

APPENDIX

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FINANCIAL DATA

The 49th as of 12/31/2018

The 48th as of 12/31/2017

The 47th as of 12/31/2016

Consolidated Financial Statements (Unit: KRW)

	End of 47th	End of 48th	End of 49th
Assets			
Current Assets	3,958,265,726,800	3,584,576,077,532	5,519,342,209,666
Cash and Cash Equivalents	1,011,701,875,328	1,209,015,663,790	1,516,585,546,977
Account Receivables and Other Receivables	1,046,794,723,821	1,230,256,403,435	1,851,185,858,690
Inventories	729,058,574,260	966,571,644,365	1,745,650,833,399
Other Investment Assets	932,699,739,874	113,795,179,915	150,531,067,707
Other Current Assets	158,666,025,997	64,937,186,027	198,560,107,177
Non-current Assets Held for Sale	79,344,787,520	-	56,828,795,716
Non-current Assets	10,942,045,507,407	12,157,129,300,725	13,830,378,974,263
Account Receivable and Other Receivable	5,145,658,180	3,379,614,318	23,168,938,800
Investments in Associates	5,525,570,909,727	6,219,349,912,456	6,554,633,768,115
Tangible Assets	2,503,794,949,241	2,930,339,325,646	4,608,333,985,853
Intangible Assets	941,686,030,402	897,447,247,322	866,271,119,300
Real Estate Investments	145,683,976,159	149,914,778,172	149,725,014,028
Pre-paid Salary Assets	15,732,302,823	-	-
Deferred Tax Assets	38,421,655,680	41,407,873,779	51,799,609,019
Other Investment Assets	1,626,791,063,141	1,785,846,776,491	1,495,631,279,112
Other Non-current Assets	139,218,962,054	129,443,772,541	80,815,260,036
Total Assets	14,900,311,234,207	15,741,705,378,257	19,349,721,183,929
Liabilities			
Current Liabilities	2,212,795,893,287	2,664,061,476,102	4,012,822,498,262
Account Payables and Other Payables	1,658,167,209,814	1,485,918,600,167	2,145,075,054,015
Current Tax Liabilities	43,097,065,919	20,807,947,629	35,623,226,493
Advance Payment	77,372,218,374	44,172,530,214	69,598,588,790
Unearned Revenue	50,198,579,787	33,857,200,178	6,304,689,548
Short-term Loan	383,960,819,393	1,079,305,197,914	1,739,389,710,470
Derivative Liabilities	-	-	15,202,782,348
Non-current assets as held for sale	-	-	1,628,446,598
Non-Current Liabilities	1,723,405,113,962	1,625,644,404,713	3,111,679,469,477
Account Payables and Other Payables	218,037,566,906	181,119,003,713	291,312,664,392
Long-term Unearned Revenue	69,135,389,783	44,139,747,984	27,083,906,195
Long-term Loan	566,585,621,889	345,303,351,571	1,514,282,000,856
Salary Payables	-	25,621,629,290	70,146,754,408
Derivative Liabilities	19,211,000,000	20,220,577,592	29,866,610,049
Deferred Tax Liabilities	850,435,535,384	1,009,240,094,563	1,178,987,533,577
Total Liabilities	3,936,201,007,249	4,289,705,880,815	7,124,501,967,739
Stockholder's Equity			
Controlling Interest	10,722,130,891,929	11,257,301,680,704	11,934,022,744,253
Capital Stock	356,712,130,000	356,712,130,000	356,712,130,000
Capital Surplus	5,031,244,206,194	5,042,698,139,239	5,037,936,783,944
Other Capital Items	-251,530,117,715	-345,131,583,767	-345,131,583,767
Other Comprehensive Income	590,987,395,653	602,435,774,875	271,989,660,350
Retained Earnings	4,994,717,277,797	5,600,587,220,357	6,612,515,753,726
Non-Controlling Interests	241,979,335,029	194,697,816,738	291,196,471,937
Total Stockholder's Equity	10,964,110,226,958	11,451,999,497,442	12,225,219,216,190
Total Liabilities and Equity	14,900,311,234,207	15,741,705,378,257	19,349,721,183,929

