

With industrial accident prevention regulations tightening across countries, laws such as Korea's Serious Accidents Punishment Act, the U.S. OSH[1] Act, are reinforcing corporate responsibilities for health and safety, Taking appropriate measures such as worksite shutdowns for violations. As ESG management becomes more widespread, worker safety has emerged as a core component of corporate sustainability and investor confidence. A safe work environment not only helps prevent workplace accidents but also improves productivity, minimizes legal risks, and enhances corporate reputation—underscoring the need for a systematic approach to health and safety management.

1) Occupational Safety and Health

APPROACH

Samsung SDI is committed to fostering a healthy and safe workplace by building a globally aligned health and safety management system and promoting ongoing improvements. Each worksite has acquired ISO 45001 certification and applies the PDCA(Plan-Do-Check-Action) cycle to identify and address risk factors continuously, ensuring thorough control of health and safety risks. We also provide regular safety training to help build a strong safety culture across the company, while carrying out various initiatives such as health checkups and psychological counseling to enhance the well-being of our employees. In addition, we operate a chemical substance management system to eliminate hazardous factors that pose critical risks to workers and maintain strict oversight of their handling.

PERFORMANCE

Percentage of worksites certified with Occupational Health and Safety Management Systems(ISO 45001)	100%
Percentage of worksites audited for occupational health and safety risks	100%
Grievance resolution rate for partner companies regarding occupational health and safety	100%

Occupational Health and Safety Management Policy

Safety Environment Management Policy

As a leading company in eco-friendly energy and advanced materials, Samsung SDI regards health, safety, and the environment as the foundation of its business management. We strive to create a healthy and safe workplace and actively engage in environmental protection activities to fulfill our social responsibility and pursue sustainable management.

Safety Environment Management Policy

Global Safety Environment Management System

-The company complies with domestic and overseas laws, regulations and treaties pertaining to safety, health, environment, and energy, and faithfully enforces compliance.
- In order to understand and practice a safety environment management system, the company educates and makes announcements to all its employees.
-The company discloses safety environment policy and business performance by communicating with internal and external stakeholders.

Eco-friendly Management Practice

-The company executes its responsibility in all production processes to minimize harmful environmental consequences.
-The company actively practices waste recirculation and continues its efforts to reduce use of polluting discharge, water resources and energy.

Response to Climate Change and Biodiversity

-The company recognizes the importance of climate change response and practices environment management to overcome the climate crisis.
-The company promotes the reduction of greenhouse gas emissions and the expansion of renewable energy use.
-The company recognizes the importance of protecting the ecosystem and biodiversity preservation and takes policies to protect the global environment.

Realization of Health and Safety-Oriented Corporate Values

- In order to ensure safe work conditions, the company creates a culture that engages all employees.
-The company creates an accident-free workplace through health enhancement of employees and risk factor prevention activities.
-The company protects employees and local residents from external risk factors(natural disasters, fire, epidemics and etc.)

Win-win Partnership Establishment

-The company maintains its cooperation system with its partners to ensure that they comply with the code of conduct.
-The company establishes eco-friendly win-win partnerships by sharing safety environment management system and technology.
-The company continuously manages environmental preservation based on communication with the local community and creates values.

Occupational Health and Safety Management

Material Topic

Occupational Health and Safety Management Governance

Dedicated Occupational Health and Safety Organization

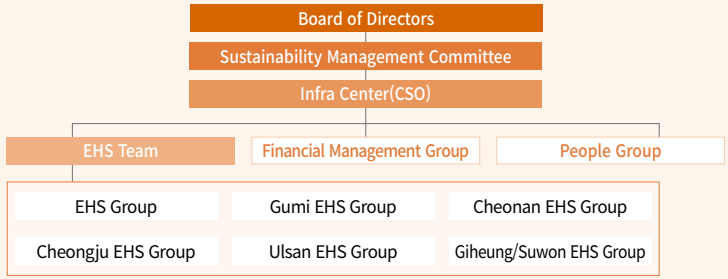
To ensure a safe working environment and facilitate prompt decision-making, Samsung SDI has appointed a Chief Safety Officer(CSO). In accordance with Article 4 of the Serious Accidents Punishment Act, CSO is responsible for ensuring the health and safety of employees and bears the authority and accountability to oversee related organizational structure, personnel, and budget on behalf of the company. The CSO is also responsible for overseeing organizational structure, workforce, and budgeting for health and safety, and exercises final decision-making authority over matters such as work suspension and subcontracting.

Samsung SDI has also established a dedicated EHS team under the Infra Center to oversee company-wide EHS management, and separately performs HR and support functions. The team is supported by HR and administrative functions. In collaboration with EHS Groups at each worksite, the EHS Team leads a range of EHS initiatives including on-site inspections, risk factor improvements, safety training, and awareness campaigns for employees and on-site partners.

Strengthening the Board's Accountability for Occupational Health and Safety

To enhance company-wide execution of health and safety management, Samsung SDI convenes regular Board of Directors meetings each year to report on general business, financial matters, and other management topics. In accordance with Article 14-1 of the Occupational Safety and Health Act [Board of Directors Reporting and Approval among others] and Paragraph 20, Clause 2, Article 12 of the Regulations for the Operation of the Board of Directors [Matters Submitted for Consideration], the Board receives reports on health and safety plans. Pursuant to Article 13 of the Enforcement Decree of the Occupational Safety and Health Act [Companies Subject to Board Reporting and Approval], these reports include the company's health and safety policy, organizational structure, headcount and roles, budget and facility status, performance for the previous year, and activity plans for the current year.

Occupational Health and Safety Organizational Chart



Occupational Health and Safety Management System

Certification for Occupational Health and Safety Management System

Samsung SDI places the highest priority on the health and safety of all employees, including on-site partners, and operates a systematic health and safety management system certified under ISO 45001, the international standard. All domestic worksites and overseas manufacturing subsidiaries undergo regular internal audits and post-certification reviews by external certification bodies to continuously validate the system's effectiveness. We also strengthen leadership commitment through the company-wide Occupational Safety & Environment Meeting. To achieve zero serious accidents and build a safe work environment, we actively conduct a range of safety management activities, including risk assessments to identify and improve potential hazards, operation of the permit-to-work system, regular health and safety training, and emergency response drills.

Status of Occupational Health and Safety Certification(ISO 45001)

Category	Certified Sites
Domestic	Giheung, Suwon, Cheonan, Ulsan, Cheongju, Gumi
Overseas	TSDI(Tianjin), SAPB(Xi'an), SDIW(Wuxi), SDIEM(Malaysia), SDIV(Vietnam), SDIHU(Hungary), SDIBS(Austria), SDIABS(U.S.)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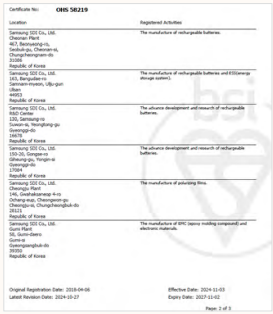
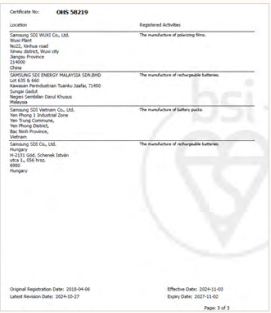
Certificate of Registration
OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018
...making excellence a habit.





Occupational Health and Safety Management Material Topic

Promoting Safety Culture

Occupational Health and Safety Training

Samsung SDI operates a systematic occupational health and safety(OHS) training program to raise employee awareness of OHS compliance. We offer a curriculum of more than 240 types of training, delivering mandatory OHS education on a quarterly basis for all employees. This training is tailored by job type, position, and work process, and is provided to supervisors, new employees, hazardous substance handlers, and those subject to job assignment or change. Additionally, we offer specialized training for those in charge of risk assessments at our domestic operations to improve the quality of risk assessment activities for identifying and mitigating hazardous factors. Through these training efforts, we are reinforcing a culture of compliance with OHS standards and ensuring safety rule observance and accident prevention across our organization.

Raising Occupational Health and Safety Awareness

Samsung SDI conducts annual safety culture assessments for employees and aims to advance toward a mature safety culture where employees complement and encourage one another by strengthening on-site, employee-driven autonomous safety management. In particular, to build a safety culture led by example, we provide safety leadership mindset training and on-site safety management coaching for executives in the manufacturing, engineering, and R&D sectors, reinforcing their roles and responsibilities as trusted safety leaders.

Starting in 2024, we have designated Safety Guardians(SGs) within manufacturing, engineering, R&D, and staff departments to serve as real-time communication channels with EHS departments and to lead activities to identify and improve potential hazards in their respective "My Areas," thereby contributing to accident prevention through autonomous safety management on site.

In addition, we distribute monthly EHS newsletters to domestic and overseas employees featuring accident cases and safety rules, while continuing to run training, hands-on activities, and participatory campaigns to foster a voluntary safety culture throughout the organization.

VR Safety Training

Samsung SDI has established VR-assisted safety training rooms at each of our sites and operates VR safety training using Oculus equipment. Training is provided in two formats: Experience-based training that allows employees to physically experience various types of safety accidents that may occur in the workplace, and viewing-based training through VR video content. These programs aim to strengthen our employees' ability to respond to safety incidents. The training is offered to all domestic and overseas employees, and participants report high levels of engagement and retention, resulting in strong satisfaction. Based on this positive feedback, we produce new training content each year to proactively prevent injuries, accidents, and regulatory violations.

VR Safety Training Content

Experience-based	① Cell ignition/smoking ② Lift entrapment ③ Roller entrapment ④ Fall from ceiling ⑤ Collision with forklift
Viewing-based	① Battery handling ② Chemical handling ③ Heavy object handling ④ Chemical spill drill ⑤ Fire/explosion response drill ⑥ Identification and improvement of potential hazards ⑦ Entrapment while moving reels (manufacturing) ⑧ Risk of cuts and safety rules(R&D center) ⑨ Musculoskeletal disorder prevention(office workers) ⑩ Forklift operation ⑪ Conveyor operation ⑫ Elevated work platform operation ⑬ Hot work safety

Occupational Health and Safety Management

Material Topic

Workplace Safety Management

Establishing and Amending Occupational Safety Environment Procedures

To elevate employees' safety awareness and execution while responding to changing regulations, we revise and update our company-wide regulations and site-level standards that serve as EHS standard operating procedures.

In particular, to comply with Korea's Serious Accidents Punishment Act, we appointed a Chief Safety Officer(CSO), newly established regulations defining the CSO's authority and responsibilities, and published them on our internal Process Manual Management System(PMM) to ensure access for all employees.

Operating Global-EHS system

Our company-wide Global-EHS system oversees eight categories: safety, environment, health, chemicals, disaster prevention, partners, audits, and common areas. All our domestic operations and overseas production facilities are certified to the international standards of ISO 14001(Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System), and operate accordingly.

Building an Emergency Response System

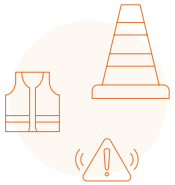
Our domestic and overseas worksites operate in-house firefighting units that remain on standby 24/7 to respond promptly to emergencies. We have also established a joint emergency response system through regular in-house drills and coordinated training with relevant departments. To prepare for the escalation of emergency situations, we have formed an Emergency Response Team(ERT), in which senior management—including those responsible for health and safety—take command of the site in accordance with established procedures. We maintain a constant state of readiness by managing emergency response manuals and conducting regular training.

Workplace Safety Performance Assessment

As our worksites involve close contact with production equipment and are exposed to significant risk factors, Samsung SDI conducts regular assessments of their EHS capabilities. To establish a safe, injury-free working environment, we select assessment items tailored to each worksite and evaluate their EHS management performance on an annual basis. This helps identify and improve potential hazards in advance, thereby continuously strengthening site safety. In 2024, a total of eight assessments were conducted at locations including Cheonan, Ulsan and Gumi, and we continue to encourage active participation from the manufacturing department in EHS efforts to prevent accidents and enhance safety levels.

Four Assessment Areas of Safety Performance Level

1
Accidents and Non-compliance



2
Safety and Environment Activities

3
Behavioral Analysis and Evaluation

4
Safety and Environment Participation

Occupational Health and Safety Management Material Topic

Occupational Health and Safety Risk Management

Workplace Risk Assessment

Samsung SDI conducts risk assessments to proactively identify and improve hazard/risk factors that may lead to occupational injuries, with direct participation from employees. As a core tool of a self-disciplined prevention system, risk assessments are performed initially and then annually on a regular basis, as well as on an as-needed basis when new machines or equipment are introduced or modified. The assessment results are registered in our digital system and shared with all employees. The identified hazard/risk factors are evaluated for their risk level(intensity × frequency), and those with high risk are registered as improvement tasks within the system. Improvement activities are then implemented to reduce the risk level and prevent potential accidents.

Key Risk Identified	Mitigation Action Taken	Outcome
• Risk of gas inhalation inside the wastewater pond booth	• Removed upper booth and connected exhaust duct directly to the upper cover to eliminate risk	• Root cause of chemical substance exposure removed
• Risk of electric shock due to contact with exposed live parts during voltage measurement and inspection	• Manufactured insulated long voltage probes to prevent contact with live parts	• Reduced risk of contact with electricity by improving tools
• Risk of hand entrapment when inserting hands into internal unit of stack equipment	• Installed safety cover on exposed unit section to eliminate cause of entrapment	• Removed contact risk through safety cover installation
• Risk of falling or tripping due to use of temporary platforms during X-ray equipment inspection	• Installed handrails and handles, manufactured inspection stairs	• Reduced fall and trip risks by using standardized stairs

Safety Management Support for Overseas Corporations

To strengthen safety management at our overseas corporations in line with global business expansion, Samsung SDI has established and operates a structured support system. As various initiatives for global market entry—such as the establishment of new sites and expansion of production lines—are actively underway around the world, we have formed task forces composed of domestic subject matter experts to provide end-to-end support from the design stage to operation. These teams ensure compliance with local regulations while applying enhanced internal standards. In addition, we work to establish globally recognized safety management systems by implementing best practices and core safety standards from domestic and overseas sites across our global operations. This contributes to enhancing the safety and reliability of our overseas facilities.

Samsung SDI will continue to place safety and environment at the forefront of our business principles and pursue sustainable global management, striving to build safe workplaces where all employees, both in Korea and abroad, can work with peace of mind.

Improving Potential Risk in Manufacturing Processes

Samsung SDI continuously identifies and improves potential risks embedded in our processes and facilities at both domestic and overseas operations. All identified risks are registered in our computer system and made accessible to all employees. In 2024, we identified a total of 234,211 potential risks based on the manufacturing and technical workforce which translates to 30.8 risks per person—156.7% above our initial target.

Additionally, we operate a Safety Culture bulletin board to post best practices of potential risk improvement on a monthly basis. These shared cases allow all employees to benchmark and contribute to raising overall safety standards and preventing accidents.

Identified Potential Risks[1)]

Category	Unit	2022	2023	2024
Identified Potential Risks	cases	261,689	296,053	234,211
Potential Risks Identified per Person	cases/ no. of person	31.1	41.5	30.8

1) On a Manufacturing and Technical workforce Basis

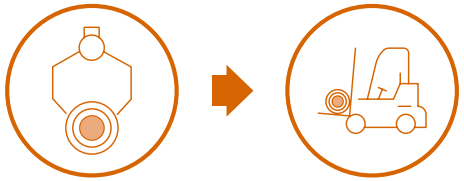
Occupational Health and Safety Management

Material Topic

CASE Best Practice for Mitigating Safety Hazards

Preventing Safety Incidents by Modifying Forklift for Plate Material Transfer

To prevent potential hazards such as dropping or getting jammed during the transfer of plate materials at our Cheonan factory, we modified the forklift forks into dedicated transfer brackets. This replaced the previous use of sling belts, which were less stable, for transferring 500kg plate materials. With the new brackets, materials are now transferred in a more stable manner, which not only prevents dropping and hand·foot entrapment but also helps avoid property damage.



Previous Issues

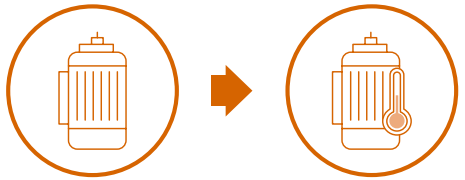
- Potential for personnel or property damage due to falling of 500kg plate materials caused by sling belt slippage or breakage
- Risk of finger entrapment while attempting to stabilize the plate material during placement into the storage rack due to sling belt swaying

Improvements

- Modified and used forklift forks exclusively for material transfer(sling belts no longer used)
- Applied dedicated brackets(large and small) designed to match the length of the material core, enabling easy and accurate placement

Preventing Fire Accidents by Applying Heat-Sensitive Stickers to winding Logistics Motors

To prevent overheating and potential fire accidents caused by motor overload in the winding logistics equipment at our Ulsan factory, we attached heat-sensitive stickers that allow for easy visual detection of abnormal heat. This enabled early identification and prevention of fire hazards.



Previous Issues

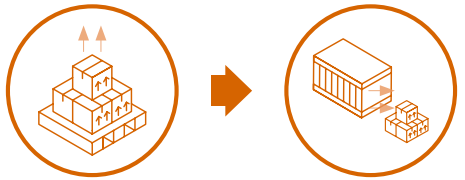
- It was not possible for workers to visually check the motor status from the outside.
  (Overheating due to motor overload could not be detected.)

Improvements

- Heat-sensitive stickers were applied, enabling advance identification of overheating caused by motor overload (This helps reduce the risk of fire accidents).

Preventing Musculoskeletal Disorders by Modifying Pallets for OLED Material Containers

At our Gumi factory, workers previously had to lift OLED material containers(canisters, 25kg each) up to waist height to stack them on pallets, raising concerns over musculoskeletal disorders. By modifying the side of the pallet to make container loading easier, we were able to prevent such health issues.



Previous Issues

- Workers had to lift at least 48 OLED material containers (25kg each) per session to waist height, creating a risk of musculoskeletal disorders.

Improvements

- Modified the side of the pallet to allow easier loading of containers, thereby preventing musculoskeletal disorders.

Occupational Health and Safety Management Material Topic

Strengthening Chemical Substance Management

Operation of the Chemical Substance Management System

Samsung SDI uses its internal Global Environment, Health & Safety(G-EHS) system, developed to respond to chemical substance regulations both in Korea and abroad, to pre-screen chemical substances for potential legal conflicts and verify their use. All chemical substances entering our domestic and overseas worksites are subject to safety and environment impact assessments and legal review before they can be purchased or brought on site.

Managing Hazardous Factors in Production Processes

At Samsung SDI, when production processes are modified or new R&D projects introduce new substances, we conduct year-round measurements on hazardous factors to protect the health and safety of our employees. In particular, we work with third-party professional organizations to perform semi-annual assessments on work environments involving hazardous substances. We manage exposure levels and ventilation systems with internal standards that are stricter than legal requirements.

Carcinogenic, reprotoxic, and mutagenic substances are controlled at levels below 10% of the legal threshold, and even substances not subject to regulatory measurement are evaluated through simulation-based exposure prediction programs. This allows us to grade and assess processes in advance and strengthen preventive management.

When a process exceeds our internal exposure limits, we take action to improve it—such as sealing equipment or reducing/replacing the chemicals used—to eliminate risks at the source. In addition, we inspect and assess local exhaust and ventilation systems installed in chemical-handling areas at least once a year to ensure that employees can work safely and healthily without exposure to hazardous substances.

Use and Management of Hazardous Substances in Products

Samsung SDI actively implements reduction measures for hazardous substances to ensure compliance with environmental regulations. We strictly comply with global environmental regulations(e.g., REACH, RoHS) and relevant domestic and international laws[1], while continuously investing in research and development(R&D) and production process improvements to substitute hazardous substances. In addition, we are expanding the adoption of alternative materials and the development of reduction technologies through collaboration with supply chain partners.

1) No products contain hazardous substances exceeding legal thresholds.

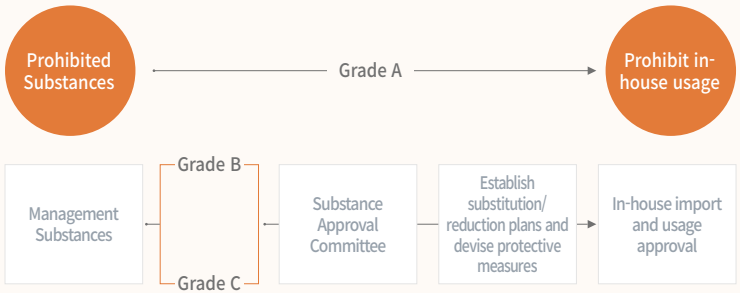
Operation of Internal Substance Classification and Approval System

Samsung SDI rigorously manages its list of internally regulated substances, which includes not only legally regulated chemicals but also carcinogens, reprotoxic substances, and other harmful substances that have raised social concern. In particular, we identify and manage highly toxic substances(e.g., SVHCs[1], CMRs[2], PAHs[3] based on hazard priority to protect workers' health and prevent occupational illnesses. Under our internal substance classification and approval system, substances are categorized into Grades A, B, and C. When introducing these substances into our operations, we first verify whether they are prohibited, whether substitution or reduction plans have been established, and whether protective measures are in place.

We also conduct regular risk assessments of chemicals used in our processes based on their hazards, exposure levels, and work characteristics. The results are used to continuously monitor and manage handling facilities and workplace conditions, including sealing levels. In addition, we perform quarterly inspections to review the overall status of chemical use, including MSDS(Material Safety Data Sheet) compliance and proper installation of warning signs. To comply with the Act on Registration and Evaluation of Chemical Substances and the Chemicals Control Act, we maintain a systematic inventory of chemicals used at all domestic operations. This ensures timely registration of chemicals according to consumption volumes and legal grace periods.

1) substances with serious risks to human health or the environment
2) substances that are Carcinogenic, Mutagenic, or Reproductive toxicants
3) toxic substances generated during the combustion of fossil fuels

Grading and Approval of Internally Regulated Substances[1]



1) Classified into Grade A, B, and C according to their level of hazards

Occupational Health and Safety Management

Material Topic

Employee Health Management Support

Activities for Health Management

At Samsung SDI, we place the utmost value on employee health and operate a wide range of health screening programs. General and special health checkups are essential procedures designed to monitor overall health and prevent occupational diseases, thereby ensuring a healthy working environment for all employees. In addition, comprehensive medical checkups and life cycle-based precision screenings go beyond basic testing to provide an in-depth understanding of individual health conditions, with a focus on early detection, treatment, and prevention. Based on the checkup results, employees identified as at-risk are referred to specialists for effective disease management. We also operate a variety of health improvement programs tailored to employees with health concerns or abnormal findings from their checkups.

These include continuous glucose monitoring-based blood sugar management, weight loss programs, and the publication of wellness newsletters to enhance health awareness. Furthermore, Samsung SDI provides a wide array of in-house health facilities such as clinics, physiotherapy centers, pharmacies, musculoskeletal care centers, and fitness centers, enabling employees to manage their health in a systematic and convenient manner as part of their daily routine.

Work Environment Management

Samsung SDI operates a systematic workplace environment management system to prevent work-related health risks. Our regular monitoring of hazardous factors goes beyond legal compliance, serving as a proactive, preventive measure. We have adopted advanced personal protective equipment and ventilation systems to ensure the utmost protection for our employees. In particular, we conduct additional monitoring on CMR substances—those with carcinogenic, mutagenic, and reprotoxic properties—based on more stringent internal standards, even when these substances are not classified under legal control. Through regular risk assessments and ongoing improvement activities, we continuously optimize the work environment. Furthermore, by actively promoting the substitution of hazardous substances, we are building a safer and healthier workplace and advancing sustainable corporate value.

Musculoskeletal Disease Prevention

To prevent musculoskeletal diseases, Samsung SDI operates musculoskeletal centers at all domestic worksites, where employees receive one-on-one consultations with professionals and are supported through personalized treatment and recovery programs. We also conduct assessments on risk factors by analyzing work posture, tool usage, and workspace layout. Based on these findings, we pursue improvements in work processes and adopt ergonomically designed equipment. These initiatives not only support employee health but also enhance work efficiency, contributing to the creation of a sustainable work environment and improved productivity.

Partner Occupational Health and Safety Management and Support

Safety Performance Assessment of Partners

To support safety and health management and strengthen capabilities across our supply chain, Samsung SDI continues to engage in a wide range of initiatives. Since 2020, we have been conducting safety performance assessments on our partners to ensure we subcontract work to companies capable of preventing occupational injuries and to mitigate such risks in advance. These assessments are conducted when work takes place in locations controlled, operated, or managed by Samsung SDI. For partner companies operating at our domestic worksites, we perform safety assessments twice a year — once in the first half and once in the second half. In the case of new construction partners, assessments are conducted prior to the bidding stage.

In 2024, a total of 389 partner safety assessments were conducted, and four construction partners failed to meet Samsung SDI's safety standards and were thus ineligible to participate in contract bidding. Starting in October 2024, we improved our G-EHS system to allow real-time access to the safety assessment status of construction partners, so that assessments can be checked even before work permit approvals are granted.

In response to the expansion of Korea's Serious Accidents Punishment Act to include establishments with five or more full-time employees from January 27, 2024, Samsung SDI plans to revise the items and criteria of its safety assessment check sheet and conduct partner assessments accordingly.

Occupational Health and Safety Management

Material Topic

Partner Health and Safety Support Activities

Since May 2023, Samsung SDI has participated in the "Win-Win Partnership Project for Occupational Health and Safety between Large Businesses and SMEs" organized by the Ministry of Employment and Labor of the Republic of Korea. In 2023, we supported 13 partners in improving their health and safety performance through win-win partnerships activities, and in 2024, the number of supported partners has increased to 31. This initiative is a co-matching program in which Samsung SDI and the Korean government jointly support consulting and health & safety activity projects. Samsung SDI was recognized for its outstanding performance in 2023 and plans to continue supporting both internal and external suppliers through ongoing participation in the project in 2025.

No. of Supported Partners and Funding Amount in 2024 31partners KRW250million

Partner Health and Safety Grievance Channels

Samsung SDI operates diverse communication channels to effectively address health and safety-related grievances raised by partner company employees. We actively collect feedback and implement improvement actions through the Occupational Health and Safety Committee and the Health and Safety Council, which includes both contractors and subcontractors.

In 2024, a total of 13 grievances were submitted through the Health and Safety Councils at our domestic operations. All submitted grievances were fully resolved at the worksite level. Samsung SDI will continue to strengthen health and safety collaboration with partners by operating a wide range of communication channels and remain committed to establishing a strong safety culture across the entire supply chain.

Partner Health and Safety Grievance Handling Status

Category	Unit	2022	2023	2024
No. of Partner Occupational Health and Safety Grievances	cases	29	28	13
Grievance Resolution Rate	%	100	100	100

Respect for Human Rights

Human Rights Management Policy

Human Rights Management Policy

Samsung SDI endorses and complies with internationally recognized human rights principles presented by global organizations, such as the UN Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration. We also strictly observe the labor laws and regulations of the countries and regions where we operate. Accordingly, we respect the human rights of all stakeholders we work with—including customers, business partners, and local communities—and operate our Human Rights Management Policy to identify and manage potential human rights risks across all business activities. This policy applies to Samsung SDI, all its employees, domestic and overseas subsidiaries in which Samsung SDI holds a majority share and their employees, as well as all business partners under contract with Samsung SDI. The policy clearly outlines our commitments regarding non-discrimination, humane treatment, prohibition of forced labor, women and child labor, appropriate working hours, wages and benefits, freedom of association, and protection of personal information. It is transparently disclosed on our website.

Human Rights Policy

Human Rights Management System

Human Rights Management Roadmap

Samsung SDI incorporates labor and human rights elements as mandatory items in its ESG review to systematically implement human rights management. Any necessary improvements identified through the review process are regularly reported to the Sustainability Management Council, which is attended by key management members, to ensure systematic tracking of progress and corrective actions. In 2024, we conducted internal reviews on three overseas operations(United States, Hungary, and Malaysia) and completed improvement actions in the area of labor and human rights.

Roadmap for Human Rights Management

2016-2022	2023-2024	2025-2027
Strengthen Internal Capabilities - Manage compliance with labor laws and regulations - Conduct self-assessments by country	**Establish a Human Rights Management System** - Establish Human Rights Policy - Conduct human rights impact assessment - Improve grievance handling channels - Have employees sign the pledge for mutual respect	**Advance Human Rights Management** - Strengthen preventive activities related to human rights - Improve systems based on human rights impact assessments - Evaluate the effectiveness of improvement activities on human rights management

Labor Practices Policy

Samsung SDI has established and implements labor practice policies aligned with international standards such as the ILO Core Conventions and the UN Guiding Principles on Business and Human Rights to ensure all employees and partner company workers operate in a fair and respectful work environment. We clearly guarantee fundamental labor rights such as compliance with appropriate working hours, paid annual leave, and we adhere to prior consultation and notification procedures even in the event of large-scale workforce restructuring. These policies apply not only to all Samsung SDI business sites but also to major partners, and we continue to monitor implementation through human rights risk management.

