

# FUNDAMENTAL SUSTAINABILITY ISSUES

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# Governance

## BOD at a Glance

Samsung SDI is dedicated to establishing transparent and sound governance. The Board of Directors (BOD) is mandated to deliberate and decide on the matters stipulated by applicable regulations and the Articles of Incorporation, the matters delegated by the general shareholder meeting, and major issues related to the Company's basic management policy and business execution. To improve the accountability of directors and the flexibility of BOD operations, the Chair of the BOD is appointed among directors – both executive and independent directors - through the decision made by the BOD. As of Mar. 31, 2021, the BOD consisted of three executive and four independent directors.<sup>1)</sup>

Executive Director			
	<b>Name</b>	Young Hyun Jun	<b>Gender</b> Male
	<b>First appointment</b>	Mar. 24, 2017 (reappointed on Mar. 18, 2020)	<b>Expertise</b> General management
	<b>Career</b>	CEO and President, Samsung SDI	
	<b>Role within the BOD</b>	Chair of the BOD and the Management Committee, member of the Independent Director Candidates Recommendation Committee	
	<b>Name</b>	Hyuk Chang	<b>Gender</b> Male
	<b>First appointment</b>	Mar. 17, 2021	<b>Expertise</b> Overall management
	<b>Career</b>	Executive Vice President, Samsung SDI R&D Center	
	<b>Role within the BOD</b>	Member of the Management Committee and the Independent Director Candidates Recommendation Committee	
	<b>Name</b>	Jong Sung Kim	<b>Gender</b> Male
	<b>First appointment</b>	Mar. 17, 2021	<b>Expertise</b> Overall management
	<b>Career</b>	Executive Vice President, Business Management Office, Samsung SDI	
	<b>Role within the BOD</b>	Member of the Management Committee, the Independent Director Candidates Recommendation Committee, and the Compensation Committee	
Independent Director			
	<b>Name</b>	Oh Kyong Kwon	<b>Gender</b> Male
	<b>First appointment</b>	Mar. 18, 2020	<b>Expertise</b> Electrical and electronics industry
	<b>Career</b>	Professor of Electronic Engineering, Hanyang University	
	<b>Role within the BOD</b>	Chair of the Related Party Transactions Committee, Member of the Audit Committee, the Independent Director Candidates Recommendation Committee, and the Compensation Committee	
	<b>Name</b>	Duk Hyun Kim	<b>Gender</b> Female
	<b>First appointment</b>	Mar. 18, 2020	<b>Expertise</b> Law and human rights
	<b>Career</b>	Attorney, law firm Jin-Sung	
	<b>Role within the BOD</b>	Member of the Audit Committee, the Related Party Transactions Committee and the Independent Director Candidates Recommendation Committee	
	<b>Name</b>	Tae Ju Park	<b>Gender</b> Male
	<b>First appointment</b>	Mar. 18, 2020	<b>Expertise</b> Labor policy and labor relations
	<b>Career</b>	Senior researcher, Korea University Institute for Research on Labor and Employments	
	<b>Role within the BOD</b>	Chair of the Compensation Committee, Member of the Audit Committee, the Related Party Transactions Committee and the Independent Director Candidates Recommendation Committee	
	<b>Name</b>	Won Wook Choi	<b>Gender</b> Male
	<b>First appointment</b>	Mar. 18, 2020	<b>Expertise</b> Accounting and tax
	<b>Career</b>	Professor at School of Business, Yonsei University	
	<b>Role within the BOD</b>	Chair of the Audit Committee, member of the Related Party Transactions Committee and the Independent Director Candidates Recommendation Committee	

<sup>1)</sup> New appointment: Hyuk Chang and Jong Sung Kim were newly appointed as executive directors through the 51<sup>st</sup> General Shareholder Meeting held on Mar. 17, 2021. Directors assuming multiple positions: Jong Sung Kim, an executive director, serves as a non-executive director at Samsung Display, Oh Kyong Kwon, an independent director, services as an independent director at the Yumin Cultural Foundation, and Won Wook Choi, an independent director, serves as an independent director at LG Nex1. Average BOD tenure: 1.61 years as of the end of Dec. 2020

## Appointment of Directors

### Independence and Transparency of the BOD

At Samsung SDI, director candidates are nominated by the BOD and the Independent Director Candidates Recommendation Committee, and appointed through the approval granted at the general shareholder meeting. The BOD and the Independent Director Candidates Recommendation Committee review director candidates for any potential disqualifications as set forth in applicable regulations (Clause 3, Article 382 and Clause 8, Article 542 of the Commercial Act) in order to ensure the independence of directors. There has been no case of independent directors appointed in spite of their disqualifications as defined in independence-related criteria. Furthermore, independent directors constitute the majority of the BOD (four independent directors) to ensure that the BOD remains independent of senior management and controlling shareholders. Furthermore, our directors are limited in entering into transactions with the Company to ensure the transparent operation of the BOD in conformity with Article 398 of the Commercial Act. Article 10 of the Regulations for the Operation of the BOD also stipulates that directors who have special interest in specific agenda items can't exercise their voting rights to prevent any possibility of conflict of interest from ever occurring.

### Diversity of the BOD

At Samsung SDI, diversity of directors is considered in the composition of the BOD to support its objective and efficient decision-making and supervision. No limitations are placed in appointing directors on the grounds of gender, race, religion, ethnicity, nationality, or cultural background, and this is officially stated in our sustainability reports and corporate governance reports.

BOD meetings are convened by the Chair of the BOD, and are categorized into regular meetings and ad-hoc meetings hosted when the need arises. BOD agenda items are decided by a majority of the directors present and voting for, given the quorum is reached (a majority of the total number of directors). In 2020, seven regular meetings and four ad-hoc meetings were held to deliberate and decide on a total of 32 agenda items. In particular, ad-hoc meetings were held to debate on the donations made in relation to COVID-19.

### BOD Attendance in 2020 (%)

Meeting	Executive Director	Independent Director	Total
1 <sup>st</sup> ad-hoc meeting	100	75	85.7
1 <sup>st</sup> regular meeting	100	100	100
2 <sup>nd</sup> regular meeting	66.7	100	85.7
2 <sup>nd</sup> ad-hoc meeting	100	100	100
3 <sup>rd</sup> regular meeting	100	100	100
4 <sup>th</sup> regular meeting	100	100	100
3 <sup>rd</sup> ad-hoc meeting	100	100	100
5 <sup>th</sup> regular meeting	100	100	100
6 <sup>th</sup> regular meeting	66.7	100	85.7
4 <sup>th</sup> ad-hoc meeting	100	100	100
7 <sup>th</sup> regular meeting	33.3	100	71.4
Average Attendance	87.9	97.7	93.5

## Operation of the BOD

**93.5%**  
in director attendance  
at BOD meetings  
(average)

### BOD Subcommittee

Five subcommittees have been established under the BOD to improve the efficiency of BOD operations. These subcommittees are segmented into their own expertise areas, and delegated by the BOD to fulfill a portion of its functions. These subcommittees are led by independent directors: independent directors make up the majority of the Independent Director Candidates Recommendation Committee and the Compensation Committee, and the Audit Committee and the Related Party Transactions Committee are solely composed of independent directors.

### BOD Subcommittee

Committee	Composition	Role
Management Committee	3 executive directors	· Perform work in accordance with the Articles of Incorporation and BOD regulations and decisions · Deliberate and decide on matters delegated by the BOD
Audit Committee	4 independent directors	· Conduct accounting and work audits
Related Party Transactions Committee	4 independent directors	· Ensure transparency in related party transactions and compliance with fair trade regulations
Independent Director Candidates Recommendation Committee	3 executive directors and 4 independent directors	· Nominate independent director candidates
Compensation Committee	1 executive director and 2 independent directors	· Deliberate on the remuneration limits imposed on registered directors · Annual salary and one-time payment for registered directors · Deliberate on other matters delegated by the BOD

**Expertise of Independent Directors**

To elevate the expertise of the BOD, our independent directors are appointed for their extensive knowledge and experience in business administration, economy and the electronics and battery industries in general as well as their qualifications set forth in applicable regulations or the Articles of Incorporation. In 2020, four independent directors were newly appointed based on their expertise across such diverse areas as electrical and electronics industry, law/human rights, labor policy/relations, and accounting/tax among others. We provide independent directors with information on agenda items prior to BOD and subcommittee meetings so that they can sufficiently review such information and faithfully fulfill their manager and supervisor roles in so doing. To assist independent directors in better understanding our business, we regularly share our quarterly business status and outlook, and provide training at their request or when the need arises. In 2020, all our newly-appointed independent directors received training to take stock of BOD operations and our business activities.