The 49th as of 12/31/2018The 48th as of 12/31/2017The 47th as of 12/31/2016

Consolidated Statement of Comprehensive Income (Unit: KRW)

	End of 47th	End of 48th	End of 49th
Revenue	5,200,822,510,213	6,346,606,593,493	9,158,272,454,945
Cost of Goods Sold	4,450,250,017,519	5,180,761,473,455	7,118,188,528,425
Gross Profit	750,572,492,694	1,165,845,120,038	2,040,083,926,520
Selling and Administrative Expenses	1,676,905,126,686	1,048,950,333,520	1,325,113,320,369
Operating Income (Loss)	-926,332,633,992	116,894,786,518	714,970,606,151
Other Income	522,463,321,541	196,226,647,012	129,512,316,584
Other Expenses	649,922,869,981	183,023,147,146	193,470,665,337
Financial Income	285,569,134,952	250,012,082,221	381,754,696,963
Financial Expenses	297,649,578,505	251,450,264,219	338,715,140,922
Gains and Losses from Equity Method	245,178,733,518	695,404,774,170	342,181,823,994
Earnings (Loss) Before Taxes	-820,693,892,467	824,064,878,556	1,036,233,637,433
Income Tax Expense	57,809,852,547	180,871,015,592	291,184,451,986
Income (Loss) from Continuing Operations	-878,503,745,014	643,193,862,964	745,049,185,447
Income (Loss) from Discontinued Operations	1,089,614,935,226	-	-
Net Income (Loss)	211,111,190,212	643,193,862,964	745,049,185,447
Other Comprehensive Income	-222,175,443,064	-6,154,449,821	51,278,320,541
Items that will not be reclassified as profit or loss	-7,514,539,894	16,421,113,526	36,023,582,593
Re-measurement of Net Defined Benefit Liabilities	-9,891,811,881	21,529,601,753	-29,815,080,893
Gain on valuation of financial assets from other comprehensive income measurements	-	-	77,282,456,975
Tax effects	2,377,271,987	-5,108,488,227	-11,443,793,489
Items that may be reclassified as profit or loss	-214,660,903,170	-22,575,563,347	15,254,737,948
Revaluation of financial assets available for sale	-319,318,208,339	171,461,576,116	-
Changes in the capital under Equity Method	107,468,284,369	-1,625,771,441	-6,897,968,336
Revaluation of derivatives	-	-	-25,658,003,955
Foreign currency translation	-54,772,638,958	-156,923,295,181	39,557,923,656
Tax effects	51,961,659,758	-35,488,072,841	8,252,786,583
Total Comprehensive Income	-11,064,252,852	637,039,413,143	796,327,505,988
Net Income (Loss) Attributable to:			
Controlling Interest	219,405,853,323	657,236,340,934	701,166,336,925
Non-Controlling Interest	-8,294,663,111	-14,042,477,970	43,882,848,522
Comprehensive Income (Loss) Attributable to:			
Controlling Interest	21,129,717,383	685,105,833,682	748,427,028,644
Non-Controlling Interest	-32,193,970,235	-48,066,420,539	47,900,477,344
Earnings Per Share (EPS)			
Basic and diluted earnings per ordinary share	3,133	9,824	10,484
Basic earnings (loss) per share from continuing operations	-12,434	9,824	10,484
Basic earnings (loss) per share from discontinued operations	15,567		

GRI STANDARDS INDEX

Universal Standards (GRI 100)

