



ISSUES 03

Enhancement of Internal Competence

Business Relevance

In a rapidly changing management environment, securing and fostering outstanding human resources are the essential factors in reinforcing the company's competitiveness. For this, it is extremely important to create and operate a human resource management strategy across the entire spectrum, from recruitment to management and to foster human resources. In response to the intense development speed of new technologies and globalization of businesses, Samsung SDI is making efforts to reinforce internal competence by operating various programs to develop employees' leadership, job expertise, global competence, and etc.

| Risk | Opportunity |
|--|---|
| <ul style="list-style-type: none"> ▶ If motivation for employees is lacking, the employee turnover rate will increase, and direct/indirect employment costs will increase. ▶ Technology power and competitiveness will be weakened due to leakage of outstanding human resources | <ul style="list-style-type: none"> ▶ Fostering of human resources suitable for tasks through reinforcement of internal education programs ▶ Direct/indirect expansion of company's competitiveness through reinforcement of employees' competence |

Our Approach

Samsung SDI is fulfilling its human resource management in the knowledge that "Human resources create the future." From the recruitment phase, the company is making efforts in various ways to secure outstanding domestic and international human resources, and is also focused on developing systems and programs for maintaining human resources. based on the human resource development system, the company offers education programs such as shared values, leadership, job expertise, and global competence.

Our Vision



Employee Capacity Building

Enhancement of Employee Competence



Human Resource Recruitment and Retention

Samsung SDI focuses on recruiting and retaining outstanding domestic and international human resources to reinforce competitiveness in technology research areas and to secure future growth engines. In particular, the importance of securing human resources of battery and electric material areas is growing in regards to the growing needs for advanced R&D competency and technology.

Samsung SDI is expanding scouting efforts and securing outstanding talent in new areas of business and areas of critical technology. By recruiting outstanding human resources who have experience in the WorldSkills competition, the company is working to establish sound technology power. A membership scholarship program is being operated for those who hold a Master's or Doctoral degree, where scholarships are given out upon signing a membership contract. Likewise, to provide undergraduate students with pre-graduation work experience and assist students in creating fair values that benefit the company, internship programs are also operated.

In 2015, the company made great effort to recruit talents in industries of the future such as electric automotive batteries. From large-sized battery development to marketing, the company largely hired experienced recruits, creating a foundation for expansion into the next generation's major business interests.

Samsung SDI continuously carries out recruitment activities to seek out talent from various countries' strong sectors, with each subsidiary's location acting as a strategic business location for recruitment. Global workplaces are a means to secure global competitiveness and expansion of overseas markets in new areas of opportunity. Likewise, for stable resettlement of outstanding talent, Samsung SDI operates mentoring programs. For R&D talent recruitment among Korean international students at US universities, campus recruiting in US regions is currently being conducted, while the company also focuses on securing technological talent of all backgrounds including foreigners.

Performance Assessment and Compensation

Samsung SDI operates its personnel management system so that every employee can receive rational compensation by impartial performance assessment standards, without any discrimination based on gender or rank. The company also conducts performance evaluations on employees' annual performance personal based on goals set by the employee and position-based competence evaluations to reward employees through a grade strategy, that hopes to inspire employee's autonomous motivation.

Human Resource Development Map

| Category | SVP | | SLP | SGP | SEP |
|-----------|-------------------|------------------------|--|---|---|
| | Class | Change Management | | | |
| Chief | Director | Senior Manager | Training of Executives SLP creative leader process Samsung EMBA Samsung MBA | Training of resident employees GLOBAL MOBILITY In-house language learning SGR, foreign language dormitory SGR Premier Field specialists Regional specialist | [Job training] Marketing Development Technology Production Support |
| In Charge | Senior Manager | Assistant Manager | SLP creative specialist process SVP senior training | GEC GDC GMC In-house tutor training course Academic Training | Outourced training |
| Senior | Assistant Manager | Employee | Entry for experienced employee Communital Event for New Recruits Prevention of Sexual Harassment General Refinement Information Security Communital events for recruits | Academic Training In-house tutor training course | |
| Employee | Employee | Entry for new recruits | | | |

System SVP : Samsung Shared Value Program SLP : Samsung Business Leader Program
SGP : Samsung Global Talent Program SEP : Samsung Expert Program

Training for subsidiaries' human resources

GEC : Global Executive Course, GDC : Global Director Course, GMC : Global Manager Course

Human Resource Training System

Due to a rapidly evolving business environment and intensifying competition, the importance of human resources as a foundation of creating the company's differentiated competitiveness is ever more increasing. Samsung SDI backs the continuous improvement of employees' capabilities through various programs for human resource development, such as shared value training, organizational leader sponsorship programs, and job specialist development programs.