**Training Provided to Independent Directors**

Date of Training	Training Topic
2020.04.28	<ul style="list-style-type: none"> <li>· Introduction to Samsung SDI's battery products and understanding of their manufacturing process</li> <li>· Li-ion Battery market outlook</li> <li>· Electronic materials market outlook</li> <li>· Briefing of compliance monitoring reinforcement plans for top management</li> </ul>

**Independent Director Performance Appraisal**

Our independent directors are evaluated fairly in accordance with the set internal criteria which reflect both quantitative and qualitative indicators. Such performance appraisals are conducted regularly each year, and combined appraisal outcomes of respective independent directors are used as reference data in deciding their reappointment.

**Independent Director Performance Appraisal System**



**BOD Remuneration**

The Compensation Committee deliberates on the limit of director remuneration as an agenda item to be addressed at the general shareholder meeting to review its appropriateness. In conformity with Article 388 of the Commercial Act, the limit on director remuneration is decided by the general shareholder meeting, and remuneration is paid within the approved boundary in consideration of the work assumed by respective directors and the outcome of fulfilling their given mandates. Executive director remuneration consists of position-specific base salary and performance-based bonus. Performance-based bonus is calculated in consideration of quantitative indicators related to financial performance (sales, net income, and stock prices) and of non-quantitative indicators related to environmental and social performance (safety, labor relations, insolvency, corruption, security, and compliance). Independent director remuneration includes base pay, welfare benefits, and diverse expenses paid to perform work as an independent director. While remuneration for independent directors is not aligned with their performance appraisal results to ensure the independence of their decision-making, full consideration is given to the level of compensation provided by industry peers, as well as risk, responsibility and time involved in performing their work in determining their remuneration.

**Breakdown of BOD Remuneration in 2020<sup>1)</sup>**

Category	Unit	2020
Net payments made	KRW million	10,047
Total remuneration for executive directors	KRW million	9,690
Total remuneration for independent directors	KRW million	357
Average remuneration per executive director	KRW million	3,230
Average remuneration per independent director	KRW million	45

<sup>1)</sup> Four independent directors are members of the Audit Committee, and the above data on the number of directors and total remuneration include those independent directors and members of the Audit Committee who resigned during the fiscal year of 2020.

# Compliance

**Compliance Management System**

Penalties and sanctions imposed due to the violation of applicable laws and regulations

**Zero** cases

**Compliance Program**

Samsung SDI operates a systemic compliance program to disseminate a culture of compliance. This program follows the process of 'risk monitoring and prevention – training and review – improvement and follow-up management', and its focus areas include cartel, related party transactions, subcontracting, trade secret protection, and anti-corruption. In 2020, seven Samsung Group affiliates including Samsung SDI signed an agreement to organize and operate the 'Samsung Compliance Committee' as an external body tasked with supervising these affiliates and their senior management for compliance.

Since the Committee was initiated in February 2020, Samsung SDI has regularly informed the Committee of its compliance supervision and control activities while implementing measures as recommended or requested by the Committee, bolstering its compliance management system in doing so.

**Compliance Organization**

In 2020, a dedicated compliance unit was reorganized into the Compliance Team under the direct leadership of the CEO, and was reinforced with the assignment of dedicated staff. While the head of the Legal & IP Team also served as the Compliance Officer, this was changed to appoint a separate Compliance Officer to elevate our compliance oversight at all levels. Compliance chief managers in department head positions were also appointed to highlight their roles and strengthen compliance implementation units that were set up at respective organizations.

Compliance chief managers are responsible for the operation of these units and encourage organization members to abide by compliance guides and engage in compliance activities (training and review) to support compliance management activities. In 2021, we will provide compliance chief managers with regular training, year-round compliance newsletters, and updates on major regulatory enactments and amendments to help them build stronger competence.

**Compliance Control Regulations**

Samsung SDI operates the 'Compliance Control Regulations' to be followed by the Company and employees in conducting any and all business activities to ensure its regulatory compliance and sound development. These regulations were established in conformity with the Commercial Act and specify the operation of the compliance control system, authorities and obligations of the Compliance Officer, and employees' compliance obligations and compliance control activities.

In 2020, the Regulations were updated to strengthen the role of the Compliance Officer for the advancement of compliance management, and validity assessments were conducted in accordance with the Regulations to independently evaluate the adequacy and effectiveness of the our compliance control system and identify its operational status. The validity evaluation results will be fully reflected in practicing compliance management in the upcoming years.

**Compliance System**

We operate a compliance system to enable employees to easily obtain compliance-related information and develop awareness on associated behavioral norms. Our employees can use this system to check detailed compliance guides and manuals as well as the Compliance Control Regulations and to learn about latest domestic and overseas compliance issues. The system offers easily accessible assistance to help employees make compliance-related inquiries that may arise in performing their work and access various menus to report contacts made with industry peers and make anonymous whistleblower reports.

In 2020, an independent 'technical data request system' was created and introduced at all levels to prevent the risk of regulatory violations concerning technical data and to improve convenience in managing such data. This system enables our employees to request and receive technical data from suppliers, and we will continue with training and review on this system to promote its wider application.

## Compliance Activities

### Compliance Framework

Samsung SDI implements a range of internal controls to ensure effective compliance and establish a culture of compliance. We continue to operate a system to report contacts made with industry peers to prevent cartel from occurring, and evaluate our executives under the compliance index program to improve their compliance competence and sense of responsibility and reinforce our compliance controls in so doing. Furthermore, preliminary consensus-building is included as a mandatory component into our work processes associated with related party transactions, subcontracting, trade secret protection and anti-corruption to prevent and manage the risk of regulatory violations. Since 2020, we have raised the bar on internal regulations and procedures on external contribution expenditures and the registration of new partner organizations to prevent anti-corruption risks in a more effective manner while turning over the managing role of the 'Sponsorship Council' that deliberates on contributions that exceed the set amount, to the Compliance Team.

### Review and Monitoring

We conduct regular or year-round compliance reviews and monitoring to prevent the risk of regulatory violations from ever occurring. Each year, departments associated with major risks are periodically reviewed for their compliance with applicable laws, internal policies and work processes. Non-routine reviews are also made on risks that warrant preemptive prevention in consideration of internal/external legal issues to ensure regulatory compliance.

In 2020, respective compliance implementation units, under the leadership of compliance chief managers, performed theme-specific self-reviews in reflection of their organizational status concerning such work processes as protecting trade secrets, requesting for suppliers' technical data, and reporting contacts made with competitors. Risks identified as a result of such reviews were addressed through improvement measures, and best review practices were rewarded.

### Counseling and Whistleblowing Channels

Samsung SDI operates whistleblowing channels to prevent legal risks that stem from the violation of compliance obligations on the part of the Company and employees to establish compliance practices at all levels. These channels include our compliance system and corporate website, e-mail, phone, fax and other diverse options, and submitted reports are handled in a confidential manner to protect the anonymity of whistleblowers. In 2020, our whistleblowing functionality, that had been separately operated for ethics management and compliance management respectively, was integrated to improve accessibility and convenience for whistleblowers and render anonymous reporting easier.