Classification	Disclosure	Indicators	Pages / References
Organizational Profile	102-1	Name of the organization	10
	102-2	Activities, brands, products, and services	11, 14~17
	102-3	Location of headquarters	11
	102-4	Location of operations	11
	102-5	Ownership and legal form	11
	102-6	Markets served	12
	102-7	Scale of the organization	11~12
	102-8	Information on employees and other workers	65, Annual Report 171~172p
	102-9	Supply chain	54~61, 66~67
	102-10	Significant changes to the organization and its supply chain	N/A
	102-11	Precautionary Principle or approach	43, 45, 55, 63, 72, 74
	102-12	External initiatives	22~23, 59~60
	102-13	Membership of associations	21
Strategy	102-14	Statement from senior decision-maker	6~7
	102-15	Key impacts, risks, and opportunities	6~7, 30~34
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	72~73
	102-17	Mechanisms for advice and concerns about ethics	72~73
Governance	102-18	Governance structure	70~71
	102-22	Composition of the highest governance body and its committees	70~71
	102-23	Chair of the highest governance body	70
	102-24	Nominating and selecting the highest governance body	70
	102-25	Conflicts of interest	70
	102-26	Role of highest governance body in setting purpose, values, and strategy	70
	102-27	Collective knowledge of highest governance body	70
	102-28	Evaluating the highest governance body's performance	71
	102-35	Remuneration policies	71
	102-36	Process for determining remuneration	71
	102-38	Annual total compensation ratio	71
Stakeholder Engagement	102-40	List of stakeholder groups	21
	102-41	Collective bargaining agreements	75, 83
	102-42	Identifying and selecting stakeholders	21
	102-43	Approach to stakeholder engagement	21, 26
	102-44	Key topics and concerns raised	26~27
Reporting Practice	102-45	Entities included in the consolidated financial statements	Annual Report 3~4p
	102-46	Defining report content and topic Boundaries	26~27
	102-47	List of material topics	27
	102-48	Restatements of information	82
	102-49	Changes in reporting	4
	102-50	Reporting period	4
	102-51	Date of most recent report	4
	102-52	Reporting cycle	4
	102-53	Contact point for questions regarding the report	4
	102-54	Claims of reporting in accordance with the GRI Standards	4
	102-55	GRI content index	90~91
Management Approach	103-1	Explanation of the material topic and its Boundary	26~27
	103-2	The management approach and its components	30, 38, 42, 46, 50, 54

Economic Performance (GRI 200)

Classification	Disclosure	Indicators	Pages / References
Economic Performance	201-1	Direct economic value generated and distributed	12~13
	201-2	Financial implications and other risks and opportunities due to climate change	46~47
Market Presence	202-2	Proportion of senior management hired from the local community	82
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	76~79
	203-2	Significant indirect economic impacts	76~79
Procurement Practices	204-1	Proportion of spending on local suppliers	55, 66

Classification	Disclosure	Indicators	Pages / References
Anti-corruption	205-1	Operations assessed for risks related to corruption	72~73, 82
	205-2	Communication and training about anti-corruption policies and procedures	72~73, 82
	205-3	Confirmed incidents of corruption and actions taken	82
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	72~73

Environmental Performance (GRI 300)

Classification	Disclosure	Indicators	Pages / References
Energy	302-1	Energy consumption within the organization	48, 64~65
	302-2	Energy consumption outside of the organization	48, 64~65
	302-3	Energy intensity	48, 64~65
	302-4	Reduction of energy consumption	46~49, 64~65
	302-5	Reductions in energy requirements of products and services	48~49, 65
Water	303-4	Water discharge	80
	303-5	Water consumption	84
Emissions	305-1	Direct (Scope 1) GHG emissions	64
	305-2	Energy indirect (Scope 2) GHG emissions	64
	305-3	Other indirect (Scope 3) GHG emissions	64
	305-4	GHG emissions intensity	48, 64
	305-5	Reduction of GHG emissions	48, 64
	305-6	Emissions of ozone-depleting substances (ODS)	80, 84
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	80, 84
Effluents and Waste	306-1	Water discharge by quality and destination	80, 84
	306-2	Waste by type and disposal method	81, 85
	306-3	Significant spills	N/A
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	54~55, 58~61, 67
	308-2	Negative environmental impacts in the supply chain and actions taken	58~61, 67

Social Performance (GRI 400)

