This report is printed on an environmentally-friendly recycled paper using soybean ink.

Smart Solution for a Green World
About Sustainability Report

Eighth Sustainability Report
Since its Korea’s first publication of Sustainability Report in 2003, Samsung SDI has published the report every year.
This is the eighth annual Sustainability Report published by Samsung SDI.
The previous report was released on May, 2010.

The reporting Period is from January 1 to December 31, 2010.
This report contains updated information to reflect changes that occurred through April 30, 2011.

All Global Production Subsidiaries, Sales Subsidiaries and Offices, Research Centers, and Joint Ventures.
This report covers information of the entire Samsung SDI’s global operations

Energy and Display Products
The contents extend to rechargeable batteries, ESS, PDP, CRT, VFD, automotive batteries and products under development at Samsung SDI research center.

GRI G3
This report has been prepared according to the G3 Guidelines of the Global Reporting Initiative(GRI) and the Environmental Reporting Guidelines of the Ministry of Environment of Korea. Data was compiled based on the GRI G3 protocol and Samsung SDI’s internal standards when not specified in the GRI G3 protocol.

Assurance
To ensure credibility of report contents and underlying systems, this report was verified by an independent third party in accordance with AA1000AS(2008), the international assurance standard.

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URL http://www.samsungsdi.com/sustain/s1_8.jsp
Samsung SDI

Samsung SDI is an eco-friendly and clean energy solution company.

Our worldwide network spans nine production plants, one R&D center, two sales subsidiaries and numerous branches and offices in 12 countries.

Samsung SDI is comprised of the Battery Business Division, PDP (Plasma Display Panel) Business Division and CRT (Cathode Ray Tube) Business Division. Our research center is currently carrying out research on core materials of rechargeable battery and next-generation battery technologies.

In 2010, we expanded our cell line in Cheonnan, Korea and Tianjin, China, to strengthen our battery business and our newly established cell line in Uljan, Korea. In January, 2010, we established the Vietnam subsidiary and began production of mobile phone battery packs starting from July.

Global Sites

Headquarters Gihueung
Production subsidiaries Cheonnan, Uljan, Shenzhen, Tianjin, Shanghai, Malaysia, Mexico, Hungary, Vietnam
Research center Gihueung
Sales subsidiaries Los Angeles, Hong Kong

* Other branches and offices are excluded

<table>
<thead>
<tr>
<th>Product sales volume (Unit: million)</th>
<th>Asset</th>
<th>Sales</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Battery. 780</td>
<td>CRT: 16.6</td>
<td>KRW 7.9 trillion</td>
<td>12,462 people</td>
</tr>
<tr>
<td>PDP: 6.4</td>
<td>VFD: 17.3</td>
<td>KRW 5.1 trillion</td>
<td></td>
</tr>
</tbody>
</table>
Samsung SDI prepares to take another leap forward. We ask for your constant support and encouragement as we move toward a sustainable future.

Samsung SDI partners all around the world. We appreciate your undivided attention and support.

The world is undergoing unprecedentedly rapid changes. Climate change caused by green house gases changes the fossil-fuel-based paradigm and thus the entire industry. Urbanization around the world, including an increase in the number of megacities with populations exceeding 10 million inhabitants, leads to increasing demand for energy, investment in infrastructure and smart electricity grids.

Samsung SDI, with its continual interest in global issues and forward-looking vision, considers such drastic changes not as a crisis but as an opportunity. Thus, in 2011, we declare a new vision for the next decade: “Smart Solution for a Green World.” This vision is our ambitious dream of providing solutions for an eco-friendly world based on world class competitiveness in rechargeable battery technology and thus of contributing to the happiness and wellbeing of Earth’s inhabitants.

This new vision will be developed along two axes: Smart Energy and Green Devices. Smart Energy refers to energy which reduces consumption of fossil fuels and which is available anytime, anywhere. Green Devices are various eco-friendly devices which include not only existing PDP but also electronic parts and materials.

In addition, we are unveiling a new corporate culture slogan, “So Good Company” to encapsulate this vision. This slogan epitomizes our will to become a “So Good Company” which provides benefits to all stakeholders, including our shareholders, customers, supplier as well as society as a whole. This new corporate culture will be the foundation for Samsung SDI to become an eco-friendly and clean energy solution company which contributes to a better world and a better life for all.

Samsung SDI plans to strengthen its competitiveness in its main business, rechargeable battery technology, and it will concentrate all its capabilities to identify and nurture new business opportunities in order to secure a bright future and solidify a foundation for sustainable growth. Of course, since we recognize that fulfilling our social responsibility is the very source of sustainable growth, as we go forward we plan to grow together with our various stakeholders by way of communication and cooperation, while sharing values across all areas including economy, society and environment.

Samsung SDI’s taking another leap forward to become a new power in the eco-friendly and clean energy area. We ask for your undivided support and interest as we proceed toward our sustainable future.

President & CEO
Sang Jin Park

89 Park
Our Approach

Due to the development of alternative energy, the eventual replacement of limited fossil fuels and the global trend of restricting greenhouse gas emissions to guard against climate change in the 21st century, the market environment of the energy industry is changing. Against this backdrop, the International Organization for Standardization (ISO) published the ISO 26000, an international standard providing guidelines for SR (Social Responsibility) in November 2010. Thus the demands for fulfilling SR have become more specified in businesses among companies. This is an irreversible trend which will persist well into the future. Therefore, if companies are to survive going forward, management must consider and address various sustainability issues. Sustainable growth must be pursued by fostering communication with various stakeholders both inside and outside the company in order to adapt to the changing management environment.

Sustainability Management of Samsung SDI
Samsung SDI has been employing sustainability management since 2002. In 2003, we established a sustainability management vision and a mid-/long-term roadmap based on initial analysis of various areas, including the economy, the environment and society, the opinions of both inside and outside stakeholders, and the benchmarking of advanced companies overseas. Moreover, we are the first company in Korea to publish a sustainability report. By establishing a sustainability management office since 2004, we have been making efforts to realize various social demands (sustainability issues) for Samsung SDI and we are determined to see that this is reflected in our products and management. Therefore, we market goods and services within communities which are genuinely desired by those communities. To this end, Samsung SDI will contribute to human prosperity by fostering leadership which respects not only economics, but also the needs of both the environment and society as a whole and through sustainable development.

Sustainable Development Innovator
Contribute to human society through sustainable development with leadership in economy, environment and society

More information is available on Samsung SDI corporate website’s <Sustainability - Value & System> page.
http://www.samsungsdi.com/sustain/s1_8.jsp
Stakeholder Engagement

So Good Company

Celebrating its 41st anniversary in 2011, Samsung SDI declared a new vision, “Smart Solution for a Green World,” for another leap forward in the preparation of a new decade. It also announced a new corporate culture “So Good Company,” to realize this vision. “So Good Company” means a good company providing benefits to stakeholders including shareholders, customers and suppliers and contributing to society as a whole. It is the foundation for realizing the new vision and to becoming an eco-friendly and clean energy solution company which contributes to the earth and helps provide a better life for humankind.

“Communication” is at the center of the core values for internalizing such a new corporate culture. Communication is the beginning of an effort to share various values across the economy, society and the environment and to grow mutually among Samsung SDI and its stakeholders. Our major stakeholders include customers, shareholders, investors, employees, suppliers, industrial organizations, expertise groups, civic groups and the local communities where Samsung SDI is located. We identified the major stakeholder groups based on our annual review of stakeholder engagement as well as internal discussion. Samsung SDI listens to the voices of its stakeholders through various channels and is always ready to cooperate with them. Thus it fulfills its responsibility as a conscientious member of society.

Communication with Stakeholders

Samsung SDI makes every effort to communicate broadly with stakeholders through channels tailored to the needs of each stakeholder group as well as a VOD system on the company website. For sustainability issues, we receive stakeholder’s views via sustainability menu on our homepage, phone (+82-31-8006-3366), e-mail (sustainability@samsung.com) and a feedback survey (Listening to You). We actively respond to inquiries and surveys regarding Samsung SDI’s sustainability issues. Moreover, the ‘Discussion Body on Sustainability Management Communication’, comprised of representatives of major stakeholders, has been regularly operating to monitor work and sustainability issues raised by stakeholders. We plan to improve the processes for more systematic management of sustainability issues and to reflect the voices of stakeholders through reporting to the executives and inside sharing in 2011.

Public Policy Response and Participation

Samsung SDI cooperates with industrial and academic organizations on technology projects and HR development to promote industrial advances while at the same time contributing to rational public policy-making. The objective of these pursuits is to minimize the environmental impact of products, manufacturing and services, and to promote consumer safety. We also cooperate in the successful execution of public policy through active participation in national projects in accordance with government policies.

Under Samsung’s business principles, political activity is banned. Accordingly, we refrain from directly engaging in politics that affect our operations. However, we express our views and make recommendations by participating in various organizations. Samsung SDI is a member of the Federation of Korean Industries, Korea Business Council for Sustainable Development, Battery R&D Association of Korea, Nano Technology Research Association, Korea Industrial Technology Association, Korea Smart Grid Association, Korea Institute of Energy Technology Evaluation and Planning, Environmental Foundation and other associations and academic groups. The CEO Sang Jin Park of Samsung SDI was appointed as the Executive Director of the Battery R&D Association of Korea in March, 2011.

Company to Execute the WPM Project Selected

Advanced countries such as Japan are concentrating their capabilities on developing core materials for the Li-ion battery, for it is these materials which determine the performance and added value of the end product and associated parts. The Korean government is also promoting activities to improve the health of its domestic material companies and to strengthen its national competitiveness. One of the projects is WPMWorld Premium Materials’ 10 core materials to lead the world market.

Samsung SDI was selected to execute the Li-ion battery task of the WPM project announced by the Ministry of Knowledge & Economy in August, 2010. The WPM project has the private-led ‘Open Innovation’ as a basic philosophy and the development of world class 10 core materials (with more than a billion dollar market and 30% of occupancy). In particular, Samsung SDI was introduced as a model for win-win business as the organization of the consortium with a high rate of participation by small and medium companies during the WPM task selection process. Samsung SDI will nurture world class materials companies through the project and be a good role model promoting mutual growth, which will enhance the global competitiveness of its suppliers.

Participate in Waste Metal Resource Recycling Public Policy

The recent paradigm of the Li-ion battery industry shifts from small batteries for mobile and IT to medium and large batteries for electric cars and power storage. Therefore, advanced countries including Europe and U.S.A have passed laws to collect and recycle used batteries. The Korean government has also unveiled a ‘Specific Execution Plan to Recycle Waste Metal Resources’ in March 2010 to facilitate waste metal resource recycling in Korea. It plans to include Li-ion batteries whose usage increases for IT and vehicles in the subject of EPR(Extended Producer Responsibility).

Samsung SDI published the policy report titled Research on Recycling Ways of Li-ion Batteries in July, 2010 in cooperation with the Battery R&D Association of Korea to actively participate in the Li-ion battery recycling policy. The report covers confirmation of subject products to recycle Li-ion batteries, economic analysis, identification of current recycling status, preparation of infrastructure and discussion and cooperation among government and relevant industries. Samsung SDI will play a responsible and leading role in recycling used batteries as a rechargeable battery manufacturer.
Preparing the Sustainability Report

**Sustainability Report 2010**

Samsung SDI carefully considers what outside stakeholders wish to know about its sustainability efforts and then makes every effort to present this information in a credible and easy to read document. As part of this effort, we have continuously improved the material issue selecting process for more accurate and effective reporting. In 2010 we improved the existing sustainability issue pool and materiality test through the discussion body on sustainability management communication. This group, comprised of officers in charge of stakeholders, is tasked with reviewing their interests and concerns in light of the major sustainability initiative. Therefore, the revisions were intended to provide greater credibility and more accurate coverage of material issues. Issues are classified as being material, relevant or not material depending on their level of importance through materiality test.