### Dissemination of Compliance Culture

Samsung SDI's CEO regularly states the Company's commitment to compliance management both internally and externally, and executives follow suit to share such commitment with their department members to elevate compliance awareness at all levels. In 2020, all executives signed their compliance pledge and department-specific compliance training was provided as part of our efforts to disseminate compliance culture. Respective department heads, as compliance chief managers, encouraged employees to abide by compliance guides and use whistleblowing channels to consistently support all employees to fully engage in compliance activities.

Besides, quarterly 'SDI Compliance Letter' has been published since 2020 to assist independent directors in making compliance-related decisions by sharing reports made by major media outlets on compliance issues and regulatory enactments and amendments.

### Compliance Training

We provide a range of compliance training to raise employees' compliance awareness and prevent the risk of regulatory violations. In 2020, regular job level-specific training was offered to all employees, along with regular training for compliance chief managers. Furthermore, anti-cartel training was conducted for employees responsible for domestic sales and marketing and expatriates in charge of sales activities to prevent actual risks that may occur in the course of business conduct. Employees handling purchasing operations also received training on subcontract regulations to strengthen the special training for employees working in key risk areas. Furthermore, we operated compliance training courses for major suppliers to help them improve their legal competency and advance compliance management.

## Patent Management

Patents registered in Korea and abroad (on a cumulative basis)

**17,636**  
patents

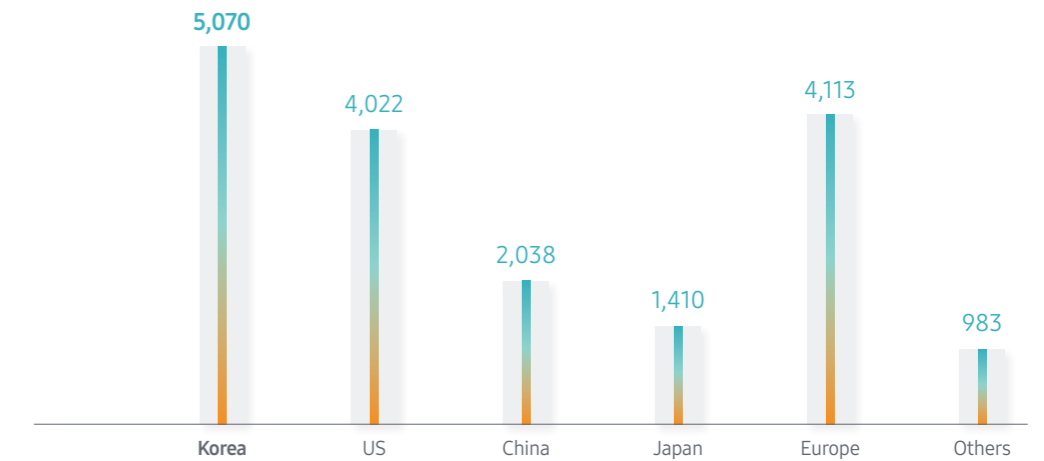
### Intellectual Property Management and Dispute Settlement

Samsung SDI is fully committed to managing its patents granted on the deliverables generated throughout its entire business domains, from R&D to mass production. We also continue to assess the value of our patents following patent registration to maintain a highly-applicable patent portfolio in line with the shifting business landscape. In particular, we secured high-quality patents across diverse battery technology applications, from small-sized batteries for wearable and IT devices to mid/large-sized batteries mounted on EVs and ESS, and are now focused on generating next-generation battery patents. In the electronic materials sector, we are building our patent competitiveness in key technologies for semiconductor and display materials. The sum of these endeavors allowed us to register 5,070 patents in Korea and 12,566 patents overseas as of the end of 2020.

In addition to patents, we work to secure and manage intellectual property including but not limited to designs, trademarks and trade secrets, and are developing a system to effectively leverage and manage our intellectual property. In the event of unfair infringement of our intellectual property rights (IPR), we take appropriate legal action to fully protect our due rights. In addition, we engage in prior art research even from the initial R&D phase to identify any possibility of patent disputes and develop countermeasures prior to initiating development in order to doubly make sure that we do not unintentionally infringe upon the rights of other companies and prevent unnecessary patent disputes from occurring. Our efforts to prevent disputes concerning patents and other IP extend from R&D to the entire business operations, and we recruit experts from outside the Company and assist internal staff in improving their expertise to effectively handle IPR-related disputes.

### Patents Registered on a Cumulative Basis as of 2020

(unit: No. of patents)



# R&D

## R&D Approach

The battery industry is witnessing the rising demand for improving eco-friendliness across the international community, and this highlights the need to diversify new applications and deliver safety performance.

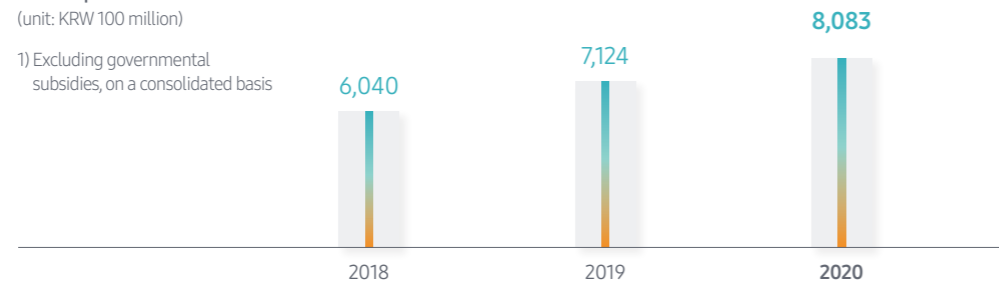
As an 'leading total solution provider of world-class eco-friendly materials and energy', Samsung SDI is broadening its business portfolio from cutting-edge materials to components and elevating its technology competitiveness as a company focused on IT device and semiconductor materials. We continue with our R&D activities to embrace new market-leading products and technology, and set the trend in the rapidly-shifting technology landscape while securing future growth drivers.

### R&D expenditures

KRW  
**808.3** billion

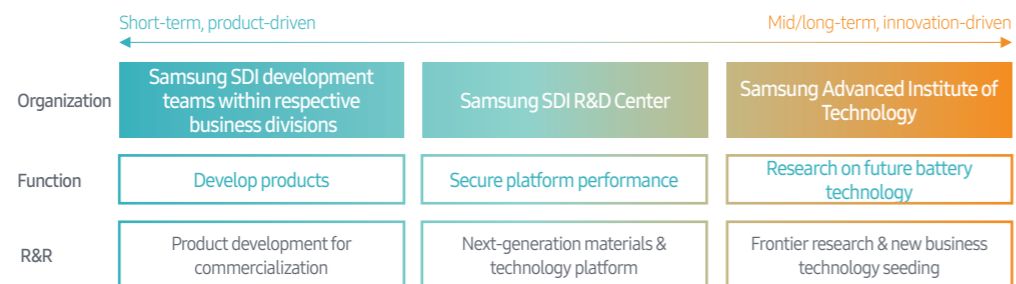
### R&D Expenditures<sup>1)</sup> (unit: KRW 100 million)

1) Excluding governmental subsidies, on a consolidated basis



### R&D Organizational System

We operate R&D organizations within our Small-sized Battery Business, Automotive and ESS Business, and Electronic Materials Business divisions in conjunction with the SDI R&D Center which is tasked with establishing platform performance, and are reinforcing our global technology leadership through close collaboration across these business divisions. We also engage in R&D on rechargeable battery materials and ensure a stable supply of raw materials. In particular, the characteristics of materials determine the performance of batteries from energy density to cycle life and power, and materials account for a large share of the total costs, which underscores the utmost importance of competitive materials. Our Electronic Materials Business has moved into the Samsung Future Technology Campus (Samsung Electronics Materials Research Complex) to generate synergy through joint R&D endeavors, and our Battery Business and Automotive and ESS Business placed their related functional infrastructure – development locations and evaluation facilities – together at our Giheung worksite to generate greater R&D synergy and improve the efficiency of development activities. In 2020, the sales and marketing operations of the Strategy Marketing office were transferred to our Battery Business and Automotive and ESS Business to strengthen the management accountability of respective business divisions while expediting our work and decision-making process.