Description

Relevant Policy	Category	Key Details
Human Rights Policy	Compliance with Working Hours	Comply with applicable national laws regarding working hours, including overtime, night shifts, holidays, breaks, and rest periods.
	Minimum Wage Guarantee	Comply with laws, policies, and standards related to minimum wage and employment conditions, including social insurance.
	Prohibition of Discrimination	Prohibit discrimination in wages, promotions, or other working conditions based on race, ethnicity, nationality, gender, religion, place of birth, disability, marital status, pregnancy, childbirth, political opinion, sexual identity, union membership, etc.
	Freedom of Association and Collective Bargaining	Ensure all employees can form and join labor unions and engage in collective bargaining in accordance with labor laws and collective agreements; prohibit discrimination or unfair treatment for exercising such rights.
Employment Rules	Work-Life Balance Support	Operate support systems and provide benefits across diverse areas including paid annual leave, family, growth, and health to promote quality of life.

Respect for Human Rights

Human Rights Risk Management

Human Rights Impact Assessment

To proactively prevent human rights risks, Samsung SDI conducts an annual human rights impact assessment on all domestic employees. Conducted under the name Workplace Culture Index(WCI), the assessment covers topics such as verbal/physical violence, alcohol use, sexual harassment, and mental health through an employee survey. The results are internally verified at the worksite level and followed by improvement activities, including campaigns and training programs, to prevent labor and human rights risks before they occur. In 2024, the survey was conducted over a four-week period starting in May, with a participation rate of 60% of all employees. Also, we carryed out improvement activities for departments with low scores, including coaching programs for department heads, developing leadership training content, and operating department-level self-initiated campaigns.

Human Rights Impact Assessment Process

Process	Activity
Identify Risk Factors	Identify human rights risk factors based on changes in external labor environment and regulations(e.g., working conditions, industrial safety, workplace bullying)
Conduct Human Rights Impact Assessment	- Update the questionnaire in reflection of internal/external change factors - Conduct surveys and interviews with employees - 2024 Human Rights Impact Assessment · Period: May 2024(4 weeks) · Target: All employees · Method: Internal survey tools · Content: 50 questions covering topics such as workplace bullying, incidents and accidents, and mental health
Analyze Assessment Results	Classify results by organizational unit, job category, and age group. Share findings by worksite and establish improvement ideas.
Take Action and Review Implementation	Develop plans for improvement actions. Assign implementation items to each worksite and monitor implementation outcomes.

Prevention and Protection Measures for Vulnerable Groups

Samsung SDI identifies and manages human rights vulnerable groups that require dedicated monitoring based on international human rights standards. We strengthen protection measures for groups potentially exposed to human rights risks by taking into account various factors such as gender, age, nationality, employment type, and job characteristics. In particular, we designate women and foreign workers as key vulnerable groups, and conduct in-depth interviews and on-site inspections to closely examine the current state of their rights protection. Based on the assessment results, Samsung SDI establishes and implements tailored improvement measures for each group and continues monitoring efforts to raise the level of human rights protection.

Respect for Human Rights

Key Human Rights Issues and Mitigation Activities

Potential Human Rights Issue		Mitigation Activities
No Discrimination	Discrimination in hiring, evaluation, promotion, and compensation based on gender, nationality, race, religion, or cultural background	• Established a system to eliminate any form of discrimination based on gender, nationality, race, religion, or cultural background beyond individual performance in HR policies • Operated employee grievance channels to address and fully resolve HR-related grievances, including those related to discrimination(100% resolution rate) • Provided fairness training on performance evaluation for organizational heads to ensure fair and performance-based evaluation
Humanitarian Treatment	Physical or psychological violence, sexual violence, harassment, or other inhumane behavior	• Conducted training for employees to raise awareness and prevent inhumane behaviors • Regularly monitored organizational status through satisfaction surveys to foster a cooperative work environment • Promoted a culture of respect through leadership communication and cross-functional collaboration efforts
Protection of Vulnerable Workers	Human rights violations against vulnerable groups including women, persons with disabilities, and foreign workers	• Provided training on topics such as workplace harassment prevention, disability awareness, and DEI to raise awareness and protect the rights of vulnerable employee groups • Built a governance framework to strengthen diversity, equity, and inclusion(DEI), and engaged in ongoing discussions on key issues concerning minority and vulnerable workers
Guarantee of Safety and Health	Industrial accidents or occupational diseases occurring at the workplace	• Conducted safety and risk assessments at each site to identify potential hazards and implemented improvement measures • Dispatched expert teams to Overseas corporation to provide professional support for safety management and operations • Delivered Health and Safety training and communication programs for employees and partner companies
Responsible Sourcing	Indirect human rights violations resulting from sourcing minerals from conflict or high-risk areas	• Conducted third-party due diligence on key minerals such as cobalt, nickel, and lithium to identify and mitigate potential social and environmental risks within the supply chain • Operated a buyer-led roundtable to promote sustainable sourcing of raw materials

Respect for Human Rights

Human Rights Risk Review at Overseas Corporations

To promote global human rights management, Samsung SDI conducts annual HR and labor consulting at 15 overseas corporations to assess compliance with local labor laws and identify and manage potential risks in advance. The review spans four areas—HR, labor relations, security, and general affairs—and is regularly updated to reflect changes in labor conditions and major legal amendments, reinforcing our commitment to human rights and compliance management. Vulnerabilities identified through the review are addressed through step-by-step improvement plans, and we continue to raise awareness of corporate culture and enhance grievance mechanisms to advance human rights practices. For new business sites or those undergoing changes, we conduct additional reviews to prevent potential issues in advance. In 2024, we resumed on-site HR and labor consulting and completed reviews for our new corporation in the Americas as well as our operations in Malaysia and Hungary. We will continue to expand our efforts to prevent human rights and labor risks in line with the growth of our global footprint.

Status and Goals for Overseas Corporation HR and Labor Consulting

2016	2017	2018	2019	2020-2023[1)]	2024	2025	2026
6	4	1	2	-	3	2	2

1) No local consulting conducted in 2020-2023 due to COVID-19

Preemptively Managing Labor and Human Rights Risks

To prevent potential human rights risks that may arise in our business operations, Samsung SDI identifies and closely monitors worksites located in regions vulnerable to labor and human rights issues. Under the supervision of the Headquarters or through self-assessments at each site, we review compliance with human rights standards in areas such as child labor and forced labor, working hours, wages and welfare benefits, humanitarian treatment, anti-discrimination and harassment, and freedom of association. In response to changes in relevant laws, we take immediate action to improve our internal systems and continue to advance the protection of human rights.

Fostering a Culture of Human Rights

Raising Company-Wide Human Rights Awareness

Samsung SDI runs a variety of reporting channels and training programs to foster a corporate culture that protects and respects human rights. Reports are received through anonymous or real-name emails, phone calls, or via department heads or HR, and are handled in accordance with internal policies and disciplinary guidelines depending on the severity of the issue. To prevent potential human rights risks, we provide all employees with training on topics such as sexual harassment prevention, disability awareness, and a culture of mutual respect in line with the enforcement of the Anti-Bullying Law. Our human rights training curriculum is updated annually to reflect regulatory amendments, internally identified human rights impacts, and evolving employee needs. In addition, training materials on sexual harassment prevention, mutual respect, implementation guidelines for employees, and other basic human rights guidance are posted on the 'It Basic' bulletin board of our in-house website. These resources offer ongoing instructions on behavioral precautions and proper responses to verbal violence and inappropriate drinking practices.

Human rights activities and related cases are communicated to department heads through Samsung SDI's dedicated platform, the "Leader's Channel." The Leader's Channel is operated monthly at each worksite, with participation from department heads and Change Agents(CAs), and covers HR updates and other important topics, including Q&A sessions. Approximately 50 employees per site participated in this channel, which was held 12 times in 2024.

Respect for Human Rights

Grievance Handling

Operation of Grievance Handling Channel

Samsung SDI operates internal online and offline grievance handling channels, expanding their scope beyond the UN Global Compact's 10 Principles to include grievances, requests, and suggestions for improving working conditions. Employees may submit their concerns anonymously, and the 'obligation to comply with the employee code of conduct' clearly prohibits retaliation against whistleblowers to ensure transparency and fairness in our grievance process. Workplace-related grievances and suggestions—submitted either anonymously or under the employee's real name based on their preference—are handled in principle within 24 hours. Relevant departments respond swiftly to each case. In 2024, a total of 2,007 grievances were reported by employees, and 100% of valid submissions were resolved.

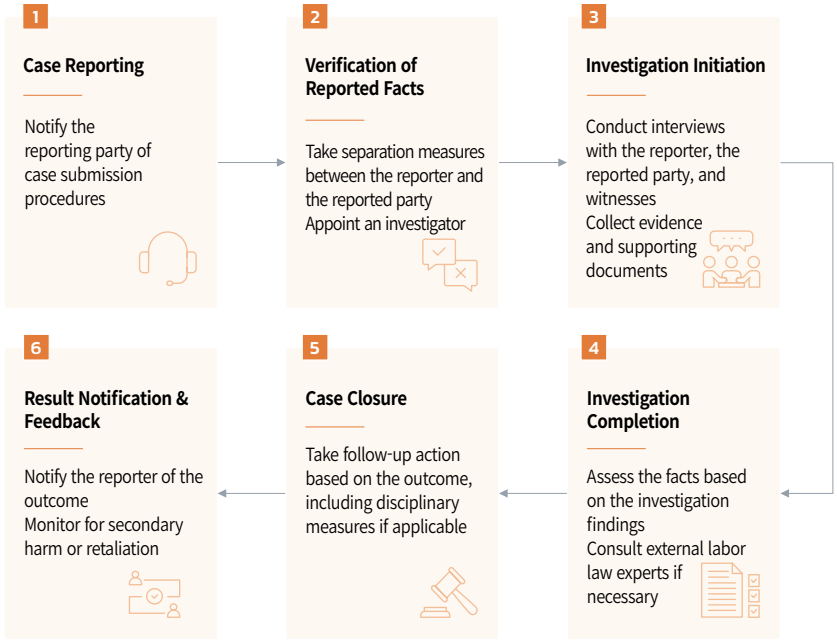
Such cases are processed promptly in accordance with grievance handling procedures that align with the UN Guiding Principles on Business and Human Rights(UNGPs), with continued monitoring to prevent recurrence and eliminate potential risks. General inquiries submitted to the internal grievance platform, Sisicolcol[1)], are resolved at the managerial level, with final improvement actions posted in the reply. Where decision-making is required, issues are escalated to department or team leaders, and responses reflect the outcome of those discussions. Responses and improvement actions are also automatically emailed to the employee who submitted the inquiry, along with the official reply provided on the Sisicolcol webpage

1) Sisicolcol(dedicated grievance handling bulletin board on the intranet), e-mail sent either anonymously or under one's real name, telephone, etc.

Status of Grievances Reported via the Employee Grievance Handling Channels

Category		Unit	2022	2023	2024
Total number of cases received		cases	1,402	1,848	2,007
Breakdown by category	Working conditions	cases	668	1,074	1,207
		%	48	58	60
	Welfare & benefits	cases	337	224	217
		%	24	12	11
	HR system	cases	216	301	342
		%	15	16	17
	Health & Safety	cases	131	29	53
		%	9	2	3
	Others	cases	50	220	188
		%	4	12	9

Response Process for Human Rights Risk Cases



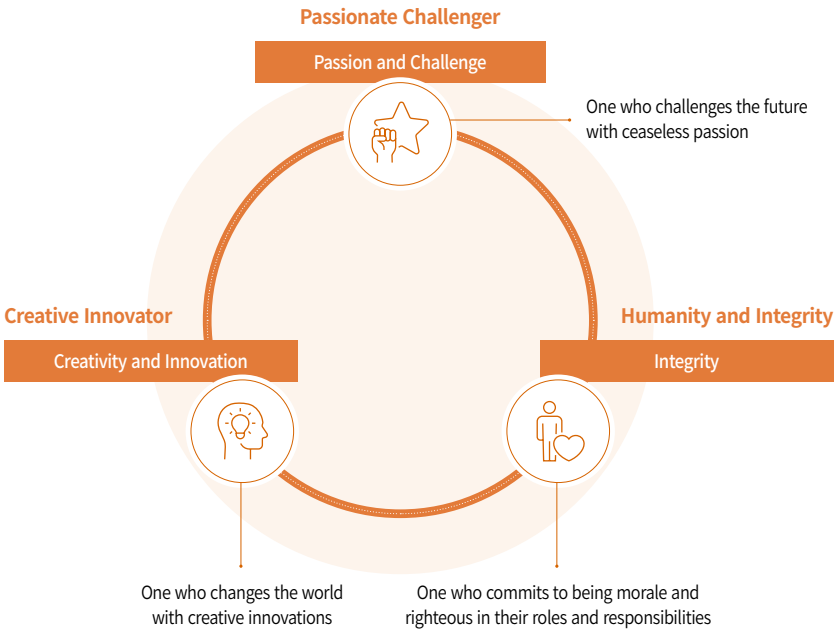
Human Resources Management

Principles for Talent Recruitment

Talent Recruitment

At Samsung SDI, we believe that people drive change in a company. Guided by this philosophy, we are committed to acquiring top talent. We conduct open recruitment for new employees based solely on individual capabilities, eliminating any discriminatory factors to ensure equal opportunity for all. For experienced professionals, we operate a flexible hiring process to attract exceptional talent from across the industry. In addition, we run internship programs for university students and scholarship programs for vocational high school students to provide early opportunities for field experience and skill development, helping us secure high-potential talent early on. We are also actively working to expand our recruitment of individuals from diverse backgrounds, including persons with disabilities and veterans.

Samsung SDI Talent Model



Securing Industry Experts

To secure industry-leading technical capabilities, Samsung SDI is placing a strong focus on recruiting expert talent. In 2024, we expanded the Tech & Career Forum to major cities across Europe, inviting master's and doctoral-level students and industry professionals from prestigious science and engineering universities such as the University of Cambridge, University of Oxford, Technical University of Munich, and École Polytechnique Fédérale de Lausanne. Executives including the CEO directly participated in the forum to share the company's vision and goals, and showcased key products such as All Solid Battery, offering participants a hands-on experience of Samsung SDI's technological capabilities. In addition, we actively participated in key battery industry events such as the Electrochemical Society(ECS) conference in the US and the InterBattery Job Fair, reinforcing our network with experts from academia and industry.

Securing Global Talent

As part of our core strategy to strengthen global competitiveness, Samsung SDI is recruiting top-tier talent from diverse backgrounds through campus recruiting not only in Korea but also at leading universities in the Americas and Europe. Since 2022, we have established R&D centers in the US, Germany, and China to expand the recruitment of global R&D talent. In 2023, we launched a recruitment program targeting experienced foreign professionals in Korea for R&D roles to bring in multinational talent. We also provide employees at global operations with equal opportunities for promotion and career development and continue to expand our global leadership. In February 2024, we appointed a foreign national as the head of our European sales corporation(SDIEU), demonstrating our commitment to reinforcing local leadership and advancing diversity.

Human Resources Management

Talent Development Policy

Fostering Job Experts

Samsung SDI is committed to nurturing job experts by strengthening the job competency of our employees, thereby enhancing our technological competitiveness in the battery and electronic materials businesses. We offer tailored training programs across all job functions—development, technology, manufacturing, sales & marketing, and management support. Based on competency analysis and individual growth goals, employees develop their own learning plans each year and enhance their capabilities through the customized courses provided by the company. In particular, we have advanced technical job training through the STEP(SDI Technology Education Program), which is Samsung SDI's specialized program. In 2024, a total of 5,455 employees completed 167 technical training courses under STEP in areas such as development, process/facility engineering, and quality.

In addition to the courses provided by the company, we operate the EA(Education Agent) program to support field-driven departmental job training. Under the leadership of EAs, each department offers customized training such as learning cells and seminars. In 2024, 18,153 employees completed 922 such courses. Samsung SDI also supports employee participation in external talent development programs. Through our academic training program, we encourage employees to pursue MBA or STEM-related master's/PhD degrees both in Korea and abroad, fostering expertise in each job function.

Talent Development System

	Internal Training				External Training
Goal	Vision/value sharing	Leadership skill improvement	Global talent development	Job expert development	MBA Local experts Field experts Academic training
Educational training	Onboarding training for new hires	Leadership training	Intensive courses provided at the Foreign Language Residence Hall	Job training	

Integrated Education Portal 'SDI Edu Park'

Fostering Future Industry Talent

To secure and nurture core talent to lead the global battery market, Samsung SDI is making multifaceted efforts. Since 2021, we have partnered with six domestic universities to run battery talent development programs, offering customized education to cultivate experts in battery materials, Battery cell, and systems. Students selected for this training program take battery-related courses, conduct research, and participate in various programs and competitions to enhance their capabilities. In particular, starting in 2026, we will launch a contract-based department of battery engineering in partnership with Sungkyunkwan University. Each year, 30 freshmen will be selected to receive specialized education. We also collaborate with prestigious universities in Korea and abroad to conduct industry-academia projects, offer internships and scholarships, and expand open innovation opportunities that promote joint growth between academia and industry.

Global Capability Development

As Samsung SDI continues to grow in the global battery and electronic materials markets and expands its business presence, we are actively scaling up our foreign language training and overseas assignment programs for employees. We operate a 5–10-week Foreign Language Residence Hall for employees who are preparing for overseas assignments or whose roles require foreign language skills. For employees who cannot be away from work for long periods, we also offer short-term intensive courses(2–5 days), along with the Global Lounge program, which provides 1-hour daily sessions tailored to each participant's preferred language, proficiency level, and time slot(morning, noon, or evening). In 2024, a total of 4,361 employees participated in foreign language training, and the proportion of employees with advanced language proficiency increased from 35.9% in 2023 to 40.7% in 2024, reflecting steady improvement in global capabilities.

In addition, to prepare for business expansion and the growing number of overseas assignees, we operate a Local Expert Program to enhance understanding of strategic countries and a Field Expert Program that allows employees to gain hands-on experience at overseas corporation. In 2024, 55 global experts were nurtured through these programs.

Human Resources Management

Employee Competency Development Program

Operation of the Technology Training Center

The battery industry is a highly technology-intensive field, where capabilities in developing, installing, and optimizing production equipment, along with analyzing data generated throughout manufacturing and development processes, are essential to driving process innovation and improving product quality. To this end, Samsung SDI operates the Technology Training Center, which provides structured education on shared technical knowledge and skills required in equipment, process, and quality fields. To strengthen technical capabilities, the Center offers a step-by-step curriculum for all levels, from beginners to experts, and develops field-tailored hands-on training equipment by technical domain—such as mechanical and control—ensuring that each participant is assigned their own device for practical training.

With growing emphasis on data analysis, the Center also offers statistical analysis courses, including regression and factor analysis using process and experimental data, as well as AI analysis programs using Python. These programs help enhance employees' capabilities in simulation model development. The Center cultivates equipment and data analysis experts who can solve chronic issues in facilities and address challenges in production processes. To date, a total of 65 experts have completed the program. In 2024, training was provided to 1,085 employees in equipment technology and to 267 employees in data analysis.

In addition, efforts are being made to strengthen the capabilities of engineering staff at Overseas corporation. This includes improving the local instructor training process and expanding equipment training infrastructure to enhance local self-sufficiency. Through ongoing expert training and curriculum development, Samsung SDI's Technical Training Center plays a key role in securing future technological competitiveness and driving quality and productivity improvements.

Training Effectiveness Assessment

To ensure our training programs are effective, Samsung SDI collects diverse feedback from employees and uses this input to identify directions for future improvements. After completing training, participants evaluate the course using a 5-point scale across various criteria, including overall satisfaction, areas for improvement, and applicability to their actual work. Through this effectiveness analysis, we aim to ensure that each training course contributes meaningfully to practical competency enhancement.

Effectiveness of Key Competency Enhancement Program Operations

Program	Target	Program Overview	Impact Management Indicators
New Hire Orientation	Full-time/ Contract Employees	• Enhances understanding of the company, development, technology, and manufacturing operations to support organizational adaptation and lay the foundation for performance	• Improved understanding of the company and job roles • Strengthened sense of belonging among new hires

Integrated Training Portal

To support the continuous growth of our employees, Samsung SDI operates the integrated training portal "SDI Edu Park." Employees can access and take any desired courses through SDI Edu Park, and with mobile application compatibility, learning can continue seamlessly anytime and anywhere, both off-site and overseas. To promote a self-directed learning culture, we also offer online training programs year-round that employees can freely select and take based on their individual interests. These programs are designed to be highly practical and accessible without the need for prior application or restrictions. As a result, a total of 23,426 course sessions were attended in 2024, marking a 17% increase year-over-year.

Human Resources Management

Leadership Development

Samsung SDI operates a wide range of leadership development programs designed to systematically build leadership capabilities across all employee levels—from new hires to executives. All new employees participate in onboarding training, where they learn about the company's vision and values, and develop self-management and goal-setting skills to begin building their leadership potential. As employees are promoted to higher roles, we offer tiered training programs to help them understand their evolving responsibilities and enhance their leadership and organizational management skills.

In addition to these programs by career stage, Samsung SDI provides customized leadership training for those in managerial positions—such as team leaders, group leaders, project managers, and frontline supervisors—tailored to their responsibilities and organizational contexts. These initiatives help managers effectively fulfill their leadership roles in alignment with their specific duties.

Retirement Support System and Programs

Samsung SDI operates the Career Consulting Center to offer outplacement services that support employees in making a stable career transition and planning a new chapter in life. These services include individual assessments and life/career design using standardized analysis, outplacement training, career consulting through mentoring, and job matching support through the Center's extensive network. In accordance with the Elderly Employment Act, the Center informs employees nearing retirement of available outplacement services via the company's online bulletin board and printed materials. This ensures that employees are aware of the services in advance and can receive additional information through consultations if needed, allowing them to utilize the services based on their individual needs.

Outplacement Support Services

Life·Career Design	Career Consulting	Outplacement Support Training	Job Matching
Perform highly reliable analyses on occupational values, preferences, and job competences to use the results for training and consulting	Provide counselling, coaching and mentoring to help set and attain individual outplacement goals	Explore diverse career alternatives, including moving to another company or starting one's own business, depending on individual assessment outcomes, competences, and preferences	Match applicants' needs with businesses and educational institutions in need of talent in a customized manner

Fair Performance Evaluation

Samsung SDI ensures fair and objective performance evaluations for all employees. Each year, we conduct competency evaluations based on Samsung's standard competency model and performance evaluations based on individual MBO targets. Leaders and members jointly establish work goals and development plans, and a year-round feedback process supports goal achievement and employee growth. To encourage collaboration and communication, we operate a peer review program in which colleagues provide mutual feedback. For leaders with significant organizational influence, we conduct 360-degree leadership assessments and provide individual feedback. We also operate an appeals process to enhance acceptance of the system by allowing employees to request a review if they disagree with their evaluation results. Performance appraisal results serve as the basis for differential rewards and promotions, including annual salary increases, performance-based pay, and performance incentives. Additionally, various feedback is considered to operate training programs tailored to employee needs and to select leaders and key personnel, thereby ensuring fairness throughout the system.

Employees' Representative Body

Samsung SDI operates a variety of employees' representative bodies to foster constructive communication and collaborative labor-management relations. Two labor unions in Korea and five overseas labor unions have been established. In Korea, our Code of Conduct for Employees stipulates our respect for freedom of association, collective bargaining rights, and the right to collective action. In negotiations with labor unions, we prioritize the health and safety of our employees and uphold the three fundamental labor rights. Based on mutual agreements, we faithfully conclude collective bargaining and wage agreements.

In accordance with the Act on the Promotion of Workers' Participation and Cooperation, we operate six domestic and four overseas labor-management councils, holding meetings at least once every quarter in consideration of the characteristics of each worksite. Labor representatives to the councils are elected directly by employees through secret ballot. The councils discuss and decide on various agenda items, including not only matters related to working conditions but also grievances and HR system improvements. Overseas corporations operate labor unions or councils in compliance with local labor laws, maintaining legal compliance and pursuing agreements to improve working conditions through mutual respect and open communication between labor and management.

Human Resources Management

Work-Life Balance

Fostering a Flexible Work Environment

Samsung SDI operates a range of work arrangements to help employees maintain work-life balance and enjoy a flexible working environment. Through systems such as flexible working hours and hourly annual leave, employees can manage their work schedules independently, enabling them to work more flexibly beyond temporal constraints. We also support remote work to ease spatial constraints, allowing employees to work from home up to four days a week when job requirements permit. Additionally, we operate “Family Day” twice a month, encouraging employees to leave work before 5 p.m. and offering shuttle bus services to support early departures. This helps create an environment where employees can spend more time on personal development and leisure activities.

Flexible Work Arrangements	• Operation of flexible work arrangements, including selective and variable working hour systems
Fostering Work-Life Balance Culture	• Operation of “Family Day” twice a month to encourage employees to leave work before 5 p.m.

Work-Family Balance Support

Samsung SDI provides work-family balance programs that allow employees to care for their family during childbirth and childcare, equally available to all employees, including contract and dispatched employees, regardless of gender. In 2025, we enhanced our extended parental leave policy to ensure that annual leave is granted in full for the following year regardless of the duration of leave, helping employees better balance work and family life upon returning to work. In addition, to support employees experiencing infertility, we offer benefits that go beyond legal requirements, including one year of infertility leave(can be split into three periods), six days of leave per year(five paid), and annual medical expense support of KRW 1 million.

Fair Compensation Practices

Samsung SDI guarantees appropriate wages for all employees and systematically manages working hours and overtime in compliance with domestic and international labor laws and standards. When employees work beyond statutory hours, we provide fair overtime compensation in accordance with applicable regulations. We also regularly review and improve wage systems and working conditions. Samsung SDI remains committed to maintaining a transparent and equitable compensation structure and will continue working to safeguard employee rights and enhance workplace satisfaction.

In-house Benefits Programs

Samsung SDI operates a variety of welfare programs to help employees lead better lives and improve their overall quality of life. These include housing loan interest support, flexible welfare points, leisure activity support, in-house daycare centers, counseling rooms, mental health clinics(with specialists), musculoskeletal centers, and fitness centers—providing both systems and infrastructure to support housing, childcare, physical and mental health, and refreshment. In addition, to support a stable post-retirement life, we recently increased our personal pension contribution support from KRW 300,000 to KRW 350,000, continuing our efforts to enhance employee satisfaction.

Welfare Program Overview

Housing loans and financial support for family events	• Operate a housing loan program to assist employees without a home in purchasing a house • Provide financial support in the event of family occasions
Selective welfare & benefits program	• Grant welfare points that can be used in areas such as health management, leisure, and self-development
Leisure	• Offer discounts for Caribbean Bay and theme parks • Provide memberships to nationwide condominiums and resorts
e-Library	• Provide access to e-books and audiobooks anytime, anywhere
Educational expense support and in-house daycare centers	• Provide tuition support for employees’ children • Operate in-house daycare centers at each business site
Psychological support	• Provide professional counseling through the Open Counseling Center • Operate the Mental Health Clinic
Health management	• Provide health checkups for all employees • Support medical expenses for employees and their spouses in case of illness, injury, or childbirth • Operate fitness centers and physiotherapy rooms

Mental Health Support for Employees

Samsung SDI conducts the annual Happiness Care Index(HCI) program to support the mental well-being of our employees. Through this initiative, employees are able to assess their current mental health condition—including stress and overall happiness—using a self-diagnosis tool. Based on the results, employees receive tailored guidance and, if needed, can access one-on-one Mind Care Services provided by professional counselors.

Diversity and Inclusion

Diversity & Inclusion System

Direction for Diversity, Equity & Inclusion(DEI)

Samsung SDI fosters an inclusive workplace culture where employees from diverse backgrounds and perspectives work together to drive innovation. We prohibit discrimination on the grounds of gender, nationality, race, religion, or cultural background in hiring, assessment, promotion, and compensation. Our aim is to build a work environment where all employees can reach their full potential. We also provide equal access to training opportunities to nurture global-minded and inclusive leaders, while managing diversity metrics such as the percentage of female managers.

Prohibiting Discrimination and Harassment, and Ensuring Fair Systems

Samsung SDI implements various policies to ensure that all employees work in an environment of mutual respect, free from discrimination. We operate manuals to prevent and respond to workplace harassment and focus on fairness and transparency in our systems for hiring, assessment, promotion, and compensation. We also actively recruit foreign students in Korea and provide support services to help them settle. In addition, we help individuals from diverse backgrounds both in Korea and abroad grow and thrive.