**Samsung SDI’s Materiality Matrix**

<table>
<thead>
<tr>
<th>Materiality</th>
<th>Not material</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outside</strong></td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>Customer satisfaction p.41</td>
</tr>
<tr>
<td>Government</td>
<td>Social contribution p.44-46, 51</td>
</tr>
<tr>
<td>Industry</td>
<td>• Innovation activities p.15</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>• Communication with employees p.34-36</td>
</tr>
<tr>
<td>Employees</td>
<td>• Supply chain CSR spreading p.42-43</td>
</tr>
<tr>
<td>Suppliers</td>
<td>• Risk management p.49</td>
</tr>
<tr>
<td>Civic group</td>
<td>• Hazardous industrial waste discharge and reduction efforts p.29, 52</td>
</tr>
<tr>
<td>Expert organizations</td>
<td>• Management of hazardous substances in products p.24</td>
</tr>
<tr>
<td>Business site</td>
<td>• Eco-friendly energy saving technology development p.18-25</td>
</tr>
<tr>
<td>Suppliers</td>
<td>• Climate change responses p.24-28, 31, 52</td>
</tr>
<tr>
<td>Civic group</td>
<td>• Respond and participate in public policy p.11</td>
</tr>
<tr>
<td>Employees</td>
<td>• Employee health and safety p.38</td>
</tr>
<tr>
<td>• Fair competition p.32-33</td>
<td></td>
</tr>
<tr>
<td>• Customer health and safety p.41</td>
<td></td>
</tr>
<tr>
<td>• Social contribution p.44-46, 51</td>
<td></td>
</tr>
<tr>
<td>• Respect for diversity and discrimination prevention p.36-38</td>
<td></td>
</tr>
<tr>
<td>• Infringement of ethics-related law p.32-33</td>
<td></td>
</tr>
</tbody>
</table>

| **Material** |
| Stakeholders Issues of Interest |
| Outside |
| Customers |
| Government |
| Industry |
| Stakeholders |
| Employees |
| Suppliers |
| Civic group |
| Expert organizations |

More information including the result of the survey “Listening to You” is available on Samsung SDI corporate website’s Sustainability - Performance & Reporting page. http://www.samsungsdi.com/sustain/s4_1.jsp

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**Samsung SDI’s Material Issue Selecting Process**

*Stage 1. Identifying*

Material issues were identified through sustainability initiatives, relevant discussion bodies, homepage, sustainability report-related surveys, VOD system, media research, etc. They create “Samsung SDI Sustainability Issue Pool” and are updated continuously. We conducted the survey on stakeholders based on such issues. In total, 880 persons sent opinions for the report.

*Stage 2. Prioritizing*

Material issues identified through sustainability initiatives were compared considering the issue priority of stakeholders. Issues that were considered important were also compared. In total, 45 were selected.

*Stage 3. Prioritizing*

The material issues were finalized following internal review and reporting to and approval by management. The results are reported to stakeholders through the report and reflected on the report. Samsung SDI’s sustainability reports are verified by a third party assurance provider. Details on third party assurance are available in the assurance report on pages 53-55.

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**Sustainability - Performance & Reporting** page. http://www.samsungsdi.com/sustain/s4_1.jsp
Recently, there has been an explosion of interest in the eco-friendly energy industry around the world. There is a vibrant discussion about alternative energy not only in the vehicle and electronics industries, which are tied so closely with the energy sector, but in other industries as well. In September, 2008 Nikkei Business published an article titled “Those who defeat batteries would defeat the world,” proposing the infinite potential of the vehicle and energy industries as a business model. Samsung SDI restructured itself over the last few years according to such a trend. In particular, we maximized management efficiency through bold restructuring of our business portfolio in 2008. In addition, we are in the process of becoming an eco-friendly and clean energy solution company based on the Li-ion battery, a new growth engine, and other eco-friendly technologies.

Originally the Li-ion battery business, inaugurated in 2000, was only a small part of a display firm, Samsung SDI. However, Samsung SDI’s core was shifted to a Li-ion battery-based energy business. The performance of this Li-ion battery business over the last decade may prove to be just the beginning of what’s to come in the new century.

**From Display to Rechargeable Battery**

Through the mid-2000s, displays occupied the majority of Samsung SDI’s sales. However, due to skyrocketing demands for high-volume Li-ion batteries for mobile IT devices, including mobile phones and laptop tops, etc., the sales structure of Samsung SDI has rapidly shifted from displays to rechargeable battery. It is expected that the rechargeable battery business will surpass the display business in 2011.

**Change in Sales Structure of Samsung SDI**

<table>
<thead>
<tr>
<th>Year</th>
<th>Li-ion Battery</th>
<th>Display (PDP, CRT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>2010</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>60%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Samsung SDI Marketing Team

**40-Year History of Challenges and Innovation**

Samsung SDI celebrated its 40th anniversary on May 16, 2010. The last four decades have been a history of challenges and innovation. Starting as a tube manufacturer in Gachon, what is now Gumi in 1970, the company successfully expanded into manufacturing cathode-ray tubes, LCD, PDP, and OLED; thus helping to turn Korea into a display powerhouse. Samsung SDI, far from being complacent about its past success, is currently preparing to tackle the creative innovation challenges of the new decade based on its proven DNA.

**New Vision of Samsung SDI**

To become a leader of the future alternative energy industry, Samsung SDI is nurturing smart energy and green devices as engines for growth. We will become an eco-friendly and clean energy solution company by expanding our business areas to include products presenting a new paradigm in the energy industry and across the electronic parts, materials and services sectors.
Investment for Tomorrow

Samsung SDI is continuing to invest in Li-ion battery technology and next-generation energy businesses to take another leap forward to become an eco-friendly and clean energy solution company devoting a total of KRW 519.6 billion in facilities and R&D in 2010. We plan to increase investment in 2011 to strengthen our mid- and large-sized batteries business such as ESS(Energy Storage System) and an advanced information system such as Global ERP. Moreover, we will strengthen our global competitiveness by expanding our cell material production lines and increase investment in overseas rechargeable battery base including our Vietnam facility in order to solidify a foundation for sustainable growth as an eco-friendly and clean energy solution company.

Parameter of Intellectual Asset – Patent

As of 2010, Samsung SDI had filed roughly 29,000 patent applications around the world and registered about 19,000 patents, securing R&D achievements as intellectual assets. Samsung SDI newly developed patent strategies appropriate for the green energy domain based on various experiences and know-how accumulated in the display area and in order to surpass our competitors in the clean energy patent competitions which lie ahead. In 2011, we will continue to pursue breakthroughs in green energy technology by carefully verifying the results of our R&D in an effort to accurately identify practical applications. We will be focusing our efforts on identifying superior inventions with potentially significant market advantages. At the same time, we will seek to establish a highly competitive global patent portfolio while maintaining our commitment to global joint development through open innovation.

Global Leader in Rechargeable Battery Patents for Two Consecutive Years

In October 2010, Samsung SDI has ranked 1st in the world in the rechargeable battery category in the Green Energy Technology Index(GETI) survey for two consecutive years (2009-10). The GETI was jointly developed by ED Research, a patent consulting firm, and the Korean publication, Electronic Times. Samsung SDI outpaced its competitors based on the number and quality of US patents acquired relating to rechargeable batteries. S-grade patents with ratings of “A+,” “A,” and “A-” accounted for 37.6% of the total patents held. The evaluation became an opportunity to re-confirm Samsung SDI’s superior technological capabilities in rechargeable batteries by making a huge difference from the ranking no. 2 company in the number of U.S. patents and in its GETI scores compared with the 2009 evaluation. Samsung SDI has also made notable strides in fuel cells and solar cells.

<table>
<thead>
<tr>
<th>Year</th>
<th>Division</th>
<th>SDI</th>
<th>company A</th>
<th>company B</th>
<th>company C</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>GETI Score</td>
<td>30.3</td>
<td>18.2</td>
<td>16.8</td>
<td>14.4</td>
</tr>
<tr>
<td></td>
<td>No. of US Patent</td>
<td>137</td>
<td>131</td>
<td>126</td>
<td>129</td>
</tr>
<tr>
<td>2009</td>
<td>GETI Score</td>
<td>23.5</td>
<td>15.3</td>
<td>16.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of US Patent</td>
<td>137</td>
<td>131</td>
<td>126</td>
<td></td>
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</tbody>
</table>

1) GETI(Green Energy Technology Index): The GETI was jointly developed by ED Research, a patent consulting firm, and the Korean publication, Electronic Times. It assesses the quantity and quality of patents registered in the US in five major energy areas(rechargeable battery, fuel cell, light-emitting diode(LED), solar energy, carbon capture and storage).
Since 2010, there has been an increasing demand for high capacity batteries as tablet PCs gain in popularity and as mobile phones continue to add functionality including MP3 players and digital multimedia broadcasting (DMB). As a result, making higher capacity, slimmer and lighter batteries has become one of the biggest tasks for the rechargeable battery industry.

Samsung SDI has been recognized for its leading Li-ion rechargeable battery technology by receiving the Jang Young-Shil Award five times since the launch of the business in 2000. Specifically, we received the award by increasing the energy density to volume for prismatic battery by 12% over the previous year, therefore increasing talk time by 30 minutes and waiting time by 25 hours in 2010. We improved battery safety from overcharging and external short-circuiting by developing a fuse in cell which can be applied to a 34mm-width battery.

1) Jang Young-Shil Award: The best industrial technology award which has been presented since 1991, co-hosted by Korea Industrial Technology Association and Maeil Business Newspaper and sponsored by the Ministry of Science and Technology.

Power of Rechargeable Battery

According to IIT, a Japanese rechargeable battery industry market research group, the rechargeable battery market will grow to become a KRW 25 trillion market in 2012. And the increasing use of smart phones, tablet PCs and electric cars as well as increasing demands for industrial and household energy storage devices will create a KRW 104 trillion market by 2020.

Green Technology Certificate

Samsung SDI acquired a Green Technology Certificate for safe design and manufacturing technology of Li-ion and Li-polymer rechargeable batteries for the first time in Korea in August, 2010. This means that its rechargeable battery design’s safety and manufacturing technology has been recognized both in and outside of Korea. Samsung SDI therefore may receive incentives such as discounts for export insurance, green industry loans, marketing support for exploration of domestic and overseas sales channels, widened points when participating in national R&D projects and preferential examination when applying for patents.

1) Green Technology Certificate: The Ministry of Knowledge and Economy certifies green technology and business to nurture green industry.

Heart of Energy Industry, Rechargeable Battery
ESS and Speaking of Its Potential

As the era of the electric car commences and we witness the near at hand commercialization of smart grids, a solution to the problem of how to store energy more effectively will accelerate this transformation. Samsung SDI’s ESS (Energy Storage System) stores and provides produced energy anytime. It is predicted that ESS will create a whole new market and will begin to grow starting in 2013 in response to the expanding electric car market and the availability of smart grids.

Features of ESS

1. Green
Energy efficiency can be enhanced and power systems can be reliably operated as electricity is saved when power consumption is low then consumed when power demand is high. In this way we can reduce fossil fuel consumption and greenhouse gas emissions. By controlling the range of fluctuation in power supply once an increase in renewable energy has been established, transmission and distribution-related investment can be reduced and efficiency in use of renewable energy can be maximized.

2. Energy efficiency
By reducing the difference between daytime and nighttime power demands (load leveling), the cost of constructing new power plants made necessary by increasing energy demands can be avoided or reduced and efficiency of power consumption can be enhanced. In addition, this could also contribute to a nation's energy efficiency as a core element of smart grids.

3. Electricity stability
By minimizing the impact on power systems through demand control due to the charging of electric cars, national power systems can achieve greater stability of operation.