## Open Innovation

Samsung SDI engages in industry-academia cooperation with external institutions and prestigious universities in Korea and abroad. Samsung SDI also reinforces its next-generation technology and contributes to nurturing talented individuals in the industry. Such cooperation spans a wide spectrum of areas, from battery and electronic materials to the development of evaluation methods to secure battery safety. Notably, we have continuously teamed up with universities that are leading battery research – Seoul National University, POSTECH, Hanyang University, Sungkyunkwan University, and UNIST – since 2016 to secure next-generation battery technology. In the materials field, we continue to partner with universities in Korea, the US and across the globe to elevate our technology competitiveness. Going forward, we will further expand the scope of such collaboration.

## R&D Outcomes

### Automotive and ESS Battery

Samsung SDI continues to develop technology to improve the energy density of batteries with an aim to help increase the size of the green EV market and extend the driving range of EVs. In 2020, we succeeded in developing a world-leading high-capacity, high-power EV battery: fully deploying high-capacity, high-nickel cathode materials on the strength of our differentiated battery cell design, this battery resulted in a 1.5-fold increase in driving range. We also designed a low-resistance electrode made of high-performance anodes and preemptively established a new process to bring this design to life, reducing the time taken for battery charging by 30%. This new product is set for full-scale mass-production in 2022, and we have also initiated the development of technology to further improve energy density to cater to future needs.

### Small-sized Li-ion Battery

The adoption of small-sized cylindrical rechargeable batteries is on the constant rise in the power tool (high-power), EV (high-capacity), and micro-mobility (mid-power, e.g. e-scooter) markets. Specifically, the demand for coin cells is surging recently for TWS (True Wireless Stereo) applications. In response to the rising demand for TWS batteries, we completed our product development in 2020 and established a mass-production system. In 2020, we became the industry's first to develop a high-capacity, high-power power tool battery that supports a 5.0Ah/25A continuous discharge, moving ahead of the competition by more than one full year in unveiling products that significantly improved user convenience, including extended usage times. Samsung SDI blazes a new trail in the industry, proactively responding to the shifting market landscape while continuously launching ultra-high-capacity, ultra-high-power products for respective applications.

### All-Solid-State Battery

In cooperation with the Samsung Advanced Institute of Technology, we are developing all-solid-state batteries which deploy solid electrolytes in place of liquid ones normally adopted for conventional batteries with the view to improving both battery safety and usage time. The Institute developed original technology to resolve the issue of crystal 'dendrites' that are known to lead to side effects such as reduced battery life and safety (dendrites refer to lithium ions growing with a multi-branching tree-like form on the anode surface during the charging process of the Li-ion metal anode that helps increase the capacity of batteries). The research outcomes were featured at the world-renowned academic journal of Nature Energy in March 2020. Presently, we are developing an all-solid-state battery that will enable EVs to travel nearly 800 km on a single charge and feature a life cycle of more than 1,000 charges.

### R&D Outcomes in 2020

Business	Research Topic	Expected Benefit
Automotive and ESS battery	Develop industry-leading high-capacity, high-power EV batteries	Contribute to becoming a first-mover in the premium EV segment with specialized rapid charging performance
	Develop next-generation battery structures and new processes	Secure processes and processing technologies for high-capacity, high-quality battery production
Small-sized Li-ion battery	Demonstration research to evaluate the performance of rechargeable battery pouches for IT device applications and to apply them to customers	Develop globally-recognized high-reliability pouches
Electronic materials	Develop W One Slurry	Launch this never-before-possible product that fulfills the functions of two different products to contribute to replacing the existing market and advancing into new ones
	Develop CIS materials	Substitute the materials previously monopolized by Japanese makers and develop thin, high-resolution products to increase sales
	Develop polarizer film with improved visibility	Create a new market for advanced products for TV applications and increase sales
	Develop QD display materials	Create new business opportunities by developing new platform technology for next-generation display products

# Talent Management

## Talent Development

Samsung SDI develops globally-competitive, exceptional talent through its systemic capacity-building training programs. To remain dominant even amid the fierce technology competition, we introduced practice-based early onboarding courses as part of the introductory training for new recruits, and are operating leadership training and coaching courses to nurture next-generation leaders as well as special foreign language skill courses to help build global competences. In 2020, we embraced virtual training to cope with the rapidly-shifting external environment (e.g. COVID-19) to render our training programs more efficient and continue with our commitment to nurturing talented individuals.

### Global Competency Development

As Samsung SDI broadens its overseas business presence, this highlights the importance of global competency development. In line with this emerging trend, we have selected employee's global capacity-building as one of our primary goals for 2020 and have focused on increasing the ratio of employees achieving advanced qualifications in English, Chinese and other foreign languages. Notably, 'Intensive Courses' were created in multiple time durations – 1-week/2-week/12-hour/4-hour – to assist employees whose work can't be discontinued for extended periods of time in receiving training and choosing appropriate courses in consideration of their current level. To preemptively respond to the increasing number of expatriates assigned to overseas corporations, we continue to increase the share of such strategic languages as Hungarian and Vietnamese that are spoken in the countries where we operate in our language training curriculum.

As COVID-19 made it practically impossible to provide on-the-job training, we opted for virtual tools and introduced video-based training that supports real-time interactions with external guest lecturers while operating courses across diverse time slots – weekdays, weekends, early in the morning and later in the evening – to aid in the development of employees' global competency.

### Development of Job Experts

We operate on-the-job and online training courses that address all job categories, including development, technology, manufacturing, sales & marketing, and management support to help employees develop expertise required in their respective positions. Specifically, we operate the STEP (SDI Technology Education Program) designed to meet the distinctive needs of Samsung SDI to systemize technology training for development, process & equipment, and quality operations. Any shortfalls of such on-the-job and online training are supplemented by department-level in-house seminars and learning cells.

In addition to in-house training, we provide master/doctorate academic training and non-degree courses through industry-academia alignment to nurture experts in the development and technology sectors. Our license acquisition support program also encourages employees to obtain internationally/nationally-recognized qualifications in the areas of purchasing, quality, management and finance in order to promote the development of job experts at all levels.

### Building a Learning Culture Led by Working-level Staff

With the rising need for specialized training to cope with the rapidly-changing new technology trends as well as issues that occur in the field across different job categories, we are witnessing the shift from one-way information delivery for all employees to customized training that caters to the specific needs of different job categories.

Samsung SDI established the Education Agent program in 2020 to create a culture of learning led by working-level staff and provide training that meets the practical needs of team members. Education Agents are responsible for planning and operating job training required by respective teams and jobs, and for supporting employees to receive training at the time and place of their choosing. One prime example of such training is team-specific training that invites experts from and outside the Company, and we also operate learning cells that gather together working-level staff to study and in-house seminars hosted to share information among department members on selected topics.

## Respect for Human Rights

Infringement upon human rights

Zero cases

### Technology Training Center

We operate the Technology Training Center to assist technical staff in systematically developing common competences and process & equipment technology expertise while helping new hires and recently-relocated employees to preemptively learn relevant basic competences. Tailor-made, level-specific training is provided from introductory to practical levels, and training equipment, made of core components and modules that are deployed in real-life conditions, is used to provide one-person one-kit training to effectively promote theoretical understanding and hands-on practice. In addition, the 'component technology expert course' is operated to address issues through self-initiated learning on core equipment components, and the 'process & equipment expert course' to resolve equipment-related challenges and chronic process quality issues in order to assist our employees develop expertise in a differentiated manner.

Our Technology Training Center will strengthen its role as a test bench for engineers to freely translate their ideas into life while consistently introducing training courses required to establish competitiveness in emerging technologies.

Samsung SDI respects human rights and the freedom of association as a way to protect human dignity. We endorse International Labour Organization (ILO) conventions, the RBA (Responsible Business Alliance) Code of Conduct, and other global standards and guidelines in the areas of human rights and labor, and fully comply with labor laws and other local regulatory requirements in the regions where we operate.