Establishing DEI Principles and Dedicated Organization

Samsung SDI has established DEI(Diversity, Equity, and Inclusion) policies aligned with global standards and developed a system to embed these principles into our corporate culture. We have clearly defined the principles of diversity, equity, and inclusion for all employees to practice together. In 2024, we launched the DEI Office, which is dedicated to planning and executing DEI-related policies. This office sets the company-wide direction for DEI and continues to lead efforts to foster an inclusive organizational culture.

Fostering a Culture of Diversity and Inclusion

Enhancing Understanding Across Generations, Classes, and Cultures

Samsung SDI promotes sustained communication activities to foster a culture of mutual understanding and respect across different generations and social groups. We build intergenerational empathy and strengthen communication within the organization by holding Lunch Meetings, Female Leader Meetings, and Gen.Z Reverse Mentoring sessions with our CEO for employees in Korea and abroad. In addition, we publish the Global NEWSDI monthly to share updates from our overseas operations and enhance cross-cultural understanding.

Mentoring Program for Exceptional Female Talent

Samsung SDI operates a mentoring program to support the development of professional skills and leadership capabilities among female talent. In 2024, eight female executives served as mentors and 22 outstanding female employees participated as mentees in the program, which ran from April to December. Through mentoring, mentees receive career strategy guidance and work-related insights from experienced female executives, while also engaging in networking opportunities with employees across diverse functions. This program plays a key role in supporting the growth of female talent and strengthening organizational diversity, and we plan to continue expanding its scope.

Enhancing Communication with Top Management

Samsung SDI operates a range of communication channels to promote active dialogue between top management and employees. Our quarterly town hall meetings provide opportunities for all employees to directly engage with senior leadership. For those unable to attend in person, real-time live streaming and text messaging options are available to ensure participation. Topics include communication and collaboration practices, an efficient work culture, and the company's mid- to long-term vision, all contributing to greater understanding of our policies and addressing employee concerns. In addition, we operate various communication programs such as 'Lunch Meeting,' Gen.Z Reverse Mentoring, and the monthly 'Leader's Channel' attended by department heads. These initiatives support a horizontal and open organizational culture. Through these diverse channels, we share information on business operations and system updates while listening to employee feedback and fostering mutual understanding.

Diversity and Inclusion

Promoting Female Leadership

Samsung SDI is systematically expanding female leadership as part of our efforts to enhance organizational diversity and drive sustainable growth. We monitor the representation of women across all stages—recruitment, evaluation, promotion, and development. As a result, the percentage of female executives increased from 6.7% to 8.5%, and the percentage of female managers rose from 11.2% to 15.1% over the past four years. We will continue to expand our efforts to strengthen the expertise of our female workforce and support the development of future female leaders.

Category	Description	Unit	2020	2022	2024
By Job Function	Percentage of female employees in development roles	%	20.1	23.0	27.9
	Percentage of female employees in sales and marketing roles	%	25.5	30.8	34.9
Leadership	Percentage of female executives	%	6.7	8.5	8.5
	Percentage of female managers	%	11.2	13.0	15.1

Gender-Based Pay Gap Management

Samsung SDI operates a fair compensation system based on the principle of equal pay for equal work, ensuring no gender-based discrimination. New employees are offered the same annual salary regardless of gender, and performance-based pay raises and promotion-related increases are applied equally. As of 2024, the average wage level of female employees was 81% of that of male employees, primarily due to differences in years of service and job level distribution. There is no gender-based discrimination in our compensation system, and we continue to pursue improvements to close the gender pay gap.

Fostering a Culture of Collaboration

Samsung SDI promotes a culture of collaboration by operating various cross-functional collaboration projects each year. These projects bring together the experience and knowledge of different departments to generate new outcomes while enhancing employees' understanding of other fields and strengthening their individual capabilities. Each year in the fourth quarter, we hold a collaboration project performance sharing event to present the progress and results of projects conducted throughout the year. Projects are evaluated based on criteria such as collaboration, competitiveness, creativity, and challenging spirit, and outstanding cases are recognized and awarded.

Improving Positive Experience for Employees

Samsung SDI creates opportunities for employees and their families to build a sense of belonging through engaging and meaningful experiences. Each year, we host theme park-style events at our worksites. in 2024, a total of 6,900 employees and their family members(representing 1,700 families) were invited to join. The event featured a variety of hands-on programs that families could enjoy together, including the "Make a Cup for the Earth" activity aligned with our social contribution efforts—helping strengthen employees' affection for the company through shared positive experiences.

Practicing the Basics for Mutual Respect

Samsung SDI continues to run its "Practicing the Basics" campaign to foster a more enjoyable work environment, where employees spend much of their daily lives. To build a culture of mutual respect across generations, we produced and shared in-house video content covering key topics such as workplace etiquette, flexible work arrangements, responsible drinking culture, and information security. These materials were used to promote respectful behavior and shared values across the company.

Parental Support Programs

Samsung SDI provides work-life balance programs during pregnancy, childbirth, and childcare to all employees—regardless of gender, contract type, or employment status, including contract and dispatched workers. Although statutory parental leave is available until a child reaches eight years of age, we have extended this to age twelve to offer employees greater flexibility. In addition, the full parental leave entitlement—consisting of one year(52 weeks) of legally mandated leave and one additional year(52 weeks) provided by the company—can be divided and used in up to two separate periods. Employees whose spouses give birth are entitled to up to 20 days of paternity leave. To support employees and families facing challenges due to infertility, Samsung SDI also grants five days of paid leave and partial financial assistance for fertility treatment when requested. Furthermore, all worksites operate dedicated maternity protection rooms for pregnant and breastfeeding employees and provide on-site childcare centers to support work-life balance.

Diversity and Inclusion

Organizational Culture Advancement

Samsung SDI promotes a culture of communication and collaboration by carrying out various innovation initiatives. We operate the Change Agent(CA) program, in which selected employees plan and execute organizational culture improvement tasks at the department level each year. In 2024, a total of 360 CAs were appointed to lead culture enhancement activities across their respective teams. These efforts aim to increase employee motivation and engagement, contributing to performance generation. They also help global talent adapt smoothly to new environments and improve overall job satisfaction.

Key Organizational Culture Activities

Fair Appraisal	• Improve appraiser competency through enhanced training • Ensure procedural fairness and increase acceptance of appraisal outcomes by expanding interim appraisals and feedback sessions
Team Member Development	• Appoint department-level EAs(Education Agents) to lead customized job-specific training, learning cells, and in-house seminars • Support career development by allowing employees to apply for transfers to desired departments through a newly established career market system
Open Communication	• Expand communication infrastructure to encourage the free exchange of ideas and foster a culture of constructive debate • Support various communication initiatives including employee workshops, trend experience programs, and townhall meetings with senior management(with online streaming)
Improved Work Efficiency	• Identify and reward best practices in work efficiency to foster a culture that encourages high-value work • Improve meeting culture by shortening meeting time, minimizing attendance, and streamlining materials
Active Collaboration	• Promote cross-functional exchange to build a collaborative culture among departments • Operate a collaboration project process in which relevant departments jointly resolve selected collaboration challenges and receive awards for successful outcomes

Organizational Health Assessment

To foster a healthy and inclusive corporate culture, Samsung SDI conducts the Samsung Culture Index(SCI) survey annually for all employees. The SCI is composed of three key categories—Engagement(Enjoyable Work), Collaboration(Working Together), and Pride(Proud Company)—and includes both outcome questions that assess the current status of organizational culture and driver questions that identify areas for improvement. This enables each organization to effectively diagnose cultural health and derive specific improvement actions. The results are categorized into four types: excellent, good, possible improvement, and warning. By analyzing and sharing multi-year trends, we build a shared understanding on the need for corporate culture enhancement. The SCI also includes assessment items on diversity and inclusion to promote a healthy workplace culture where employees with different values can work together regardless of age, gender, race, or place of origin. As a result of our continued improvement efforts, the SCI score has steadily increased over the past three years, reaching 77.4 points in 2024 after 73.5 in 2022 and 77.1 in 2023, with all categories achieving “excellent” ratings in 2024.

Diversity & Inclusion Assessment Items

① Our company’s systems are operated fairly regardless of employees’ age, gender, race, or place of origin. (81.0 points, +1.8)
② Members of my department respect one another’s character and diversity of values.(83.9 points, +0.6)
③ I feel comfortable expressing opinions that differ from those of my supervisor.(77.8 points, +0.2)

Strengthening Customer Safety and Product Responsibility

Quality Management Policy

Quality Management Principles

At Samsung SDI, we are committed to securing best-in-class quality grounded in our advanced technological capabilities. To this end, we established the principle of putting quality first, which all employees practice in their day-to-day work. Our “Quality Management 10 Commandments” have been applied consistently across all business sites, serving as a foundation for employees to develop a quality-first mindset and put it into action. Going forward, we will continue to deliver top-tier products and services based on these core quality management principles.

Quality Management 10 Commandments

All for nothing without quality.

Safety	Safety always comes first.
Customer Satisfaction	Best quality moves the hearts of customers.
Rule Compliance	Respect the rules and principles.
Product	Neither make nor deliver a defect.
Communication	Communication builds on process and data.
Partners	Our journey toward quality begins at suppliers.
Transparency	Respect the problem once it occurs and ask for cooperation.
VOC	Be responsive to VOCs and make sure of improvement afterwards.
Problem Solving	Refuse to compromise on quality.
Radical Cure	For chronic issues, treat the root cause first.

Quality Management Code of Conduct

At Samsung SDI, we operate a quality management code of conduct to ensure all employees uphold quality as the highest priority. Employees comply with rigorous quality standards to deliver best-in-class products and services in both the battery and electronic materials businesses. We continuously pursue quality innovation in alignment with global quality standards. In particular, we strictly adhere to international quality regulations to ensure product safety and reliability and have established a prompt and accurate response system to address quality-related issues, thereby reinforcing customer trust.

❶ Build customer's trust by creating value.

We enhance our customers' value by regarding the needs of even our potential customers and actively reflecting them on our products.
We maximize the close relationship with our customers based on trust, thanks to our speedy, accurate, and cordial VOC solving.

❷ Place the environment and safety first.

We never compromise on quality. We comply with international environmental regulations, and in order to place customers' safety first, we value the awareness and responsibility of Zero Defect.

❸ Implement continuous improvement in quality management system and process.

SAMSUNG SDI's quality management policy is in compliance with ISO 9001, IATF 16949. Processes and criteria of the following are clearly defined, strictly followed and continuously improved by stage: development(PLM), production(MES), quality(IQMS, LIMS) systems and 8 main quality processes - development management, reliability, component control, process quality, changing control, abnormal occurrence, outgoing assurance, VOC management.

Strengthening Customer Safety and Product Responsibility

Quality Management System

Quality Management System Certification

All Samsung SDI sites implement quality management based on ISO 9001, the international quality management system standard, and IATF 16949, the quality management system standard for the automotive industry. We operate an optimal quality assurance framework that meets customer requirements across all operations.

Status of Quality Management System Certification at Major Sites

	Category	Quality Management System Certification
Mobile & Power Battery	Cheonan	✓
	TSDI(Tianjin)	✓
	SDIEM(Malaysia)	✓
	SDIV(Vietnam)	✓
Automotive & ESS Battery	Ulsan	✓
	SAPB(Xi'an)	✓
	SDIHU(Hungary)	✓
	SDIABS(U.S.)	✓
Electronic material	Cheongju	✓
	Gumi	✓
	SDIW(Wuxi)	✓

Battery Safety

Safety Review of New Product Development

Samsung SDI places the highest priority on safety from the early stages of battery development by thoroughly inspecting the entire design and manufacturing process technology. We proactively identify potential safety risks arising from new form factors and process technologies and reflect them in both design and manufacturing. We also work to detect new types of safety risks in advance and conduct non-destructive testing, accelerated verification, and limit assessments to identify potential hazards throughout the entire product lifecycle. After development is complete, we perform postmortem analysis, and the lessons learned from this process are thoroughly applied to prevent recurrence in subsequent models.

Thermal Propagation Prevention Technology

Battery packs used as the main power source for electric vehicles consist of at least 100 battery cells. If a single cell is damaged due to stress or misuse, thermal runaway may occur, releasing extreme heat and large amounts of flammable gas in a short time. When these flames and high-temperature gases reach adjacent cells, they can trigger a chain reaction of thermal runaway across the entire battery pack, potentially leading to fires or explosions. To address this risk, automobile and battery manufacturers are developing technologies to prevent battery thermal propagation.

Samsung SDI is actively responding to evolving market safety requirements by developing thermal propagation prevention technologies, helping raise EV safety awareness and alleviate concerns over potential fires. Last year, we secured a technology that prevents thermal propagation across Battery cell, Battery module, and Battery pack levels, and are currently applying it to our products. Samsung SDI collaborates with automotive manufacturers from the early stages of product development to ensure product safety by sharing thermal propagation prevention technologies. We also operate a cross-functional Thermal Propagation Prevention Council composed of experts in Battery cell, Battery module, and Battery packs, working to identify, validate, and apply optimal technologies tailored to each product category. From the initial stages of development, we analyze the thermal characteristics of each Battery cell's chemical composition and consider key design factors of Battery module and packs to predict thermal propagation behavior. Furthermore, we are enhancing existing capabilities by developing dedicated software to improve the accuracy of such predictions.

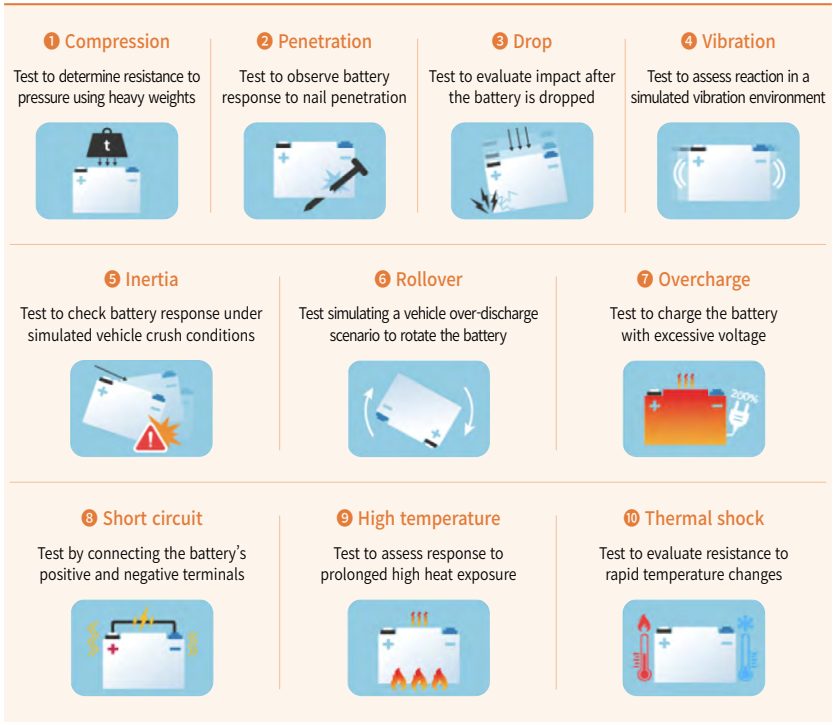
Strengthening Customer Safety and Product Responsibility

Battery Safety Inspection

Samsung SDI enforces rigorous quality control from raw material intake to finished product shipment to ensure battery safety. Through advanced inspection and monitoring, we not only maintain consistent quality but also secure safety and prevent defect leakage. Safety-related factors are reviewed from the development phase, with corresponding Q-Gates[1)] established and validated. We operate and manage quality inspections across materials, semi-finished goods, and finished products through system-based processes, and continue to advance our defect detection techniques using process data. These efforts strengthen our quality control system to deliver safe batteries to end users.

1) Quality Gate: A system for verifying process quality in advance.

Battery Safety Tests



Securing Next-Generation Battery Technology

Samsung SDI is focused on securing game-changing technology to lead the future EV market. We are currently developing proprietary All Solid Battery that incorporate anode-free technology and sulfide-based solid electrolytes, with the goal of mass-producing products with industry-leading energy density by 2027. In December 2023, we delivered proto samples to major customers, and in the second half of 2024 , we supplied A-samples that significantly increased Battery cell volume by approximately 80%, doubled capacity, and improved energy density by about 25%.

At the same time, we are developing solutions to overcome key technical challenges of All Solid Battery—such as the high operating temperature and pressure required during charging and discharging. By doing so, we aim to establish an unassailable competitive edge and reinforce our leadership in the All Solid Battery field.

Enhancing Global Process Safety, Quality, and Q-Gate Standards

Samsung SDI strengthens safety, quality, and Q-Gate systems throughout all battery manufacturing processes using a comprehensive quality management system. We verify whether incoming components for mass production meet required specifications and implement systematic management of partners. In addition, we validate 4M(Man, Machine, Material, Method) change risks at the line and plant levels before granting mass production approval. Final product shipments are made only after confirming that all product specifications are met, and we standardize quality assurance processes across global production sites through quality variation control to ensure consistent product quality.

Key initiatives include utilizing AI vision learning based on defect images to refine inspection criteria and deploying the electrode Grade System overseas corporation to classify core electrode quality, thereby improving defect detection capabilities. We continue to carry out focused improvements on initial mass production quality and strengthen quality control measures across all production stages.

Strengthening Customer Safety and Product Responsibility

Next-Generation Battery Solutions for ESS

Samsung SDI is dedicated to developing innovative technologies in the energy storage system(ESS) sector. As part of our strategic efforts to target the North American market, we have developed a next-generation ESS battery solution that delivers both high efficiency and enhanced safety. Our new utility ESS-focused, “SBB 1.5,” is equipped with high-nickel NCA battery cells, featuring an increase in energy density of 37% over our previous product offering, resulting in 5.26MWh of energy storage in a 20ft enclosure package. For enhanced safety, the solution employs EDI(Enhanced Direct Injection) technology, which allows direct injection of a thermal management agents into the Battery module containing the event cell to effectively prevent fire propagation. In addition, our high-power battery for UPS applications offers 40% higher rack-level output compared to previous models, with approximately 33% less installation space required. The 15-year long-life battery significantly improves operational efficiency and cost-effectiveness for customers.

Backed by our differentiated technological capabilities, Samsung SDI is proactively responding to the growing ESS demand driven by the expansion of renewable energy and the rapid rise of AI data centers. We will continue to strengthen our competitiveness in the global ESS market through ongoing innovation.

Direct Discharge Fire Suppression System with ESS Fire Suppressant Impregnation Method

Samsung SDI’s ESS products are composed of more than 9,000 battery cells per container. If an incident occurs due to system misuse or cell malfunction, the release of heat exceeding 500°C and large volumes of flammable gas can lead to fire, potentially resulting in total system loss and significant damage. To prevent such fires at an early stage, we have adopted technologies that (1) rapidly detect thermal events, (2) expel flammable gas to prevent explosion, and (3) immediately cool down the affected Battery cell to minimize the duration of combustion.

When an event is detected—either through voltage and temperature monitoring via the Battery Management System(BMS) inside the Battery module or through external smoke detection—the system identifies the fire within 10 seconds. Once the fire is detected, a direct discharge kit charged with NOVEC fire suppressant releases the agent. Upon activation, the internal discharge pipe melts, triggering a focused discharge of the suppressant inside the Battery module for approximately 10 minutes. This immersion-type mechanism rapidly cools the event cell and suppresses the fire. In addition, at the container level, flammable gases generated in the early stage of an event are released via an Active Venting and Deflagration Panel system to eliminate the risk of explosion and enhance overall fire safety. We also plan to deploy a remote monitoring system to detect abnormal cells in overseas models—starting with the U.S.—to meet local cybersecurity requirements and proactively eliminate potential risks, thereby building safer ESS products.

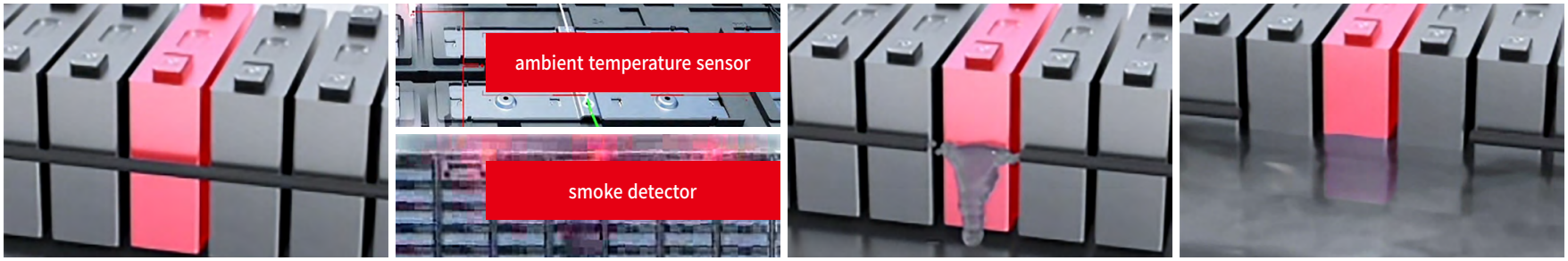
ESS Fire Suppressant Direct Discharge System Mechanism

1 Cell event occurs

2 Heat rise or smoke is detected within the Battery module, and fire is determined

3 High-temperature gas/flames trigger the opening of the discharge pipe

4 Direct discharge activates, releasing suppressant inside the Battery module and rapidly cooling the event cell through immersion



Strengthening Customer Safety and Product Responsibility

Customer Satisfaction Management

Responding to Voice of Customer(VOC)

Samsung SDI continuously identifies and improves shortcomings in our Q-VOC management system, which is considered a fundamental aspect of customer response. In particular, we operate a VOC response taskforce led by executives that reflects the severity of issues based on the 8D[1] process. This enables the timely mobilization of relevant departments for swift response and issue resolution.

Based on these improvement efforts, Samsung SDI achieved its internal 2024 targets for VOC response lead time(L/Time) and 90-day delay rate. Specifically, we achieved a lead time of 27 days against the target of 30 days, and a long delay rate of 3.8% against the target of 5%. We also analyze the L/Time required to respond to each defect phenomenon and promote lead time reduction through systematic root cause analysis and response system enhancements for prolonged quality issues. As a result, we successfully met our internal 2024 VOC response L/Time and 90-day delay rate targets.

In 2025, we selected core improvement tasks in collaboration with relevant departments based on the full-year VOC lead time analysis from 2024. Clear Clean Dates[2] are identified for each root cause, and we verify the effectiveness of corrective actions through customer line and market validation. Internal Q-Gates are reinforced and feedback is provided to ensure solid corrective measures are developed.

To respond quickly to product safety issues, we have built a cooperative response system with customers. In the event of an incident, a dedicated response team works closely with customers to minimize damage through rapid action. We also conduct thorough root cause analysis and faithfully implement improvement actions and customer requirements to prevent recurrence.

In addition, the Electronic Materials Business gathers data on changes in customer processes and testing environments and shares it with relevant departments. This helps ensure that our products—from mass-produced items to new developments—meet the increasingly stringent requirements of our customers.

1) 8 Disciplines: A problem-solving process initiated in response to customer-raised quality issues, including root cause analysis, corrective actions, and prevention of recurrence.
2) Point in Time When Improvement Measures Were Implemented

Managing and Improving Customer Satisfaction

Samsung SDI continues to reflect customer satisfaction management as a key performance indicator(KPI) representing the core capabilities of our in-house CS team. Automotive & ESS Battery Business implemented new efforts to improve customer satisfaction in 2024, in addition to the existing CSI program, by managing customer scorecards issued monthly by major xEV clients. To streamline the operation, scorecard items were added to the dedicated CS system. By benchmarking performance across shared items by client, best practices were horizontally deployed while immediate improvement actions were taken for low-score items. As a result, the average customer satisfaction score rose from 82.5 to 86.0 points in 2024.

The Mobile & Power Battery Business selected four key clients and launched a CSI improvement taskforce. Using biannual CSI surveys, we identified client-specific issues and carried out structured improvement activities. Regular quality meetings were held to actively reflect customer feedback, and any complaints raised were managed as action items to ensure they led to tangible quality improvements. In parallel, we strengthened internal defect detection capabilities and aligned our evaluation methods with those of customers, enhancing the reliability of our assessments. A pre-audit check system was also established, resulting in a 50% reduction in the number of findings. In 2025, we plan to expand our CSI target pool to 10 clients and continue taskforce activities to drive further improvements in customer satisfaction.

Meanwhile, the Electronic Materials Business is reinforcing its analysis of product competitiveness by comparing five categories—product quality, issue response, technology response, delivery & supply, and development performance—against industry peers. Beyond scoring metrics, we are conducting in-depth surveys to better identify areas of weakness. In particular, open-ended questions are used to gather insight into peer company performance and customer needs. Feedback from these surveys is reflected in our annual business strategies, supporting continuous improvement efforts.

CASE

Enhancing Customer-Centric Service System and Satisfaction

Samsung SDI's ESS system is a platform combining our batteries with customer systems to provide more than just product supply—offering a comprehensive service. Even in cases where issues arise due to customer-specific operating environments or internal quality issues, rather than Samsung SDI's own, we ensure rapid response through locally established response systems and 3PL(3rd Party Logistics) warehouses equipped with A/S parts supply capabilities. We also conduct preliminary CSI surveys six months in advance to identify potential issues beforehand and establish and implement improvement plans accordingly. In October, we carry out final CSI surveys to systematically manage and assess customer satisfaction across service, quality, and technology.

Strengthening Customer Safety and Product Responsibility

Strengthening Quality Improvement Activities

Enhancing Quality Competitiveness Through Strengthened Product Inspection

Samsung SDI strengthened its product inspection process to prevent defects at customer sites. When foreign matter was detected in outbound products, we immediately shared the situation with customers and prioritized the delivery of non-defective products to prevent further issues on customer lines. At the same time, we swiftly conducted sorting and corrective actions for the affected lot to contain the issue, followed by a root cause analysis and establishment of recurrence prevention measures. These efforts helped increase customer trust in product quality and further strengthened Samsung SDI's quality competitiveness.

Supporting Partners with Quality Improvement

Samsung SDI provides regular quality assessments and audits for partners to strengthen their quality capabilities and offers customized improvement support based on the results. In 2024, a quality improvement taskforce was launched with the participation of Samsung SDI's technology and quality teams to address chronic defects in core materials and parts. As a result, quality levels improved and the number of issues caused by recurring defects declined year-on-year. We also expanded the scope of partners subject to foreign matter management, thereby raising the overall standard of contamination control for key materials.

In quality system audits, greater focus was placed on new partners, contributing to the enhancement of their quality management systems. Our SQA(Supplier Quality Assurance) activities supported the timely approval and early stabilization of partners entering the Americas. In addition, building on our 2023 efforts to embed a quality-first mindset, Samsung SDI conducted 310 on-site inspections in 2024 as part of our Executive Champion initiative to ensure the highest standards of quality. These visits promoted the identification and correction of process inefficiencies, the resolution of quality issues, and technological collaboration with partners.

In the Electronic Materials Business, Samsung SDI focused on fundamental capability enhancement for raw material partners. In 2024, following 2023 efforts, five major partners were selected for quality mindset training, and 340 improvement actions were completed following on-site inspections. As a result, the partner quality KPI significantly increased from 53 points in 2023 to 83 points in 2024. For 2025, the number of target partners will be expanded to seven, and customized training programs will be provided for areas such as change management, preventive maintenance(PM), and cleanroom and filter control.

Supporting Overseas Corporations with Quality Improvement

Samsung SDI continues to strengthen Q-Gate implementation to secure quality competitiveness at both domestic and overseas production sites. We aim to ensure early mass-producibility by reinforcing the TQR(Total Quality Review) process for newly established and expanded lines. To this end, we incorporated historical failure cases as white papers, ensured equipment homogeneity, raised the yellow standard level, and established a quality risk review process where the quality team participates from the equipment specification deliberation phase. Ahead of the pre-TQR, we carry out advance equipment reporting, impact discussion and verification, and apply quality validation tools to equalize performance between best and worst equipment. Following TQR approval, we implement one-month safety launch activities during the initial mass-production phase to enhance and stabilize quality.

In 2024, we improved equipment and process defects through taskforce activities targeting frequently occurring issues and strengthened our quality gates by inspecting Q-Matrix measures. To further enhance quality management and improvement at overseas corporations, we run regular councils in collaboration with headquarters and conduct quality audits to improve their quality levels. Building on these efforts, we plan to achieve zero leakage in 2025 through proactive control and intensive improvement of defect-pr□one areas. We will also push for fundamental defect elimination to further advance our quality gate system, with the ultimate goal of delivering best-in-class quality.