Energy Storage System

ESS Market Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Source: Pike Research, Fuji</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>815 MW</td>
</tr>
<tr>
<td>2011</td>
<td>1,787 MW</td>
</tr>
<tr>
<td>2013</td>
<td>5,827 MW</td>
</tr>
<tr>
<td>2015</td>
<td>13,671 MW</td>
</tr>
<tr>
<td>2020</td>
<td>35,422 MW</td>
</tr>
</tbody>
</table>

CAGR: 45%

Jeju Smart Grid Test Bed Project

The construction of the Jeju Smart Grid Test Bed was started in August, 2010 to create the world's biggest smart grid village. It is the first of its kind, with all major smart grid facilities including smart green homes, buildings, electric car charging stations, etc. Located at the 6 zones, Gupo-eup, in the north-eastern part of Jeju Island, the test bed project has largely 5 areas; smart power grid, smart place, smart transportation, smart renewable and smart electricity service. Samsung SDI is developing energy storage device technologies by participating in these areas (which are place, transportation and renewable).

Currently domestic/own ESS and wind power connected ESS are in construction and ESS for a high-speed electric car charger is already installed and is undergoing a test.

Daegu 10kWh Domestic ESS

Korea’s Ministry of Knowledge and Economy announced that Samsung SDI’s 10kWh Li-ion rechargeable battery energy storage system was selected for “evaluation on commercialization of energy storage suggestion” in July, 2010. As part of this project, 100 households will be selected in Daegu city, which will be equipped with 10kWh Li-ion rechargeable batteries connected to a 3kW solar power generation system. The Ministry plans to test the possibility of commercialization of domestic ESS by monitoring power use and conducting an energy consumption analysis. Samsung SDI will develop the Li-ion cell and pack, which is the core of ESS. Based on the world’s best Li-ion battery technology, it is expected to dominate the large capacity energy storage device market.
Heart of Future Car Industry

The auto industry is facing the reality that it has to satisfy energy efficiency as well as CO2 emission standards due to high oil prices and restrictions on CO2 emissions by advanced countries including the EU. Considering this situation, electric cars are becoming a real requirement for the auto industry.

Going forward, customers are going to select their cars based on mileage efficiency. Li-ion batteries have superior energy density to weight and volume compared with Ni-MH(nickel-hydride) batteries. And thanks to excellent higher power performance, they’re gaining attention as a batteries for electric cars.

IIT has forecasted that Ni-MH(nickel-hydride) batteries are mainly used for hybrid electric vehicles(HEV), but that they will be replaced by Li-ion batteries in 2013 or thereafter.

SB LiMotive

SB LiMotive, a joint venture established by Samsung SDI and Bosch of Germany, completed construction of a large electric vehicle battery production line in Ulsan in November 2010. After test operating one line of the facility which began construction in September 2009, the production of vehicle Li-ion rechargeable battery cells and packs will be produced from the first half of 2011.

SB LiMotive has established the global operation system in major areas of Asia, Europe and U.S.A. It develops and designs vehicle battery systems in Korea, Germany and U.S.A., produces the system in Ulsan, Korea and researches the system in Giheung, Korea and Stuttgart, Germany. Moreover, SB LiMotive took over Cobasys, a U.S. vehicle battery manufacturer in July 2009 and owns a R&D center in Oregon and Michigan, U.S.A. as well as a cutting-edge production facility in Springboro, Ohio.

SB LiMotive announced in March 2011 that its U.S. subsidiary, Cobasys will develop a next-generation battery for EV jointly with the United States Advanced Battery Consortium(USABC). USABC is a consortium of the U.S. Energy Department and three U.S. automakers, GM, Ford and Chrysler which develops high performance batteries for EV, HEV and PHEV. It plans to develop, with USABC, a next-generation battery which will be applied to EV for three years beginning in 2011 and will receive 50% of the development expenditure (8.4 million dollars) from USABC. The goal of the project is to develop a high capacity battery, 70% higher than the existing one, and to reduce the price of batteries, which is a stumbling block for commercialization of electric cars. Therefore, it is expected that SB LiMotive will play a leading role in commercializing electric cars with its technological capabilities.

Order Status of SB LiMotive xEV Battery

SB LiMotive was chosen as the exclusive supplier of batteries for EV ‘i3’ and plug-in hybrid cars by the prominent German automaker BMW in August 2009. In December 2009, SB LiMotive was selected as the sole supplier of Li-ion batteries for hybrid commercial vehicles by Delphi of U.S.A., with supplies to begin in 2012 and to last for ten years. Moreover, it was also selected as a supplier of battery packs for ‘Fiat 500e’ by the U.S. automaker Chrysler in November 2010.
Next Generation Solar Cell

Next Generation Solar Cell

Development of New Non-Cobalt Cathode Active Materials

Observing Regulations on Hazardous Substances in Products

Continuous Growth with 3D PDP TV

Energy Efficient Product

Dye Sensitized Solar Cell (DSSC)

Development of MEA Core Technologies for Vehicles

DSSC, which is made of inexpensive organic dyes and nano technology, is inexpensive and highly energy efficient. Therefore, the production cost can be reduced by 1/3 or a maximum of 1/5 that of a silicon semiconductor solar cell. Also, when it is applied to glass, it will not spoil the beauty of the buildings as it is transparent and can be produced in various colors. It can be directly applied to windows of a building or a car. Samsung SDI will satisfy eco-friendly demands of various companies through the development of DSSC core technologies.

Dye Sensitized Solar Cell

Dye Sensitized Solar Cells (DSSC), is a technology to produce electricity using the same principle as photosynthesis. It is a next-generation solar cell which is cheaper than widely-used silicon semiconductor solar cells, transparent, and can be produced in various colors.

Development of New Non-Cobalt Cathode Active Materials

Development of high capacity rechargeable material is required to advance the era of the electronic car. To secure competitiveness, EV must expand its mileage. Therefore, the capacity of rechargeable batteries should be increased. All the circumstances require high-capacity, low-priced innovative battery materials. Samsung SDI is developing new high-capacity cathode materials to reduce the unit price through replacement of limited resources such as cobalt and lithium and to increase the cell capacity while maintaining safety and long life span required by batteries for EV.

Continuous Growth with 3D PDP TV

In 2010, the PDP market grew rapidly from the previous year due to the trend over 3D TV. Therefore, Samsung SDI’s PDP Business Division posted a yearly surplus by selling 6.4 million TV sets in 2010, a 36% increase over 2009. It is expected that sales in 2011 will be similar to that of 2010, mainly due to sales in emerging markets such as China. In addition, with the launch of digital broadcasting and increasing demands for 3D TV, there is likely to be increasing demand for 3D inch plus high value added products.

Energy Efficient Product

Samsung SDI PDP Business Division recognizes increasing TV energy efficiency to be a necessary requirement for product competitiveness. In both 2009 and 2010, we improved PDP electric consumption through our newly launched U-series products, satisfying EU ETP directive and US Energy Star Standards. Samsung SDI will continuously make efforts to improve energy efficiency.

Slim CRT

Due to growing demand for flat panel TVs, sales of CRT (Cathode Ray Tube) products are on a downward trend even in China, India and northeast Asian markets. According to a report published in November 2010 by Samsung Economic Research Institute, the sales volume of CRT TV tumbled from 53 million units in 2009 to 43 million units in 2010 and is expected to decrease to 28 million units in 2011, a 36% decrease from the previous year. Despite such a market environment, Samsung SDI plans to expand sales of the 21 inch slim CRT (UFO) due to relatively high demand and effectively operate its existing production lines in Malaysia and Shenzhen, China.

Display

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Quantitative Calculation of Environmental Impact

In 2010, we calculated the material input, material output and environmental impact of PDP and battery products produced in domestic production facilities and R&D activities.

Increased sales volume raised the volume of material input and output, yet pollutant output decreased and environmental efficiency of production was enhanced in 2010 compared with 2009.

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect CO2 emissions (Consumption)</td>
<td>457kilotCO2e</td>
<td>416kilotCO2e</td>
<td>429kilotCO2e</td>
</tr>
<tr>
<td>Material input</td>
<td>3,928ton</td>
<td>2,343ton</td>
<td>1,217ton</td>
</tr>
<tr>
<td>Volume of products sold and waste</td>
<td>45,740ton</td>
<td>50,970ton</td>
<td>51,937ton</td>
</tr>
<tr>
<td>Dioxide</td>
<td>36,610ton</td>
<td>32,155ton</td>
<td>36,610ton</td>
</tr>
<tr>
<td>Waste water*</td>
<td>4,269ton</td>
<td>4,331ton</td>
<td>4,970ton</td>
</tr>
<tr>
<td>Water usage</td>
<td>6.03</td>
<td>6.19</td>
<td>6.33</td>
</tr>
<tr>
<td>Hazardous chemical substance usage</td>
<td>0.92</td>
<td>0.86</td>
<td>1.00</td>
</tr>
<tr>
<td>Waste recycling</td>
<td>89.8%</td>
<td>89.6%</td>
<td>90.7%</td>
</tr>
<tr>
<td>Waste landfill</td>
<td>10.2%</td>
<td>9.4%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Waste incinerized</td>
<td>92.0%</td>
<td>93.6%</td>
<td>94.7%</td>
</tr>
</tbody>
</table>

Effort for Environmental Sustainability

Considering both past and future performance, in 2008 Samsung SDI established a new environmental goal for more environmentally efficient manufacturing. Since then we have been taking steps to achieve the goal of realizing low-carbon, eco-friendly, sustainable manufacturing processes for three years until 2011. We will continue to disclose our future plans after 2011 through sustainability reports and we will continue to pursue the creation of eco-value. By minimizing environmental load and producing highly value-added products at the same time, we will become a sustainable, eco-friendly and profitable company through improvement of environmental efficiency.

2011 Environmental Sustainability Goal

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emission</td>
<td>1,172,254tCO2e</td>
<td>1,412,254tCO2e</td>
<td>770,522tCO2e</td>
<td>300,000tCO2e reduced GHG emission efficiency 1.5 times improved</td>
</tr>
<tr>
<td>Water usage</td>
<td>5.03</td>
<td>5.01</td>
<td>4.93</td>
<td>4.93</td>
</tr>
<tr>
<td>Waste output efficiency</td>
<td>0.42%</td>
<td>0.91</td>
<td>Waste output 1.4 times improved</td>
<td></td>
</tr>
<tr>
<td>Waste recycling</td>
<td>89.8%</td>
<td>89.6%</td>
<td>90.7%</td>
<td>90.7%</td>
</tr>
<tr>
<td>Waste landfill</td>
<td>10.2%</td>
<td>9.4%</td>
<td>9.3%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Hazardous chemical substance usage</td>
<td>1.11%</td>
<td>1.15%</td>
<td>Hazardous chemical substance usage 1.2 times improved</td>
<td></td>
</tr>
</tbody>
</table>

GHG Emission from Manufacturing

Restructured as a smart energy firm to accelerate the low carbon manufacturing system

The GHG emission efficiency was KRW 6.6billion/kilotCO2e as Samsung SDI's all manufacturing facilities emitted GHG of 770kilotCO2e in 2010. The total emission was reduced by 402kilotCO2e from the base year (2005), 1.4 times increase compared with 2005.

Looking at the emission by country, Korea emitted 333kilotCO2e (69.0%), China 147kilotCO2e (19.1%), Malaysia 74kilotCO2e (7.6%), and Hungary 11kilotCO2e (1.1%). Mexico and Vietnam emitted a small amount, 4kilotCO2e and 1kilotCO2e, respectively.