### Human Rights & Labor Impact Management at All Levels

Self-reviews are made under the supervision of the Headquarters or independently by worksites to ensure that we comply with human rights standards concerning child labor and forced labor, work hours, wages & benefits, humanitarian treatment, ban on discrimination and bullying, and the freedom of association. We also apply the zero tolerance principle to rigorously manage relevant issues. This allows us to identify and manage regions and worksites with vulnerable human rights and labor conditions and to verify factors that may give rise to human rights violations so that the same issues do not ever reoccur. As to our 15 overseas corporations, self-audits were performed on human rights and regulatory compliance to identify risks and make necessary improvements by undertaking mid/long-term tasks.

The S-Partner certification system intends to consistently review our suppliers for their compliance with human rights management and establish human rights management at all levels across the entire supply chain in so doing. In 2020, no violation occurred in relation to the ban on child/forced labor and anti-discrimination/bullying policy.

[Go through this link to see the full version of Samsung SDI's Code of Conduct](#)

### Improvement in Human Rights Awareness

We provide all employees with training to prevent sexual harassment, improve awareness on people with disabilities, and promote the culture of mutual respect in line with the enforcement of the Workplace Harassment Prevention Law with the view to awakening all our employees to the importance of assuring and protecting fundamental human rights. To render such training even more effective, our training curriculum reflects the ever-changing internal/external conditions and social needs, and is continuously updated with new training content. The 'It Basic' bulletin board within our in-house website serves to post basic-level guides on human rights issues, including training materials on anti-sexual harassment and the culture of mutual respect as well as action guidelines for employees to follow in order to take cautions and make proper responses to prevent sexual harassment and verbal violence and to improve on drinking culture. All our employees are able to use this board to file their reports or complaints on human rights issues, and stringent measures are taken in accordance with the set standards in the event of such issues occurring.

## Creating an Advanced Organizational Culture

Change Agents operating across the company

**283** employees

### Building a Top-tier Organizational Culture

Samsung SDI aims to improve employees' work satisfaction and engagement to increase both the contentment of individual employees and the business performance of the Company while building on such achievements to recruit outstanding talent from outside the Company and to ultimately reinforce its product competitiveness. To establish an advanced organizational culture that supports this virtuous cycle, we have set five goals – fair appraisal, team member development, open communication, improved work efficiency and better collaboration – in conjunction with 283 Change Agents who lead our organizational culture at respective departments, and are working to build a top-tier organizational culture accordingly.

#### 5 Organizational Culture Goals and Activities to Create a Top-tier Organizational Culture

- Fair appraisal**
  - Improve appraiser competency through strengthened appraisal training
  - Establish the procedural fairness of the appraisal process and improve the acceptance of appraisal outcomes by expanding appraisal interviews concerning interim appraisals for process management and feedback
- Team member development**
  - Select department-level EAs (Education Agents) to provide customized job-specific training and promote learning led by working-level staff (e.g. learning cells, in-house seminars)
  - Create a career market for employees looking to relocate to apply for the department of their choosing to aid in employees' career development
- Open communication**
  - Expand discussion infrastructure to facilitate the free exchange of ideas and create a culture of debate
  - Support diverse communication activities – virtual office dinners/discussions – to facilitate interactive communication amid the COVID-19 outbreak which puts limitations on outdoor activities
- Improved work efficiency**
  - Identify and award best practices of improving work efficiency to disseminate a culture of encouraging employees to fully engage in high-value-added work
  - Create efficient meeting practices by reducing meeting durations and unnecessary attendance and streamlining meeting materials
- Better collaboration**
  - Expand interactions among relevant departments to create a culture of inter-departmental collaboration
  - Operate a collaboration project undertaking process to recognize relevant departments that select their collaboration projects and successfully resolve project challenges



Virtual corporate dinners to facilitate communication



Awards granted to best practices of undertaking collaboration projects

## Creating a Great Work Place

### Facilitating Labor-Management Communication

In response to the changing needs of the time, Samsung SDI advances compliance management to build cooperative labor-management relationships and facilitate bilateral communication. We fully protect labor's three primary rights and comply with applicable laws and regulations to provide better labor conditions while operating the Works Council in conformity with the Act on the Promotion of Workers' Participation and Cooperation to make institutional improvements and take heed of any difficulties faced by employees. Specifically, we operate 'Sicolcol' as an in-house online communication channel to collect improvement suggestions or grievances raised by employees in relation to their professional life, and sincerely address the submitted issues by making it a rule that relevant departments respond to them within 24 hours. Inquiries made by employees remain confidential when necessary through the private comment functionality, and employee feedback is proactively collected. In so doing, the channel serves to improve the work environment and plays a pivotal role in facilitating communication between labor and management. In 2020, 1,193 issues were submitted and addressed with follow-up measures. In addition, the 'Leaders' Channel' is under operation as a monthly department leader meeting to communicate on the Company's management and institutional operation. Meeting outcomes are directly briefed by department leaders and shared among employees.

### Supporting Work-Life Balance

Samsung SDI provides a range of programs for employees to achieve a healthy work-life balance. Flexible work arrangements serve as a case in point: selective work hours and relevant systems are up and running so that our employees can manage their own work schedules. Reduced work hours also help create a more flexible work environment. In-house maternity protection rooms have been arranged for expectant mothers, and daycare centers are operated at all our worksites to help employees work all while taking care of their children. We have also extended our paternal leave programs to meet and even exceed the recommendations set by the Ministry of Employment and Labor in implementing maternity protection and work-life balance programs in order to alleviate employees' burden to both work and raise kids.

- Fertility treatment leave**
  - Five-day leave is provided for employees to receive fertility treatment or support their spouse undergoing such treatment. These five days can be split, and up to KRW 1 million (KRW 500,000 per treatment) is provided per year.
- Paternity leave**
  - Employees whose spouse gives a birth may take a 10-day Paternity leave five days prior to birth and within 90 days after birth (20 days for multiple birth). This leave can be split once.
- Parental leave**
  - Legal parental leave can be used only for one year per child, but Samsung SDI grants an additional period of leave for up to one year. Also, while legally-mandatory parental leave set the age limit at eight years old, we have extended this to 12 years old.
- Reduced work hours for working parents**
  - For employees whose children are aged eight years old and younger or are in grade 2 and under, we allow them to reduce their work hours for up to two years, including one-year legally-mandatory parental leave.

### Operating Welfare & Benefits Programs

We provide a range of welfare and benefits programs to help employees improve the quality of their life. To promote residential stability which is one of the greatest social challenges faced by workers, we assist our employees who have yet to purchase a home in paying interests for three years on the loans extended through Samsung SDI's approval to buy or rent a house in size of 85m<sup>2</sup> or under, which is considered as a standard national house by the Korean government. As part of our selective welfare and benefits programs, we award welfare points each year to encourage employees to engage in self-development and enjoy their leisure and cultural life. We also support for their comprehensive health check-ups and indemnity insurance premiums.

Go through this link to learn more about Samsung SDI's welfare and benefits programs

## Health and Healthcare Management

### Employee Health Promotion

Samsung SDI supports health promotion activities for employees including regular check-ups and work environment inspections to health training and disease prevention. In addition to regular health check-ups, comprehensive life-cycle health check-ups are provided for the early diagnosis and prevention of diseases. When deemed necessary based on check-up outcomes, health counseling is provided in alignment with the Samsung SDI medical clinic (health care office) while health promotion activities are implemented by inviting key opinion leaders in the healthcare sector and partnering with local health centers. To prevent diseases caused by work-related musculoskeletal burden, we perform regular inspections on workplace rick factors and change work methods to improve our work environment. Our Cheonan and Gumi worksites operate the musculoskeletal center, and offer one-on-one musculoskeletal disease prevention programs to help employees ease their musculoskeletal pain that stems from their daily habits as well as work-related ones.

# Workplace Safety

## Safety Management System



In line with the complete revision of Korea's Occupational Safety and Health Act in January 2020, we realigned our safety and health management process at all levels, and specifically, identified health and safety impacts prior to initiating work through our integrated EHS management system to prevent subcontract-related issues that are subject to tightened provisions under the revised Act. This allowed us to establish processes to preliminarily verify our compliance with health & safety regulations and internal standards and to eliminate risk factors to ensure improved workplace safety for employees of our subcontractors.