CASE

Selected as a Preferred Global Partner by Jaguar Land Rover

Samsung SDI was recognized by Jaguar Land Rover(JLR) as an "Outstanding Global Partner" for its outstanding performance in quality and on-time delivery. Since 2018, we have supplied high-performance 21700 cylindrical batteries for the Range Rover model, incorporating high-nickel NCA cathode and silicon anode technologies to enable fast charging and long battery life. The award was made even more meaningful as it was personally presented by JLR's Chief Procurement Officer. Samsung SDI will continue to strengthen its quality management efforts to maintain and enhance customer trust.

Coexistence with Local Communities

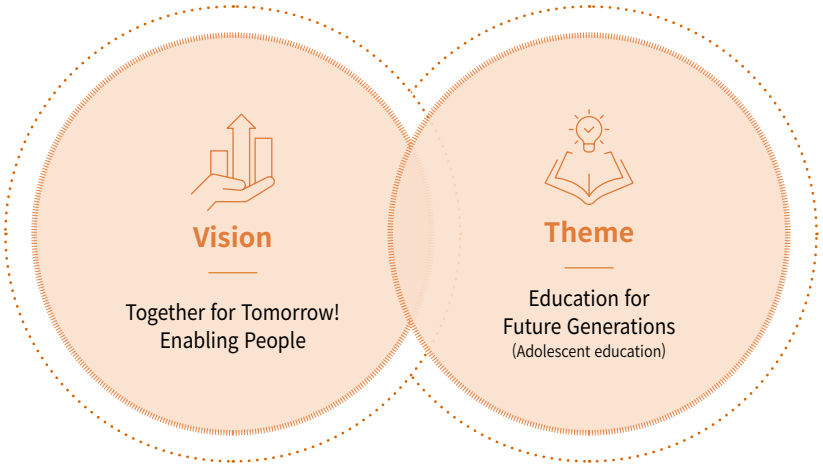
CSR System

CSR Strategy

Samsung SDI, guided by its CSR vision of 'Together for Tomorrow! Enabling People,' is committed to building a better future by supporting the dreams and aspirations of the next generation. Leveraging our core competencies and resources, we focus on enabling the growth of children and adolescents, particularly through teen education programs that strengthen future capabilities in partnership with Samsung affiliates. We also operate a range of CSR initiatives that reflect our unique business characteristics, with active participation from our employees, to fulfill our corporate social responsibility. Going forward, we will continue to work closely with Samsung affiliates to create synergy, enhance the expertise of each program, and develop our CSR efforts into leading initiatives that deliver greater social value.

CSR Goals

Samsung SW Academy for Youth	A total of 11,800 beneficiaries supported over seven years(2018–2025)
Samsung Blue Elephant	Education provided to 3 million elementary, middle, and high school students nationwide over 10 years(2020–2029)



Contributing to Local Communities

Samsung SW Academy for Youth

Samsung SDI operates the Samsung SW Academy for Youth in partnership with five[1] other Samsung affiliates to help young people who aspire to become software developers enhance their competitiveness in the job market. The program provides one year of structured training. In the introductory course, trainees acquire core skills such as algorithms, coding, and web technologies. In the advanced course, they build hands-on capabilities by working with AI, IoT, and other core technologies of the Fourth Industrial Revolution. A total of 6,732 individuals completed the program between 2018 and 2024, achieving an 84% employment rate. We plan to continue expanding our support for nurturing digital talent and enhancing youth employability.

1) Samsung Electronics, Samsung Display, Samsung Electro-Mechanics, Samsung SDS, S-1

Samsung Stepping Stone of Hope

Samsung SDI operates Samsung Stepping Stone of Hope, a CSR program launched through voluntary donations and participation from employees, to support youth aging out of care facilities at age 18 by providing them with stable housing and integrated services for self-reliance. Since the opening of the Busan center in 2016, Stepping Stone of Hope centers have been established in 10 major cities nationwide, with new centers opened in Daejeon and Chungbuk in 2024 and an additional center scheduled to open in Incheon in the second half of 2025. Serving as regional hubs that connect local individuals, organizations, and institutions, these centers provide job training and employment support to help youth achieve economic independence. Samsung employees also engage as mentors, sharing concerns and supporting the youth in preparing for their future, walking alongside them as they transition into society.

Coexistence with Local Communities

Blue Elephant

As smartphones, tablets, and other devices have become widespread, teens are increasingly exposed to various forms of content, heightening the risk of cyber violence. Since 2020, Samsung SDI has worked alongside Samsung affiliates to address teen cyber violence through the Blue Elephant project. The name combines the symbolism of the color blue, representing calm and stability, with the protective nature of elephants that form groups to defend one another. This integrated program helps teens learn how to prevent and respond to cyber violence while offering psychological counseling to victims to support emotional recovery. As of 2024, more than 1.34 million elementary, middle, and high school students, parents, and teachers have participated in online and offline training sessions, counseling services, and campaigns to eliminate cyber violence. We also support academic research and National Assembly policy forums aimed at analyzing root causes and developing policy responses to cyber violence. Through these initiatives, we continue to foster a safer and healthier digital environment for teens.

Samsung Dream Class

Since its launch in 2012, Samsung SDI has supported youth education through Samsung Dream Class, which evolved into the hybrid-format Dream Class 2.0 in 2021, combining online and offline learning. The program offers three core educational contents: career path guidance, future competency development (including global communication, coding, mathematics, and reasoning), and academic curriculum support. With multi-dimensional mentoring provided by undergraduates, Samsung employees, and external experts, the program helps students discover their dreams and build essential skills for the future. In 2024, a total of 3,727 middle school students and 400 undergraduate mentors participated in the program. Recognized for its long-standing contribution to over 100,000 teens over the past 12 years, Samsung Dream Class received three awards from government agencies: designation as an 'Excellent Educational Donor' by the Ministry of Education, the Presidential Commendation at the Korean Sharing Awards hosted by the Ministry of Health and Welfare, and the Minister's Award at the Korean Educational Donation Awards by the Ministry of Education. We will continue to expand this meaningful education-sharing initiative to support the dreams and futures of young generations.

Employee-Involving Programs

Dream Walking School Forest

Samsung SDI operates the Dream Walking School Forest program, which creates fine dust reduction forests at elementary schools near its worksites by raising funds through employees' walking activities. In the first year of support, an outdoor forest is created; in the second year, an indoor forest is established; and in the third year, environmental education is provided. In 2024, a total of 6,513 employees contributed 30,883 hours of walking to help create a school forest at Wangsans Elementary School in Gumi. This initiative blocks harmful gases and fine dust from entering the school premises, thereby offering students a safer and more pleasant environment.

Hands-on Dream Pencil Case

Samsung SDI engages in a range of hands-on volunteer activities that promote employee participation. In 2024, a total of 1,047 employees voluntarily participated in assembling Dream Pencil Cases filled with school supplies, which were then donated to local community child centers across Korea. Moving forward, the company plans to expand employee-led volunteer programs that integrate social value creation.

Hungary Corporation(SDIHU) Newborn Baby Program

Samsung SDI operates the Samsung SDI Newborn Baby Program in the city of Göd, where its Hungary Corporation(SDIHU) is located. This initiative is designed to support families with newborns in the local community by providing gift sets that include baby clothing and decorations prepared by employees. The program also offers parents an opportunity to relax at a local café, helping ease the challenges of childcare. Through this initiative, Samsung SDI continues to strengthen its ties with the local community and remains committed to growing alongside it.

GOVERNANCE

Responsible Governance

Board of Directors(Board) Composition and Operation

Board Composition[1)]

The Board of Directors at Samsung SDI resolves matters stipulated by relevant laws and the Articles of Incorporation, matters delegated by the General Shareholder Meeting, and key matters related to the Company's basic management policy and business execution. It also supervises management's performance of those duties. The Chair of the Board is appointed from among directors through Board resolution. If the Chair is not an independent director, a Lead independent director is selected through consultation among independent directors to ensure transparency in governance. At the 55th General Shareholder Meeting held on March 19, 2025, Joo-Sun Choi was newly appointed as a member of the Board.

1) As of March 19, 2025
* New appointment: Joo Sun Choi was appointed as an executive director at the 55th General Shareholder Meeting held on March 19, 2025.
* Directors assuming multiple roles: In accordance with Korea's Commercial Act, independent directors may concurrently serve as director, executive member, or auditor at no more than two other companies to enhance their focus on Samsung SDI's Board responsibilities.
* Average tenure of Board members: 3.2 years as of March 19, 2025.

Board Operation

The Board of Directors at Samsung SDI is composed of regular meetings held at least once every quarter and ad-hoc meetings convened as needed. Board resolutions are made by a majority of directors present, with at least a majority of all directors in attendance. In 2024, the Board held seven regular meetings and three ad-hoc meetings, deliberating and resolving a total of 30 agenda items.

Attendance in BOD Meetings Held in 2024(%)

No. of BOD Meetings Held	Executive Director	Independent Director	Total
7	96%	100%	99%

Board Composition Status

Executive Director



	Joo Sun Choi	Jong Sung Kim	Zin Park
Name	Joo Sun Choi	Jong Sung Kim	Zin Park
Gender	Male	Male	Male
First Appointment	19 Mar 2025	17 Mar 2021	20 Mar 2024
Expertise	General management	Overall management	Overall management
Career	CEO and President, Samsung SDI	Executive Vice President, Business Management Office, Samsung SDI	Executive Vice President, Automotive & ESS Battery Business, Samsung SDI
Role within BOD	Chair of the BOD/ Chair of the Management Committee	Member of the Management Committee	Member of the Management Committee

Independent Director




	Oh Kyong Kwon	Duk Hyun Kim	Won Wook Choi	Mee Kyung Lee
Name	Oh Kyong Kwon	Duk Hyun Kim	Won Wook Choi	Mee Kyung Lee
Gender	Male	Female	Male	Female
First Appointment	18 Mar 2020	18 Mar 2020	18 Mar 2020	15 Mar 2023
Expertise	Electrical and electronics industry	Law and human rights	Accounting and tax	Climate change and environment
Career	Professor of Electronic Engineering, Hanyang University	Attorney, Jin-Sung(law firm)	Professor at School of Business, Yonsei University	President, Korea Green Foundation
Role within BOD	Lead Independent Director/ Chair of the Compensation Committee/ Member of the Independent Director Candidates Recommendation Committee, the Audit Committee, the Internal transaction deliberation committee, and the Sustainability Management Committee	Chair of the Internal transaction deliberation committee/ Member of the Compensation Committee, the Independent Director Candidates Recommendation Committee, and the Sustainability Management Committee	Chair of the Audit Committee/ Member of the Internal transaction deliberation committee, the Independent Director Candidates Recommendation Committee and the Sustainability Management Committee	Chair of the Sustainability Management Committee/ Member of the Audit Committee, and the Compensation Committee

Responsible Governance

Board Independence, Expertise, and Transparency

Ensuring Board Independence and Transparency

To secure the independence of the Board of Directors, the Board and the Independent Director Candidates Recommendation Committee review whether candidates meet the disqualification criteria under relevant laws(Article 382, Clause 3 and Article 542-8 of the Commercial Act) and select those who are not disqualified. Independent director candidates who satisfy our independence requirements are appointed upon approval at the General Shareholder Meeting.

To enable the Board to oversee management and provide objective, reasonable decision-making, more than half of the Board members(four out of seven) are composed of independent directors. To avoid potential conflicts of interest and maintain independence from management and controlling shareholders, transactions between the Company and its directors are restricted in accordance with Article 398 of the Commercial Act. In addition, under Article 10, Clause 2 of the Board's Rules of Operation, directors with specific interests in an agenda item are restricted from exercising their voting rights on that item.

Board Composition Policy

Independence	Diversity	Expertise
• Exclude from the appointment of independent directors those who have engaged in the Company's commercial matters within the past two years, family members of the Company's largest shareholder or executives, and employees of corporations with significant interests in Samsung SDI.	• Proactively consider diversity factors when nominating director candidates, including gender, race, religion, ethnicity, nationality, cultural background, and area of expertise.	• Nominate candidates with extensive knowledge and experience in areas such as management and economy, law, electronic engineering, risk management, and ESG strategy.

Status of Eligibility Requirements for Independent Directors

Eligibility Requirements for Independent Directors	Oh Kyong Kwon	Duk Hyun Kim	Won Wook Choi	Mee Kyung Lee
Must not have engaged in the Company's commercial matters currently or within the past two years.	●	●	●	●
Must not serve as a director, auditor, executive officer, or employee of the Company's largest shareholder, any shareholder holding 10% or more of shares, or the Company's parent or subsidiary(either as an individual or representing a legal entity).	●	●	●	●
Must not be the spouse or a family member(lineal ascendant or descendant) of the Company's largest shareholder or any director, auditor, or executive officer of the Company.	●	●	●	●
Must not serve as a director, auditor, executive officer, or employee of a corporation that has significant business transactions or other major interests with the Company.	●	●	●	●

Appointment of a Lead Independent Director

Samsung SDI introduced the Lead Independent Director System in 2023, to prevent excessive concentration of authority when the Chair of the Board is an executive director, to ensure the Board fulfills its supervisory role, and to address growing external expectations for the substantial independence of independent directors and ESG management.

Improving the diversity of the Board

Samsung SDI is committed to ensuring balanced and well-informed decision-making by appointing independent directors who meet the qualifications stipulated in applicable laws and the Articles of Incorporation, and who possess extensive knowledge and experience in fields such as management & economy, law, electronic engineering, risk management, and ESG strategy. We also strive to enhance Board diversity. In selecting director candidates, we consider various diversity factors such as gender, race, religion, ethnicity, nationality, and cultural background to avoid overrepresentation from any particular group or field. Candidates who can objectively reflect the perspectives of diverse stakeholders are given priority. Our Board diversity policy is specified in both the Sustainability Report and Corporate Governance Report.

Board Skills Matrix

Category	Joo Sun Choi	Jong Sung Kim	Zin Park	Oh Kyong Kwon	Duk Hyun Kim	Won Wook Choi	Mee Kyung Lee
Leadership	●	●	●	●	●	●	●
Risk Management	●	●	●	●	●	●	●
ESG	●	●	●	●	●	●	●
Finance		●				●	
Engineering	●		●	●			
Law					●		

Responsible Governance

Process for Appointing Directors

Criteria and Procedure for Appointing Independent Directors

At Samsung SDI, independence and expertise are the key criteria for appointing independent directors. The Independent Director Candidates Recommendation Committee identifies candidates who are independent from the Company and possess relevant professional capabilities in accordance with the Commercial Act and other applicable regulations. In the selection process, candidates are comprehensively evaluated based on their qualifications, experience, expertise, and independence to ensure they can contribute meaningfully to the Board. Recommended candidates are formally appointed upon approval at the General Shareholder Meeting. Through this structured appointment process, Samsung SDI works to enhance the transparency and objectivity of the Board.

Process for Appointing Directors

Enhancing the Capabilities of Independent Directors

Improving the Expertise of the Board

Samsung SDI supports independent directors in effectively fulfilling their management and oversight responsibilities by providing agenda materials for Board and committee meetings in advance, allowing ample time for review. We also share quarterly updates on our business performance and outlook on a regular basis and respond proactively to information requests related to business decision-making. In addition, we operate various training programs to deepen their understanding of our business and strengthen their expertise in Board activities. In 2024, to enhance Board expertise, our independent directors visited CES 2024 to gain insights into mobility trends. Domestically, we provided them with an introduction to our business operations and a tour of our production lines.

Training Provided to Independent Directors

Date	11 Jan 2024	13 Sep 2024	13 Dec 2024
Training Topic	• Visit to CES 2024	• Introduction to the Gumi factory and Electronic Materials Business • Tour of the SOH process line • Tour of the ASB material pilot line	• Introduction to and tour of the SDI R&D Center • Introduction to the ASB development status
Participants	Oh Kyong Kwon Duk Hyun Kim Won Wook Choi Mee Kyung Lee	Oh Kyong Kwon Duk Hyun Kim Won Wook Choi Mee Kyung Lee	Oh Kyong Kwon Duk Hyun Kim Won Wook Choi

Responsible Governance

Board Evaluation and Remuneration

Board Remuneration

The limit on director remuneration at Samsung SDI is finalized through a resolution at the general shareholder meeting following a deliberation by the Compensation Committee on its appropriateness, in accordance with Article 388 of the Commercial Act. Remuneration for each director is set within the approved limit, taking into account the assigned duties and performance outcomes. Remuneration for executive directors consists of a position-specific base salary and a performance-based bonus. The bonus is determined based on a comprehensive evaluation of financial indicators such as revenue, net income, and stock price, along with non-financial indicators related to environmental and social performance, including safety, labor relations, insolvency, corruption, security, and compliance. Remuneration for independent directors includes base pay, benefits, and various expenses required to perform their duties. To safeguard their decision-making independence, their compensation is not linked to performance evaluation results. However, appropriate compensation is provided by considering peer company compensation levels as well as the responsibilities, risks, and time required for the role.

Remuneration Provided to the Board of Directors in 2024

Category	No. of People	Total	Average per Person
Registered directors (excluding independent directors and Audit Committee members)	3	KRW 3,743 million	KRW 1,285 million
Independent directors (excluding Audit Committee members)	1	KRW 104 million	KRW 104 million
Members of the Audit Committee	3	KRW 316 million	KRW 105 million

※ The above headcount and total remuneration include not only incumbent directors and auditors as of the disclosure reference date, but also directors and auditors who resigned during the period between the start of the fiscal year and the disclosure document preparation reference date, in accordance with the corporate disclosure form preparation standards.

※ Total remuneration is based on the amount paid in 2024, and average pay per person was calculated by summing the monthly average pay(total pay for the given month ÷ average number of employees who worked during that month) for each month from January to December 2024, in line with the corporate disclosure form preparation standards.

Independent Director Appraisal

Samsung SDI conducts regular annual performance appraisals for its independent directors. These appraisals are carried out fairly in accordance with internal criteria that include both quantitative and qualitative indicators. The results serve as an important reference in the decision-making process for reappointment. Through this process, we continue to strengthen the expertise and accountability of the Board and enhance the transparency and soundness of our corporate governance.

Independent Director Appraisal System

Quantitative Indicator

BOD meeting attendance, number of deliberations made on agenda items, activities at the associated subcommittees, etc.

Qualitative Indicator

Expertise and understanding of Samsung SDI's business, etc.

Responsible Governance

Board Subcommittees

Operation of Board Subcommittees

To ensure the Board of Directors efficiently and professionally fulfills its roles and responsibilities, Samsung SDI operates six subcommittees under the Board: the Management Committee, the Audit Committee, the Internal transaction deliberation committee, the Independent Director Candidates Recommendation Committee, the Compensation Committee, and the Sustainability Management Committee. Since 2023, five of these subcommittees, excluding the Management Committee, have been composed entirely of independent directors to ensure objective and transparent decision-making.

Board Subcommittees(As of March 2025)

Management Committee	3 Executive Director	• Perform duties in accordance with the Articles of Incorporation and resolutions and regulations of the Board • Deliberate and decide on matters delegated by the Board
Audit Committee	3 Independent Directors	• Conduct audits on accounting and business operations
Internal transaction deliberation committee	3 Independent Directors	• Ensure transparency in related party transactions and compliance with fair trade regulations
Compensation Committee	3 Independent Directors	• Deliberate on the remuneration limits for registered directors • Deliberate on other matters delegated by the Board
Independent Director Candidates Recommendation Committee	3 Independent Directors	• Recommend independent director candidates
Sustainability Management Committee	4 Independent Directors	• Deliberate and decide on strategies, policies, and key activities related to sustainability management • Pre-deliberate on shareholder return policies

Management Committee

Samsung SDI's Management Committee serves as a key decision-making body that deliberates and decides on major business strategies and financial matters pursuant to the resolutions of the Board of Directors. The committee is chaired by the CEO and composed of two or more directors. Its main responsibilities include establishing annual business policies and strategies, modifying business plans, promoting partnerships with overseas companies, and adjusting the compensation system for employees. The committee also reviews financial matters such as new facility investments, changes in capital, and overseas equity investments, as well as decisions on the disposal of company assets. The Management Committee maintains transparency and fairness in its decision-making and reports the outcomes to the Board to strengthen the foundation for sustainable management. In 2024, the committee held six meetings, with an average director attendance rate of 94%.

Category	No. of Meetings	Attendance Rate	Key Resolutions
Management Committee	6	94%	• Revision of long-term performance incentive payment regulations • Establishment of Southeast Asia sales corporation • Payment guarantee for StarPlus Energy • Supplementary investment in Cheonan factory production line • Investment in external office infrastructure • Investment in Ulsan factory production line • Participation in paid-in capital increase of SDI-GM Synergy Cells Holdings

Audit Committee

Samsung SDI's Audit Committee was established in accordance with the Commercial Act and the Board of Directors regulations. The committee is responsible for auditing accounting and key business operations, and assessing the operation of the internal accounting control system. It consists of three independent directors, including one member appointed as an accounting or financial expert as stipulated by relevant laws and regulations. Operating from an independent position, the committee develops internal audit plans and conducts accounting audits. The Chair of the Audit Committee is elected by resolution of the committee and assumes the role of committee head. The committee holds the authority to approve matters such as accounting and operational audits and the appointment of external auditors. It also examines the legality of executive management's business activities, assesses the company's financial standing, investigates business operations and assets, and may request business reports from directors. The Audit Committee meets at least once per quarter and additionally as needed. In 2024, a total of five meetings were held, with a 100% attendance rate.

Category	No. of Meetings	Attendance Rate	Key Resolutions
Audit Committee	5	100%	• Review of compliance with criteria for appointing external auditors

Responsible Governance

Internal transaction deliberation committee

Samsung SDI operates the Internal transaction deliberation committee under the Board of Directors to enhance transparency and fairness in related party transactions. The committee is composed entirely of independent directors and currently consists of three members. Its primary role is to ensure transparency and compliance with fair trade regulations in related party transactions. The committee is authorized to receive reports on transaction status with affiliates, to mandate investigations into related party transactions, and to recommend corrective actions. The committee convenes as needed to deliberate and decide on critical matters such as the approval of large-scale related party transactions. In 2024, the committee held eight meetings with a 100% attendance rate.

Category	No. of Meetings	Attendance Rate	Key Resolutions
Internal transaction deliberation committee	8	100%	• Deliberation on joint investment in fire protection construction with Samsung Display Co., Ltd. • Deliberation on donation to Chungnam Samsung Academy • Deliberation on payment guarantee for the Hungary corporation • Deliberation on the execution of a consignment development agreement with Samsung Display Co., Ltd. • Deliberation on the joint operation of Samsung SW Academy for Youth • Deliberation on subscription to recall insurance • Deliberation on the operation of defined benefit(DB) retirement pension plan

Compensation Committee

Samsung SDI operates the Compensation Committee under the Board of Directors to ensure objectivity and transparency in determining director remuneration. The Committee is composed entirely of independent directors and consists of three members. The Committee deliberates on the appropriateness of remuneration limits and compensation structure for registered directors, including the remuneration limit proposed for approval at the general shareholder meeting. It also passes resolutions on matters concerning the remuneration limit, compensation structure for registered directors, and other director compensation-related matters delegated by the Board. The Committee convenes as needed and holds at least one regular meeting annually. In 2024, the Compensation Committee held one meeting with 100% attendance.

Category	No. of Meetings	Attendance Rate	Key Resolutions
Compensation Committee	1	100%	• Appointment of the Committee Chair • Deliberation on fixed salaries for executive directors • Deliberation on the remuneration limit for directors

Independent Director Candidates Recommendation Committee

Samsung SDI operates the Independent Director Candidates Recommendation Committee under the Board of Directors to ensure fairness and independence in the appointment of independent directors. The Committee is formed in accordance with applicable laws and the Articles of Incorporation, and consists of three independent directors to reinforce its independence. In recommending candidates, the Committee considers whether they serve the best interest of the Company and its shareholders and meet the qualification criteria stipulated in relevant laws and internal regulations. The Committee also strives to ensure fairness and transparency in the nomination process and recommends professionals with expertise in various fields including management, economy, law, and technology.

Sustainability Management Committee

Samsung SDI operates the Sustainability Management Committee under the Board of Directors as the highest decision-making body for systematic ESG management. The Committee consists of four independent directors to enhance independence and expertise, and oversees the Company's overall ESG-related activities. The Committee is held once every half-year in principle, but ad-hoc meetings may be convened as needed to deliberate and make decisions on pending issues. In 2024, the Sustainability Management Committee convened four times, with an average attendance rate of 100%. Detailed activities of the Committee are available on page 20 of this report.

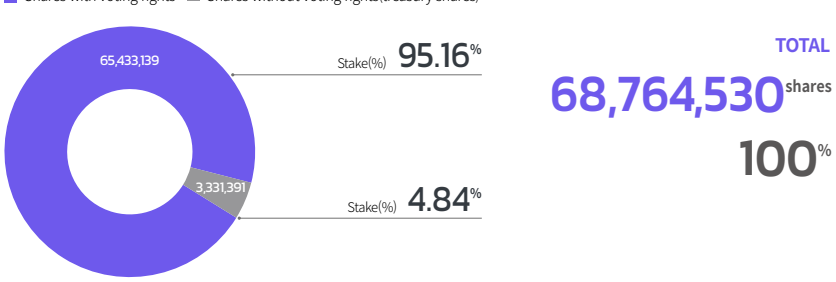
Responsible Governance

Shares and Shareholder Status

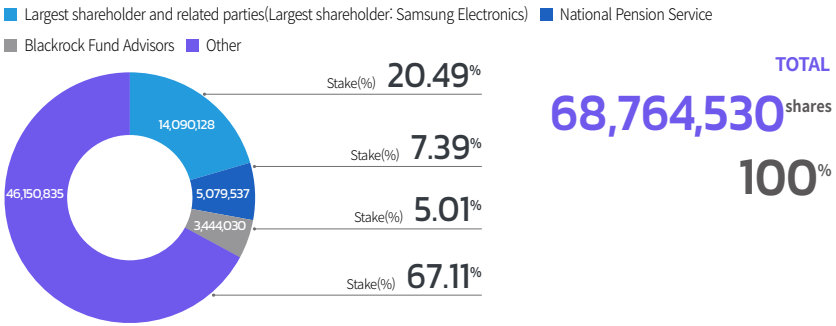
As of the end of 2024, Samsung SDI had issued 68,764,530 common shares and 1,617,896 preferred shares. Of these, the number of shares with voting rights stands at 65,433,139, excluding 3,331,391 common shares held as treasury stock and 1,617,896 preferred shares. All shareholders are granted equal voting rights according to the type and number of shares they own. As for common shares, the largest shareholder and its affiliates collectively hold a 20.49% stake, while the National Pension Service and BlackRock Fund Advisors each own more than 5%.

Meanwhile, at an extraordinary board meeting on March 14, 2025, the company resolved to increase paid-in capital by issuing 11,821,000 common shares through a rights offering to existing shareholders followed by a public subscription for forfeited shares. The securities were issued on May 31, 2025 and additionally listed on June 13, 2025, resulting in a total of 80,585,530 common shares and 1,617,896 preferred shares outstanding.

Total Number of Shares(Common shares, as of Dec 31, 2024)



Shareholder Status(Common shares, as of Dec 31, 2024)



Shareholder Return Policy

To improve the visibility of shareholder return, Samsung SDI implemented a policy between 2022 and 2024 to pay KRW 1,000 in basic dividends along with an additional dividend of 5–10% of free cash flow(FCF) each year. For 2024, however, only the basic dividend of KRW 1,000 per common share and KRW 1,050 per preferred share was paid due to negative free cash flow.

For the next three years(2025–2027), cash dividends will not be paid as continued R&D and facility investment is expected to result in sustained negative free cash flow. Instead, the company plans to concentrate its resources on reinforcing future growth engines. Based on future earnings improvement, Samsung SDI will work to enhance shareholder return through a new shareholder return policy for the next period(2028–2030), including a potential resumption of dividend payments.

Dividend Details

Category	Unit	2022	2023	2024
		KRW 1,000 + 5% of FCF		
Dividends per share(common shares)	KRW	1,030	1,000	1,000
Dividends per share(preferred shares)	KRW	1,080	1,050	1,050
Cash dividends	KRW 100 million	689.5	669.4	669.4
Dividend payout ratio	%	3.5	3.3	11.2
Dividend yield	%	0.2	0.2	0.4

Enhancing Shareholder Communication

IR Activities

Samsung SDI provides quarterly earnings call conferences based on tentative operating results via webcasts in both Korean and English to ensure accessibility for all stakeholders including shareholders and investors. In tandem with this, we actively engage in IR activities with domestic and global investors and disclose related materials on our website.

To support foreign shareholders, our corporate website is available in English and provides information on our financial position, credit ratings, earnings reports, annual audit reports, and sustainability reports. In addition, we maintain open communication channels through our official IR phone number and email address to address shareholder inquiries, and offer a pre-submission process for questions ahead of the general shareholder meeting and earnings calls. Furthermore, English materials related to the general shareholder meeting are uploaded to our website to enable shareholders to sufficiently review agenda items prior to making decisions.