Shared Value Program

Samsung SDI is operating educational programs and seminars surrounding various sectors such as organizational culture, workplace etiquette, and information security to enable all employees to explore company benefits. For new recruits, Samsung SDI provides DNA(Development & Advice) Program for new hire, where new recruits can adapt to the company in an efficient time frame through a 1-to-1 OJT with seniors in the same department with regards to work knowledge, technology and department, and by creating ties between seniors and juniors.

By operating its Retention Program, Samsung SDI supports early adaptation to company life for experienced recruits. In their early stage of company life, the company makes efforts to improve recent hires' sense of belonging and pride through emotional support. The Retention Program supports experienced recruits in expanding their internal network and provides a platform for knowledge and technological exchange through mentorship matching program on 1-to-1 basis within a given division.

Leadership Program

Samsung SDI is providing leadership development programs in order to obtain the next generation's core leaders. Associates and Assistant Managers are eligible for applying the Samsung MBA Program, and Managers are eligible for an E-MBA Program provided by Korean Universities.

Job Specialist Training Program

Samsung SDI is operating various programs to support the development of employees' professional capabilities. As for programs that reinforce basic job professionalism, the company also operates a capability diagnosis, Learning Cell, and in-house technology seminars. Likewise, Samsung SDI operates an academic training program so that employees can complete well-structured training and thus develop skills that are ever more essential to the organization. Aside from the above, there is also a program that supports acquisition of professional certificates, which encourages employees to acquire international/ domestic certification in subjects such as purchasing, quality, management, and finance.

| Job Competence Reinforcement Program

| Category | Contents |
|---------------------------------------|---|
| Job Competence Diagnosis | Based on each employee's capability diagnosis, Samsung SDI provides a program to review employees' current status and establish a yearly training program focusing on areas which require improvement, through which the company can support systematic self-development. |
| Learning Cell | The company supports employees to learn programmed educational contents related to the division or other task-related divisions with 10 weeks of training. |
| Academic Training | In order to nurture R&D specialists, the company supports employees to acquire Master's or Doctoral degrees for those in the engineering field. |
| Special Certification Acquire Support | The company supports exam fees for acquiring international certification related to an employee's respective tasks, and provides incentives for acquiring such certifications. |



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Average Training Hours per Employee hours

Enhancement of Global Competence

Samsung SDI focuses on boosting its employees' global competence by providing educational programs on language and global cultures, and operates a global standard system so-called SPPM (SDI Policies & Procedures Management) to communicate without any misunderstanding among its employees.

Domestic

Samsung SDI operates foreign language course and cross culture understanding program to improve domestic employees' global competence. By hosting various language courses, the company actively supports self-development through programs that suit the global era. With the purpose of training the next generation's leaders, the company is operating foreign language dormitories, as well as global capability reinforcement programs which integrate language, business, and culture through focusing on high-level foreign languages, soft business skills, and other forms of cultural training. The Samsung Regional Specialist Program is designed to nurture global leaders by providing three month intensive language course and one year of local research. Every year Samsung SDI selects Regional Specialists based on performance assessment, language proficiency, and contribution to the company. As of April 2016, Samsung SDI Regional Specialists are dispatched to China, Germany, Hungary, and Vietnam.

International

As the number of employees working at the overseas subsidiaries is increasing and the types of manufactured products are diversifying, the importance of sharing Samsung SDI Value is rising. To response this, Samsung SDI is cultivating local lecturers at each overseas subsidiary to deliver Samsung SDI Shared Values and new business-related job training program. Samsung SDI has been inviting outstanding local employees to Korea to give a clear vision of new Samsung SDI. By doing this employees are encouraged to concentrate their core competencies in one direction, as well as reinforced their job performance and competency. Samsung SDI is making efforts to establish and standardize a local management system by strengthening the capabilities of employees in overseas subsidiaries. To this end, the company is continuously expanding activities such as appointing locals in managerial positions, expanding support for outstanding talent, and reinforcing evaluation authorities, under the guideline of 'Expanded Locals' Authority' and 'Global Mobility Reinforcement'. By using STaR (Samsung Talent Review), an employee evaluation tool, structured competency evaluations are being carried out for the managers of major posts (team/group) of overseas subsidiaries, and the results are used as a basis for training outstanding workers.



52.7

Ratio of locally-hired post leaders %

| STaR(Samsung Talent Review)