To preemptively respond to the pre-announcement of the fatal occupational injury punishment legislation, we received consulting from professional consultancies to analyze provision-specific impacts and elevate our management capabilities, and are taking improvement measures on those issues identified as in need of such improvements.

### Dedicated EHS Organization

Our Safety and Environment Group has created a dedicated technology organization to run a range of fire tests in real-life conditions in order to preemptively address the risk of fires that arises with the increasing capacity of batteries. This enables us to re-examine our firefighting measures by battery type, process, and facility and to establish an optimal firefighting system. In addition, we monitor factors contributing to fires to proactively control fire risks.

### EHS Code of Conduct

In line with our management philosophy that considers workplace safety as the first and foremost business principle, we established the EHS 10 Commandments as our EHS code of conduct for all employees to follow. Across our entire worksites, employees recite these commandments prior to meeting to fully embed their purpose and meaning into daily work routines while acting on these commandments to raise their safety awareness and build a safety-driven culture.

### Occupational Health and Safety Training

We provide health & safety training to all our employees to elevate their occupational health and safety awareness at the company-wide level. Our training curriculum consists of more than 200 courses for employees to choose from in consideration of their areas of interest and training needs. Managers, new hires, employees handling hazardous substances or high-risk machinery, and those assigned to specific or new tasks are supported in receiving tailor-made training depending on their job category or level and work processes.

### Establishment of a Safety Culture

Samsung SDI makes use of internal safety culture assessment tools to regularly measure the level of its safety culture among employees. Measurement outcomes across the eight categories of safety culture are used to analyze reasons for areas where we underperformed compared to the previous year and areas where we are vulnerable, and to develop improvement strategies and undertake special activities to consistently improve our safety culture.



## Improvement in Employees' Safety Awareness

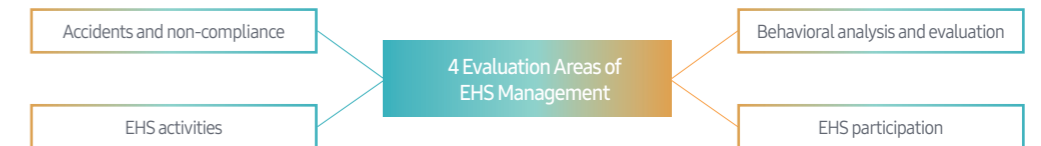
## Workplace Safety Management

### Integrated EHS System

Samsung SDI is operating an integrated company-wide EHS system to improve the efficiency of its EHS operations, perform regulatory monitoring, and detect risks before they occur. This system consists of 46 modules across the eight categories of safety and environment, health, chemicals, disease prevention, partner companies, audit and common areas. To ensure the normal operation of our company-wide EHS management system and establish its effectiveness, our EHS management system received surveillance audits across all domestic and overseas worksites in December 2020, and was certified to be 'valid' by the certification body.

### Evaluation of Manufacturing Management Supervisors

While EHS management evaluations were made on part organizations at our Gumi worksite only, this will extend to all our worksites in Korea (Cheonan, Ulsan, and Cheongju). In the 2nd half of 2020, evaluation methods that differed across respective worksites were realigned and unified into 35 evaluation items in four areas, and pilot evaluations were performed on our Cheonan and Ulsan worksites. We will conduct such evaluations semi-annually (1st/2nd half) from 2021 onwards, and this will surely drive our efforts to regularly review the EHS performance of management supervisors who are responsible for the safety of our employees in the shop floor and to achieve zero injuries and accidents and create a safety-driven culture in so doing.



### Reinforced Shop Floor Safety Certification

We ensure that the safety of our facilities is verified by third-party certification bodies in the facility manufacturing process to improve the safety of shop floor facilities. In 2020, a manufacturing work certification program was introduced to ensure that in performing high-risk work that involves the direct operation of facilities, error correction measures can be taken only by those workers who completed relevant job training to tighten our safety management system.

### Inspection and Monitoring

At Samsung SDI, periodical assessments are made on the entire areas of safety, environment, health and disaster control through its workplace safety management system. These assessments are performed on a daily, weekly and monthly basis concerning respective categories, and weekly status monitoring is conducted to share feedback among worksites.

### Identification of Potential Risks

We consistently identify and improve potential process-related risks at domestic and overseas worksites, and upload identified potential risks on our computer system to be shared across the board. In 2020, a total of 309,721 potential risks were identified at all levels as of manufacturing workforce, and this translates into 41.2 risks per employee, which far exceeds the set target (12 risks per employees) by 343%. In the 1st half of 2020, awards were granted to worksites that excelled in discovering potential risks, and our Vietnamese corporation received prize money for identifying the most number of risks and generating best practices in making improvements.

### Emergency Response System

We are establishing an emergency response system to prepare for any and all possible incidents and accidents. Trainings and exercises are conducted to take swift emergency response measures through close collaboration at all levels, from senior management to working-level employees, in the event of emergency. Emergency firefighting units are also under operation 24/7 at respective worksites to build year-round preparedness against any emergency. In 2020, special training by each shift was provided in consideration of the risks of COVID-19.



### Battery Safety Management

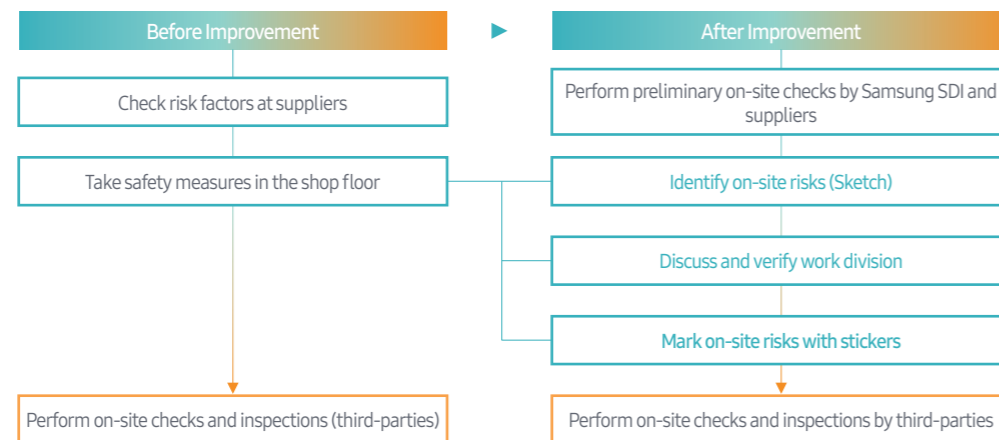
It is with the awareness that safety comes before all else in the battery business that we are raising the bar on our management process to ensure battery safety from the product development phase. We are re-establishing handling and storage standards in line with battery risks to prevent fire accidents while building emergency response capabilities by conducting fire extinguishing drills for our firefighting staff in Korea and abroad to ensure prompt response in the event of fires. In particular, we created a monitoring room for the formation process that poses the risk of battery fires, and are building and operating a battery storage and transport management system. The addition of firefighting facilities helped strengthen our fire detection and extinguishing capabilities, and work is underway to manufacture and operate broad water immersion test chambers to manage high-risk cells concerning test batteries used for development and quality assurance. As a countermeasure to the fires caused by end-of-life batteries at our Cheonan worksite, we re-established our end-of-life battery handling standards and store inflammable wastes such as used electrolytes and oils in warehouses designed for hazardous substances as a way to tighten safety measures. In addition, waste is taken out of our worksites 2~3 times a week instead of 1~2 times a week to reduce the amount stored internally, and construction work to separate the end-of-life battery discharger facility from the resource recycling center is to be completed by the end of 2021.