<table>
<thead>
<tr>
<th>GHG by Country</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>88.6%</td>
<td>89.4%</td>
<td>89.8%</td>
<td>90.7%</td>
<td>90.7%</td>
<td>90.7%</td>
</tr>
<tr>
<td>Overseas</td>
<td>11.4%</td>
<td>10.6%</td>
<td>10.2%</td>
<td>9.3%</td>
<td>9.3%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Korea</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>China</td>
<td>90.2%</td>
<td>90.7%</td>
<td>91.3%</td>
<td>92.0%</td>
<td>92.0%</td>
<td>92.0%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>85.4%</td>
<td>86.0%</td>
<td>86.0%</td>
<td>86.5%</td>
<td>86.5%</td>
<td>86.5%</td>
</tr>
<tr>
<td>Hungary</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mexico</td>
<td>89.2%</td>
<td>89.6%</td>
<td>90.1%</td>
<td>90.7%</td>
<td>90.7%</td>
<td>90.7%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>95.8%</td>
<td>96.5%</td>
<td>97.1%</td>
<td>97.7%</td>
<td>97.7%</td>
<td>97.7%</td>
</tr>
<tr>
<td>Annual GHG Emission</td>
<td>1,112</td>
<td>1,111</td>
<td>1,074</td>
<td>979</td>
<td>752</td>
<td>779</td>
</tr>
<tr>
<td>KRH 110 MD/millionkilotCO2e</td>
<td>402</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

1) Efficiency refers to eco-efficiency and is expressed as sales/KRW 100billion/Environmental Load (kilotCO2e)
2) Recycling rate includes heat collecting from incineration

Relevant Facts
1) Cheonan Plant, Ulsan Plant, Giheung Headquarters
2) Based on PDP U2 products and 1,460 hours of use per year
3) Based on Cheonan and Ulsan Plants, PDP and battery raw materials and utility
4) Based on PDP and battery water volume of Korean premises
5) Based on waste materials/packaging related to Samsung SDI products
6) Based on water use and waste water at Cheonan and Ulsan Plants
7) Based on waste materials, applied theoretical recycling rate
8) Waste water in 2010 includes recycled water among waste water generated in the Samsung Mobile Display production process at Cheonan Plant

Eco-Value Creation
GHG Reduction Efforts

The Cheonan plant reduced LNG consumption, a heat source of the self-steam production by continuing supply of surplus steam generated by the Cheonan household waste incinerator again in 2010 following 2009. And our reduction effort was recognized by the government by reducing GHG of total 12,613tCO2e.

The Hungary subsidiary reduced GHG emissions to 12,000 kilotons against its emission allocation through boiler energy consumption reduction as it was applied by EU ETS (EU Emission Trading Scheme) and established by the World Resources Institute and World Business Council for Sustainable Development (WBCSD). Domestic operations calculate GHG emission based on the Guidelines for GHG Energy Target Management and Operation, of 'The Framework Act on Low Carbon and Eco-Friendly Solution'.

Low Carbon and Eco-Friendly Solution Company

The world is ailing due to climate change. International society has discussed nation-wide GHG reduction and has enacted forceful regulations to reduce CO2 emissions, a main cause of global warming since the industrial revolution. Companies which are able to create low carbon goods and services will become the leaders of the 21st century and continue to grow as a global company. Samsung SDI is restructuring itself from a display-based company to grow as a global company.

Low Carbon Management, Expand to Include Suppliers

Samsung SDI is preparing to introduce an energy management system for the entire company which will manage GHG, energy usage, as well as carbon productivity during the manufacturing process. Moreover, by recognizing suppliers as a crucial partner in low carbon management, we are implementing The spread and development of low carbon partnership into large and medium/small enterprise of electrical & electronics industry for addressing climate change and GHGs reduction which will improve climate change preparedness and reduce GHG emissions as a national project of the Ministry of Knowledge & Economy. We will reduce GHG emissions during the entire production process by managing carbon in the entire supply chain.

Due to continuous restructuring from a display-based to an energy-oriented firm, the emission by overseas subsidiaries decreased compared to 2009, yet that of domestic facilities which house the rerecoverable battery production facility have seen a slight increase.

Looking at GHG emission by product, PDP emitted 391kilotCO2e, rechargeable battery 174kilotCO2e, CRT 163kilotCO2e, and VFD and others (HQ and research centers) 39kilotCO2e. 69kilotCO2e was indirectly emitted (electricity and steam) and 85kilotCO2e was directly emitted (stationary combustion). As Samsung SDI emits 91% GHG indirectly, We have been making continuous efforts to reduce energy consumption.

In 2010, Samsung SDI generated a total of 55 kilotons of waste. Of that amount, 92% was recycled and the remaining 8% went to landfills. Waste recycling is an important matter for resource circulation. Samsung SDI’s efforts will require the improvement of the social recycling system. Our target is to reach a waste recycling rate of 95% by 2011, including overseas subsidiaries. We will strive to curb waste generation in the production stage and increase the recycling rate to promote greater resource circulation. Also, we will make every effort to minimize landfill waste.

Despite its contribution to an overall improved quality of life for all, chemical substances are becoming increasingly restricted both domestically and abroad due to its hazards. Samsung SDI has designated 24 types of hazardous chemicals and their total use in 2010 reached 29 kilotons. Chemical use fell by 19 kilotons compared to 2005 and its usage efficiency increased by 1.6 times. We intend to reduce and reuse chemicals during manufacturing and in environmental utility facilities through continuous development of our manufacturing processes.

Environmental Efficient Manufacturing

Becoming an eco-friendly company realizing eco-efficient manufacturing processes

Samsung SDI’s global business sites collectively used 8,375 kilotons of water for manufacturing purposes in 2010. That is a decrease of 9,045 kilotons compared to 2005 due to an incremental decrease of water usage in the CRT business which requires relatively large amounts of water. In 2010, we used more water than in 2009, but water usage efficiency has been continuously increasing. Overall, we saw a 1.97 times of improvement in water usage efficiency compared to 2005. We will further increase water usage efficiency by using water efficiently as well as continuously expanding our energy business which consumes a comparatively much smaller amount of water.

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Environmental Management and Energy Management

Environmental Management System (EMS)

Samsung SDI’s Ulsan plant acquired ISO 14001 certification in September 1996. Now, all production facilities around the world are operating the environmental management system and were certified by a third party. In the latter half of 2010, the Vietnam subsidiary introduced the environmental management system when it started up its production line and acquired ISO 14001 certification in January 2011. All Samsung SDI’s production facilities identify their environmental impact on a regular basis and continue to make improvements through the operation of the environmental management system.

Establishment of Energy Management System (EnMS)

Due to high oil prices, the industry is placing greater focus on efficient energy use. As environmental management received greater attention in the 1990s, the environmental management system standards, ISO 14001, was issued in September 1996 and spread around the world. Since 2008 there has been a movement to make Energy Management System, or EnMS, into the international standard. ISO 50001 will be issued in 2011. As an eco-friendly and clean energy solution company, Samsung SDI organized the EnMS Task Force Team in December 2010 to actively implement energy management at all its business sites. In addition, it established the energy management system establishment plan and is implementing it as it constructs new infrastructure and conducts training.

Environmental Management Guidelines

We establish voluntary energy management goals and continuous improvement programs (new energy technologies, high-efficient facilities and service purchases) and achieve energy goals through regular evaluation.

1. Energy laws and international convention compliance

We comply with energy-related laws and international conventions and establish and implement stricter internal standards.

2. Achievement of energy performance goal

We establish voluntary energy management goals and continuous improvement programs (new energy technologies, high-efficient facilities and service purchases) and achieve energy goals through regular evaluation.

3. Maintaining eco-friendly and clean energy solution company corporate culture

We maintain a corporate culture which continuously pursues best business sites in terms of energy management through continuous training and promotion to improve awareness of employees.

4. Realization of partnership with local community

We disclose our energy management guidelines to stakeholders and create mutual trust by realizing sustainable community.
Recently, there has been an increasing compliance-related risk both at home and abroad due to punitive damages, criminal penalties, and class action lawsuits. Moreover, there is a greater focus now on corporate social responsibility, which has become more standardized. Therefore, companies recognize that compliance management and ethics management are not just simple risk-management tools; they are crucial to business success and must be thoughtfully and rigorously implemented.

**Compliance Management**

Samsung SDI has established and implemented a compliance program which encourages employees to voluntarily comply with business related laws, including antitrust laws. In May 2010, at our 40th anniversary ceremony, we declared compliance management and began focusing our efforts on establishing a foundation for it, including development of a compliance system and compliance training to employees by organizing a compliance team. The compliance system, inaugurated in October 2010, is an integrated portal system which supports compliance activities. It includes inspection, self-test functions and operation standards, education materials, manuals, the latest trend in laws and regulations, Q&As for employees as well as suggestions. Moreover, we made operation processes and standards clear by getting an approval from the the board of directors for the highest regulation in compliance regulation Compliance Management Guidelines and other sub-regulations including Regulation on Operation of Compliance Officer, Code of Conduct for Employees and Fair Trade Compliance Management Regulations.

In 2011, we will establish a circular process of prevention, regular inspection/monitoring, evaluation, after management. And we will prevent the risk of violating laws in 6 areas, including market competition, product liability, financial accounting, intellectual property, and labor. The compliance management education will be executed in various ways such as online curriculum, lectures by outside experts and education for suppliers. Moreover, we will implement onsite inspection through co-work with departments and identify and improve legal compliance risks. Besides this, we will raise employees’ compliance awareness and therefore make compliance management part of our corporate culture by strengthening the roles of compliance practice leaders and each department’s officers in charge of compliance practices, which is to establish a voluntary compliance management system in each department.

**Compliance Management Organization**

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>44</td>
</tr>
<tr>
<td>Non-management</td>
<td>6,231</td>
</tr>
<tr>
<td>Total</td>
<td>6,275</td>
</tr>
</tbody>
</table>

**No. of training participant per year**

**Legal Compliance**

Since November 2007, there have been ongoing investigations on alleged anti-trust violation relating to CRT products in Korea, the U.S., Japan and the European Union. In Korea, the Korean Fair Trade Commission reviewed the case and imposed the penalty at the end of January 2011, and in the U.S. we are waiting for the final approval by the court on the agreement between the U.S. Department of Justice and us. In Japan, the decision by the Japanese Fair Trade Commission is appealed by us and the case is currently on an administrative review. In Europe, the investigation is still ongoing and we do not have a concrete idea as to the timing of their decision. In 2010, Samsung SDI was not issued any penalties or sanctions for violating laws and regulations of the countries in which we operate or any international treaties.

**Anticorruption**

Compliance Prevention Training for Employees

We conducted corruption prevention training for all employees with the declaration of compliance management in 2010. We conducted trainings for various levels including assistant administrators, employees, resident employees and new employees, and strengthened training for departments which are related to stakeholders such as suppliers and customers. We plan to provide corruption prevention training to all employees in 2011. Specifically, we plan to provide the training to department heads and upper-level employees in Korea and to resident officers and local managers in China. In turn, they will provide education to their subordinates. In addition, the corruption prevention training will be included in the entry level course for new employees and employees receiving promotions.

**No. of Legal Compliance and Corruption Prevention Training Participants in 2010**

<table>
<thead>
<tr>
<th>Position</th>
<th>No. of training participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>644</td>
</tr>
<tr>
<td>Non-management</td>
<td>6,231</td>
</tr>
<tr>
<td>Total</td>
<td>6,275</td>
</tr>
</tbody>
</table>
During 2010, all employees of Samsung SDI proactively worked together to turn themselves into a creative company under the slogan of Work Smart while putting into practice a culture of communication. We have expanded communication opportunities between management and labor, executives and employees and among departments, shunned authoritarianism and excessive concern with formality, and striven to establish an organizational culture in which employees can work with vigor and confidence. To that end, we have improved how our employees work by promoting institutional closing and cultural innovations to support work-life balance. In addition, we are committed to creating an environment where female workers can show their capabilities to the fullest.

For 2011, Samsung SDI has introduced the slogan “So Good Company” for the innovation of organizational culture, establishing the three core values of Passion, Communication, and Challenge. Centering on the newly created division for corporate culture innovation, Samsung SDI is fostering new values for all its employees.

**Corporate Culture**

Communication is a value needed to acknowledge differences and respect diversity. By emphasizing communication based on trust and communication we can make our workplace more energetic thus promoting interdepartmental synergy.

In 2010, Samsung SDI conducted a variety of activities to establish a culture of communication, established a direct communication channel between employees and management, improved its business meeting culture, introduced the flexible time system, set up a counseling center, and implemented communication training programs.

**Communication 2010 Program**

To encourage positive changes amongst employees and build a corporate culture based on communication and trust, we offered Communication 2010 programs for all employees. Two-day training camps for each level and job group offered diverse programs such as Open Mind, Drama Theatre, and Win-Win Communication Game to encourage communication between employees and give them an opportunity to reflect on themselves for change. Furthermore, Making Resolutions for My Dream & Hand-Printing program helped them to renew their determination. Participants were highly satisfied with the Communication 2010 program which provided not only lectures, but also physical and art activities.