Classification	Disclosure	Indicators	Pages / References
Employment	401-1	New employee hires and employee turnover	65~66
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	74~75
	401-3	Parental leave	82
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	75
Occupational Health and Safety	403-1	Occupational health and safety management system	42~43
	403-2	Hazard identification, risk assessment, and incident investigation	42~45
	403-3	Occupational health services	42~45
	403-5	Worker training on occupational health and safety	42~45
	403-6	Promotion of worker health	45, 75
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42~45, 63
	403-8	Workers covered by an occupational health and safety management system	63~64
	403-9	Work-related injuries	64
	403-10	Work-related ill health	64
	Training and Education	404-1	Average hours of training per year per employee
404-2		Programs for upgrading employee skills and transition assistance programs	50~53
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	70~71
	405-2	Ratio of basic salary and remuneration of women to men	83
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	74~75
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	58~61, 67, 74
	412-2	Employee training on human rights policies or procedures	74
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	58~61
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	83
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	58~61
	414-2	Negative social impacts in the supply chain and actions taken	54~61
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	38~41
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	N/A

Independent Assurance Statement

INDEPENDENT ASSURANCE STATEMENT

Introduction

SAMSUNG SDI CO., LTD. (“Samsung SDI”) commissioned DNV GL Business Assurance Korea Ltd. (“DNV GL”), part of DNV GL Group, to undertake independent assurance of the Sustainability Report 2018 (the “Report”). The directors of Samsung SDI have sole responsibility for the preparation of the Report. The responsibility of DNV GL in performing the assurance work is to the management of Samsung SDI in accordance with the terms of reference. DNV GL’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith.

Scope and Basis of assurance

Based on non-financial data and sustainability activities and performance data of 2018 generated from Samsung SDI, we have evaluated the adherence to AA1000 Accountability Principles (AP) 2018 and assessed the quality of sustainability performance information. We have reviewed that the Topic-specific disclosures of GRI Standards which are identified in the process for defining report content;

	Material Topic	GRI Disclosure		Material Topic	GRI Disclosure
1	Securing Future Growth Engines	201-1	4	Response to Climate change	302-4
2	Securing Product Quality and Safety	416-2	5	Human Resource Management	404-1
3	Promotion of a Safe Workplace Culture	403-5	6	Sustainable Supply Chain Management	414-2

We performed our work using AA1000AS (2008) and DNV GL’s assurance methodology VeriSustain™¹ which is based on our professional experience, international assurance best practices. DNV GL provides Type 1 and the moderate level of assurance, and we applied the Type 2 for the selected data. The assurance was carried out April 2019. The site visits were made to Giheung HQ and Cheonan Plant in Gyeonggi-do of Korea. We undertook the following activities as part of the assurance process:

- challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls;
- interviewed representatives from the various departments;
- conducted document reviews, data sampling and interrogation of supporting databases and associated reporting system as they relate to selected content and performance data;
- reviewed the materiality assessment report.

Limitations

The engagement excludes the sustainability management, performance and reporting practices of Samsung SDI subsidiaries, associated companies, suppliers, contractors and any third-parties mentioned in the Report. We did not interview external stakeholders as part of this Assurance Engagement. Economic performance based on the financial data is cross-checked with internal documents, the audited consolidated financial statements and the announcement disclosed at the website of Korea Financial Supervisory Service (<http://dart.fss.or.kr>) as well as Samsung SDI’s website (www.samsungsdi.co.kr). These documents, financial statements and the announcements are not included in this Assurance Engagement. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. The baseline data for environmental and social performance are not verified, while the aggregated data at the corporate level are used for the verification. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Conclusion

On the basis of the work undertaken, nothing comes to our attention to suggest that the reported data and information disclosed in the Report do not give a fair representation of Samsung SDI’s related sustainability performance nor is prepared ‘in accordance’ with GRI Standards Core option. Further opinions with regards to the adherence to the Principles are made below;

¹ The VeriSustain protocol is available upon request at DNV GL Website (www.dnvgl.com)

The Principle of Inclusivity

Samsung SDI has identified internal and external stakeholder groups such as Customers, Suppliers, Employees, Industry Association/College/Research Institute and Local Communities/Civic Group, Government and Shareholders/Investors. Samsung SDI engages with the stakeholders at the company and business unit levels through various channels. The examples of approaches to engage with selected stakeholders and relevant organizations are described in the Report.