Risk Management

Risk Management System

Risk Management Governance

Samsung SDI's Board of Directors comprehensively manages various risks that may arise in the business environment, including operational, financial, and environmental safety risks, and makes key decisions accordingly. We have established a systematic risk governance framework by creating an independent risk management organization structurally separated from business units. These dedicated teams monitor risks and manage potential conflicts of interest and risk audit matters through the Audit Committee.

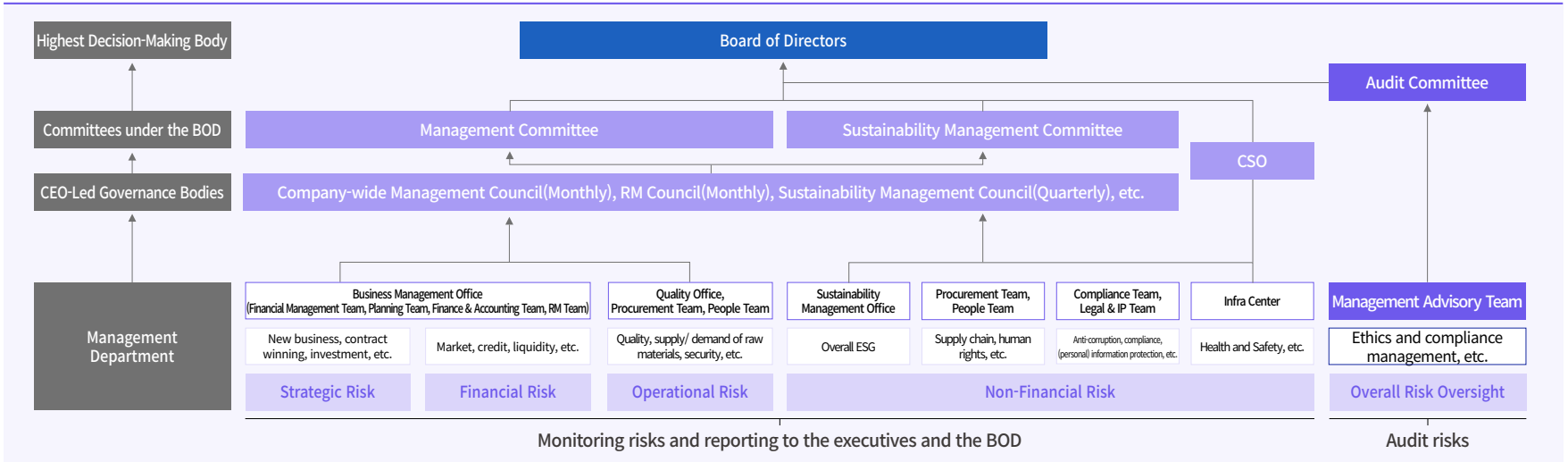
Risks related to material topics identified through the annual materiality assessment are regularly reviewed by the Sustainability Management Council, which establishes and implements corresponding response plans. As our core business model has shifted toward securing large-scale project orders and providing long-term product supply, we launched the dedicated Risk Management(RM) Team in 2022 to systematically manage project-related risks. We also operate an emergency contact system for immediate response in crisis situations, ensuring that risks can be promptly reported to the relevant committee and managed effectively.

We foster a company-wide risk management culture by building consensus among all employees on key risks and enabling them to identify and proactively respond to risks in their respective work environments.

Risk factors related to product safety and quality, workplace injuries, and compliance are incorporated into the performance evaluation criteria for executives and managers, with the results reflected in their compensation. To encourage proactive risk identification and reporting, we present the Quality Hero award to employees who promptly report quality risks that may arise in all areas of operation, including manufacturing, procurement, and sales.

To manage ESG risk across the supply chain, we conduct ESG due diligence on our partners, and we have established a system that allows employees to report potential hazards immediately to help ensure a safe work environment. For compliance risks, the Compliance Program Management System (CPMS) supports employees in independently accessing risk prevention information and submitting whistleblowing reports related to compliance issues in their work.

Company-Wide Risk Management Framework

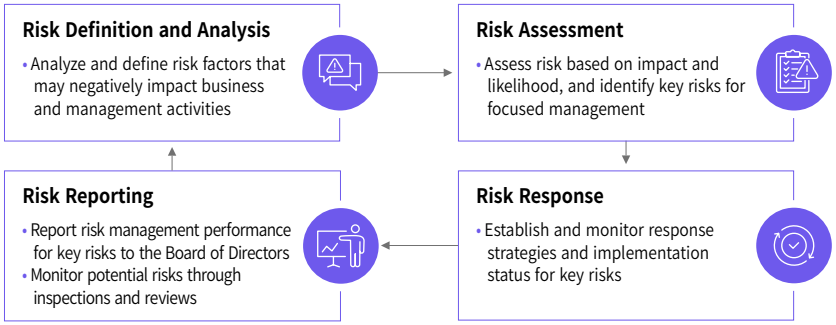


Risk Management

Risk Management Process

Samsung SDI operates a systematic risk management process to effectively respond to uncertainties in the business environment. We define a wide range of risks that may impact our business and management activities, and manage them from a company-wide perspective. For identified risks, we assess their impact on the company at least once a year and use the results to set risk priorities. For high-priority risks, we establish specific response strategies and implement them in a structured manner, while regularly monitoring progress to enhance the effectiveness of our risk management efforts.

Company-Wide Integrated Risk Management Process



Risk Prioritization and Assessment Matrix

Risk Type	Description	Likelihood[1]	Impact[2]
Technology	Uncertainty in the pace of battery technology development	Mid	High
Environmental/ Climate	Increased production costs due to stricter environmental regulations and net-zero policy	Mid	Mid
Supply Chain	Supply instability and price volatility of key raw materials (lithium, cobalt, nickel, etc.)	High	High
Human Rights	Reputational risk stemming from workplace harassment, discrimination, or other human rights issues	Low	Mid
Regulatory	Operational risks due to tightened battery safety regulations and changes in certification requirements	Mid	Mid
Political	Global business risk from U.S.-China trade conflict and rising protectionism	Mid	High

1) High: Once(or more frequently) in 1–5 years; ≥80% probability
Mid: Once in 5–10 years; 10%–80% probability
Low: Once in 10 years or more; <10% probability

2) High: Significant and meaningful impact
Mid: Noticeable but not severe or material
Low: Negligible or no meaningful impact

Response Strategies for Key Risks

Technology Risk

1 Risk Description	• Loss of market entry opportunities due to delays in next generation battery commercialization and competitors' technology leadership • Exposure to technology barriers due to failure in securing core technology patents • Decline in R&D investment efficiency for next-generation battery development
2 Impact Analysis	• Decline in global battery market share and loss of competitive edge leading to decreased sales • Loss of supply contract opportunities with major EV manufacturers • Weakened market leadership as a technology-driven company, leading to share price drop and difficulty in attracting investment
3 Response Strategy	• Strengthen R&D organizational structure- – Build a global R&D network • Continue R&D activities for next-generation batteries, including All Solid Battery • Secure future technology patents through collaboration with leading domestic and global universities and research institutes

Supply Chain Risk

1 Risk Description	• Cost structure deterioration due to soaring prices and supply instability of key raw materials(lithium, nickel, cobalt, graphite) • Increased exposure to geopolitical risks due to regionally concentrated raw material supply chains
2 Impact Analysis	• Decline in profitability and price competitiveness due to rising raw material costs • Lower accuracy in financial planning and forecasting due to increased raw material price volatility
3 Response Strategy	• Promote supply chain diversification through equity investments in nickel mines • Establish local sourcing strategies in the U.S., EU, and other regions to secure raw materials and critical minerals • Conduct risk-based screening - Conduct regular assessments of industrial and ESG risks by key raw material

Risk Management

CASE

ESG Risk Management at Manufacturing Sites

Samsung SDI conducted on-site audits of major manufacturing sites over a two-year period from 2023 to 2024, in accordance with the standards of the Responsible Business Alliance(RBA), and undertook improvement activities to address identified ESG risks. A total of 10 sites—five each year—were assessed for compliance with RBA requirements and the company's internal policies across labor, health and safety, environmental protection, ethics, and supply chain management. Risk factors identified during the audits were addressed through collaboration among headquarters, business divisions, and each individual site. As a result, no critical risks—such as human rights violations, significant environmental harm, or ethical breaches—were found. Samsung SDI plans to continue performing regular risk assessments and implementing improvements at its manufacturing sites going forward.

Category	Sites Audited
2023	Cheonan, Tianjin, Gumi, Cheongju, Hungary
2024	Ulsan, Xi'an, Malaysia, Vietnam, Wuxi

Risk Management Training and Campaigns

Samsung SDI provides systematic risk management training programs for its executives, board members, and employees. Each year, the company conducts practical case-based training focused on preemptive risk response for board members and employees across all levels. These sessions also include updates on the company's crisis management systems and activities, reinforcing a culture of proactive risk management within the organization.

Status of Risk Management Training

Category		Training Topic
Independent Directors	Technology	Battery market outlook and technology development trends
Employees	Compliance	Case studies and application of compliance in daily operations
	Supply Chain	Understanding laws related to subcontracting and win-win partnerships
	Technology	Understanding laws related to trade secrets and technology

Managing Emerging Risks

Samsung SDI systematically manages emerging risks to proactively respond to uncertainties in the business environment. We identify emerging risks that may have a significant impact on business operations across a wide range of areas, including technology, economy, environment, and society, and minimize the likelihood of occurrence through regular monitoring. In particular, considering the nature of the battery industry, we focus on managing key factors that could affect business continuity—such as raw material supply, technological shifts, and global regulatory changes. For each type of risk, we establish and implement tailored response strategies.

Emerging Risk 1. Intensifying Competition for Battery Raw Materials from End-of-Life Batteries

Risk Description	Impact Analysis	Mitigating Actions
• Intensifying competition to recover and secure critical battery raw materials such as lithium, cobalt, and nickel due to regulations like the EU Battery Regulation • Anticipated structural risks from rising procurement costs and supply chain instability	• Rising raw material procurement costs are expected to increase production costs, weakening product price competitiveness • Supply chain instability may disrupt raw material sourcing and hinder product manufacturing	• Strengthen end-of-life battery recovery systems in collaboration with recycling partners • Establish closed-loop recovery of production scraps and used batteries(End-of-Life, EOL) to secure raw materials at reasonable costs

Emerging Risk 2. Security Risk in AI-based Battery Management System(BMS)

Risk Description	Impact Analysis	Mitigating Actions
• AI-integrated BMS improves performance optimization and management efficiency but poses vulnerabilities to cyberattacks and data breaches • Security threats may lead to battery fires, system malfunctions, and serious incidents, negatively impacting brand trust and customer satisfaction	• Security incidents may result in increased costs for recalls and compensation, legal disputes, and fines, posing financial burdens • Loss of consumer trust may lead to decreased sales and market share • Risks related to consumer safety may damage corporate reputation	• Establish and operate a dedicated security management system for BMS, including assigned personnel for incident response • Acquired CSMS(Cyber Security Management System) certification for five global sites including Korea

Risk Management

Tax Risk

Tax Risk Management

Tax Management Policy

Samsung SDI honestly and faithfully fulfills its tax filing and payment obligations in all countries where it operates. We do not use tax structures that lack commercial substance, and strictly prohibit cross-border income transfers and tax avoidance transactions using tax havens. We sincerely comply with the tax regulations of each country and actively respond to the changing tax environment. All tax personnel perform their duties in accordance with Samsung SDI's lawful tax policy.

Tax Risk Assessment

Samsung SDI continuously strives to minimize tax risk across all business activities. We work to prevent tax issues in all areas—including general goods transactions, share acquisitions, new business launches, cross-border transactions, and changes in transaction structure. When necessary, we consult or collaborate with external experts to identify unforeseen risks and promptly address any identified issues.

Tax Risk Management

Samsung SDI values full disclosure and consistency in managing tax risk. We take a cautious approach by establishing a unified decision-making system, offering compliance training, and applying standardized operational guidelines. From general expense handling to international transactions, we strictly retain and manage legal documentation required by tax authorities in each country. In particular, we strictly adhere to arm's length pricing for all transactions with third parties and related parties.

Contributing to Community Development Through Tax Management

Samsung SDI faithfully pays taxes in accordance with the tax policies of each country where we operate, contributing to the development of local communities. Corporate income tax on earnings, value-added tax from transactions, and withholding tax driven by job creation all serve as channels through which we generate a positive impact on the communities we serve.

Ethics·Compliance

Compliance Management Policy

Ethical Management Principles

Samsung SDI operates guidelines to prevent and counter corruption as part of its commitment to ethical management. To foster a culture of integrity, we present clear standards for judgment and behavior related to misconduct. Our management principles are publicly disclosed on the whistleblowing and ethical management sections of our corporate website to reinforce our commitment to ethical conduct.

Ethical Management Guideline

We at Samsung SDI deliver top-notch products and services on the strength of our talent and technology and make a positive difference for all as a Global Top-tier Company.
We progress towards this goal by prioritizing Samsung Value – People, Excellence, Change, Integrity, Co-prosperity – that all Samsung people share and abide by. To abide by law and ethics and fulfill our given role and social responsibility, we stipulate the following 'Management Principles' guiding how Samsung people think and behave in all their business conduct, and vow to fully adhere to these principles.

- We comply with laws and ethical standards
- We maintain a clean organizational culture
- We respect customers, shareholders and employees
- We care for the environment, health and safety
- We are a socially responsible corporate citizen

Ethics & Compliance Management

Ethical Management System

Dedicated Ethics Organization

To ensure systematic implementation of ethical management, Samsung SDI operates the Management Advisory Team under the direct leadership of the CEO. Through ongoing monitoring of ethics and anti-corruption issues, we strive to build a transparent corporate culture. Ethics and anti-corruption assessments, as well as compliance audits conducted at domestic and overseas sites, are reported annually to the Audit Committee under the Board of Directors. At the 1st Audit Committee meeting held on January 23, 2025, results of four operational audits and four domestic and overseas compliance audits conducted in 2024, along with the 2024 audit work plan, were reported.

Dedicated Ethics Organization

Audit Committee Reporting Details for 2025

Reporting Date	Reported Content
January 23, 2025	2024 audit results and 2025 audit work plan

Anti-Corruption Management System

Samsung SDI has obtained ISO 37001 certification, the international standard for anti-bribery management systems, to implement global-level ethical management and systematically manage corruption risks. Through ISO 37001 certification, Samsung SDI has objectively validated the effectiveness and reliability of its anti-corruption management system, thereby enhancing internal controls and transparency in ethical business practices. In line with ISO 37001 requirements, we carry out corruption risk assessments, establish internal control processes, and conduct anti-corruption training and awareness programs for employees. We also ensure the effectiveness of the system through ongoing monitoring and improvement activities. Samsung SDI regularly reviews and enhances system compliance and effectiveness through ISO 37001 surveillance and recertification audits, reinforcing stakeholder trust and advancing the foundation for sustainable management.

Ethical Management Operations

Ethics Review and Monitoring

To prevent corruption risks in transactions with partners, Samsung SDI operates a year-round monitoring system focused on departments that directly interact with partners. When issues arise or reports are received, prompt investigations are conducted to verify facts and take appropriate action. In addition, we conduct compliance audits on all domestic and overseas operations every four years to assess the implementation of ethical management. In 2024, disciplinary actions were taken against six employees based on violations identified through these audits.

Anti-Corruption Training

Samsung SDI provides anti-corruption training to all employees to instill and internalize an ethical corporate culture. Training is available both online and offline, with sessions held in June for Korea and from July to August for overseas operations to ensure systematic implementation. In addition, in-person anti-corruption training is provided year-round for new hires, both experienced and non-experienced, with 52 sessions conducted in 2024. Since 2022, we have also operated a separate training program for employees assigned to overseas posts to strengthen their compliance awareness.

Ethics & Compliance Management

Whistleblowing Program

Samsung SDI operates a range of internal and external whistleblowing programs to ensure the fair and prompt resolution of all corruption-related issues, including embezzlement, bribery, and unfair transactions. We have established an independently-functioning 24/7 hotline accessible through various reporting channels, including the in-house ethical management system, external whistleblowing website, dedicated email, and phone.

We strictly uphold the principles of confidentiality and non-retaliation. The identity of whistleblowers and the contents of their reports are fully protected, and any form of retaliation is strictly prohibited. Violations are subject to disciplinary measures under internal regulations. To support these principles, encryption of whistleblowing data is reviewed twice a year. A dedicated whistleblowing team within the Audit Team manages the entire process—from notifying the whistleblower upon receipt to conducting a fair and impartial investigation to determine the facts.

A dedicated unit within the Management Advisory Team oversees a fair process for handling whistleblower reports—from initial receipt and fact-checking to final resolution. During ethics training sessions, we also provide guidance on the reporting process and protection measures to raise awareness and encourage proper use of the whistleblowing system.

Types of Reportable Misconduct

Receiving money, gifts, or entertainment; financial transactions	Favoritism toward business partners or personal investment in partner companies	Embezzlement, theft, or pursuit of personal gain using company resources
Dual employment, side jobs, or gambling	Leakage of company information or human resources	Other cases (e.g., misconduct, negligence, violation of internal accounting control regulations)

Compliance Management Policy

Compliance Control Regulations

In accordance with the Commercial Act, Samsung SDI operates a Compliance Control Regulations as the highest-level regulation that sets forth the fundamental procedures and requirements to be observed during business conduct. These regulations outline the operation of the compliance management system, the authority and responsibilities of the compliance officer, the compliance obligations of employees, and the execution of compliance activities. The compliance officer inspects whether the Compliance Control Regulations are being observed, evaluates the effectiveness of the compliance management system, and reports the results to the Board of Directors on an annual basis.

Compliance Control Regulations

Code of Conduct for Employees

Samsung SDI has established and implemented its Code of Conduct for Employees based on Samsung's core values and compliance principles. This Code sets forth the fundamental standards that all employees must observe, including "compliance with laws and ehtical standards," "maintaining reputable corporate culture," and "respecting customers, shareholders, and employees."

The Code of Conduct applies to all Samsung SDI employees, both domestic and overseas, as well as employees of subsidiaries in which Samsung SDI holds a majority stake. In addition, all business partners working with the Company are also required to comply with this Code.

Code of Conduct for Employees

Anti-Corruption and Anti-Bribery Policy

Samsung SDI clearly defines the obligation to comply with laws—including anti-corruption provisions—through its Compliance Control regulations and Code of Conduct for Employees. Accordingly, any corrupt practices such as improper solicitation or bribery are strictly prohibited in all business activities. This policy applies to all employees, and any violations are subject to disciplinary action in accordance with internal regulations.

Anti-Corruption Guidelines

To prevent legal risks, Samsung SDI operates detailed Compliance Guidelines for business areas closely related to our operations, including trade secrets, subcontracting, fair trade, anti-corruption, and personal data protection. Each guideline outlines key legal requirements and points of caution during daily operations. In particular, the Anti-Corruption Guidelines define behavioral standards for prohibiting bribery, offering gifts, entertainment, travel expenses, and ceremonial money, as well as precautions related to agents and joint ventures. The Improper Solicitation and Graft Act Guidelines provide an overview of key provisions under Korean anti-solicitation law, along with operational precautions and case examples to ensure proper conduct.

Ethics & Compliance Management

Compliance Management System

Dedicated Compliance Organization

Samsung SDI operates the Compliance Team under the direct supervision of the CEO to oversee and support compliance management. The Compliance Officer, appointed by the Board of Directors, leads the Compliance Team and attends Board and subcommittee meetings to support key decision-making related to compliance. In addition, Compliance Chief Managers at the department head level and Team Compliance Managers at the working level are appointed to form department-level compliance implementation units that foster and disseminate a field-driven compliance culture. Compliance Chief Managers take ownership of compliance in their respective departments and encourage members to engage in compliance activities, including adherence to compliance systems and guidelines, participation in compliance training, and conducting compliance checks. TCMs support Compliance Chief Managers and perform compliance activities at the frontline, including theme-based self-checks at the team level.

Compliance System Operation

Samsung SDI operates the Compliance Program Management System(CPMS) to promote voluntary participation in compliance management and raise employees' awareness of compliance. Through CPMS, employees can conduct self-checks, submit consultation requests, and file anonymous reports. They can also access news articles on compliance-related issues and view area-specific compliance guidelines. In addition, we operate a technical data request system to protect the technical data of our partners. This system is designed to prevent violations of laws stipulated under the Subcontracting Act and the Act of Mutually Beneficial Cooperation.

Samsung Compliance Committee

Purpose and Composition

The Samsung Compliance Committee(hereinafter the "Committee") was established in 2020 to strengthen compliance oversight and control at Samsung's seven major affiliates[1)] and to realize Samsung's core value of integrity management. Operating as an independent body outside of Samsung SDI, the Committee is guaranteed full independence and autonomy. It is tasked with reviewing and managing the risk of legal violations across Samsung SDI and other key affiliates. The Committee is composed of six outside members, including the chairperson, and one internal member. Outside members are appointed for their expertise and experience in the field of compliance. In 2024, the 3rd Committee(chaired by Lee Chan-hee) was launched and is dedicated to fostering a field-oriented compliance culture and further reinforcing compliance management across Samsung.

1) Samsung SDI, Samsung Electronics, Samsung Electro-Mechanics, Samsung SDS, Samsung C&T, Samsung Life Insurance, Samsung Fire & Marine Insurance

Key Activities

The Committee holds regular monthly meetings with compliance officers from Samsung affiliates and convenes ad-hoc meetings as needed. It reviews matters related to affiliates' external sponsorships and inter-affiliate transactions and receives reports of regulatory compliance violations through separate whistleblowing channels, including mail, email, and external agencies. The Committee operates its own website to publish annual reports, meeting details, and public statements, as well as to receive related reports. In addition, it engages in a wide range of activities, including compliance roundtables with affiliate CEOs, compliance training for senior executives, compliance expert forums, and compliance workshops. At the affiliate CEO roundtable held in 2024, the Committee discussed key topics such as human rights, fairness, and ESG management. The event also served as a platform to share progress and outcomes of compliance activities since the Committee's inception, and to exchange views on future plans for advancing compliance management.

Ethics & Compliance Management

Compliance Management Operations

Compliance System

Samsung SDI operates a variety of compliance programs to prevent the risk of regulatory non-compliance. To prevent cartel risks within the industry, we operate a 24/7 competitor contact reporting system, requiring all employees to report their attendance at meetings, seminars, and exhibitions where contact with industry peers is likely, both before and after participation.

To ensure integrated management of key compliance risks, we operate internal deliberation committees by risk area. The external sponsorship deliberation committee conducts preliminary reviews of anti-corruption risks, and quarterly deliberation results are reported to the Audit Committee. Sponsorships exceeding a certain threshold require prior approval from the Samsung Compliance Committee and the Board of Directors. In addition, internal transaction deliberation committee in place to enhance our internal transaction risk management process and improve transparency in transactions among affiliated companies.

To encourage employees to take the lead in compliance efforts and to embed compliance into our corporate culture, we also operate various assessment and award programs. A compliance index is included in executive performance evaluations, with detailed criteria such as completion of compliance training and tests, dissemination of compliance messages, self-checks, and department-level theme-based reviews. Compliance metrics—such as employees' fulfillment of compliance obligations, adherence to compliance systems, and completion of compliance training—have also been incorporated into the organizational performance assessment of each business division and linked to incentive schemes. The SDI Global Annual Awards are granted by the CEO to individuals or teams that contribute to fostering and embedding a culture of compliance.

Compliance Risk Assessment

Samsung SDI systematically identifies compliance risks by categorizing major acts of regulatory non-compliance relevant to the Company each year, in consideration of regulatory enactments and amendments, status of sanctions, and regulatory authority monitoring results. In 2024, eight key areas were designated for intensive management: trade secrets, subcontracting, fair trade, workplace safety and environment, HR & labor relations, anti-corruption, data privacy, and win-win partnership. These eight risk areas are managed through a common framework that includes risk sensing focusing on eight risk areas, promotional activities, regular training, and compliance checks. For trade secrets, designated as a critical compliance risk, we use the ComPliance Guide Service(CPGS) system to filter keywords in outgoing emails and require prior approval for external presentation materials, ensuring the protection of our confidential information. In the areas of subcontracting, fair trade(internal transactions and cartel), and win-win partnership, we operate additional systems such as the competitor contact reporting system, prior CP agreement procedures, the internal transaction deliberation committee, and the technical data request system to manage associated risks.

Compliance Review and Monitoring

Samsung SDI conducts annual compliance reviews and monitoring with a focus on high-risk departments to verify compliance with applicable laws and contractual obligations, thereby preventing and managing potential risks in a systematic manner. The results of these reviews are reflected in the development of training programs to ensure effective and targeted compliance education.

In addition, we carry out special reviews on key risk areas based on in-depth analysis of internal and external risk factors and environmental changes, enabling preemptive risk management. In 2024, we conducted intensive reviews in the areas of trade secrets, subcontracting, and fair trade, followed by relevant training and the implementation of improvement measures. For areas requiring year-round risk management, compliance reviews are integrated as mandatory checkpoints in the decision-making process to prevent regulatory non-compliance from the outset.

Moreover, Compliance Chief Managers and Team Compliance Managers(TCMs) lead voluntary, theme-based reviews at each compliance implementation unit. These reviews support the establishment of a self-driven compliance culture, enabling departments to identify and correct risks at the operational level on their own.

Ethics & Compliance Management

Compliance Whistleblowing Channels

Samsung SDI operates a compliance whistleblowing mechanism to promptly recognize and prevent unlawful acts and risk factors. Whistleblowers can report all types of violations of law, including violations of antitrust laws, trade secret infringement, false and misleading advertising, anti-corruption laws, and labor law violations. Reports can be submitted easily through various channels, such as the Compliance Management System(CPMS), company website, email, phone, and fax.

Samsung SDI guarantees strict confidentiality of the reporter's identity and the reported content. Retaliation or any form of disadvantage against whistleblowers is strictly prohibited, and violations are subject to disciplinary action in accordance with internal regulations.

Types of Reportable Violations

Violations of fair trade act	Infringement of trade secrets	False and misleading advertising
Violations of anti-corruption laws	Violations of labor laws	Other legal violations (e.g., Consumer Protection Act, Personal Information Protection Act)

Compliance Management Training

Samsung SDI operates tailor-made compliance training programs that reflect the characteristics of each department and employee to ensure company-wide compliance and prevent legal risks in advance.

In 2024, company-wide online compliance training was conducted in the first and second halves of the year. The first half focused on real-life case-based training on key compliance risks such as trade secret protection and subcontracting practices. The second half featured a talk-format program on key compliance systems, including the competitor contact reporting system and the technical data request system, to raise awareness of compliance and maximize engagement. To support shared growth and enhance compliance capabilities among partners, business compliance training was also provided. Additionally, English and Chinese training materials were regularly distributed to overseas corporations to strengthen their in-house compliance training capacity.

Expanding Communication on Compliance

Samsung SDI carries out a variety of compliance communication activities to enhance compliance awareness among all employees. The CEO regularly communicates the company's commitment to compliance both internally and externally, while executives deliver compliance messages to their teams on a regular basis. The Compliance Team provides employees with updates on compliance-related media coverage and regulatory enactment and amendment trends. The SDI Compliance Letter is sent quarterly to independent directors to share key compliance matters. In 2024, Compliance Toon[1] was published and distributed seven times to employees.

1) Compliance Toon: An educational comic content designed to enhance employee understanding and engagement with key compliance guidelines

Compliance Toon

Compliance Management Operations at Overseas Corporations

To help overseas corporations establish compliance management practices, the Compliance Team at headquarters has set up dedicated compliance organizations and operates a range of tailored programs. To support self-directed compliance efforts, we provide training materials in English and Chinese that reflect the latest regulatory updates, along with annual compliance self-review checklists. All overseas corporations are also required to establish their own sponsorship deliberation committee and maintain a communication system with headquarters to strengthen anti-corruption risk management. We receive a Compliance Monthly Report from each overseas corporation to continuously monitor current issues and pending matters. In 2024, Detailed regional online exchange meetings were held to share global compliance issues and major updates from each overseas corporation. On-site compliance consulting was provided to three corporations in Japan, Vietnam, and Europe. In addition, card news and Compliance Toon were created and distributed to overseas corporations to actively support internal compliance awareness activities.

Information Security & Personal Data Protection

Information Security and Personal Data Protection Policy

Information Security Policy

Samsung SDI has established and operates its information security policy to protect core information assets and build a secure information management system. The policy consists of two parts: the Information Security Regulation, which outlines the basic principles employees must follow, and the Information Security Guidelines, which provide detailed implementation standards. The policy applies to all tangible and intangible information assets owned or generated by the company. It also applies not only to employees but also to partner company personnel and external visitors, reinforcing company-wide information security management. Each year, the policy is updated based on the latest developments in domestic and international security laws, IT technologies, and emerging threats. Revisions are shared with all employees via the internal online bulletin board to strengthen company-wide security awareness. Samsung SDI will continue to enhance the operation of its information security policy to protect its core technologies and information assets and to build a foundation for sustainable growth.