**Operating Field of Communication**

Samsung SDI operates bulletin boards and blogs for communication on the intranet. Field of Communication consist of various menus. For example, Q-topia provides answers to employees questions within 24 hours, and Notice updates news of domestic and international business sites.

In particular, open questions and swift answers at Q-topia encourage employee participation. Moreover, Communication Blog, rather than formal notification, is maintained to deliver corporate news. The blog helps employees communicate more freely and develop more interest in the company.

**Open Counseling Center**

Samsung SDI operates an open counseling center and offers various programs to promote individual counseling and communication in each department. In 2010, each business site operated diverse programs under the subject of communication: Exciting Picnic with Annie at the Giheung headquarters contributed to refreshing the atmosphere of the site by deepening the understanding of other colleagues personal traits and preventing possible conflicts. Furthermore, Empathy Plus at the Cheonan plant and the Toc Toc program at the Ulsan plant helped our employees gain greater mutual understanding through MBTI and Enneagram personality testing. In 2010, we started to operate e-counseling, an on-line counseling program. The program provides a professional counselor who can talk with employees about their grievances and conduct a psychological test. Other programs help to relieve employees’ stress resulting from their jobs and surroundings. These include Stress Scan Clinic at the Giheung headquarters and Eye-Witnessing My Stress at the Cheonan plant, which help employees be aware of their mental health and respond to their issues so that they can concentrate on their work. In 2011 we have a plan to provide special lectures on mental health by inviting outside lecturers. The open counseling center also offers Test for Married Couples and Edu-Clinic programs for employee family members, and will continue to expand psychological testing for employees’ families in 2011.
Employee Status
As of end of 2010 Samsung SDI employed a total of 12,662 people, including contract and dispatched workers which is similar to that of the previous year. The total turnover rate significantly declined to 21% in 2010 from 34.6% in 2009. The decline is attributed to the completion of restructuring of the CRT business at overseas subsidiaries during 2009.

Labor Management Relations
Samsung SDI guarantees freedom of association and the right to collective bargaining underpinned by our principle of compliance management. We also operate a Labor Council to resolve employee grievances, protect their rights and enhance their quality of life. The council is comprised of the same number of labor and management representatives and discusses how to improve working conditions, wages and other employee benefits, and also resolve complaints. The council listens to employees’ voices, conducts in-depth discussions, and shares the results with employees without delay.

Nurturing Talents & Career Development
In 2010, in an effort to focus on the energy sector and promote new businesses, we committed to nurturing the next generation’s energy experts and business leaders. We also encouraged individual changes in order to create a corporate culture of creativity and trust. Centering on the battery talents training center at our Chesnan plant, we set up education programs to cultivate battery professionals and executed in-depth training. In August of 2010, we opened Brand U, a job posting program on the intranet to help employees develop leadership skills through various job experiences. The Brand U program is expected to serve as a catalyst for future personnel transfer and self-development. To lay the foundation for a corporate culture of creativity and communication, we implemented an education program for all employees to bring about positive changes and communication. For 2011, we plan to step up our efforts by taking on three major tasks: establish a creative educational environment, strategically nurture the next generation’s leaders, and strengthen global communication skills.

Principle of Respecting Human Rights
Guided by Samsung Business Principles of Respect for Individual Diversity and Dignity, Samsung SDI respects basic human rights. All our business activities are based on the spirit of respecting human rights. Therefore, our major investment decisions and supplier transactions are all governed by our principle of respecting human rights.

Prohibition of Forced/Child Labor and Discrimination
We abide by the International Labor Organization Conventions and domestic labor-related laws. Therefore, we strictly prohibit child and forced labor in every country where we operate. In considering the society’s increasing interest in fully integrating women into the workforce, we established Measures to Better Use Female Workers in August, 2010 and installed a Women’s Board in order to implement the measures. Comprised of 11 female executives from various job groups, the Board listens to women’s voices and thus helps to strengthen the bonds between female employees. Board members also serve as a role model for juniors in their efforts to build up capabilities of female leaders.

Operation of Women’s Board
In consideration of society’s increasing interest in fully integrating women into the workforce, we established Measures to Better Use Female Workers in August, 2010 and installed a Women’s Board in order to implement the measures. Comprised of 11 female executives from various job groups, the Board listens to women’s voices and thus helps to strengthen the bonds between female employees. Board members also serve as a role model for juniors in their efforts to build up capabilities of female leaders.

In 2011, the Board plans to hold two separate workshops and invite successful women leaders to give lectures twice a year. In addition, we aim to further improve the welfare of female employees by establishing facilities to protect maternity.

SDI Strategies to Nurture Talents

<table>
<thead>
<tr>
<th>Task</th>
<th>Manage organization &amp; Nurture leader</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Systematically cultivate leaders for the next generation</td>
</tr>
<tr>
<td>Task</td>
<td>Nurture professionals</td>
</tr>
<tr>
<td></td>
<td>Systematically nurture specialists in each job and operate job training programs</td>
</tr>
<tr>
<td>Task</td>
<td>Strengthen global capabilities</td>
</tr>
<tr>
<td></td>
<td>Improve capabilities of global operation and business communication skills</td>
</tr>
<tr>
<td>Task</td>
<td>Educational infrastructure</td>
</tr>
<tr>
<td></td>
<td>Establish a creative educational environment</td>
</tr>
</tbody>
</table>

Ratio of New University Graduate Female Recruits

<table>
<thead>
<tr>
<th>Year</th>
<th>Female Recruits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>28.20%</td>
</tr>
<tr>
<td>2009</td>
<td>25.81%</td>
</tr>
<tr>
<td>2010</td>
<td>37.21%</td>
</tr>
</tbody>
</table>

Composition of Workforce Per Gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6,638</td>
<td>2,836</td>
</tr>
<tr>
<td>2009</td>
<td>78</td>
<td>1,835</td>
</tr>
<tr>
<td>2010</td>
<td>4,231</td>
<td>28</td>
</tr>
</tbody>
</table>

Composition of Workforce Per Age

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 30</th>
<th>30~50</th>
<th>Above 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,786</td>
<td>3</td>
<td>124</td>
</tr>
<tr>
<td>2009</td>
<td>5,127</td>
<td>3</td>
<td>116</td>
</tr>
<tr>
<td>2010</td>
<td>4,291</td>
<td>1</td>
<td>78</td>
</tr>
</tbody>
</table>

Female employees at Samsung SDI 2010: the new female employees rate among the total new university graduate employees and pay attention to increasing women’s social participation opportunities, creating women-friendly working conditions and improving women’s expertise. Among other things, in 2010, we established targets of increasing the ratio of female executives and new female recruits among university graduate employees by promoting development opportunities for female employees. In addition, we plan to invest in improving childcare infrastructure such as maternity lounges.
TF Activities for a New SAFE Culture
Samsung SDI’s environment and safety division carried out SAFE Culture Activities. Recognizing the increased risks posed by batteries and the need to heighten employees’ awareness, the division established a precautionary system for accident prevention in 2010. As main activities, it implemented the My-Area Management system, designated a staff in charge of environment safety at each production/development line, evaluated enterprise-wide rule compliance, and employed an outside institution to conduct a comprehensive diagnosis on environmental safety (electrical safety, flood risk). The TF team also set up a daily report system with overseas subsidiaries to more closely cooperate with locals in the environmental safety sector.

Establishment of Emergency Medical System
Samsung SDI has built an emergency medical system for swift response to any urgent situation, thus making the company safer.
Communication with Shareholders and Investors

With a vision to realize common interest and to create values, Samsung SDI is promoting various IR activities such as an IR road show, conferences, one-on-one meetings, a line tour and performance result meetings based on active communication with shareholders and investors. Samsung SDI provides a financial info and VCC system online to enable real-time information exchange and communication.

To Realize Common Interest
The year 2010 was a meaningful and fruitful year for Samsung SDI as an eco-friendly and clean energy solution company. Rechargeable batteries have been the driving force behind Samsung SDI’s growth as it continues to set new sales and revenue records every quarter. Samsung SDI is gearing up to promote ESS and car batteries which have emerged as core businesses of the future. In a bid to enhance understanding of the business and to be attentive to all opinions, Samsung SDI has expanded meetings with local and foreign investors while holding sessions and seminars on ESS and EV batteries as well as theme meetings. Samsung SDI will continue to brief and share shareholder and investors’ opinions gathered from IR activities with the management and incorporate them into management.

In 2011, Samsung SDI will continue our IR activities while strengthening IR activities for foreign investors and shareholders to promote the competitive edge of our EV batteries and ESS have in today’s market. This communication will enable our shareholders and investors to have a better understanding of our products.

With a vision to realize common interest and to create values, Samsung SDI is engaged in activities to ensure product safety and quality, minimize customers’ inconvenience through active and smooth communication, and maximize customers satisfaction. In 2011, we strengthened links between relevant fields such as quality, development, operation activities and overseas branches while generating customer value through customer-oriented service.

Shareholders’ Meeting
The 41st shareholders’ meeting was held in Seoul Education Center, Yangjae-dong on March 18, 2011. 4 agendas were presented including performance results, appointment and remuneration of outside and inside directors which have all been passed by the shareholders’ vote.

2010 IR Activities

<table>
<thead>
<tr>
<th>Month</th>
<th>Place</th>
<th>IR</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Seoul</td>
<td>2009 Q4 earnings report</td>
</tr>
<tr>
<td>February</td>
<td>Seoul</td>
<td>IR at investment institution</td>
</tr>
<tr>
<td></td>
<td>Hong Kong</td>
<td>IR in connection with Korea Investment &amp; Securities conference</td>
</tr>
<tr>
<td></td>
<td>Singapore</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>Seoul</td>
<td>IR in the United States</td>
</tr>
<tr>
<td></td>
<td>the United States</td>
<td>Ir in connection with Citi Securities conference</td>
</tr>
<tr>
<td>April</td>
<td>Seoul</td>
<td>IR at investment institution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Samsung Securities global investor conference</td>
</tr>
<tr>
<td>May</td>
<td>Europe</td>
<td>IR in Europe, in connection with Citi Securities conference</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IR in the United States</td>
</tr>
<tr>
<td>June</td>
<td>Hong Kong</td>
<td>IR at IR at investment institution</td>
</tr>
<tr>
<td></td>
<td>Singapore</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>Seoul</td>
<td>2010 Q1 earnings report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IR at investment institution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Samsung Securities ESS technology training for analysts at securities company</td>
</tr>
<tr>
<td>August</td>
<td>Seoul</td>
<td>IR in Korea, in connection with Mafra Securities conference</td>
</tr>
<tr>
<td>September</td>
<td>Hong Kong</td>
<td>Samsung Securities conference</td>
</tr>
<tr>
<td>October</td>
<td>Seoul</td>
<td>IR in Korea, in connection with Mafra Securities conference</td>
</tr>
<tr>
<td>November</td>
<td>Seoul</td>
<td>IR at investment institution</td>
</tr>
<tr>
<td></td>
<td>Hong Kong</td>
<td>Mafra Securities ESS seminar</td>
</tr>
<tr>
<td></td>
<td>Singapore</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the United States</td>
<td>Norim Securities’ conference</td>
</tr>
</tbody>
</table>

Samsung SDI is engaged in activities to ensure product safety and quality, minimize customers’ inconvenience through active and smooth communication, and maximize customers satisfaction. In 2011, we strengthened links between relevant fields such as quality, development, operation activities and overseas branches while generating customer value through customer-oriented service.

Attention to Customers
In 2010, Samsung SDI established a comprehensive VOC response system, expanding from the previous quality based response to include technology and supply, thus creating a more aggressive VOC response and communication. We have concentrated the VOC management process more clearly and efficiently, reducing the time for completing customers’ needs from 30 to 22 days while maintaining a 24-hour initial response system. In February 2010, Collaborative Design Information System(CDIS) was launched and was applied to various groups of customers in the near future. To enhance our response to customers’ needs, we will seek fundamental improvement by expanding relevant TIF to address customers’ requests and inconvenience in advance.