The Principle of Materiality

Samsung SDI has conducted the materiality assessment to prepare the Report. Various issues have been derived by analysing the topics covered in various global initiatives and standards, reviewing industry peers' reports and media reports. The issue pools were used on internal and external stakeholder survey to rate the material topics and subsequently material topics are prioritized. Samsung SDI has presented the management approach and major performances for each stakeholder issue in the Report. We have reviewed the materiality assessment process and noted relevant material topics prioritized from the process are addressed in the Report.

The Principle of Responsiveness

Samsung SDI has developed strategies and goals for material sustainability topics. The Report presents Samsung SDI's sustainability and sustainability strategies and discloses the business results, decisions, key performance and future plan on material topics in terms of sustainability during the reporting period. In addition, Samsung SDI reports the impact of value creation through business model and value chain analysis based on six resources suggested by the IIRC², reports on their response strategies and activities to the impact and value of the UN SDGs. Through this, Samsung SDI quantitatively presents the integrated value considering of both positive and negative impact in the Report.

The Principle of Impact

The Report presents the direct and indirect impacts of material topics identified materiality assessment. We have reviewed that Samsung SDI identifies, monitors and assess the impacts of material topics to stakeholders. Samsung SDI could report measurable targets for medium- and long-term sustainability aspects in the future reporting and the progress.

Quality on sustainability performance information

We have tested data and information on a sampling basis. Further, selected data including water consumption, waste volume, and injury/diseases rate are tested with Type 2 methodology. DNV GL has interviewed the data owners in order to figure out the data control process and verified the selected data against the relevant documents and records. The intentional error or misstatement is not noted from the data and information disclosed in the Report. Data owners were able to demonstrate the origin and interpretation of the data in a reliable manner. Samsung SDI could report the information through consistent source that support comparability of data in the future reporting.

Competence and Independence

DNV GL applies its own management standards and compliance policies for quality control, in accordance with DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV GL Code of Conduct³ during the assurance engagement and maintain independence where required by relevant ethical requirements. DNV GL was not involved in the preparation of statements or data included in the Report except for this Assurance Statement. DNV GL maintains complete impartiality toward stakeholders interviewed during the assurance process. DNV GL have no other contract with Samsung SDI and did not provide any services to Samsung SDI in 2019 that could compromise the independence or impartiality of our work.

May 2019
Seoul, Korea


Jang Sup Lee
Country Representative
DNV GL Business Assurance Korea Ltd.



² The International Integrated Reporting Council

³ DNV GL Code of Conduct is available from DNV GL website (www.dnvgl.com)

GHG Verification Statement



Third Party's Verification Statement

■ Introduction

Korean Foundation for Quality (hereinafter 'KFQ') has been engaged by Samsung SDI Co., Ltd.(hereinafter the 'Company') to independently verify its 2018 Greenhouse Gas Emission Report of domestic corporations and 9 overseas subsidiaries. It is the responsibility of the Company to compile the Greenhouse Gas Emission Report according to the 'Guidelines for GHG emission reporting and certification of GHG emission trading scheme (Notification No. 2018-78 of Ministry of Trade, Industry and Energy)', 'Verification Guidelines for the operation of GHG Emission Trading Scheme (Notification No. 2018-70 of Ministry of Environment)', and 'ISO 14064-1:2006', and KFQ has responsibility to conduct verification based on the ISO 14064-3 to provide verification opinion on compliance of the Report against verification criteria.

■ Verification Scope

In this verification, domestic corporations and 9 overseas subsidiaries under operational control of Samsung SDI Co., Ltd., and reported emission in including Scope 1 and Scope 2 emission. Scope 3(Indirect-business trip and logistics) is also considered in total Greenhouse Gas Emission.