Personal Information Protection Policy

Samsung SDI operates a systematic Personal Information Protection Policy to safeguard the personal information of data subjects. Our publicly disclosed Privacy Policy incorporates convenience features and labeling(pictograms) to improve understanding among data subjects such as employees, customers, partners, and visitors. Through the Personal Information Internal Management Plan, we have implemented strengthened technical and managerial safeguards. In addition, the Visual Data Processing Device Operation and Management Policy ensures systematic management of our visual data processing devices and personal visual information. In particular, when Samsung SDI entrusts personal information processing to partners, we require them to sign a “Personal Information Processing Entrustment Agreement.” This agreement restricts the use of personal information strictly to the scope of delegated business purposes. It also mandates the implementation of all necessary security measures. In addition, we enforce stringent oversight by requiring partners to conduct regular personal information protection training and self-assessments.

Personal Information Protection Policy

Information Security and Personal Data Protection Governance

Information Security Governance

Samsung SDI appoints the Chief Information Security Officer(CISO) in accordance with the Act on Promotion of Information and Communications Network Utilization and Information Protection. For national core technologies and national cutting-edge strategic technologies, a designated manager is appointed to oversee protection in compliance with legal standards. A security working council, composed of information security managers from the headquarters and domestic and overseas sites, is operated on a monthly basis to share information and address various issues related to information security

Chief Information Security Officer(CISO)

Information Security Group

- Establish information security policies and regulations
- Design, implement, and operate security systems
- Manage hacking vulnerabilities and security inspections
- Detect and analyze security anomalies and threat intelligence

Security Working Council

- Share security management status across domestic and overseas sites
- Discuss information security policies and major security issues

Personal Information Protection Governance

To ensure systematic personal information protection, Samsung SDI has appointed the Head of the Legal Team as the Chief Privacy Officer(CPO). The Global Privacy Office is responsible for the overall management of personal information protection, including strategy development, policy implementation, process establishment and enhancement, legal response and support for privacy-related matters, as well as privacy training and audits. In addition, to strengthen efficient collaboration and communication among departments involved in personal information protection, Samsung SDI operates a quarterly Personal Information Protection Council composed of the Global Privacy Office and related departments including the Compliance Team, Information Security Group, and Information Strategy Group.

Chief Privacy Officer(CPO)

Global Privacy Office

- Monitor privacy-related legal trends and develop response strategies
- Establish and strengthen policies and guidelines
- Conduct personal information protection training and audits
- Provide training and oversight for entrusted partner companies

Personal Information Protection Council

- Share updates on legal and regulatory changes
- Joint response to privacy-related issues
- Identify and promote collaborative tasks related to personal information protection

Information Security & Personal Data Protection

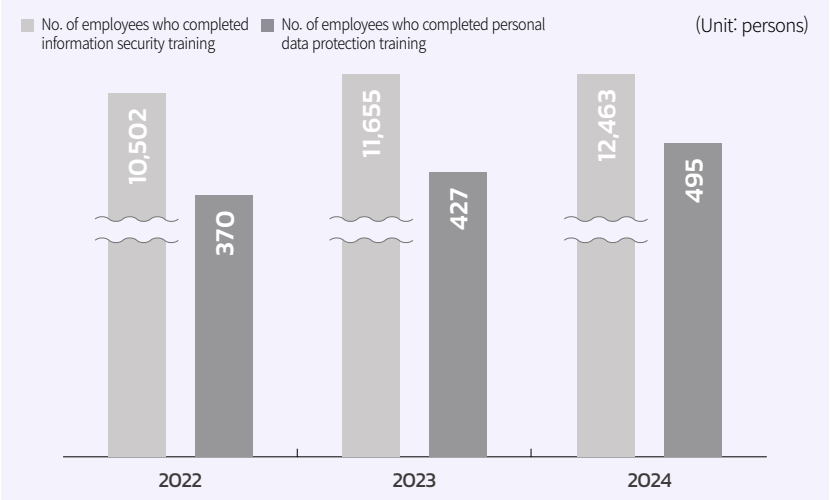
Information Security and Personal Data Protection Awareness Activities

Information Security and Personal Data Protection Trainings

Samsung SDI operates systematic training programs to raise employee awareness of information security and personal data protection. Annual information security training is provided to all employees, along with the signing of a confidentiality agreement. Special security training is also conducted for personnel handling battery technology classified as national core or strategic technologies to strengthen technical security awareness. Monthly simulation-based malicious code email tests are conducted, and internal broadcasts, campaigns, and security newsletters are used to inform employees about key security practices. When suspicious activity or signs of hacking—such as potential data breaches or malware—are detected, the company uses internal reporting channels and automated email alerts to respond quickly and prevent data leaks. Regular security training is also provided to employees of partner companies to help raise overall corporate security awareness.

In addition, Samsung SDI offers training at least once a year to employees who handle personal information. Training topics are selected based on internal and external issues, including revisions in laws, regulations and guidelines, to enhance understanding of personal data protection.

Status of Information Security and Personal Data Protection Training



Information Security Training Program

Target	Cycle	Topic	No. of Participants in 2024
Incumbent employees	Annual	Data leak case studies and others	12,463
Personnel handling national core/ strategic tech	Annual	Industrial Technology Protection Act and others	4,039
New hires(experienced/non-experienced)	Year-round	Employee security compliance and others	1,303
Expatriates	Semi-annual	Global information security strategy and others	41
Partner employees	Semi-annual	Latest security incidents and others	1,891

Personal Information Protection Training Program

Target	Cycle	Topic	No. of Participants in 2024
Personal information handler and personal information processing system administrators	Annual	Personal Information Protection Act and Safety Measures	462
Personal visual information handler	Annual	Relevant laws on fixed and mobile video surveillance equipment, and operation and management practices	33

Information Security & Personal Data Protection

Information Security and Personal Data Protection Risk Management

Information Security Management System

Samsung SDI operates a multilayered security framework to prevent various information security risks. We have installed digital CCTVs and established an access control system to safeguard facilities at our sites and to restrict third-party access and unauthorized export of assets. A wide range of IT systems are deployed to protect key information, including a system to detect external threats at an early stage, a system to block the unauthorized transmission of internal data, and an encryption system that allows access only on company PCs. To prevent hacking and service disruptions, we conduct annual simulation-based response drills to verify the effectiveness of our incident response procedures. We also operate a disaster recovery system to ensure uninterrupted system operation even during natural or man-made disasters, with annual mock drills to verify the system's functionality.

To reinforce both top-down security oversight and site-level security execution, security indicators are incorporated into executive performance goals. Team-level activities, results from mock tests, and training participation rates are compiled and reflected in year-end executive performance reviews. To effectively meet the security requirements of the EV industry and OEM customers and enhance external trust, we expanded our TISAX information security certification, previously held at the headquarters, to our global operations.

CASE


Certificate
Cyber Security Management

Acquisition of CSMS Certification for Automotive Cybersecurity

In accordance with the automotive cybersecurity regulations currently in effect in Europe, Samsung SDI obtained Level 2 certification for its Cyber Security Management System(CSMS) in August 2024. To further strengthen external trust in its cybersecurity practices, including among OEM customers, the company is targeting Level 3 certification by the first half of 2025.

Personal Information Protection Management System

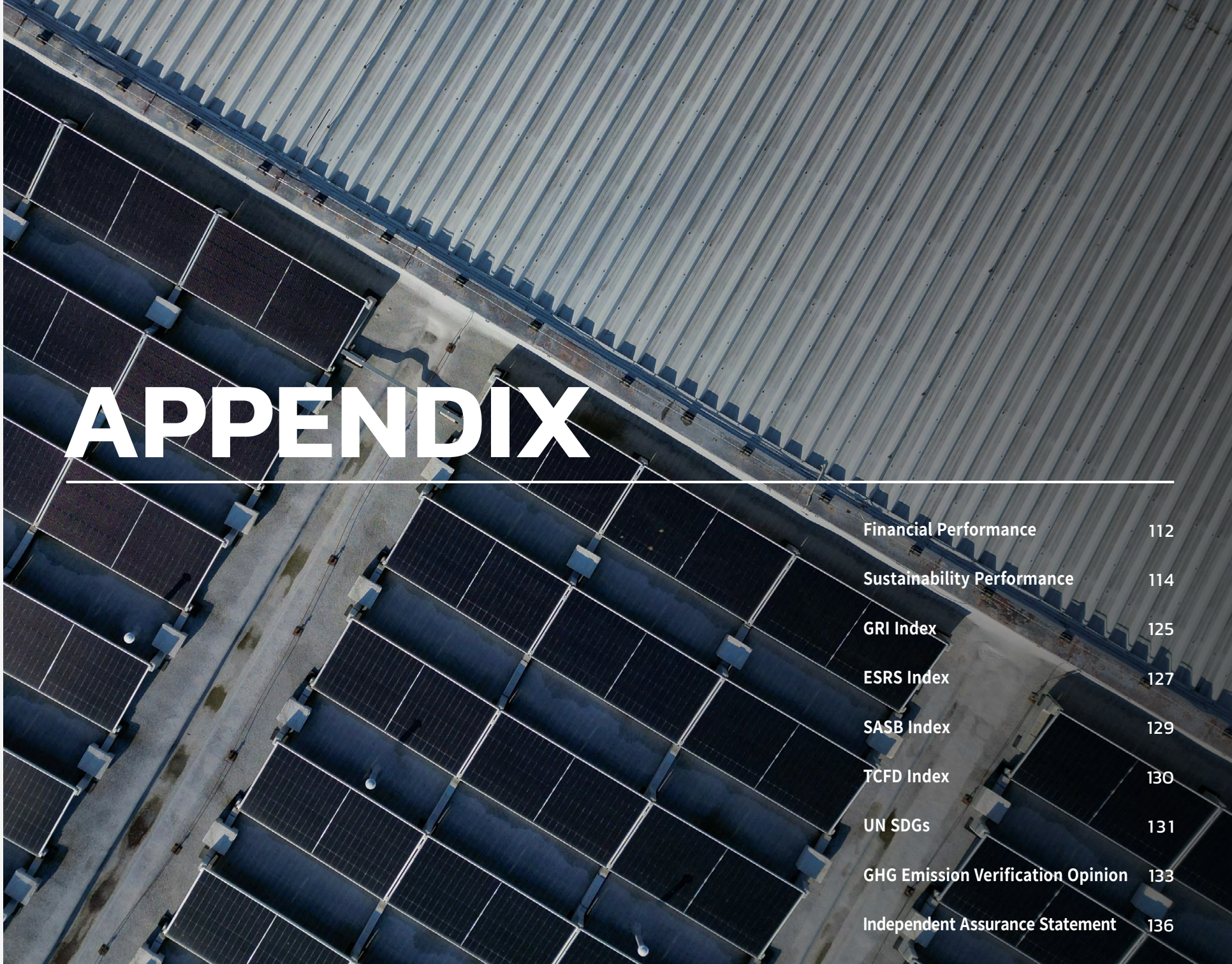
Samsung SDI's Global Privacy Office carries out a range of activities to ensure systematic personal information protection. First, we regularly review whether there are any changes in the personal information items collected from data subjects or the entities to which personal information is provided. We also renew consent to collect and use personal data each year based on any changes identified. In particular, for resident registration numbers and other personally identifiable information—which are considered the most sensitive data—the Company undergoes regular inspections by the Personal Information Protection Commission, a government authority, in accordance with relevant laws.

In 2024, self-assessments and improvement measures were implemented using a personal data protection checklist for domestic sites and major Overseas corporation. We also reviewed the full life-cycle management of employee personal information—from hiring to retirement—and ensured that only the minimum necessary personal data is processed to safeguard data subject rights. In the event of a data breach or leak caused by a violation of the Company's personal data protection policies, disciplinary actions may be taken in accordance with internal regulations, depending on the severity of the incident. Such violations may also be subject to criminal penalties under the Personal Information Protection Act and other applicable laws.

Establishment of Risk Response Framework

Samsung SDI has established a comprehensive risk response framework to proactively address information security risks and ensure business continuity. We identify potential threats and disruption scenarios in advance to maintain the availability, integrity, and confidentiality of our critical information systems and data assets. For each scenario, a tailored response process is prepared to ensure preparedness. At least once a year, we conduct scenario-based simulation drills to ensure that operations can be swiftly restored and normalized even in actual crisis situations. In addition, an internal reporting system is in place to enable employees to promptly report information security incidents, system vulnerabilities, or suspicious activities.

Detection and Reporting	Response and Action	Follow-up Management
• Report of suspected case occurrence • Verification of facts • Formation of reporting and response team • Establishment of response plan	• Notification and reporting to relevant authorities • Elimination of vulnerabilities and technical measures • Development of recovery plan	• External response(e.g., customers) • Development and implementation of recurrence prevention measures and follow-up actions



APPENDIX

Financial Performance

Consolidated Statement of Financial Position

55th as of Dec.31,2024
54th as of Dec.31,2023
53rd as of Dec.31,2022

Category	Unit	End of 55th	End of 54th	End of 53rd
Assets				
Current assets	KRW	10,334,312,926,481	9,187,029,193,265	9,651,702,375,329
Cash and cash equivalents	KRW	1,885,068,694,001	1,524,461,361,452	2,614,271,849,898
Trade and other current receivables, net	KRW	4,042,229,664,106	3,402,869,054,756	2,933,814,798,893
Inventories, net	KRW	2,879,441,809,212	3,297,368,930,324	3,204,515,834,716
Other investments	KRW	159,615,476,074	602,098,500,787	534,662,104,634
Other current assets	KRW	325,079,862,652	353,200,051,577	335,800,401,510
Current derivative assets	KRW	0	7,031,294,369	28,637,385,678
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	KRW	1,042,877,420,436	0	0
Non-current assets	KRW	30,263,031,609,876	24,851,830,999,702	20,605,822,795,798
Trade and other non-current receivables	KRW	19,839,665,624	33,739,219,162	6,879,322,583
Investments in associates and joint venture	KRW	10,186,550,232,177	9,996,233,432,914	8,940,282,254,638
Property, plant and equipment, net	KRW	17,706,530,246,443	11,893,348,076,900	8,965,469,798,907
Intangible assets, net	KRW	667,985,188,325	858,929,747,025	814,931,162,728
Investment property	KRW	128,236,338,852	147,320,485,846	147,558,866,183
Deferred tax assets	KRW	292,460,756,753	211,071,363,902	168,913,513,518
Other non-current investments, including derivatives	KRW	981,102,541,708	1,364,181,992,958	1,245,883,336,770
Other non-current assets	KRW	152,458,477,217	93,180,478,798	137,715,011,245
Non-current derivative assets	KRW	0	0	6,070,437,854
Employee benefit assets	KRW	127,868,162,777	253,826,202,197	172,119,091,372
Total assets	KRW	40,597,344,536,357	34,038,860,192,967	30,257,525,171,127
Liabilities				
Current liabilities	KRW	10,855,694,147,360	8,518,933,137,070	8,006,938,827,488
Trade and other current payables	KRW	3,402,471,287,258	4,538,845,024,180	4,285,754,045,541
Income tax payable	KRW	30,967,352,406	101,894,652,720	229,613,880,891
Current advances received	KRW	576,856,502,758	607,331,856,215	230,132,847,224
Short-term income received in advance	KRW	32,593,554,465	18,823,553,350	78,688,354,316
Current borrowings and current portion of non-current borrowings	KRW	6,514,149,732,576	2,868,274,951,532	2,851,183,213,651
Current derivative liabilities	KRW	0	0	57,510,091
Provisions	KRW	105,934,720,182	383,763,099,073	331,508,975,774
Liabilities included in disposal groups classified as held for sale	KRW	192,720,997,715	0	0
Non-current liabilities	KRW	8,174,413,276,470	5,612,677,078,375	5,033,084,187,511
Trade and other non-current payables	KRW	327,519,685,974	541,922,916,698	697,531,224,825
Non-current advances received, representing non-current contract liabilities for performance obligations satisfied at point in time	KRW	210,431,903,280	61,184,781,788	50,623,504,840
Non-current portion of non-current borrowings	KRW	5,063,743,785,691	2,849,524,920,000	2,297,040,000,000
Non-current net defined benefit liability	KRW	2,828,164,751	2,276,046,885	2,005,409,849
Non-current derivative liabilities	KRW	0	0	82,319,778
Long-term provisions	KRW	549,393,491,312	93,140,664,663	91,878,306,036
Deferred tax liabilities	KRW	2,020,496,245,462	2,064,627,748,341	1,893,923,422,183
Total liabilities	KRW	19,030,107,423,830	14,131,610,215,445	13,040,023,014,999
Equity				
Equity attributable to owners of parent	KRW	19,766,394,890,484	18,511,373,378,175	16,485,723,513,578
Share capital	KRW	356,712,130,000	356,712,130,000	356,712,130,000
Capital surplus	KRW	5,001,974,693,202	5,001,974,693,202	5,001,974,693,202
Elements of other stockholder's equity	KRW	345,131,583,767	345,131,583,767	345,131,583,767
Accumulated other comprehensive income	KRW	1,972,921,761,241	1,162,152,892,848	1,003,816,893,169
Retained earnings	KRW	12,779,917,889,808	12,335,665,245,892	10,468,351,380,974
Non-controlling interests	KRW	1,800,842,222,043	1,395,876,599,347	731,778,642,550
Total equity	KRW	21,567,237,112,527	19,907,249,977,522	17,217,502,156,128
Total liabilities and equity	KRW	40,597,344,536,357	34,038,860,192,967	30,257,525,171,127

Financial Performance

Consolidated Statements of Comprehensive Income

55th as of Dec.31,2024
54th as of Dec.31,2023
53rd as of Dec.31,2022

Category	Unit	End of 55th	End of 54th	End of 53rd
Revenue	KRW	16,592,248,884,388	21,436,788,407,451	18,744,463,843,767
Cost of sales	KRW	(13,498,684,888,608)	(17,654,581,105,996)	(14,871,581,452,520)
Gross profit	KRW	3,093,563,995,780	3,782,207,301,455	3,872,882,391,247
Other operating income	KRW	89,856,873,442	0	0
Selling general administrative expenses	KRW	(2,820,116,405,959)	(2,236,718,587,883)	(2,275,035,993,501)
Operating income(loss)	KRW	363,304,463,263	1,545,488,713,572	1,597,846,397,746
Other gains	KRW	46,717,133,867	65,023,686,846	61,892,523,922
Other non-operating expenses	KRW	(209,979,777,975)	(47,420,340,307)	(206,313,365,843)
Finance income	KRW	1,128,675,848,530	958,483,127,560	1,234,099,343,915
Finance costs	KRW	(1,602,581,639,814)	(1,157,005,332,204)	(1,293,253,235,678)
Share of profit(loss) of associates and joint ventures accounted for using equity method	KRW	801,185,893,693	1,017,238,435,301	1,039,696,669,877
Profit before income tax	KRW	527,321,921,564	2,381,808,290,768	2,433,968,333,939
Tax expense(income)	KRW	(6,860,315,248)	(403,148,715,526)	(551,652,326,063)
Profit(loss) from continuing operations	KRW	520,461,606,316	1,978,659,575,242	1,882,316,007,876
Profit(loss) from discontinued operations	KRW	55,050,809,663	87,386,986,959	157,045,440,110
Profit(loss)	KRW	575,512,415,979	2,066,046,562,201	2,039,361,447,986
Other comprehensive income for the year, net of tax	KRW	904,927,491,142	66,016,033,843	(139,877,439,687)
Items that will not be reclassified to profit or loss	KRW	(108,328,265,590)	(20,415,683,155)	(110,357,582,301)
Other comprehensive income, before tax, gains(losses) on remeasurements of defined benefit plans	KRW	(119,691,017,789)	(99,099,458,346)	87,645,868,605
Other comprehensive income, before tax, gains(losses) from investments in equity instruments	KRW	(304,920,277,029)	88,659,820,165	(166,678,916,451)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, before tax	KRW	277,424,976,310	(34,683,341,003)	(37,313,771,137)
Related tax	KRW	38,858,052,918	24,707,296,029	5,989,236,682
Items that are or may be reclassified to profit or loss	KRW	1,013,255,756,732	86,431,716,998	(29,519,857,386)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, before tax	KRW	125,568,760,283	17,995,584,942	27,698,561,855
Gains(losses) on hedges of net investments in foreign operations, before tax	KRW	932,365,506,573	90,240,991,087	17,859,070,952
Gains(losses) on cash flow hedges, before tax	KRW	(7,031,294,370)	(23,111,865,796)	(67,984,703,341)
Related tax	KRW	(37,647,215,754)	1,307,006,765	(7,092,786,852)
Total comprehensive income for the year	KRW	1,480,439,907,121	2,132,062,596,044	1,899,484,008,299
Profit(loss) from continuing operations attributable to	KRW	520,461,606,316	1,978,659,575,242	1,882,316,007,876
Income from continuing operations attributable to owners of parent	KRW	544,239,033,146	1,921,820,139,341	1,795,103,095,414
Profit(loss) from continuing operations attributable to non-controlling interests	KRW	(23,777,426,830)	56,839,435,901	87,212,912,462
Profit(loss), attributable to				
Owners of the Parent Company	KRW	599,289,842,809	2,009,207,126,300	1,952,148,535,524
Profit(loss), attributable to non-controlling interests	KRW	(23,777,426,830)	56,839,435,901	87,212,912,462
Total comprehensive income attributable to	KRW			
Comprehensive income, attributable to owners of parent	KRW	1,321,966,122,109	2,094,600,653,447	1,848,403,992,006
Comprehensive income, attributable to non-controlling interests	KRW	158,473,785,012	37,461,942,597	51,080,016,293
Earnings per share				
Basic earnings per share - Ordinary share(in won	KRW	8,961	30,044	29,191
Basic earnings(loss) per share from continuing operations	KRW	8,138	28,737	26,843
Basic earnings(loss) per share from discontinued operations	KRW	823	1,307	2,348
Basic earnings(loss) per share - preferred stock	KRW	9,011	30,094	29,241
Basic earnings(loss) per share - preferred stock from continuing operations	KRW	8,188	28,787	26,893
Basic earnings(loss) per share - preferred stock from discontinued operations	KRW	823	1,307	2,348

Sales by Business Division

Category	Unit	End of 55th	End of 54th	End of 53rd
Total	KRW 100 million	165,922	214,368	187,445
- Energy solution	KRW 100 million	156,912	204,061	175,663
- Electronic materials	KRW 100 million	9,010	10,307	11,782

Sustainability Performance

Economic Performance

Production Volume

Category		Unit	2022	2023	2024
Energy solution	Mobile & Power Battery	Million cells	2,172	2,062	1,461
	Automotive Battery	Million cells	127.2	164.3	115.2
	ESS Battery	Million cells	20.8	20.6	22.2

Corporate Taxes Paid(consolidated)

Category	Unit	2022	2023	2024
Pre-tax profit	KRW million	2,652,275	2,486,144	616,088
Corporate tax expenses	KRW million	612,914	420,097	40,575
Effective tax rate	%	23.11	16.90	6.59
Corportate taxes paid[1)]	KRW million	278,533	397,830	236,273
Cash tax rate	%	11	16	38

1) Corporate tax payment based on the cash flow statement

Tax Information by Resident Entities in 2024

(Unit: KRW billion)

Country	Business place	Primary Activities	Revenue	Profit before tax	Accrued income tax	Income tax
Korea	Samsung SDI Co.,Ltd	Manufacturing and sales of secondary batteries and electronic materials products	16,780	894	0	20
	STM Corp.	Manufacturing and sales of cathode active materials for secondary batteries	627	34	2	7
Japan	Samsung SDI Japan Co., Ltd.	Sales in Japan and purchasing support	9	1	0	0
USA	Samsung SDI America Inc.	Automotive battery production and sales,	1,345	62	0	(4)
	StarPlus Energy LLC.	Sales support for secondary batteries, etc	56	(34)	0	0
Hungary	Samsung SDI Hungary Zrt.	Automotive battery production and sales	6,571	(62)	0	20
Germany	Samsung SDI Europe GmbH	Automotive battery production and sales	69	10	2	3
	Novaled GmbH	Sales in Europe and purchasing support	88	51	3	15
Austria	Samsung SDI Battery Systems GmbH	Manufacturing and sales of electronic material products	185	26	1	4
Vietnam	Samsung SDI Vietnam Co.,Ltd.	Automotive battery production and sales	1,100	35	4	5
Malaysia	Samsung SDI Energy Malaysia Sdn. Bhd.	Secondary battery production and sales	942	15	0	2
India	Samsung SDI India Pvt.	Secondary battery production and sales	3	2	0	0
Hong kong	Samsung SDI(Hong Kong)Ltd.	Sales of secondary batteries, etc	2	39	12	4
China	Tianjin Samsung SDI Co., Ltd.	Secondary battery production and sales	486	13	6	4
	Samsung SDI China Co., Ltd.	Sales in China and purchasing support	29	5	1	2
	Samsung SDI-ARN(Xi'An)Power Battery Co., Ltd.	Automotive battery production and sales	414	(118)	0	(16)
	Samsung SDI(Tianjin) Battery Co., Ltd.	Secondary battery production and sales	1,229	39	2	8
	Samsung SDI Wuxi Co., Ltd.	Manufacturing and sales of electronic material products	1,089	46	0	11

Contribution details[1)]

Category	Unit	2024
Lobbying, interest representation or similar	KRW million	0
Local, regional or national political campaigns/ organizations/candidates	KRW million	0
Trade associations or tax-exempt groups(e.g., think tanks)[2)]	KRW million	1,882

1) Samsung SDI does not make political donations accordance with Article 31 of the Political Fund Act.
2) 3 largest contributions in 2024
- Korea Battery Industry Association(KRW 330 million)
- Korea Chamber of Commerce and Industry(KRW 225 million)
- Korea Display Research Association(KRW 45 million)

※ Samsung SDI actively participates in public policies related to climate change response and operates a review and management system for associated association activities. It monitors the activities of major associations and evaluates their alignment with global climate policies such as the Paris Agreement. If there is a discrepancy between Samsung SDI's policy position and that of an association, it conducts a thorough impact analysis and, with the approval of the Sustainability Management Committee, reconsiders whether to maintain membership. This review process is managed under executive responsibility, and policies are continuously overseen and supervised to ensure they align with climate change response objectives.

Green Sales[1)]

Category	Unit	2022	2023	2024
Green sales	KRW 100 million	175,663	204,061	156,912

1) Green sales were calculated as revenues from our battery business which falls into the 'green' economy category under the EU Taxonomy. In 2024, our battery business(energy solutions) accounted for 94.6% of total sales.