### Introduction and Facilitation of Handwritten DRIs

As work processes become increasingly complex and new work is added at our worksites, this has made it difficult to preemptively identify risks and has reduced on-site verifications into a mere formality. This prompted us to introduce handwritten DRIs (Double-check Risk Inspections) to help workers improve their preliminary risk recognition and on-site adaptability to strengthen their response to high-risk work. With the adoption of handwritten DRIs, risks are marked in the shop floor and workers or managers directly map out work methods and safety measures. This enables workers to elevate their safety awareness and take tailor-made safety measures to improve their execution and prevent accidents from occurring.

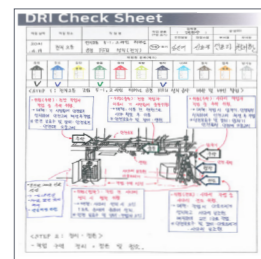
Handwritten DRIs were first conducted at suppliers in March 2020, and have been extended to high-risk work performed by our employees concerning manufacturing equipment and process. As a result of verifying work-specific safety measures to be implemented by suppliers and checking their on-site safety actions taken, they achieved "zero" injuries and accidents in 2020, a meaningful decline from the previous year, to demonstrate benefits in mitigating safety incidents.

### Improved Preliminary Verification of High-risk Work at Partner Companies



### Safety Assessments for Partner Companies

Samsung SDI performed safety assessments on its partner companies to fulfill its legal responsibility to ensure safety along the entire supply chain. The associated process was established in collaboration with Equipment Purchasing Group, Safety and Environment Group and Infra Operation Group at respective worksites, and supplier modules are organized within the Samsung SDI G-EHS (environmental safety system) for registration and management. In 2020, we conducted contractor qualification selection and safety assessments as required by the Occupational Safety and Health Act on a total of 342 infrastructure construction and facility subcontractors including 76 in-house subcontractors. For 18 subcontractors who scored under 70 as a result of these assessments, they received on-site visits paid by our EHS experts to provide guidance, and were recommended to take improvement measures within three months.



DRI (Double-check Risk Inspection) Check Sheet

Partner companies that received safety assessments

**342** companies

## Chemicals Management

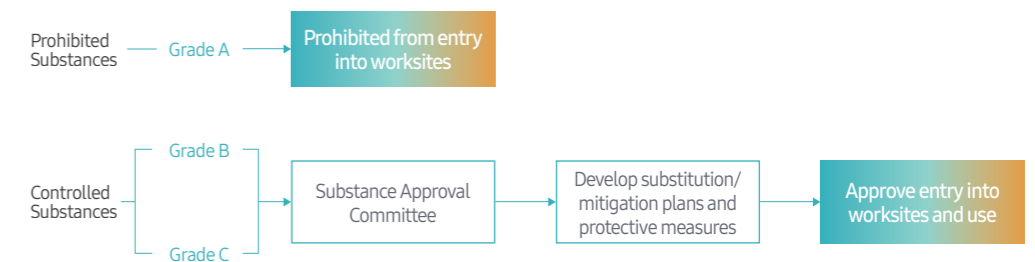
### Chemicals Management System

Our Global Environment, Health & Safety (G-EHS) system ensures that chemicals are inspected prior to their entry for possible conflict with applicable laws and regulations to manage their entry and use at our worksites. Any and all chemical substances that enter our worksites (raw/subsidiary materials, development materials, and consumables) receive impact reviews and assessments across EHS categories prior to their purchase, and they are verified for their legal compliance during the purchasing and worksite entry process. This system has been extended to our overseas worksites to disseminate company-wide practices to use chemicals safely.

### Management of Internally Regulated Substances

To protect our employees from health impairments and work-related ill health, we reflect regulations on substances harmful to the human body (e.g. carcinogens) as well as regulated substances in creating and managing a list of internally regulated chemical substances. These substances are graded into A, B, and C, and an approval system is operated accordingly so that chemicals that enter our worksites are verified for their inclusion in the prohibited substances list, applicable substitution and mitigation plans, and protective measures prior to their entry and consumption at our worksites. In addition, risk assessments are conducted on chemicals that are put into the process in consideration of their hazards, exposure levels, and work characteristics, and assessment results are used check the work environment including sealing and improving facilities handling these substances. Total inspections are also performed on chemical substances every quarter to identify the overall status of chemicals handling and regulatory compliance concerning the Material Safety Data Sheet (MSDS) and the installation of warning signs.

### Grading and Approval of Internally Regulated Substances<sup>1)</sup>



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

### Reinforced Inspection of Process Hazards

Samsung SDI performs semi-annual work environment measurements on processes that handle hazards including production and R&D with the help of external organizations. This comes in tandem with year-round measurements made in the event of process change or the addition of new materials to comply with legally applicable standards. For hazards that are handled throughout the entire process in general, we set our internal exposure limit at less than 30% of the legal threshold, and this is even further tightened to less than 10% of the legal threshold for carcinogenic, reprotoxic or mutagenic substances that require special management. In case there are processes that exceed our internally-set exposure limits, improvement measures are developed to replace or mitigate hazards and seal affected equipment in order to deliver a safe work environment for employees.

In addition, processes that handle chemicals are equipped with local exhaust ventilation and receive inspections and assessments at least once a year while hoods, ducts, and fans are managed to maintain their exhaust velocity above the mandatory legal threshold. At domestic worksites, regular deep-dive assessments are performed through consulting offered by external professional organizations. In 2020, we invested nearly KRW 4.9 billion in investigating odor-generating processes as well as hazards to continually improve the work environment by increasing the exhaust air flow, containing equipment within booths, and installing mobile local exhaust ventilators.

## Response to COVID-19

In March 2020, the WHO (World Health Organization) declared COVID-19 a pandemic, raising its alert level to the highest in consideration of the severity of the spread of this infectious disease. While a full one year has passed since then, COVID-19 continues to wreak havoc and poses grave risk to the business operation of the global industry. To preemptively address this global challenge, Samsung SDI has been operating a response system from the early days of the COVID-19 outbreak, and is taking a multi-faceted approach to minimize impact on the health and safety of its employees.

### COVID-19 TF Operation for Systemic Response

In January 2020, we launched a company-wide COVID-19 Task Force to promote a more prompt and systemic response to this global pandemic. The TF is composed of the Corporate HR Team, the Financial Management Team, the Communication Team, and ESH departments at the Headquarters, and is responsible for establishing standards on domestic/overseas business travels, worksite access controls, access to crowd facilities, the management of employees with symptoms of fever, disease control activities, and training and group activities. The TF regularly updates disease prevention standards and uploads and shares them on our company-wide board to assist all employees and relevant departments in making appropriate responses, serving as a control tower across the board to safeguard our employees from COVID-19 infections.

### Prevention of Infection and Dissemination

To protect employees from COVID-19 infections and prevent their spread within the Company, Samsung SDI has suspended in-person activities including offline training and organizational events while shutting down in-house crowd facilities including gyms and club rooms. Elevators, handrails and other areas exposed to frequent physical contacts are disinfected more than once every day, and stronger controls are placed on worksites, dormitories, commuter buses and other facilities used by our employees. In particular, some of our worksites expanded the operation of commuter buses so that employees could seat with empty seats between each other while in-house cafeterias extended their business hours and arranged all seats to face the same direction to minimize physical contacts among employees. To elevate employees' safety awareness, daily text messages are sent to all employees to remind them of our disease prevention guidelines and distancing rules. Mobile health exams are made to check whether employees visited high-risk facilities or developed fever or other symptoms so that they can take self-quarantine measures when necessary.

### Creating a Culture of Remote Work

In line with the prolonged outbreak of COVID-19, we are developing a range of support measures to establish a culture of safe, remote work. Leveraging external work support infrastructure, we assist our employees in performing work conveniently even outside the Company while facilitating video conferencing internally to expand work consultations through virtual means. For expecting mothers living in areas with high prevalence of COVID-19 infections and those who gave birth within the past six months and thus have a weakened immune system, we provide support for remote work in accordance with social distancing levels to better take care of employees who are more vulnerable to infectious diseases.