■ Verification Opinion

Through the verification process according to the ISO 14064-3, KFQ could obtain reasonable basis to express following conclusion on the Greenhouse Gas Emission Report.

- 1) 2018 Samsung SDI Co., Ltd., Greenhouse Gas Emission Report was prepared against 'Guidelines for emission reporting and certification of greenhouse gas emission trading scheme', and 'ISO 14064-1:2006'.
- 2) As a result of materiality assessment on 2018 domestic Greenhouse Gas Emission(Scope 1 and Scope 2), material discrepancy is less than the criteria of 2.5% for the organization who emits greater than 500,000 tCO₂e/yr and less than 5,000,000 tCO₂e/yr in accordance with the requirements of the 'Verification Guidelines for the operation of GHG Emission Trading Scheme' :
- 3) For the 9 overseas subsidiaries, material assessment was conducted according to the document review result and it shows that material discrepancy is less than 2.5%.
- 4) Among reported Greenhouse Gas Emission purchased electricity and LNG consumption take most of total emission. Activity data of these emission sources were checked through the objective evidence provided by supplier therefore KFQ could confirm that these activity data is valid itself.
For the overseas subsidiaries, national net caloric value and electricity emission factor were preferentially used but net caloric value in 'Guidelines for GHG emission reporting and certification of GHG emission trading scheme' was used in case of nonexistence of it. For the Scope 3 of the domestic corporation, its emission was calculated according to the Company methodology considering travel distance for business trip only by objective evidence. And for the factors considered in emission calculation, the latest factor was used thus consistency and correctiveness is substained in 2018 Greenhouse Gas Emission Report against Samsung SDI Co., Ltd., internal guideline.
- 5) Except unconsidered emission source in the 'Samsung SDI Co., Ltd., Greenhouse Gas Inventory Guideline', material error, omission or insignificant issues was not founded in 2018 Samsung SDI Co., Ltd., Greenhouse Gas Emission Report.

(Unit: ton CO₂ eq)

Report year		2018.1.1 ~ 2018.12.31	
Verification Scope		Domestic	Overseas
GHG emission	Scope 1	511,379	618,185
	Scope 3: Business trip and logistics for the domestic corporation	4,947	

[2018 Samsung SDI Co., Ltd., Greenhouse Gas Emission]

April 1st, 2019

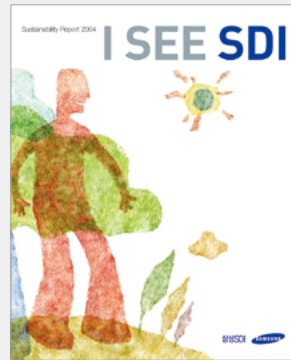
Seok Un Yoon

President & CEO Korean Foundation for Quality

Sustainability Reports in Previous Years



2003



2004



2005



2006



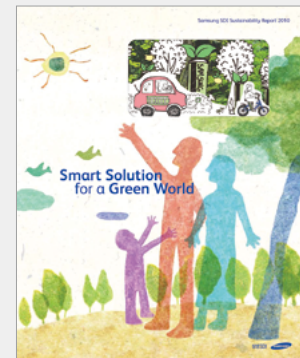
2007



2008



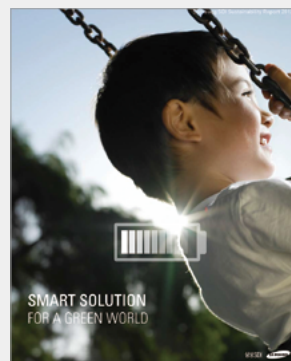
2009



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2012



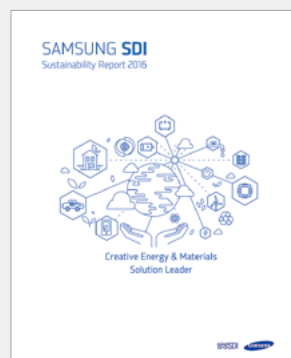
2013



2014



2015



2016



2017