In 2011, Samsung SDI will continue our efforts to maximize customer satisfaction through active communication with our customers, by expanding organic cooperation, and by engaging in key projects to promote the safety and credibility of our products.

Creating Customer Value

Samsung SDI strives to assure the quality and safety of our products which were the pillars of customer satisfaction in 2010. We introduced our Manufacturing Execution System which automatically manages and runs the manufacturing process. This has enabled us to manufacture quality products through preemptive quality control and guarantee safety in all incidents such as customers’ product misuse through enhancement of design. In 2011, Samsung SDI will hold meetings for all different customer groups on a weekly basis to review quality and product safety related issues in greater detail. Moreover, we will identify customers’ needs to establish and execute responses in all fields.

Better and Safer Product
Samsung SDI is engaged in activities to ensure product safety and quality, minimize customers’ inconvenience through active and smooth communication, and maximize customers satisfaction. In 2011, we strengthened links between relevant fields such as quality, development, operation activities and overseas branches while generating customer value through customer-oriented service.

KRX Green Index & SRI Index
KRX announced Samsung SDI’s incorporation in SRI in October 2010. The index is comprised of 30 outstanding companies among a group of SDR mid and large listed companies in Korea and is expected to promote investment in eco-friendly companies. Moreover, Samsung SDI became part of the SRI Index, consisting of outstanding EE2010 (Efforts to Promote, Social, Governance, corporate responsibility in September 2010).

More information is available on Samsung SDI’s corporate website’s Sustainability - Stakeholder Engagement - Customers page: http://www.samsungsdicompany/sustainability/s2_3_1t.jsp.
Sustainable Partnership

Samsung SDI is engaged in activities to assist our suppliers in strengthening their global competitive edge and in establishing fair trade practices. In 2010, led by a mutual cooperation organization, we promoted activities for mutual cooperation which took root in our first group of local and foreign suppliers. The basic idea is to provide training and assess quality and productivity enhancement; nurture experts to implement Low carbon green partnership and S-Partner accreditation system to expand green management and social responsibility throughout the supply chain.

Low Carbon Green Partnership

Together with the Ministry of Knowledge Economy, Samsung SDI is carrying out a national project with a vision of building and spreading Low carbon green partnership. The aim is to help our suppliers enhance their response to climate change and reduce GHG. 41 suppliers have been selected to undergo programs for nurturing climate change experts, assist GHG and energy reduction, and implement SME-focused GHG management systems over the course of two years between December 2009 and November 2011. The programs will enable suppliers to build a platform for practical GHG reduction and a supply chain GHG management system.

S-Partner Accreditation System

Revised and updated in 2009, the S-Partner accreditation system is an overall evaluation and approval system intended to spread social responsibility — including labor, ethics, environment, and safety — throughout the supply chain. Through this system, Samsung SDI aims to calculate risks related to social responsibility and seek improvements.

Under the program, suppliers, excluding branches and other related companies for reasons of contract termination, will be subject to the program as well. We will begin training and on-site evaluation starting with suppliers of our China subsidiaries, which is to be accompanied with nurturing managers of our overseas subsidiaries to help continue our program.

Performance in 2010 and Plan for 2011

<table>
<thead>
<tr>
<th>S-Partner accredited company</th>
<th>Performance in 2010</th>
<th>Plan for 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>75 Korean companies</td>
<td>85 Korean and foreign companies</td>
<td></td>
</tr>
<tr>
<td>Low carbon green partnership (participating company)</td>
<td>37 Korean companies</td>
<td>41 Korean companies</td>
</tr>
</tbody>
</table>

Promoting Mutual Growth

In 2011, under the slogan of mutual growth, Samsung SDI plans to conduct various programs to establish fair trade practices and to home its suppliers’ competitive edge. First, to establish a platform for fair order among suppliers, Samsung SDI will endorse guidelines related to conclusion of agreements, selection and registration of suppliers, and operation of internal supervision committees on suppliers. We seek to root out in advance any sources of concern by dealing with any injustices issues that need to be addressed considering company policies.

Agreement on Fair Trade and Mutual Growth

250 personnel from Samsung SDI, Samsung Electronics, Samsung Mobile Display, Samsung Electro-mechanics, Samsung Corning Precision Material and Samsung SDS, representatives of the first and second groups of suppliers and government officials gathered at the ceremony to sign an agreement on fair trade and mutual growth between Samsung Group and suppliers at Samsung Town located at Sosocho-dong on April 13, 2011. At the ceremony, 9 Samsung companies and the first suppliers reached 3,021 agreements and the first and second suppliers concluded 2,187 contracts, thus, a total of 5,208 agreements were signed to establish a foundation for mutual growth through supply chain management.

Moreover, we will assist facility investment and operational funding to help suppliers secure liquidity and financial soundness. We also plan to expand our program to second suppliers such as conducting research for joint technology development to help enhance technology competitiveness, introduce know-how on technology sources to prevent technology leakage as well as legal consultation. Our efforts for mutual growth and performances in 2011 will be briefed on the next year’s Sustainability Report.
Samsung SDI implements a range of social contribution projects to promote the growth and well-being of local communities. For example, one of our current campaigns provides free eye surgery to men and women who are visually challenged. Social contribution task forces which are organized at every business site carefully and systematically plan various activities and make continuous efforts to develop and improve them. A full 86% of all employees practice “sharing management” within their local communities by donating to the “Light of Love Fund,” a matching grant fund in which the company matches voluntary employee monthly contributions at a rate of 1:1. Samsung SDS 14,782 employees (accumulated total, domestic) participated in volunteer work in 2010, returning a total of KRW 1.94 billion, including KRW 540 million through the Light of Love fund, to the people of Korea. In case of the Light of Love fund, there is a slight decrease in the amount of donation compared with the previous year due to decrease in the number of employees in domestic sites, but the total number of accounts increased. Because of such efforts, Samsung SDI received top prizes in the areas of team cooperation, environmental awareness and develop a love and appreciation for the environment in connection with the Korea National Red Cross and Cheonan Headquarters. In 2010, 199 employees carried out various social contribution programs for environmental preservation and to help the marginalized classes.

Communication & Sharing
Samsung SDI makes efforts to give effective and practically helpful support to local communities through communication with inside and outside stakeholders. In August 2010, we organized “the outside advisory” comprised of 112 people including students, professors, government offices, the disabled, as well as farm or fishing villagers in the Gwheung headquarters, the Cheorwon and Ulsan plants. We conducted a survey and an interview to gather various opinions on the improvement of social contribution activities and to seek new ideas. In April 2011, we conducted a social contribution satisfaction survey with employees and suppliers. We surveyed 70 volunteer groups within local communities to learn what issues are important to them, to find out how they view the company’s social contribution activities, and to listen to their various complaints and opinions. Based on the results of this survey, we intend to develop a detailed plan to address the needs and desires of local communities. In addition, we will continue to contribute to the development of local communities by implementing cooperation programs with them.

Social Contribution Satisfaction Survey

Samsung SDI’s Key 2010 Social Contribution Activities

Representative Social Contribution Activity
- Free Eye Treatment Project
Since 1995, Samsung SDI has been partnering with Seoul Eye Hospital to offer free eye care for our neighbors in need, which is Samsung SDI’s representative contribution activity for 16 years. The mobile eye clinic and free eye treatment is available to those living in remote rural areas, leper communities and those who do not have the means or access to proper medical care in Korea and Vietnam. In 2010, we provided 46 times of free treatment and a total of 8,627 people received surgery or other types of treatment. In 2011, we plan to share the bright light of hope with more people by expanding the project to our Vietnam subsidiary, which was established in 2010.

Gwheung
The Gwheung headquarters supports youth, our future leaders, in a variety of ways. Samsung SDS Central Research Center and Environmental Safety Center have been offering an after-school class since 2010 as well as a kids science class six times a year for students of the local children’s center to help them raise their environmental awareness and develop a love and appreciation for science. Along with it, Samsung SDI has been implementing a Graduate Album of Love activity in which employees take photos of students at school events and then produce and distribute an album to graduates of special school in farming and fishing villages since 2004. We produced and gave graduation album to 44 graduates of Suwon Seoegwang School in 2010. In addition, our employees get closer to our neighbors through various activities such as planting kimchi and painting mural, practicing value of sharing.

Cheorwon
The Cheorwon plant has implemented the Moving Together activity in connection with the Korea National Red Cross and Cheorwon Community Support Center since 2005. In 2010, 199 employees participated in this activity to improve the living environment of 21 households, including replacement of wall and floor paper, providing daily necessities as well as moving expenses. We plan to provide support to 46 households in 2011. Moreover, we shared warm neighborly love and precious experiences not only with employees but also with families by hosting a volunteering camp with employees families and children.

Ulsan
The Ulsan plant implements a volunteering program for seniors over 65 living in Ulsan. In connection with community public organizations, we make efforts to provide help to elderly persons through various activities including supporting seniors who live alone, environmental clean-up and daily inspection, picnics and parties. In 2010, 2,233 employees participated in 156 activities and in 2011 we will continue to develop social welfare programs to provide more substantial help to our neighbors in need.

Malaysia
Our Malaysia subsidiary has carried out a Lenggeng Jungle Park Cleanup Activity since 1998 in order to maintain park facilities and clean up the environment. As the effort was recognized by the local government, Lenggeng Park was renamed Samsung Park in 1999. In 2010, 40 employees took the initiative in creating a clean and green park for residents by cleaning up the park and painting old park facilities. In addition to that, the subsidiary cleaned up the protection facilities for the disabled and as well as an orphanage and carried out landscaping. In 2011 we plan to carry out various social contribution programs for environmental preservation and to help the marginalized classes.

China
China subsidiaries carry out the One Company-One Village activity to share with local communities. In 2010, the Shanghai subsidiary carried out 34 volunteering activities for fostering a community relationship with Songjiang village, and Tianjin subsidiary carried out 24 volunteering programs at the state village, Hegkapung village. In addition, our Shanghai subsidiary provides scholarship to students from poor families. Samsung SDI practices sharing management not only at its domestic business sites but also at its overseas.
Samsung SDI is committed to transparent corporate governance and responsible management practices to increase value for company stakeholders. We are dedicated to business decision-making which is aligned with the interests of our shareholders and which respects social responsibility through transparent and independent BOD operation.

Board of Directors
Samsung SDI’s Board of Directors is comprised of two inside directors and three outside directors. CEO holds the position of the Chairman of the BOD for responsible management. The independent directors are selected from experts recommended by the Nomination Committee. Candidates must have in-depth knowledge and experience in fields such as economics, business management, laws and other areas related to the company’s technology. According to law, half of the committee members should be outside directors. Those with a special interest in the company including those who were employed by the company and Samsung companies in the past 2 years are not eligible to become outside directors.

The newly appointed CEO, Sang Jin Park, was named a new member of the board and Sung Jae Kim was named a new outside director at the 41st shareholders’ meeting held on March 18, 2011.

Committees under BOD
The Board of Directors operates three committees of Management, Audit and Nominations. In particular, the Management Committee which includes CEO and reviews and decides major business issues delegated by the BOD is directly responsible for the company’s financial, environmental and social performance.

Composition of Board of Directors

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Title</th>
<th>Others</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Sang Jin Park</td>
<td>Samsung SDI President and CEO</td>
<td>Newly appointed</td>
<td>male</td>
</tr>
<tr>
<td>Inside directors</td>
<td>Byeong Bok Jeon</td>
<td>Samsung SDI Head of Energy Business Division</td>
<td>No change</td>
<td>male</td>
</tr>
<tr>
<td>Outside directors</td>
<td>Young Gil Bae</td>
<td>Professor of Law, Pukyong University</td>
<td>No change</td>
<td>male</td>
</tr>
<tr>
<td></td>
<td>Sung Jae Kim</td>
<td>Vice President of Hankuk University of Foreign Studies</td>
<td>Newly appointed</td>
<td>male</td>
</tr>
</tbody>
</table>

More information is available on Samsung SDI corporate website’s <Company Info – Community Service> page. http://www.samsungsdi.com/intro/c_5_1_1t_1t.jsp
**Risk Management**

It is becoming increasingly difficult for companies to determine risk as the number and nature of various risks become more and more complex. Samsung SDI is strengthening its ability to swiftly regain business continuity in response to unwanted accidents by going beyond conventional methods of risk prevention and control.