### Supplier Compliance with COVID-19 Guidelines

In 2020, we developed a compliance checklist to help our domestic suppliers prevent the spread of COVID-19, and performed checks on four primary suppliers. The checklist included a total of 14 items concerning collective and individual disease prevention activities and workers' code of conduct. Our plan for 2021 is to conduct reviews and trainings through the use of this checklist as part of the S-Partner certification process to encourage suppliers to faithfully abide by disease prevention guidelines.

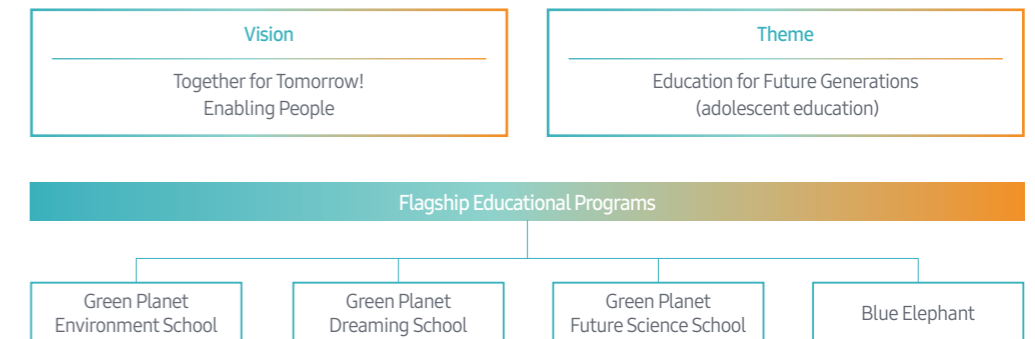
# Social Contribution

## Social Contribution Vision

Employees participating in social contribution programs

99%

Samsung SDI, guided by its CSR vision of 'Together for Tomorrow! Enabling People', is making the world a better place and help children and adolescents dream a big dream and unleash their full potential. While we planned to focus on adolescent education and implement associated activities accordingly, the continued spread of COVID-19 posed a range of limitations. Still yet, we leveraged wide-ranging virtual online platforms to continue with our adolescent education programs and successfully transitioned from in-person to virtual programs. In 2021, we continue to explore ways forward in implementing our CSR programs to cater to the needs of our changing time and make educational donations to generate tangible outcomes. In the face of unpredictable, ever-changing conditions, we will remain firm in our endeavors to take a diverse approach and blaze a new trail to create a better world and achieve our CSR vision.



## Flagship Educational Programs

### Green Planet Environment School

Samsung SDI has continued to operate green and energy education programs for children and adolescents. Specifically, 'Green Planet Environment School' for elementary school students is a hands-on learning program that addresses the importance of environmental protection and proper energy use. Our employees serve as instructors to provide environmental education and experience-based activities on a wide array of topics, including renewable energy, global warming and green transportation.

As COVID-19 made it virtually impossible to engage in in-person education in 2020, we developed a virtual online platform and shifted to remote video-based career mentoring. This enabled us to broaden the window of learning opportunities for elementary schools in local areas that had been previously challenged in participating in experience-based activities, and a total of 716 students joined our newly-developed virtual educational program. In 2021, we will add new educational activities in consideration of changing conditions of the post COVID-19 era, and position Green Planet Environment School as our flagship environmental education program that is open and readily available for even more children.



Green Planet Environment School - Career mentoring performed through remote videos



Green Planet Dreaming School - An environmental education kit, 'SDI World'

### Green Planet Dreaming School

The nation-wide introduction of the free-semester system across middle schools in Korea spurred demand for educational donation programs led by businesses to respond to this new governmental policy. This drove our decision at Samsung SDI to operate Green Planet Dreaming School in alignment with the free-semester system since 2019 to contribute to the more effective implementation of the nation's educational policy.

In 2020, we developed an online platform to create a safer learning environment even amid the COVID-19 pandemic. Our online courses provided the 'SDI World' as an individual environmental education kit for students to experience business areas linked with Samsung SDI, and effectively learn proper ways of using energy in response to the rapidly-shifting trends of the future society and climate change.

To deliver in-depth environmental education in the first semester of 2021, we extended the number of general education sessions operated with a focus on science study classes under the free semester system from four to eight sessions. We also operated a pilot run of online environmental education at two schools located near our Giheung worksite, and this will extend to middle schools in the vicinity of our six worksites nationwide from the second semester onwards. Going forward, we will increase the width and diversity of our experience-based virtual online education programs to contribute to nurturing our future leaders.

### Green Planet Future Science School

Green Planet Future Science School provides science experience education for children at local children centers in the vicinity of our six worksites. As the spread of COVID-19 made it extremely difficult for us to visit these centers to offer in-person education in 2020, we created six new programs and prepared for the transition into a virtual online platform. This enabled beneficiary children to continue with their education on science experimentation and the production of actual outputs on a safe and fascinating online platform. In 2021, the online platform of Green Planet Future Science School will be made available for more educationally-underserved groups to proactively promote educational participation among children who can barely access learning opportunities.

### Blue Elephant

Under our CSR vision of 'Together for Tomorrow! Enabling People', we have teamed up with five Samsung affiliates<sup>1)</sup> to provide education on protecting adolescents from cyber violence. In collaboration with the Blue Tree Foundation, an NGO dedicated to the prevention of adolescent violence, the Ministry of Education, and the Community Chest of Korea, we hosted an agreement signing ceremony in February 2020 and provided on/offline programs for teachers at elementary/middle/high schools nationwide as well as parents concerning the production of educational content and prevention training on cyber violence, platform development, diagnostics and research, and cultural campaigns. In 2021, the scope of this program will include cyber violence prevention training, therapeutic counseling, prevention culture and academic research, and Blue Elephant education is set to continue for the next 10 years to help effectively remedy the issue of cyber violence.

1) Samsung Electronics, Samsung Display, Samsung SDI, Samsung Electro-Mechanics, and Samsung SDS



Green Planet Future Science School - Online education video



Blue Elephant - Agreement-signing ceremony

## Other Virtual Social Contribution Activities

### Dream Walking

On the occasion of our anniversary each year, we launch Dream Walking activities to ensure that our future generations fully enjoy their right to breathe clean air. Funds are raised in proportion to the number of steps taken by our employees to create School Forests for elementary schools in the vicinity of our worksites as a way to help reduce the level of particulate matters. This aptly fits with the current situation as participating employees can make invaluable donations all while complying with social distancing rules to prevent the spread of COVID-19. In 2020, a total of 7,144 employees took 1.3 billion steps to donate KRW 33.70 million, which went to create a School Forest for Chaam Elementary School near our Cheonan worksite. Samsung SDI will continue to build school forests so that children can promote their healthy growth under the clear blue sky without any worries over air pollution.

### Hands-on - Environmental Education Books

As a way to make educational donations for children and adolescents, Samsung SDI is engaged in the direct hands-on production of environmental education books. In 2020, 2,984 employees volunteered to make a pop-up book that helps children learn the circulation of water and its importance, and donated copies of this environmental education book to young readers at local children centers. Each page of the book was manually produced by our employees who willingly put in their hard work to exert positive influence in satisfying the intellectual curiosity of numerous children across the nation through virtual volunteering.

### Hands-on - Greedanemo

Our 'Greedanemo' hands-on program sponsors artists with developmental disabilities and the exhibition of their works. Our employees paint on a small-sized canvas and exhibit their works along with those created by artists with developmental disabilities. In 2020, a total of 3,083 employees joined this program.

The exhibition was hosted through virtual means in an open-air venue located in Cheonan to help curb the spread of COVID-19, and works created with employees' portraits in celebration of our 50th anniversary were displayed. Gathering together people with disabilities and those without to create meaningful works, Samsung SDI reaffirmed its commitment to mutually-beneficial partnerships to shape a fully inclusive, flourishing future for all.



Dream Walking - School Forest signboard in Cheonan Seongseong elementary school



Hands-on - Environmental Education Book



Hands-on - Exhibition for 'Greedanemo' and Samsung SDI's 50th Anniversary