Sustainability Performance

ENVIRONMENTAL

GHG Emissions

Category		unit	2022	2023	2024
Total emissions(the sum of direct/indirect emissions)[1]		tCO_2e	1,661,250[2]	1,458,880	1,291,974[3]
- Direct/indirect emissions intensity		tCO_2e/KRW 100 million	8	6	8
- Direct/indirect emissions	Direct emissions	tCO_2e	242,116	272,196	282,108
	Indirect emissions	tCO_2e	1,419,134	1,186,684	1,009,866
- By location	Domestic	tCO_2e	583,021	595,569	563,557
	Subsidiaries	tCO_2e	1,078,229	863,311	728,417
- By sector	Mobile & Power Battery	tCO_2e	893,056	732,028	598,370
	Automotive & ESS Battery	tCO_2e	516,853	479,262	392,307
	Electronic Materials	tCO_2e	186,114	176,210	173,017
	R&D and others	tCO_2e	65,227	71,380	128,279
Other indirect emissions[4]		tCO_2e	1,203,935	2,208,938	2,051,175
- By category	Purchased goods and services[5]	tCO_2e	789,059	1,029,887	911,604
	Capital Goods[6]	tCO_2e	12,097	10,723	14,895
	Fuel-and energy related activities[7]	tCO_2e	103,527	225,015	220,980
	Upstream transportation and distribution[8]	tCO_2e	118,927	97,076	65,818
	Waste generated in operations[9]	tCO_2e	33,810	67,374	70,275
	Business travel[10]	tCO_2e	6,726	9,234	20,106
	Employee commuting[11]	tCO_2e	7,446	20,014	28,741
	Upstream leased assets[12]	tCO_2e	104	5,331	5,286
	Downstream transportation and distribution[13]	tCO_2e	35,234	14,378	7,265
	End-of-life treatment of sold products[14]	tCO_2e	95,269	161,156	137,494
	Downstream leased assets[15]	tCO_2e	24	42	46
	Investments[16]	tCO_2e	1,713	568,709	568,666

1) Total emissions were reported as market-based GHG emissions that reflect the transition to renewable energy. Our location-based 2024 GHG emissions amounted to 1,858,464 tCO_2e
2) Greenhouse gas emissions have been adjusted due to revisions of prior statements.
3) 2024 Target for Greenhouse Gas Emissions: 1,325,794 tCO_2e
4) Excluded Processing of sold products, Use of sold products, and Franchises from the 15 GHG Protocol categories
5) Scope 1 and 2 of first-tier suppliers of production raw materials
6) Scope 1 and 2 of first-tier suppliers of production equipment ※ only for partners whose final payments were made in 2024
7) Upstream flows of purchased fuels and energy
8) Top 90% of transportation and logistics service costs
9) Outsourced treatment of waste and wastewater
10) Domestic employees' business travel(domestic and overseas) and SDIHU air travel
11) Shuttle buses for commutes to domestic and overseas sites and employee car commuting(domestic and SDIHU)
12) Leased dormitories at overseas sites
13) Top 90% of transportation and logistics service by weight
14) Sold products of the Energy Solutions & Electronic Materials divisions
15) Leased real estate not covered by the domestic emissions trading scheme
16) Joint ventures and affiliates ※ excluding companies covered by fund investments or counted under other emission categories

Energy Consumption

Category		unit	2022	2023	2024
Total		TJ	32,810[1]	33,543	34,131
- Intensity		TJ/KRW 100 million	0.16	0.15	0.21
- By source	LNG	TJ	4,422	5,002	5,197[2]
	Electricity	TJ	26,977	27,263	27,682[3]
	Steam	TJ	1,298	1,205	1,208
	Others	TJ	113	73	43
- By location	Domestic	TJ	12,104	12,442	11,818
	Subsidiaries	TJ	20,706	21,101	22,313

1) Energy Consumption have been adjusted due to revisions of prior statements.
2) 2024 Target for Direct Energy Source Consumption(LNG): 5,819 TJ
3) 2024 Target for indirect Energy Source Consumption(Electricity): 28,631 TJ

Green Purchases[1]

Category	unit	2022	2023	2024
Usage rate of recycled metals	%	8	12	14

1) Green purchases are defined from the perspective of recycling directly associated with Samsung SDI's business, and refer to raw materials collected after their use and disposal and recycled. Data for 2022 have changed due to change in calculation formula.

Sustainability Performance

ENVIRONMENTAL

Waste Generation and Disposal

Category			unit	2022	2023	2024
Waste Generation	Total		ton	175,061	175,116	159,442
	- Intensity		ton/KRW 100 million	0.87	0.77	0.96
	- By region	Domestic	ton	69,262	66,448	64,896
		Overseas	ton	105,799	108,668	94,546
	- By type	General waste	ton	90,547	84,850	83,446
		Hazardous waste	ton	84,514	90,266	75,996
Waste Disposal	Waste disposal volume		ton	175,061	175,166	159,442
	- General waste	Incineration	ton	1,749	1,401	1,434
		└ Incineration for Energy Recovery	ton	35	73	67
		└ Incineration without Energy Recovery	ton	1,714	1,328	1,367
		Landfill	ton	2,386	895	51
		Recycling	ton	83,211	80,107	81,817
	- Hazardous waste	Incineration	ton	3,013	4,368	5,876
		└ Incineration for Energy Recovery	ton	-	-	-
		└ Incineration without Energy Recovery	ton	3,013	4,368	5,876
		Landfill	ton	1,602	63	27
		Recycling	ton	79,749	85,746	70,016

Waste Recycling Rate

Category	unit	2022	2023	2024
Total	%	93.0	94.7	95.2
- Domestic	%	95.1	96.1	96.1
- Overseas	%	93.0	93.9	94.7

Environmental Management Investments Made

Category	unit	2022	2023	2024
Plan	KRW million	17,973	29,214	20,309
Performance	KRW million	18,436	27,997	15,629

Environmental Management System

Category		unit	2022	2023	2024
Ratio of workplaces certified for ISO 14001	Domestic	%	100	100	100
	Overseas	%	100	100	100

Water Withdrawal

Category		unit	2022	2023	2024
Total		ton	9,551,318	9,319,084	8,621,244
- Intensity		kiloton/KRW 100 million	0.05	0.04	0.05
- By region	Domestic	ton	3,643,041	3,231,422	3,137,313
	Overseas	ton	5,908,277	6,087,662	5,483,931
- By source	Industrial water	ton	5,299,663	5,142,494	4,332,982
	Utility water	ton	2,008,895	2,019,863	2,490,992
	Surface water	ton	2,007,605	1,894,749	1,564,655
	Underground water	ton	235,155	261,978	232,615

Detailed Water Withdrawal Data in 2024

Category		unit	Industrial water	Utility water	Surface water	Underground water	Sum
Total		m^3	4,332,982	2,490,992	1,564,655	232,615	8,621,244
- Domestic	Headquarter and R&D center	m^3	-	354,118	-	-	354,118
	Manufacturing workplace	m^3	1,565,284	574,714	410,582	232,615	2,783,195
	Subtotal	m^3	1,565,284	928,832	410,582	232,615	3,137,313
- Overseas	Subtotal	m^3	2,767,698	1,562,160	1,154,073	-	5,483,931

Sustainability Performance

ENVIRONMENTAL

Water Reuse

Category	unit	2022	2023	2024
Total consumed	ton	12,400,170	13,495,416	14,858,605
Water reused	ton	2,848,852	4,176,332	6,237,361
Water reuse rate	%	23.0	30.9	42.0

Effluent Discharge

Category		unit	2022	2023	2024
Total		ton	3,754,770	3,100,480	3,326,676
- Intensity		kiloton/KRW 100 million	0.02	0.01	0.02
- By region	Domestic	ton	1,976,173	1,450,102	1,311,171
	Overseas	ton	1,778,597	1,650,378	2,015,505

Pollutant Generation

Category		unit	2022	2023	2024
Water pollutant Discharge intensity	BOD	kg/KRW 100 million	0.07	0.03	0.05
	TOC[1]	kg/KRW 100 million	-	0.03	0.04
	SS	kg/KRW 100 million	0.24	0.14	0.18
Air pollutant emissions intensity	NOx	kg/KRW 100 million	0.2	0.18	0.39
	SOx	kg/KRW 100 million	0.01	0.02	0.01
	PM	kg/KRW 100 million	0.22	0.2	0.29
	VOC[2]	kg/KRW 100 million	-	0.34	0.22

1) TOC has been tracked since 2023 and applies only to domestic sites
2) VOC data collected from 2023, only includes overseas corporation

Environmental Law Infringement

Category	unit	2022	2023	2024
Number of violations of legal environmental obligations/regulations	Case	0	0	0
Amount of fines/penalties related to the above[1]	KRW million	0	0	0
Allocated amount for environmentalrelated provisions	KRW million	0	0	0

1) Payment criteria USD $10,000 or more

Sustainability Performance

SOCIAL

Purchases Made along the Supply Chain

Category	unit	2022	2023	2024
Total	KRW 100 millon	134,451	160,155	110,188
- Raw/subsidiary material purchases made	KRW 100 millon	118,744	136,948	95,629
- Equipment purchase made	KRW 100 millon	12,796	20,543	11,354
- MRO purchase made	KRW 100 millon	2,911	2,664	3,205
Ratio of local purchases made by partners[1)]	%	43.7	39.6	44.1

1) This is based on the Energy solution, and the 2022 data has been changed to recalculate the local purchase ratio

Fair Trade Agreement

Category	unit	2022	2023	2024
Samsung SDI – First-tier partners	No. of companies	112	109	114
First-tier partners – Second-tier partners	No. of companies	157	149	169
Second-tier partners – Third-tier partners	No. of companies	54	48	55

Consumption of Major Raw Materials[1)]

Category	unit	2023	2024
Cathode material consumed	ton	116,920	94,613
Anode material consumed	ton	68,196	56,414
Separator film consumed	million ㎡	713	598

1) Data calculation begins in 2023

Third-party Audit for Cobalt Smelters & Refiners

Category	unit	2022	2023	2024
Smelters & Refiners reported	No. of companies	23	26	25
- Conformant	No. of companies	21	25	23
- Active	No. of companies	0	0	1
- Other third-party audit[1)]	No. of companies	1	0	0

1) Companies that have conducted independent third-party audits that are equivalent to RMI RMAP

Partners ESG Audit Results

Category	unit	2022	2023	2024
Total	No. of companies	72	65	70
- Domestic	No. of companies	23	41	20
- Overseas	No. of companies	49[1)]	24	50

1) Conduct paper audits for 37 overseas corporation

Partners Grievance Handling[1)]

Category	unit	2023	2024
Ratio of grievance handled	%	100	100

1) Data calculation begins in 2023

Customer Satisfaction Score

	Category	unit	2022	2023	2024
Mobile & Power Battery Business	Customer satisfaction score	Point	87.7	83.1	84.0
	Companies surveyed	No. of companies	24	11	16
	Customers surveyed	No. of persons	24	12	22
Automotive & ESS Battery Business	Customer satisfaction score	Point	81.6	82.5	86.0
	Companies surveyed	No. of companies	4	5	5
	Customers surveyed	No. of persons	4	5	5
Electronic Materials Business[1)]	Customer satisfaction score	Point	-	82.5	80.5
	Companies surveyed	No. of companies	24	33	27
	Customers surveyed	No. of persons	58	90	86

1) In 2022, the survey was conducted using a qualitative methodology, so a quantified score was not calculated. Conducting research using quantitative and qualitative methodologies starting in 2023

Sustainability Performance

SOCIAL

Occupational Health and Safety Management System

Category		unit	2022	2023	2024
Ratio of workplaces audited for Occupational Health and Safety risks	Domestic	%	100	100	100
	Overseas	%	100	100	100
Ratio of workplaces certified for Occupational Health and Safety Management System	Domestic	%	100	100	100
	Overseas	%	100	100	100

Acquisition of National Health & Safety Engineer Qualifications

Category	unit	2022	2023	2024
Employees with engineer and above qualifications[1)]	%	55	58	65
Employees with master engineer and above qualifications[2)]	%	25	24	26

1) Qualifications recognized within EHS team(industrial safety engineers, industrial hygiene management engineers, firefighting equipment engineers + masters and technicians)
2) Qualifications recognized within EHS team(masters and technicians)

Use of Hazardous Chemical

Category	unit	2022	2023	2024
Hazardous chemical consumed	ton	26,977	22,214	23,825

Chemical Emissions

Category	unit	2022	2023	2024
Chemical emissions	kg	8,442	7,952	114,286

Occupational Injury

Category		unit	2022	2023	2024
Employees	Injuries	Cases	2	5	5[1)]
	Fatalities	No. of persons	0	1	0
	Accident rate[2)]	%	0.007	0.016	0.016
	- Domestic	%	0.018	0.034	0.039
	- Overseas	%	0	0.005	0
	Illness rate	%	0	0	0
	- Domestic	%	0	0	0
	- Overseas	%	0	0	0
In-house partners	Injuries	Cases	0	0	1
	Accident rate[2)]	%	0	0	0.024
	Fatalities	No. of persons	0	0	0

1) Accidents in grade D or higher that involved Samsung SDI employees(5 cases in domestic)
2) (No. of injured employees/No. of employees) X 100

Detailed Occupational Injury Data in 2024

	Category	unit	Domestic	Overseas	Total
Employees	Injury frequency rate	%	0.1619	0.0000	0.0679
	Loss rate	%	13.5307	0.0000	5.6798
	Injury rate(accidents+illnesses)	%	0.0388	0.0000	0.0163
In-house partners	Injury frequency rate	%	0.3073	0.0000	0.1020
	Loss rate	%	26.4258	0.0000	8.7762
	Injury rate(accidents+illnesses)	%	0.0737	0.0000	0.0245
Employees+In-house partners	Injury frequency rate	%	0.1757	0.0000	0.0719
	Loss rate	%	14.7596	0.0000	6.0437
	Injury rate(accidents+illnesses)	%	0.0422	0.0000	0.0173

Sustainability Performance

SOCIAL

Employee

Category		unit	2022	2023	2024
Total		No. of persons	30,716	31,704	30,664
- By gender	Male	No. of persons	23,077	24,234	23,243
	Female	No. of persons	7,639	7,470	7,421
- By region	Korea	No. of persons	11,412	11,860	12,872
	Asia(excluding Korea)	No. of persons	11,988	10,840	10,139
	Europe	No. of persons	6,691	7,875	6,430
	America	No. of persons	625	1,129	1,223
- By age	Under 30	No. of persons	12,353	11,353	9,901
	30~under 50	No. of persons	16,313	18,003	18,259
	50 and older	No. of persons	2,050	2,348	2,504
- By employment type	Full time	No. of persons	25,964	26,377	26,889
	Contact	No. of persons	1,453	1,439	1,553
	Dispatched[1)]	No. of persons	3,299	3,888	2,222
- By nationality	Korea	No. of persons	11,771	12,306	13,256
	China	No. of persons	6,875	6,206	5,617
	Malaysia	No. of persons	2,558	2,557	2,460
	Vietnam	No. of persons	1,972	1,487	1,573
	USA	No. of persons	572	1,066	1,129
	Others	No. of persons	6,968	8,082	6,629

1) Domestic dispatched employees mainly assume positions of executive secretaries and interpreters, and overseas dispatched employees are responsible for manufacturing and packaging inspection among others.

Turnover[1)]

Category		unit	2022	2023	2024
Total		%	12.9	9.9	12.6
- Domestic/overseas	Domestic	%	2.9	2.5	2.5
	Overseas	%	19.4	15.3	21.1
- By gender	Domestic				
	└ Male	%	3.2	2.6	2.7
	└ Female	%	1.6	1.9	1.5
	Overseas				
	└ Male	%	19.4	14.4	19.4
	└ Female	%	19.6	17.4	25.3
- By region	Asia	%	11.4	8.7	9.3
	Europe	%	20.6	14.2	22.4
	America	%	21.8	18.6	41.4
- By age	Domestic				
	└ Under 30	%	4.2	2.5	2.0
	└ 30~under 50	%	1.5	1.3	1.0
	└ 50 and older	%	8.3	8.5	11.0
	Overseas				
	└ Under 30	%	24.5	19.0	28.5
	└ 30~under 50	%	15.2	13.1	16.8
	└ 50 and older	%	15.1	11.5	23.7
Voluntary turnover		%	12.0	8.5	7.2
- Domestic/overseas	Domestic	%	2.6	2.0	1.7
	Overseas	%	18.2	13.3	11.9

1) Turnover data is calculated by dividing the annual number of resignees by the annual average number of employees.

Sustainability Performance

SOCIAL

Employee Grievance Handling(Domestic)

Category	unit	2022	2023	2024
Grievance submitted	cases	1,402	1,848	2,007
Grievance handling rate	%	100	100	100

Grievance Submitted in 2024

Category		unit	2024
By channel	On·offline	cases	2,007
		%	100
By type of grievance	Working conditions	cases	1,207
		%	58
	Benefits	cases	217
		%	12
	HR system	cases	342
		%	16
	Health and safety	cases	53
		%	2
	Others	cases	188
		%	12

Remuneration[1)]

Category	unit	2022	2023	2024
Wage	KRW million	1,669,172	1,895,882	1,731,020
Retirement benefits	KRW million	96,900	84,770	101,861

1) There is no gender-based disparity in wage

Welfare and Benefits

Category		unit	2022	2023	2024
Welfare and benefits expenditures		KRW million	499,220	568,103	631,176
Parental leave	Return-to-work ratio[1)]	%	99.5	96.1	96.7
	Return-to-work and retention ratio[2)]	%	99	96.1	100

1) Ratio of employees who returned to work in the concerned year after taking parental leave the previous year
2) Ratio of employees who worked 12 months and longer among those who returned to work after taking parental leave the previous year

Sustainability Performance

SOCIAL

Diversity and Inclusion

Category		unit	2022	2023	2024
Employees with disabilities[1]		No. of persons	181	207	233
Local recruitment	Leaders at overseas worksites[2]	No. of persons	280	332	328
	Locally-hired leaders	No. of persons	154	196	180
	Ratio of Locally-hired leaders	%	55	59	54.9
Female employees	By job category				
	└ STEM(R&D)	%	23.0	24.8	27.9
	└ Manufacturing	%	33.5	30.5	30.9
	└ Quality & EHS	%	33.0	32.5	31.4
	└ Sales & Marketing	%	30.8	33.7	34.9
	└ Others	%	19.3	18.5	18.8
	By region				
	└ Korea	%	15.9	17.2	19.0
	└ Asia(excluding Korea)	%	32	31.0	32.0
	└ Europe	%	25.8	21.1	20.0
	└ America	%	32	31.5	31.1
	By position				
	└ Rank-and-file employees	%	27.3	25.6	26.5
	└ Managers(senior professionals and higher positions)	%	13.0	14.3	15.1
	└ Executives(unregistered executive and higher positions)	%	8.5	8.6	8.5

1) Based on the number of employees reported to Korea Employment Agency for Persons with Disabilities(KEAD)
2) Leader positions include group/team leaders and other leaders assuming such official positions.

Recruitment

Category		unit	2022	2023	2024
Total		No. of persons	7,218	5,041	3,844
- By gender	Male	No. of persons	4,988	3,863	2,412
	Female	No. of persons	2,230	1,178	1,432
- By region	Domestic	No. of persons	914	872	1,562
	Overseas	No. of persons	6,304	4,169	2,282

Organizational Culture

Category	unit	2022	2023	2024
Samsung Culture Index(SCI) assessment scores	Point	73.5	77.1	77.4
Employees who participated in SCI	%	92.5	90	91.1
Change Agent selected	No. of persons	298	331	360

Employees' Participation in CSR programs

Category	unit	2022	2023	2024
Volunteer hours per employee in Korea[1]	hours/no. of persons	8.2	8.3	7.9

1) For one day each year, 8 hours are set as the target volunteer hour to encourage volunteering

Major CSR Achievements

Category		unit	2022	2023	2024
Samsung Blue Elephant	Beneficiaries	No. of persons	308,941	277,887	400,169
Samsung SW Academy for Youth	Beneficiaries	No. of persons	2,300	2,300	2,200
Samsung DreamClass	Beneficiaries	No. of persons	-	-	4,127
Samsung Stepping Stone of Hope[1]	Beneficiaries	No. of persons	6,284	10,305	14,717

1) This is jointly-conducted program, and the data reflect program results generated after Samsung SDI joined the program

CSR Expenditures

Category	unit	2022	2023	2024
CSR Investment expenditures	KRW 100 million	89	106	96

Sustainability Performance

SOCIAL

Talent Development Training

Category	unit	2022	2023	2024
Total training expenditures	KRW 100 million	122	161	212
Accumulated No. of trainees[1]	No. of persons	70,339	126,934	113,419
Training hours per employee[2][3]	Hours/No. of persons	93	86	91
Training expense per employee[2]	KRW/No. of persons	1,005,018	1,334,767	1,620,236

1) Based on cumulative numbers
2) Domestic standards
3) Change in the calculation method for training hours resulting from the 2023 restructuring of the integrated training portal's online training into a continuous learning format(only completed sessions are counted as training hours; courses in progress under continuous learning are not counted)

Environmental Training[1]

Category	unit	2022	2023	2024
Training Hours	hours	2	2	2
Number of Participants	No. of persons	7,946	7,046	8,153

1) Training on hazardous chemicals

Safety Job Qualification Training

Category	unit	2022	2023	2024
Training completion rate	%	100	100	99
Number of Participants	No. of persons	2,073	1,440	1,742

Quality Management Training

Category	unit	2022	2023	2024
Training Hours	hours	181	157	118
Number of Participants	No. of persons	395	309	315

Compliance and Ethics Training

Category		unit	2022	2023	2024
Compliance	Employees subject to training				
	└ Headquarters	No. of persons	12,787	16,419	21,941
	└ Overseas Corporation	No. of persons	194	243	64
	└ Partner	No. of persons	102	110	169
	Employees who completed the training[2]				
	└ Headquarters	No. of persons	12,547	16,388	21,891
	└ Overseas Corporation	No. of persons	194	243	61
	└ Partner	No. of persons	102	110	169
	Completion rate				
	└ Headquarters	%	98.1	99.8	99.8
	└ Overseas Corporation	%	100	100	95.3
	└ Partner	%	100	100	100
Anti-corruption/ ethics[1]	Employees subject to training				
	└ Headquarters	No. of persons	10,825	11,175	12,101
	└ Overseas Corporation	No. of persons	17,359	18,865	17,529
	└ Partner	No. of persons	-	-	-
	Employees who completed the training[2]				
	└ Headquarters	No. of persons	10,761	11,175	12,101
	└ Overseas Corporation	No. of persons	16,801	18,747	17,520
	└ Partner	No. of persons	-	-	-
	Completion rate				
	└ Headquarters	%	99.4	100	100
	└ Overseas Corporation	%	96.8	99.4	99.9
	└ Partner	%	-	-	-

1) Partners are not subject to anti-corruption/ethics training
2) Based on cumulative numbers

Information Security and Data Privacy Training

Category		unit	2022	2023	2024
Information security training	Number of Participants	No. of persons	10,502	11,655	12,463
Data privacy training provided to employees handling personal data	Number of Participants	No. of persons	370	427	495

Sustainability Performance

GOVERNANCE

Composition of the BOD[1)]

Category		unit	2022	2023	2024
Members of the BOD	Executive Director	No. of persons	3	3	3
	Independent Director	No. of persons	4	4	4
Number of female registered executives		No. of persons	1	2	2

1) As of the end of December

Operation of the BOD

Category		unit	2022	2023	2024
Average BOD Attendance	Total	%	100	100	99
	Executive Director	%	100	100	96
	Independent Director	%	100	100	100
Average BOD tenure	Total	years	2.9[1)]	2.6[2)]	3.2[3)]

1) As of Jun. 30, 2023
2) As of Mar. 20, 2024
3) As of Mar. 19, 2025

Compliance Audit

Category	unit	2022	2023	2024
Compliance audits performed	cases	22	23	22

Worksite Corruption Risk Assessment

Category		unit	2022	2023	2024
Total		No. of worksites	31	33	37
Worksites identified as at risk(number)	Total	No. of worksites	3	4	4
	- Domestic	No. of worksites	1	2	2
	- Overseas	No. of worksites	2	2	2
Worksites identified as at risk(rate)		%	10	12	11

Corruption Audits and Resulting Disciplinary Measures Taken

Category		unit	2022	2023	2024
Disciplinary measure taken as a result of corruption Audits	Total	No. of persons	4	25	6
	- Domestic	No. of persons	4	8	4
	- Overseas	No. of persons	-	17	2
Business partners whose contract was terminated in relation to corruption		No. of companies	4	11	3

Information Security and Personal Data Breaches

Category	unit	2022	2023	2024
Corporate data and personal information leakage	cases	0	0	0
Customers and employees affected by corporate data and personal information Leakage	No. of persons	0	0	0
Total monetary losses, such as fines or penalties paid as a result of the leakage	KRW million	0	0	0

GRI Index

Statement of Use	Reporting Organization: Samsung SDI reports the information by applying the GRI standards when reporting the contents of sustainability management during the period from January 1, 2024 to December 31, 2024.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standards	As of June 2025, when Samsung SDI publishes the report, there are no applicable GRI Sector Standards.

GRI Standards	Disclosure	Page	Note
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	P.6-7	
	2-2 Entities included in the organization's sustainability reporting	P.2	Business Report 4
	2-3 Reporting period, frequency and contact point	P.2	
	2-4 Restatements of information	P.115, 118	Annotations were made when deemed necessary
	2-5 External assurance	P.136-138	
	2-6 Activities, value chain and other business relationships	P.6-7, 9-10, 17, 51	
	2-7 Employees	P.120	
	2-8 Workers who are not employees	P.120	
	2-9 Governance structure and composition	P.92	
	2-10 Nomination and selection of the highest governance body	P.93	
	2-11 Chair of the highest governance body	P.92	
	2-12 Role of the highest governance body in overseeing the management of impacts	P.19-20, 32, 44,62, 97, 99	
	2-13 Delegation of responsibility for managing impacts	P.19, 32, 44, 62, 97, 99	
	2-14 Role of the highest governance body in sustainability reporting	P.19, 25, 97, 99	
	2-15 Conflicts of interest	P.93	
	2-16 Communication of critical concerns	P.20	
	2-17 Collective knowledge of the highest governance body	P.94	
	2-18 Evaluation of the performance of the highest governance body	P.95	
	2-19 Remuneration policies	P.95	
	2-20 Process to determine remuneration	P.95	
	2-21 Annual total compensation ratio	-	Business Report 284-286
	2-22 Statement on sustainable development strategy	P.5	
	2-23 Policy commitments	P.44, 47, 50, 54, 61, 70, 102, 104, 108	
	2-24 Embedding policy commitments	P.44, 47, 50, 54, 61, 70, 102, 104, 108	
	2-25 Processes to remediate negative impacts	P.74	
	2-26 Mechanisms for seeking advice and raising concerns	P.58, 74, 87, 104, 107	
	2-27 Compliance with laws and regulations	P.117, 124	Business Report 312[1]
	2-28 Membership associations	P.22, 114	
	2-29 Approach to stakeholder engagement	P.29-30	
	2-30 Collective bargaining agreements	P.78	

1) On May 3, 2022, the Korea Fair Trade Commission(KFTC) imposed corrective measures and a surcharge of KRW 270 million on Samsung SDI for alleged violations of Article 12-3(2) of the Subcontracting Transactions Fairness Act. In response, Samsung SDI filed an administrative lawsuit, and on December 14, 2023, the Supreme Court partially ruled in favor of Samsung SDI, overturning some of the corrective measures and fully canceling the surcharge.

Following the Supreme Court's decision, KFTC, by a re-disposition dated October 8, 2024, recalculated and imposed a surcharge of KRW 20 million on Samsung SDI for unfair subcontracting practices, and notified Samsung SDI of this resolution. Samsung SDI completed payment of this recalculated surcharge of KRW 20 million to KFTC on December 20, 2024.