**Business Continuity Management**

Considering that the battery business requires thorough risk management, Samsung SDI began to build the Business Continuity Management System (BCM) throughout its domestic and overseas battery operations in 2008. BCM is a management system which is intended to minimize damage and shock in situations such as abrupt work stoppages by returning core business operations within a fixed target period and then bringing all other operations back to BAU (Business As Usual) status as quickly as possible. Samsung SDI became the first Korean manufacturer to obtain BCM international certification (BS25999) for all segments of its battery business in July 2009. In 2010, we established the business continuity system at our key overseas battery production sites such as the Tianjin and Shanghai subsidiaries. In the first half of 2011, we will establish a BCM system in the new battery production line at our Ulsan plant and will acquire certification for the system and in the latter half of the year we will implement risk evaluation about the new Vietnam subsidiary (established in 2010).

**Business Continuity Management Life Cycle**

Understanding BCM

- **Understand organization**
- **Training, reinforcement and review**
- **Management of BCM Program**

Internalization of BCM in corporate culture

- **Development and implementation of BCM response**

**Sustainability Management Promotion System**

The Sustainability Management/SM Steering Committee is the highest decision-making body on all matters related to sustainability. The committee convenes meetings twice a year in which all executive leaders attend. They share key sustainability-related issues and performances and discuss and approve sustainability strategies and goals. Under the committee is the Sustainability Management Secretariat in charge of planning and coordinating sustainability-related work.

**Sustainability Management Reporting**

Since 2009, sustainability management-related key issues and risks and countermeasures have been reported to the Board of Directors once a year. This is to minimize social accountability risks and seek new development opportunities by taking preemptive action from the BOD/top management level on key issues.

**Activities of BOD**

- **Sustainability Management Reporting**
- **Sustainability Management Promotion System**
- **Risk Management**

**Internal Control System**

The internal control system has been in place to secure Samsung SDI’s operational transparency. It includes the internal accounting control system aimed at strengthening the credibility of financial data and other control activities such as certification and evaluation to protect assets and prevent corruption. Through the internal control system, the company is meeting regulations calling for the CEO/CFO to assume responsibility on the reliability of financial information and disclosures.
### Abstract of consolidated financial statement (Unit: KRW million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>2,385,708</td>
<td>2,262,527</td>
<td>2,493,201</td>
<td>2,782,286</td>
<td>2,451,405</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,802,105</td>
<td>1,796,689</td>
<td>1,869,403</td>
<td>2,415,966</td>
<td>1,867,802</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>578,609</td>
<td>495,938</td>
<td>419,796</td>
<td>367,648</td>
<td>484,253</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>6,932,917</td>
<td>6,832,085</td>
<td>6,244,110</td>
<td>4,366,447</td>
<td>4,682,112</td>
</tr>
<tr>
<td>Investment assets</td>
<td>949,135</td>
<td>1,446,479</td>
<td>1,955,185</td>
<td>2,374,058</td>
<td>1,456,694</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>3,249,575</td>
<td>2,098,303</td>
<td>2,051,406</td>
<td>1,722,325</td>
<td>1,727,039</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>86,351</td>
<td>34,917</td>
<td>41,337</td>
<td>49,629</td>
<td>78,490</td>
</tr>
<tr>
<td>Goodwill</td>
<td>270,127</td>
<td>212,154</td>
<td>193,166</td>
<td>196,034</td>
<td>221,331</td>
</tr>
<tr>
<td>Total Assets</td>
<td>6,888,625</td>
<td>7,114,692</td>
<td>6,653,304</td>
<td>7,147,725</td>
<td>7,933,567</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>2,074,206</td>
<td>2,167,491</td>
<td>1,993,081</td>
<td>2,015,783</td>
<td>2,106,702</td>
</tr>
<tr>
<td>Capital stock</td>
<td>240,681</td>
<td>240,681</td>
<td>240,681</td>
<td>240,681</td>
<td>240,681</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>1,289,528</td>
<td>1,289,528</td>
<td>1,233,188</td>
<td>1,248,780</td>
<td>1,235,831</td>
</tr>
<tr>
<td>Consolidated capital surplus</td>
<td>1,475,746</td>
<td>1,475,746</td>
<td>1,475,746</td>
<td>1,475,746</td>
<td>1,475,746</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,092,306</td>
<td>2,367,491</td>
<td>2,199,081</td>
<td>2,015,783</td>
<td>2,106,702</td>
</tr>
<tr>
<td>Total Stockholders' Equity</td>
<td>4,796,319</td>
<td>4,747,201</td>
<td>4,454,223</td>
<td>5,131,943</td>
<td>5,826,865</td>
</tr>
<tr>
<td>Revenue</td>
<td>4,634,005</td>
<td>3,932,473</td>
<td>5,302,802</td>
<td>4,951,855</td>
<td>5,124,275</td>
</tr>
<tr>
<td>Operating income</td>
<td>15,657</td>
<td>(538,248)</td>
<td>133,030</td>
<td>190,417</td>
<td>234,224</td>
</tr>
<tr>
<td>Income/(loss) from continuing operations</td>
<td>24,047</td>
<td>(556,763)</td>
<td>159,877</td>
<td>241,349</td>
<td>385,112</td>
</tr>
<tr>
<td>Income/(loss) from discontinued operations</td>
<td>78,032</td>
<td>(46,388)</td>
<td>(102,566)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net income/(loss)</td>
<td>102,079</td>
<td>(603,151)</td>
<td>57,311</td>
<td>241,349</td>
<td>385,112</td>
</tr>
</tbody>
</table>

### Economic indicators

- **Current ratio (Unit: %)**: 149.72
- **Liability ratio (Unit: %)**: 40.0
- **Government support (Unit: KRW billion)**: 65.5
- **Local learning rate (Unit: %)**: 60.2

### Economic Performance

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current ratio (Unit: %)</td>
<td>149.72</td>
<td>182.71</td>
<td>216.58</td>
<td>187.15</td>
</tr>
<tr>
<td>Liability ratio (Unit: %)</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Government support (Unit: KRW billion)</td>
<td>6.5</td>
<td>6.2</td>
<td>6.2</td>
<td>5.8</td>
</tr>
</tbody>
</table>

### Social Performance

- **Employment (Unit: people)**
  - Korea: 26,148
  - Region: 23,229
  - Asia: 15,121
  - Europe: 12,159
  - America: 12,662

- **Turnover (Unit: %)**
  - Korea: 7.8
  - Asia: 33.6
  - Europe: 81.8
  - America: 56.7

- **Injury rate (Unit: total injury count/total hours worked X 200,000)**
  - Korea: 0.35
  - Asia: 0.48
  - Europe: 0.42
  - America: 1.26

- **Matching grant value (Unit: KRW million)**
  - Employees: 946
  - Company: 364

*Previously erroneous data for the Government support for 2006–2007 are hereby corrected.*
### Environmental Performance

#### Indicator | Scope | Unit | 2006 | 2007 | 2008 | 2009 | 2010
--- | --- | --- | --- | --- | --- | --- | ---
**Energy**
Global | KWH/1000W/hour | 4.41 | 4.06 | 3.73 | 3.77 | 4.41
Korea | | 7.4 | 7.1 | 6.91 | 6.84 | 7.33

**Water**
Global | ton | 16,148 | 12,850 | 10,297 | 9,152 | 8,379
Korea | | 5,289 | 4,571 | 4,387 | 4,387 | 4,387

**Hazardous chemical substances**
Global | KRW 100million/ton | 0.16 | 0.18 | 0.12 | 0.17 | 0.22
Korea | | 0.11 | 0.15 | 0.12 | 0.15 | 0.17

**Greenhouse gases**
Global | ton | 111,318 | 107,688 | 97,735 | 75,127 | 77,502
Korea | | 46,208 | 47,565 | 43,975 | 40,952 | 39,952

**Air pollution**
Global | KRW 100million/ton | 1.67 | 1.92 | 1.74 | 2.46 | 1.93
Korea | | 0.03 | 0.04 | 0.05 | 0.06 | 0.06

**Ozone depleting substances**
Global | KRW 100million/ton | 38 | 37 | 37 | 37 | 37
Korea | | 74 | 76 | 75 | 75 | 75

**Wastewater**
Global | klloton | 11,807 | 9,282 | 8,077 | 6,559 | 7,340
Korea | | 3,882 | 4,201 | 4,641 | 4,79 | 4,68

**Water pollution**
Global | KRW 100million/ton | 405.47 | 4.26 | 4.93 | 4.68 | 4.68
Korea | | 405.47 | 4.26 | 4.93 | 4.68 | 4.68

**Recycling rate (Global)**
| % | 88.4 | 89.0 | 89.6 | 90.7 | 91.8

**Recycling rate (Korea)**
| % | 75.9 | 80.8 | 83.5 | 82.9 | 84.6

**Landfill rate (Global)**
| % | 11.6 | 11.0 | 10.6 | 9.3 | 8.2

**Landfill rate (Korea)**
| % | 9.1 | 10.2 | 10.7 | 7.1 | 3.4

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**Scope and objectives**
Samsung SDI commissioned Two Tomorrows (Asia) Limited to undertake independent assurance of its 2010 Sustainability Report.

The insurance process was conducted in accordance with the AA1000APS (2008). We were engaged to provide Type 2 assurance, which covers:

- evaluation of adherence to the AA1000APS (2008) principles of industry, materiality and responsiveness (the Principles) and
- the reliability of specified sustainability performance information.

Key data and claims in the Report were included in the scope of the assurance:

- Financial information;
- Greenhouse gas data as it is covered by a separate accompanying statement;
- Information presented on the Samsung SDI website, but not in the Report.

Where data was prepared using the GRI Indicator protocols these were used as additional criteria.

**Responsibilities of the directors of Samsung SDI and of the assurance provider**

The directors of Samsung SDI have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Samsung SDI, however our statement represents our independent opinion.

We were not involved in the preparation of any part of the Report. We have no other contract with Samsung SDI and this is the fifth year that we have provided assurance. We adopt a balanced approach towards all Samsung SDI stakeholders.

Our team comprised MinGyu Jun, project leader, MinHyung Yang and JongGyul Kim and this assurance statement was prepared by the team in English, and reviewed and signed off by Jason Perks, CEO, Two Tomorrows (Asia) Limited.

**Basis of our opinion**

Our work was designed to gather evidence with the objective of providing materiality as defined in the AA1000APS (2008). We undertook the following activities:

- Reviewed the information and communication technology (ICT) industry’s material sustainability issues as identified by the assurance team, and material sustainability issues as identified by Samsung SDI to determine assurance priorities.
- Interviewed senior managers responsible for sustainability issues including two executive vice presidents in charge of the Battery Business Unit and the Corporate R&D Center, and the HR vice president. Selected and reviewed evidence to support discussed issues. The interviewers were arranged by Samsung SDI and agreed by the assurance team.
- Reviewed of information provided to us by Samsung SDI in reporting and management processes, relating to the Principles.
- Visited to Giheung headquarters and Cheonan manufacturing site to review production processes and systems for preparing site level sustainability data and implementation of the sustainability strategy. We were free to visit sites within Korea.
- Reviewed of supporting evidence for key claims in the report.
- An independent assurance of Samsung SDI Reporting against the Application Level for the Global Reporting Initiative (GRI) G3 Guidelines. The focus of the assessment was on changed, omitted or new information. We relied on our assessment from last year for repeated information.