GRI Standards	Disclosure	Page	Note
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P.25	
	3-2 List of material topics	P.26	No changes in material topics between 2025 and 2024
	3-3 Management of material topics	P.27-28	
Material Topic 1. Supply Chain Sustainability Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	p.50-60	
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	P.118	
GRI 308: Supplier Environmental	308-1 New suppliers that were screened using environmental criteria	P.53	
	308-2 Negative environmental impacts in the supply chain and actions taken	P.51-53	
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	P.53	
	414-2 Negative social impacts in the supply chain and actions take	P.51-53	
Material Topic 2. Occupational Health and Safety Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.61-69	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	P.61-62	
	403-2 Hazard identification, risk assessment, and incident investigation	P.64-65	
	403-3 Occupational health services	P.63-65, 68	
	403-4 Worker participation, consultation, and communication on occupational health and safety	P.19, 29, 63, 65, 78	
	403-5 Worker training on occupational health and safety	P.63	
	403-6 Promotion of worker health	P.68	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.64-65, 67	
	403-9 Work-related injuries	P.119	
	403-10 Work-related ill health	P.119	
Material Topic 3. Climate Change Response			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.32-38	
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	P.33-34, 36-37	
GRI 305: Emissions	305-1 Direct(Scope 1) GHG emissions	P.115	
	305-2 Energy indirect(Scope 2) GHG emissions	P.115	
	305-3 Other indirect(Scope 3) GHG emissions	P.115	
	305-4 GHG emissions intensity	P.115	
	305-5 Reduction of GHG emissions	P.35, 38	
	305-7 Nitrogen oxides(NOx), sulfur oxides(SOx), and other significant air emissions	P.46, 117	

GRI Index

GRI Standards	Disclosure	Page	Note
Material Topic 4. Energy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.39-40	
GRI 302: Energy	302-1 Energy consumption within the organization	P.115	
	302-3 Energy intensity	P.115	
	302-4 Reduction of energy consumption	P.39-40	
Material Topic 5. R&D and Product Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.11-15	
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	P.84-85	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	No such case
Material Topic 6. Waste Management and Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.41-43	
GRI 301: Materials	301-1 Materials used by weight or volume	P.118	
	301-2 Recycled input materials used	P.43, 115	
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	P.41	
	306-2 Management of significant waste-related impacts	P.41-43	
	306-3 Waste generated	P.116	
	306-4 Waste diverted from disposal	P.41, 116	
	306-5 Waste directed to disposal	P.116	
Other GRI Index			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	P.112-113	
	201-3 Defined benefit plan obligations and other retirement plans	P.121	
GRI 202: Market	202-2 Proportion of senior management hired from the local community	P.122	
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and service supported	P.89-90, 122	
	203-2 Significant indirect economic impacts	P.58-59, 89-90	
GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	P.103, 106, 124	
	205-2 Communication and training about anti-corruption policies and procedures	P.103, 106-107, 123	
	205-3 Confirmed incidents of corruption and actions taken	P.103, 106, 124	
GRI 206: AntiCompetitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P.125	
GRI 207: Tax	207-1 Approach to tax	P.102	
	207-4 Country-by-country reporting	P.114	
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	P.45-46	
	303-2 Management of water discharge-related impacts	P.46	
	303-3 Water withdrawal	P.116	
	303-4 Water withdrawal	P.117	

GRI Standards	Disclosure	Page	Note
GRI 304 : Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P.47	
	304-2 Significant impacts of activities, products and services on biodiversity	P.47-48	
GRI 401: Employment	401-1 New employee hires and employee turnover	P.120, 122	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.79	
	401-3 Parental leave	P.121	Business Report 282-283
GRI 404: Training and Education	404-1 Average hours of training per year per employee	P.123	
	404-2 Programs for upgrading employee skills and transition assistance programs	P.76-78	
	404-3 Percentage of employees receiving regular performance and career development reviews	P.78	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	P.92, 120, 122	
	405-2 Ratio of basic salary and remuneration of women to men	P.81	There is no gender based disparity in wage
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	P.74	
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	No such case
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	-	No such case
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or comp	-	No such case
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	P.89-90, 122	
GRI 415: Public Policy	415-1 Political contributions	-	No political donations were made in accordance with Article 31 of the Political Fund Act
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	-	No such case
	417-2 Incidents of non-compliance concerning product and service information and labeling	-	No such case
	417-3 Incidents of non-compliance concerning marketing communications	-	No such case
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P.124	

ESRS Index

ESRS 2. General Disclosures

No.	Title	Note
ESRS 2 BP-1	General basis for preparation of the sustainability statements	P.2
ESRS 2 BP-2	Disclosures in relation to specific circumstances	Annotations were made when deemed necessary
ESRS 2 GOV-1	Disclosures in relation to specific circumstances	P.19, 32, 44, 62, 92, 97, 99
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	P.19, 25, 97, 99
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	P.21, 32
ESRS 2 GOV-4	Statement on sustainability due diligence	P.19, 32-33, 44, 51-55, 62, 97, 99
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	P.25-28
ESRS 2 SBM-1	Market position, strategy, business model(s) and value chain	P.6-10, 17
ESRS 2 SBM-2	Interests and views of stakeholders	P.29-30
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	P.26-28
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	P.25
ESRS 2 IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	P.127-128

ESRS_ENVIRONMENT

ESRS E1. Climate Change

No.	Title	Note
ESRS E1-1	Transition plan for climate change mitigation	P.34
ESRS E1-2	Policies related to climate change mitigation and adaptation	P.32-38
ESRS E1-3	Actions and resources in relation to climate change policies	P.34-35, 38
ESRS E1-4	Targets related to climate change mitigation and adaptation	P.35, 38
ESRS E1-5	Energy consumption and mix	P.115
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	P.115
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	P.35
	Avoided emissions of products and services	P.28, 35
ESRS E1-8	Internal carbon pricing	P.35
ESRS E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities	P.33-34, 36-37

ESRS E2. Pollution

No.	Title	Note
ESRS E2-1	Policies related to pollution	P.44, 46
ESRS E2-2	Actions and resources related to pollution	P.46
ESRS E2-3	Targets related to pollution	P.46
ESRS E2-4	Pollution of air, water and soil	P.46, 117
ESRS E2-5	Substances of concern and substances of very high concern	P.119

ESRS E3. Water and Marine Resources

No.	Title	Note
ESRS E3-1	Policies implemented to manage water and marine resources	P.44
ESRS E3-2	Actions and resources related to water and marine resources	P.45
ESRS E3-3	Targets related to water and marine resources	P.45
ESRS E3-4	Water consumption	P.116-117

ESRS E4. Biodiversity and Ecosystems

No.	Title	Note
ESRS E4-2	Policies related to biodiversity and ecosystems	P.44, 47
ESRS E4-3	Actions and resources related to biodiversity and ecosystems	P.47-48
ESRS E4-4	Targets related to biodiversity and ecosystems	P.44, 47
ESRS E4-5	Impact metrics related to biodiversity and ecosystems change	P.47-48

ESRS E5. Resource Use and Circular Economy

No.	Title	Note
ESRS E5-1	Policies related to resource use and circular economy	P.44
ESRS E5-2	Actions and resources related to resource use and circular economy	P.41-43
ESRS E5-3	Targets related to resource use and circular economy	P.41-43
ESRS E5-4	Resource inflows	P.118
ESRS E5-5	Resource outflows	P.43, 115, 116

ESRS Index

ESRS_SOCIAL

ESRS S1. Own Workforce

Indicator No.	Title	Note
ESRS S1-1	Policies related to own workforce	P.70
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	P.29, 78, 80
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	P.74, 78, 104, 107
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	P.70-74
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	P.70-74
ESRS S1-6	Characteristics of the undertaking's employees	P.120, 122
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce	P.120
ESRS S1-9	Average hourly wage difference between genders, ratio of women's hourly wage against men's hourly wage	P.81
	Persons subject to family care leave(maternity leave, parental leave, etc.), no. of persons who went on a leave, retention rate after returning to work after leave	P.121
ESRS S1-12	Persons with disabilities	P.122
ESRS S1-13	Percentage of employees that participated in regular performance and career development reviews	P.78
	Average number of training hours and expenses per person	P.123
ESRS S1-14	Number and rate of work-related injuries and ill health, the number of days lost to work-related injuries, accidents, and ill health	P.119
ESRS S1-15	Work-life balance indicators	P.79
ESRS S1-17	Number of work-related incidents and severe human rights impacts and incidents within its own workforce and any related material fines or sanctions for the reporting period	P.72, 74
	Number of complaints and severe human rights impacts and incidents within its own workforce and any related countermeasures and plans to prevent reoccurrence	P.74

ESRS S2. Workers in the Value Chain

Indicator No.	Title	Note
ESRS S2-1	Policies related to value chain workers	P.70
ESRS S2-2	Processes for engaging with value chain workers about impacts	P.58, 78
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	P.29, 63, 65, 74, 78
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	P.51-56
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	P.50-51

ESRS S3. Affected Communities

Indicator No.	Title	Note
ESRS S3-1	Policies related to affected communities	P.44, 47, 61, 70
ESRS S3-2	Processes for engaging with affected communities about impacts	P.29
ESRS S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	P.29
ESRS S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	P.89-90

ESRS S4. Consumers and End Users

Indicator No.	Title	Note
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	P.87
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	P.29, 87
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	P.83-84, 87
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	P.83-84

ESRS_GOVERNANCE

ESRS G1. Business Conduct

Indicator No.	Title	Note
ESRS G1-1	Top decision-making body's declaration of ethical management and roles and responsibilities in relation to management and supervision	P.103, 105
	Requirements in the Ethics Charter and Code of Conduct	P.102, 104
ESRS G1-2	Operating the compliance program, conducting activities to make payment improvements, such as the win-win payment system	P.58-60
	Diagnosing and conducting a due diligence on supplier ESG risks, reflecting diagnosis and due diligence results in supplier selection criteria	P.51-53
ESRS G1-3	Activities to prevent corruption or bribery, and a system to investigate and report outcomes to the administrative, management and supervisory bodies	P.103, 106-107
	to prevent unfair trading, and a system to investigate and report outcomes to the administrative, management and supervisory bodies	P.60, 103-104
ESRS G1-4	Number of confirmed incidents of corruption or bribery, details of public legal cases, the number of confirmed incidents in which own workers were dismissed or disciplined	P.103, 124
	Number of confirmed incidents of unfair trading, details of public legal cases, the number of confirmed incidents in which own workers were dismissed or disciplined	P.103, 124
ESRS G1-5	Political influence and lobbying activities	P.114
ESRS G1-6	Payment practices	P.60

SASB Index

SASB - Fuel Cells & Industrial Batteries

1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Pages(Reference)
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	P.110
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	P.120, 122, 124
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Samsung SDI complies with global regulations such as EU RoHS and REACH as well as national laws. In addition, all raw materials and components that go into our products are subject to rigorous pre-inspections and followup management.
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	N/A *Please refer to 31-32p for Samsung SDI's efforts regarding recycling and reuse
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	P.53
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	P.53
Energy Management	RR-FC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	P.35, 115
Workforce Health & Safety	RR-FC-320a.1	(1) Total recordable incident rate(TRIR) and (2) fatality rate	P.119
	RR-FC-320a.2	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	P.64-65, 67
Product End-of-life Management	RR-FC-410b.3	Description of approach to manage use, reclamation, and disposal of hazardous materials	P.41-43, 67
Materials Sourcing	RR-FC-440a.1	Description of the management of risks associated with the use of critical materials	P.52, 54-56

2. Activity Metrics

Code	Activity Metric	Pages(Reference)
TC-HW-000.A	Number of units produced by product category	P.114
TC-HW-000.C	Percentage of production from owned facilities	Business Report 14-16

TCFD Index

Topic(4 pillars)	TCFD Recommendation	Pages(Reference)
Governance	1) Describe the board's oversight of climate-related risks and opportunities	P.32
	2) Describe management's role in assessing and managing climate-related risks and opportunities	P.32
Strategy	1) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	P.33
	2) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	P.34, 36-37
	3) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	P.37
Risk Management	1) Describe the organization’s processes for identifying and assessing climate-related risks	P.33
	2) Describe the organization’s processes for managing climate-related risks	P.33
	3) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	P.33
Metrics and Targets	1) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	P.38, 115
	2) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas(GHG) emissions, and the related risks	P.34, 37, 115
	3) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	P.35, 38

UN SDGs

Samsung SDI engages in a wide spectrum of activities centered around its sustainability management strategies and material issues to contribute to the attainment of the UN Sustainable Development goals.

UN SDGs	Samsung SDI's Contribution	Pages(Reference)
Good Health and Well-being	• Strengthen the accountability of top management and the Board of Directors for health and safety operations, bolster the dedicated EHS organization, and operate an integrated company-wide EHS system • Strengthen company-wide safety and health management by obtaining ISO 45001 certification • Advance the verification of product safety and establish a hazardous substances management system • Conduct workplace risk assessment and partner safety assessment • Support employees' regular health check-ups, work environment surveys, health training, and illness prevention	P.61-68
Quality Education	• Provide global expert training through foreign language education and overseas assignment programs • Conduct departmental-level customized job training, including learning cells and learning seminars to develop experts by job function • Implement education programs with Samsung including Samsung SW Academy for Youth, Samsung Junior SW Academy, Dream Class, and Blue Elephant • Conduct employee-led volunteer programs such as Dream Walking School Forest	P.76-78, 89-90
Gender Equality	• Manage goals for hiring, assessing, promoting, and nurturing female workforce • Implement mentoring programs for the growth and development of exceptional female talent • Provide maternal/paternal and parental leave irrespective gender and expand support beyond statutory obligations • Enforce non-discriminatory policies in line with the equal pay for equal work principle regardless of gender	P.70, 79-81
Clean Water and Sanitation	• Manage our mid/long-term water reuse goal and implement water withdrawal reduction projects by 2050 • Manage the discharge of water pollutants on an on-going basis by applying discharge thresholds more stringent than legal standards • Develop and implement a rainwater reuse system to increase on-site water reuse rate	P.45-46
Affordable and Clean Energy	• Join the RE100 and purchase RECs in line with the goal of transitioning to 100% renewable energy by 2050 • Reduce company-wide energy consumption by obtaining ISO 50001 certification • Advance energy management system by building an integrated energy control system and operating utility(UT) facilities monitoring systems	P.22, 39-40
Decent Work and Economic Growth	• Contribute to the expansion of eco-friendly industries through the supply of mobile & power batteries, automotive & ESS batteries, and electronic materials • Assist partners in bolstering their management capabilities and competitiveness through win-win cooperation consulting and win-win smart factory initiative • Contribute to job creation by helping 47 people land a job through two partner recruitment and talent development support programs in 2024	P.9-10, 58-59
Industry, Innovation and Infrastructure	• Contribute to nurturing outstanding industrial workforce through industry-academia cooperation with third-party institutions and domestic/overseas prestigious universities • Provide financing support through win-win cooperation funds and others to help partners improve their operational stability • Ensure security in the domestic technology area including automotive battery-related national core technology through information security management system development and patent management	P.15, 59, 75-76, 110

UN SDGs

UN SDGs	Samsung SDI's Contribution	Pages(Reference)
Reduced Inequalities	• Provide equal opportunities by prohibiting any type of discrimination on the grounds of gender, nationality, race, religion, and cultural background in hiring, assessment, promotion and compensation • Establish and operate human rights and DEI policies to foster a culture of respect for human rights and diversity • Prevent internal and external human rights risks through human rights impact assessments and corrective actions • Give precedence to socially-underprivileged groups, including men of national merit and people with disabilities	P.70-72, 75, 80
Sustainable Cities and Communities	• Contribute to reducing waste discharge by developing a system to recycle end-of-life batteries and scraps generated from the manufacturing process • Operate appropriate pollution prevention devices for each of the emitting facilities installed at worksites to manage air pollutants and mitigate impact on the nearby community • Conduct environmental clean-up initiatives to protect local ecosystems, including conservation efforts for Sohwang dune	P.41-43, 46, 48
Responsible Consumption and Production	• Establish a closed-loop process to reclaim and recycle process scraps and end-of-life batteries • Minimize landfill waste through Zero Waste to Landfill(ZWTL) certification and reduce water consumption by expanding water reuse • Perform extended Life Cycle Assessments(LCA) from manufacturing to disposal to analyze environmental impact and reduce loads throughout the entire process • Ensure supply chain traceability for all major minerals and use minerals verified through third-party audits or certified by competent bodies	P.35, 41-43, 54-56
Climate Action	• Implement company-wide environmental initiatives to achieve carbon neutrality and 100% renewable energy use by 2050 • Expand products certified under carbon footprint programs and reduce products' environmental impact • Switch to 100% zero-emission vehicles for corporate fleet vehicles by 2030 • Identify and reduce partner GHG emissions by calculating Scope 3 emissions and pursuing collaborative reduction projects	P.35, 38, 115
Peace, Justice and Strong Institutions	• Strengthen company-wide ethical and compliance management by establishing and operating policies such as the Code of Conduct and Anti-Corruption Guidelines • Disseminate a culture of compliance at all levels through Compliance Policy, compliance system operation, and various compliance activities • Make ethics/anti-corruption assessments across the board and facilitate ethics/compliance whistleblowing • Preemptively manage human rights and compliance risk through compliance reviews and blind surveys at domestic/overseas operations • Identify and improve partners' labor and ethics risks through conforming with RBA(Responsible Business Alliance) standards	P.51, 74, 102-107
Partnerships for the Goals	• Join the UNGC to endorse its 10 principles in the areas of human rights, labor, environment, and anti-corruption • Join global initiatives across diverse areas, including renewable energy, sustainable battery value chain, conflict minerals, and ecosystem protection • Establish and operate a range of communication channels with major stakeholder groups, including customers, shareholder/ investors, employees, partners, communities/civic organizations, industry associations/universities/research institutes, governments, and media.	P.22, 29-30, 70

GHG Emission Verification Opinion

GHG Emission Verification Opinion

Samsung SDI Co., Ltd.

150-20, Gongse-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Republic of Korea

1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's
- GHG emissions or removals estimates

2. Verification Scope

Korea Standards Association has conducted verification for GHG emissions based on GHG report provided by Samsung SDI CO., Ltd. which includes Scope1 and Scope2 emissions.

3. Verification Criteria and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of Greenhouse Gas emissions trading scheme (No. 2025-64 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (No. 2024-169 provided by Ministry of Environment, Republic of Korea)
- 2006 IPCC Guidelines, KS I ISO 14064-1:2018 and KS I ISO 14064-3:2019

4. Level of Assurance

Samsung SDI Co., Ltd's GHG emissions satisfies the under Reasonable Assurance (less than ±2.5% of total emissions).

5. Verification Conclusion

As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

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- **2024 GHG Emissions(Scope 1, Scope2)**

(Unit : tCO_2eq)

No	Business Site	Scope1	Scope 2		Total	
			Location-based	Market-based	Location-based	Market-based
1	Cheonan Factory	30,945	180,530	169,505	211,475	200,449
2	Ulsan Factory	19,349	164,820	156,183	184,169	175,532
3	Giheung Office	5,463	17,781	17,781	23,243	23,243
4	Suwon Office	271	49,599	49,599	49,870	49,870
5	Gumi Factory	5,298	57,102	57,102	62,400	62,400
6	Cheongju Factory	27,193	24,766	24,766	51,958	51,958
7	Rental Building	14	94	94	105	105
Total		**88,533**	**494,692**	**475,030**	**583,220**	**563,557**

※ Note : There is a difference between the total amount of emissions for each business site and total amount of emissions by types because when GHG emission is calculated, decimal point is round down.

May 31, 2025

Dongmin Moon

KOREAN STANDARDS ASSOCIATION

KSA IAF 국립환경과학원

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GHG Emission Verification Opinion

Subsidiaries GHG Emission Verification Opinion

Samsung SDI Co., Ltd.

150-20, Gongse-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Republic of Korea

1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

2. Verification Scope

Korea Standards Association conducted verification at limited level of assurance for Samsung SDI Co., Ltd.'s consolidated subsidiaries' Scope 1 and Scope 2 greenhouse gas declaration.

- Reporting Target : Samsung SDI CO., Ltd's consolidated subsidiaries
- Boundary : Scope1(Direct emissions), Scope2(Indirect emissions)
  - Scope1 : Stationary combustion, Mobile combustion
  - Scope2 : Externally purchased electricity and heat
- Year : January 1, 2024 to December 31, 2024

3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to the procedures stipulated in ISO 14064-3 : 2019.

- **Calculation criteria**
  - KS I ISO 14064-1 : 2018
  - Guidance for reporting and verification of Greenhouse Gas Emissions Trading System (No. 2025-64 provided by Ministry of Environment, Republic of Korea)
  - 2006 IPCC Guidelines for National Greenhouse Gas Inventories
  - WRI(World Resources Institute) Greenhouse Gas Protocol

4. Level of Assurance and Responsibility

Korea Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to Giheung Office
- Method of confirmation :
  - Interview with greenhouse gas emissions manager and field staff
  - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
  - Tracking review of internal documents and basic data

Samsung SDI Co. Ltd. should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

5. Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

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6. Verification Conclusion

The Korean Standards Association has confirmed that the greenhouse gas emissions calculated by Samsung SDI Co., Ltd. meet the level of assurance and the materiality threshold (less than 10%) in accordance with the verification criteria. No evidence was found to suggest that the GHG data and information were unfairly presented.

Samsung SDI Co., Ltd. has taken appropriate corrective actions on the major findings identified by the verification team. Based on the verification results, including the absence of material errors or omissions, the data and processes are considered to meet the verification criteria and guidelines, and we issue a reasonable assurance opinion.

- **Appendix. Subsidiaries GHG emissions in 2024**

(Unit : tCO_2eq)

No	Subsidiaries	Scope1	Scope 2		Total	
			Location-based	Market-based	Location-based	Market-based
1	TSDI & SDITB	55,581	382,613	181,423	438,194	237,004
2	SDIEM	40,427	238,411	116,676	278,837	157,103
3	SDIV	273	7,101	3,537	7,373	3,809
4	SAPB	10,213	83,771	28,009	93,983	38,221
5	SDIHU	81,590	216,045	74,836	297,635	156,425
6	SDIBS	46	0	0	45	45
7	SDIA	332	2,387	2,387	2,718	2,718
8	SPE	1,437	17,930	17,930	19,367	19,367
9	SDIW	3,346	77,658	54,291	81,003	57,636
10	NOVALED	15	1,009	1,009	1,023	1,023
11	SDIEU	192	51	51	242	242
12	SDIC	84	89	89	173	173
13	SDIHK	0	9	9	8	8
14	SDIJ	0	7	7	6	6
15	SDII	0	7	7	6	6
16	STM	39	54,593	54,593	54,631	54,631
17	SDISEA	0	0	0	0	0
	Total	193,575	1,081,681	534,854	1,275,244	728,417

※ Note : There is a difference between the total amount of emissions for each business site and total amount of emissions by types because when GHG emission is calculated, decimal point is round down.

May 31, 2025

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GHG Emission Verification Opinion

Scope 3 GHG Emission Verification Opinion

Samsung SDI Co., Ltd.

150-20, Gongse-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Republic of Korea

1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

2. Verification Scope

Korea Standards Association conducted verification at limited level of assurance for Samsung SDI Co., Ltd.'s Scope 3 greenhouse gas declaration.

- Reporting Target : Samsung SDI Co.,Ltd's Domestic & Overseas business site
- Boundary : Scope3(Other indirect emissions)
  - Category 1. Purchased goods and services
  - Category 2. Capital goods
  - Category 3. Fuel and energy-related activities(not included in Scope1 or Scope2)
  - Category 4. Upstream transportation and distribution
  - Category 5. Waste generated in operations
  - Category 6. Business travel
  - Category 7. Employee commuting
  - Category 8. Upstream leased assets
  - Category 9. Downstream transportation and distribution
  - Category 12. End-of-life treatment of sold products
  - Category 13. Downstream leased assets
  - Category 15. Investments
- Year : January 1, 2024 to December 31, 2024

3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to the procedures stipulated in ISO 14064-3 : 2019.

- **Calculation criteria**
  - Corporate Value Chain (Scope3) Accounting and Reporting Standard(WRI)
  - Guidance for reporting and verification of Greenhouse Gas Emissions Trading System (No. 2025-64 provided by Ministry of Environment, Republic of Korea)
  - 2006 IPCC Guidelines for National Greenhouse Gas Inventories
  - WRI(World Resources Institute) Greenhouse Gas Protocol
  - KS I ISO 14064-1 : 2018
  - Guide to GHG Reduction for the entire process ('23.04 Samsung Institute of EHS Strategy)

4. Level of Assurance and Responsibility

Korea Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to Giheung Office
- Method of confirmation :
  - Interview with greenhouse gas emissions manager and field staff
  - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
  - Tracking review of internal documents and basic data

Samsung SDI Co. Ltd. should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

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5. Verification Limit

The verification was conducted through sampling based on Samsung SDI Co., Ltd.'s inventory report and supporting documentation. Accordingly, GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

6. Verification Conclusion

The Korean Standards Association has confirmed that the greenhouse gas emissions calculated by Samsung SDI Co., Ltd. meet the level of assurance and the materiality threshold (less than 10%) in accordance with the verification criteria. No evidence was found to suggest that the GHG data and information were unfairly presented.

Samsung SDI Co., Ltd. has taken appropriate corrective actions on the major findings identified by the verification team. Based on the verification results, including the absence of material errors or omissions, the data and processes are considered to meet the verification criteria and guidelines, and we issue a reasonable assurance opinion.

- **Appendix. Domestic and Overseas Scope3 GHG emissions in 2024**

(Unit : tCO_2eq)

Category	GHG Emissions
Category 1. Purchased goods and services	911,604
Category 2. Capital goods	14,895
Category 3. Fuel and energy-related activities (not included in Scope1 or Scope2)	220,980
Category 4. Upstream transportation and distribution	65,818
Category 5. Waste generated in operations	70,275
Category 6. Business travel	20,106
Category 7. Employee commuting	28,741
Category 8. Upstream leased assets	5,286
Category 9. Downstream transportation and distribution	7,265
Category 12. End-of-life treatment of sold product	137,494
Category 13. Downstream leased assets	46
Category 15. Investments	568,666
Total	2,051,175

※ Note : The final greenhouse gas emission was roundup below the decimal point and expressed in integer units.

May 31, 2025

Dongmin Moon

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Independent Assurance Statement

Overview

The British Standards Institution(hereinafter referred to as the "Assurer") was requested to verify the “Samsung SDI Sustainability Report 2025”(hereinafter referred to as the "Report"). The Assurer is independent to Samsung SDI and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the Samsung SDI’s report relating to the environment, social and governance(ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the Samsung SDI. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

Samsung SDI is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Samsung SDI only.

The Assurer is responsible for providing Samsung SDI`s management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Samsung SDI. The Assurer will not, in providing this independent assurance opinion statement, accept or assume responsibility(legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with Samsung SDI includes the following:

- Report contents during the period from January 1st to December 31st 2024 included in the Report, some data of 2025 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 Accountability Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 2(confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by Samsung SDI.

[Universal Standards]
2-1 to 2-5(The organization and its reporting practices), 2-6 to 2-8(Activities and workers), 2-9 to 2-21(Governance), 2-22 to 2-28(Strategy, policies and practices), 2-29 to 2-30(Stakeholder engagement), 3-1 to 3-3(Material Topics Disclosures)

[Topic Standards]
201-1~3, 202-2, 203-1&2, 204-1, 205-1~3, 206-1, 207-1&4,
301-1&2, 302-1,3&4, 303-1~4, 304-1&2, 305-1~5&7, 306-1~5, 308-1&2,
401-1~3, 403-1~7&9~10, 404-1~3, 405-1&2, 406-1, 407-1, 408-1, 409-1, 413-1, 414-1&2, 415-1, 416-1&2, 417-1~3, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of Samsung SDI's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 Accountability Principles Standard(2018).
- Visit of the Headquarters of Samsung SDI to confirm the data collection processes, record management practices.

Independent Assurance Statement

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by Samsung SDI. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

British Standards Institution(BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Samsung SDI. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain Samsung SDI`s approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards.(Reporting in accordance with the GRI standards). A detailed review against the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

Inclusivity: Stakeholder Engagement and Opinion
Samsung SDI has identified its key stakeholders as customers, shareholders/investors, employees, business partners, local communities, academic and research institutions, government agencies, and the media. The company operates dedicated communication channels and schedules for each stakeholder group and collects stakeholder expectations and feedback through a structured stakeholder engagement process. The key issues identified through this process are reflected in sustainability-related decision-making, and the details of these engagements and responses are transparently disclosed through the sustainability report.

Materiality: Identification and reporting of material sustainability topics
Samsung SDI has established and implemented a double materiality assessment process in accordance with the materiality principles of the GRI Standards and the Corporate Sustainability Reporting Directive(CSRD) of the European Union, to develop its sustainability strategy and identify reportable issues. The double materiality assessment incorporated analysis of global reporting standards and evaluation frameworks(GRI, UN SDGs, SASB, TCFD, DJSI, MSCI), media coverage, benchmarking of industry peers' material topics, and a review of prior-year material topics. Based on this, the company defined key sustainability issues in terms of Impact, Risk, and Opportunity(IRO), and compiled a comprehensive IRO longlist. Subsequently, through impact materiality and financial materiality assessments, Samsung SDI selected six key material topics, which are disclosed in the report.

Responsiveness: Responding to material sustainability topics and related impacts
For each of the key material topics identified through its double materiality assessment, Samsung SDI reports business cases addressing the associated risks and opportunities under the theme "Management of Material Topics for Corporate Value Creation." The company has established indicators and targets that reflect the strategic and operational implications of each issue, and discloses major activities and related performance outcomes in the report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders
Samsung SDI has established a structured process to identify and assess the impacts of its key material topics on both the organization and its stakeholders. The results of risk and opportunity analysis, as well as the business implications of each material issue, are utilized to inform strategic decision-making for corresponding response plans. This process is transparently disclosed through the company's sustainability report.

Independent Assurance Statement

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, an assurance Type 2 were conducted against the following disclosures based on the information and data provided by Samsung SDI. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the Report were not found through assurance processes. The Samsung SDI manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected and the Assurer confirmed the final version of the Report prior to its final publication.

[Type 2 Disclosures]
302-2&3, 303-3&4, 305-1~4, 306-3~5, 308-2, 403-9&10, 418-1

Recommendations and Opportunity for improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- Corporate governance serves as a key pillar in driving organizational sustainability and accountable management within ESG practices. Samsung SDI's systematic efforts to enhance transparency, independence, and diversity in its governance structure are noteworthy achievements. To further strengthen ESG capabilities in corporate governance, it is essential to refine decision-making processes and systematically report on both the strategic initiatives developed to bolster ESG competencies and the results of their implementation. Such efforts will contribute to embedding ESG considerations more deeply into the governance framework.
- Samsung SDI has identified climate change response as a material topic in its report, and has disclosed its climate strategy and risk management processes by analyzing both the risks and opportunities associated with climate impacts, as well as the corresponding response measures and future plans. By including a quantitative assessment of the financial impacts of physical and transition risks in the climate risk evaluation results, the company would be better positioned to make more refined and strategic decisions based on its financial sensitivity to climate change.

GRI-reporting

Samsung SDI has self-declared compliance with GRI Standards. Based on the data and information provided by Samsung SDI, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 18/06/2025
For and on behalf of British Standards Institution(BSI):

BSI representative

Sangwoo Nam, Lead Assurer(LCSAP) | **Seonghwan Lim**, Managing Director of BSI Korea

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