**Findings**

We reviewed and provided feedback on drafts of the Report and, where necessary, changes were made. On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Samsung SDI adherence to the Principles or its sustainability performance.

Nothing came to our attention that suggested the consolidated data presented in the Report and associated claims are not fairly stated.

We have confirmed that the GRI indicators referenced in the GRI index pages are reported either partially or fully. In our opinion the report meets the criteria within the GRI G3 guidelines to an application level of B+.

**Observations**

Without affecting our assurance opinion we also provide the following observations:

This year’s report provides Samsung SDI’s view on the expanding markets for smart grids and electronic devices, driven by sustainability challenges such as climate change and energy access. These trends emphasize the growing need for high performance batteries, solar cells and fuel cells. Samsung SDI demonstrates its commitment to sustainability by developing its strategic direction to provide integrated energy and power solutions.

We recommend that Samsung SDI report on its current green response to product responsibility across its portfolio. This would be achieved through enhancing the current discussion on product recycling and take-back, conflict mineral supply chain traceability and scarce metal replacement efforts, and going beyond regulatory requirements to cover the recently emerging issue of waste in developing countries.

Samsung SDI can strengthen its global sustainability management approach through initiatives such as the WPM project that engage its various stakeholders, including governments, suppliers and customers, and by communicating relevant targets and performance growth through the sustainability report.

**Inclusivity concerns the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability**

We noted Samsung SDI’s efforts to identify global customers’ social and environmental issues and reflect them in its R&O and marketing activities. We recommend that the company improve internal stakeholder awareness as it is an expanded focus. We also recommend that Samsung SDI ensures its stakeholders’ interests are included within its sustainability policy.

The expansion of manufacturing sites in China and Vietnam increases the focus of the assessment. We recommend that Samsung SDI establishes robust communication processes for local stakeholders, including host governments, local communities and suppliers, to ensure enhanced understanding of stakeholder needs by improving internal communications between functional units and the SM office.

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*Notes: Related to Environmental Performance Data*
1. The water withdrawals from 2007 to 2010 was recalculated based on the Basic Act on Low Carbon Green Growth.
2. Air and water pollutant output data present the domestic volume as an annual calculation is difficult to measure due to differing pollution levels.
3. Volume of waste water is the volume of water used in the process and includes waste water (domestic waste water).
4. The list of hazardous chemical substances was developed based on the 24 substances intensively managed by Samsung SDI.
Independent Assurance Statement

Responsiveness concerns the extent to which an organisation reacts to stakeholder issues.

As Samsung SDI’s business nature is changing rapidly from the display industry to the chemically focused industry of manufacturing rechargeable batteries, a proactive response to related issues is required. We found that various activities, including enhancing company-wide governance for the operational risk management and expanding the activities to the overseas sites are appropriate responses. Further efforts should be made in terms of the responses to the safety risks at the product usage stage.

We recommend that Samsung SDI reflects the GHG scope 3 inventory covering suppliers and product usage in its climate change strategy.

Performance Information

It is recommended that Samsung SDI changes its reporting approaches to enable continuous and reliable disclosure of performance against risk and long-term targets for key material issues identified in the materiality process. We also recommend that Samsung SDI continues to incorporate the materiality assessment in the business management decision-making process.

As the disclosure on the relative priority of the issues is being improved, the foundation for reporting on the changes and identifying new and emerging issues from the relative priority now established. We recommend reporting in these trends in future to stakeholders.

GHG Verification Opinion

Scope:
The annual GHG emissions for 2010 calendar year inclusive.
The physical scope is within the boundary of the 7 sites mentioned above.
GHG emissions for Scope 1, direct emissions from the plant; and Scope 2, indirect energy related, as defined in the GHG Protocol chapter 4: Setting Operational Boundaries.

Data Verified:
The Green House Gas Emissions for the 2010 calendar year as follows:

<table>
<thead>
<tr>
<th>Scope</th>
<th>Sites</th>
<th>Sub Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stationary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fugitive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>83,385</td>
<td>21,640</td>
</tr>
</tbody>
</table>

GHG Criteria & Protocols used for Verification:
The verification was carried out at the request of the Hellisze Co., Ltd. using:
The GHG Protocol of the WBCSD/WRI - Revised March 2004
IPCC Guideline for National Greenhouse Gas Inventories - Revised 2006
ISO 14064 Part 1 & 3 - Issued 2006

As the principal reference documents.
BSI Group Systems standard confidentiality arrangements were in force for all of the activities that were part of the verification.

Verification Opinion:
As a result of carrying out verification in accordance with the protocols and the best practice mentioned above and the principles of GS/ECC 17201:2006, it is the opinion of BSI that:

No material misstatement in the calculations was revealed; good record-keeping was demonstrated and data quality was considered acceptable in meeting the key international principles for greenhouse gas emissions verification.

Two Tomorrows (Asia) Limited
19th May 2011

Project Director
Project Leader
JoongJae Kim

Jason Perks
MinGu Jun
InMog Yang
JeongJae Kim

Ministry of Knowledge Economy

Samsung SDI., Ltd.
Shenzhen plant, Tianjin plant, Shanghai plant, Malaysia plant, Hungary plant, Mexico plant and Vietnam plant

SSP

J. K. Cheon / BSI Group Korea President
21st May 2011
Samsung Value System

Samsung Philosophy

We will devote our human resources and technology to create superior products and services thereby contributing to a better global society.

Samsung Values

People Excellence Change Integrity Co-prosperity

Samsung Business Principles

Principle 1. We comply with and ethical standards.
Principle 2. We maintain a clean organizational culture.
Principle 3. We respect customers, shareholders and employees.
Principle 4. We care for the environment, health and safety.
Principle 5. We are a society responsible corporate citizen.

Justification of existence, ultimate goal and mission of Samsung

Code of conduct aimed to achieve ethics management and take social responsibility.

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Economic Performance | 4.19 8-10
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Indirect Economic Impacts | 4.21 24,45,51
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Water | 4.27 30,31
Biodiversity | 4.28 31,32
Governance | 4.29 32,33
Grievances, Effluents, and Waste | 4.30 33,34
Compliance to External Initiative | 4.31 34,35
Products and Services | 4.32 35,36
Marketing Communications | 4.33 36,37
Compliance | 4.34 37,38

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--- | --- | ---
Labor | 4.16 10-13

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2. Organizational Profile | Stakeholder Engagement | 4.14 10-13
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Biodiversity | 4.28 31,32
Governance | 4.29 32,33
Grievances, Effluents, and Waste | 4.30 33,34
Compliance to External Initiative | 4.31 34,35
Products and Services | 4.32 35,36
Marketing Communications | 4.33 36,37
Compliance | 4.34 37,38

Categories | Number | Page
--- | --- | ---
5. Management Approach and Performance Indicators | Stakeholder Engagement | 4.14 10-13
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Energy | 4.26 28,29,30
Water | 4.27 30,31
Biodiversity | 4.28 31,32
Governance | 4.29 32,33
Grievances, Effluents, and Waste | 4.30 33,34
Compliance to External Initiative | 4.31 34,35
Products and Services | 4.32 35,36
Marketing Communications | 4.33 36,37
Compliance | 4.34 37,38

*H : If relevant data are disclosed only at the corporate website          * - : Assessments were not undertaken due to lack of relevance during the reporting period
Samsung SDI’s New Corporate Culture

Listening to You

We would like to incorporate your valuable feedback to improve our future Sustainability Report. Your views and suggestions collected through this survey will be reflected in our business activities and future Sustainability Reports. We will inform you of the results through next year’s Sustainability Report and our Sustainability website.

Which of the following applies to you?

- □ Samsung SDI
- □ Customer
- □ Institutional investor (Social responsibility investment)
- □ Individual investor
- □ Supplier
- □ Research center
- □ Local resident
- □ Government
- □ Civic group
- □ Industry association (enterprise, industry association, etc.)
- □ Academia
- □ Others

What is the reason for your interest in Samsung SDI’s Sustainability Report?

- □ To obtain investment information
- □ To evaluate Samsung SDI
- □ To prepare Sustainability (CSR) Report
- □ To obtain specific information (Type: )
- □ For the purpose of research and education
- □ To obtain specific information (Type: )

What were your major areas of interest? (Please write in detail)

How would you rate the Sustainability Report?

- Easy to understand: very low □ □ □ □ □ very high
- Easy to find desired information: very low □ □ □ □ □ very high
- Contains sufficient information: very low □ □ □ □ □ very high
- Design and layout are helpful in understanding the content: very low □ □ □ □ □ very high

Which sustainability issues would you like to see more in future report? (Multiple answers possible)

Category | Issue
--- | ---
Economy | Innovation activity
- | Social environmental change through product innovation
- | Management of hazardous substance in product
- | Development of eco-friendly energy conservation technology
Environment | Climate Change response
- | Eco-friendly product design & entire process consideration
- | Environmental preservation initiative and restoration
- | Environmental law compliance
Labor, Human Rights | Employment (including & transferring)
- | Human resource development
- | Respecting diversity and preventing discrimination
- | Communication with employees
Transparency | Anti-corruption-related system
- | Protection of whistle-blower
- | Information disclosure
Ethics | Fair competition
- | Protection of intellectual/material property rights
Product | Customer, consumer health & safety
- | Product service labeling
- | Customer satisfaction
Liability | Customer satisfaction
- | Customer education & seeing awareness
Supply Chain, Management | Win-win relationship
- | Supply chain (CSR)/Corporate Social Responsibility
- | Public infrastructure investment & service
- | Public contribution
- | Local residents health
Local Community | Evaluation and management of impact on local community
- | Environment
- | Social contribution
- | Supply chain (CSR)/Corporate Social Responsibility

Please feel free to state any comments or suggestions regarding Samsung SDI’s sustainability activities and this report.

Corporate Culture Slogan

So Good Company: A respected company where employees are proud to be a member of, is beneficial to shareholders, clients, partners and is contributing to the nation and the human society.

Core value of corporate culture

- Passion: Holding one’s own work in high esteem, contribute to human society by striving to be the best in the field.
- Soh-Tong: Working together for the common goal, rooted in mutual understanding, trust, and care for one another. Collaborative communication.
- Challenge: Be driven by curiosity and venture into the unknown. Accomplish goals by overcoming any difficulties without fear of failure.
Contact Information

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Contact Info.
SM Office       Tel (+)82-31-8006-3366     Fax (+)82-31-8006-3399
Business Strategy Team     Tel (+)82-31-8006-3649     Fax (+)82-31-8006-3397
General Inquiry                     Tel (+)82-31-8006-3100

E-mail    sustainability@samsung.com

Homepage
Samsung SDI                                 http://www.samsungsdi.com/
Sustainability                                  http://www.samsungsdi.com/sustain/s1_8.jsp
Ethical Management                     http://www.samsungsdi.co.kr/ethics/eng/main.jsp

Included in the DJSI for seven consecutive years- the first in Korea
Dow Jones Sustainability Indexes (DJSI) are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide. Based on cooperation between Dow Jones (US-based leading global index provider) and SAM (Swiss-based sustainability assessment and investment firm, Sustainable Asset Management), they provide asset managers with reliable and objective benchmarks to manage sustainability portfolios. In the 2010 sustainability assessment of 2,500 companies worldwide, Samsung SDI was included in the DJSI for the seventh year in a row, the first for a Korean firm. In addition, by being selected as the leader in the electronic equipment sector for the fifth time, Samsung SDI was once again recognized as a leading sustainability-driven company.

Listening to You (Sustainability Report Survey)
We welcome your feedback. Please take part in the online survey or fill out the feedback questionnaire on the printed version of the Sustainability Report.
http://www.samsungsdi.com/sustain/s4_4.jsp

Voice of Customer (VOC system)
You can submit your views and suggestions through the ‘Voice of Customer(VOC)’ page on our corporate website.
http://www.samsungsdi.com/e_voc_write.sdi

GRI Application Level
In our opinion, Samsung SDI’s 2010 Sustainability Report meets the criteria within the GRI G3 guidelines to an application level of B+.
This has been checked by Two Tomorrows (Asia) Limited.

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