Environmental Management Policy

2025. 04

Samsung SDI

1. Overview and Purpose

Samsung SDI enacts this **Environmental Management Policy** (this "Policy") to minimize negative environmental impacts at all stages of production, mitigate climate change and environmental pollution, and protect ecosystems while preserving biodiversity in accordance with its "**Safety Environment Management Policy**". This Policy ensures compliance with the laws and regulations of each country and incorporates stakeholder requirements and international agreements on climate change and the environment, thereby promoting the sustainable development of the Company and its stakeholders.

2. Definition and Governing Language

2.1 The terms that are used in this Policy, but not defined within this Policy shall have the meanings ascribed to them in the domestic Korean environmental laws, international agreements and global initiatives, including agreements and conventions on sustainability and European Sustainability Reporting Standards. In the event of any inconsistency or conflict in meaning of terms, the domestic Korean environmental laws will prevail.

2.2 This Policy will be prepared and interpreted in the Korean language. Any translation of this Policy into another language is provided solely for convenience. In the event of any inconsistency or conflict between the Korean version and any translation (including differing interpretations), the Korean language version will govern and prevail.

3. Scope of Policy

3.1 This Policy applies to all of Samsung SDI's domestic and international operations and their employees and officers, as well as Samsung SDI's subsidiaries and Joint Ventures (defined as companies over which Samsung SDI has control or joint control under Corporate Accounting Standards) (collectively, "Direct Operation Sites") and their employees and officers.

3.2 Samsung SDI encourages all Suppliers and Business Partners with business relationship with Samsung SDI, to comply with this Policy.

4. Management Organization and Procedures

4.1 Management Organization

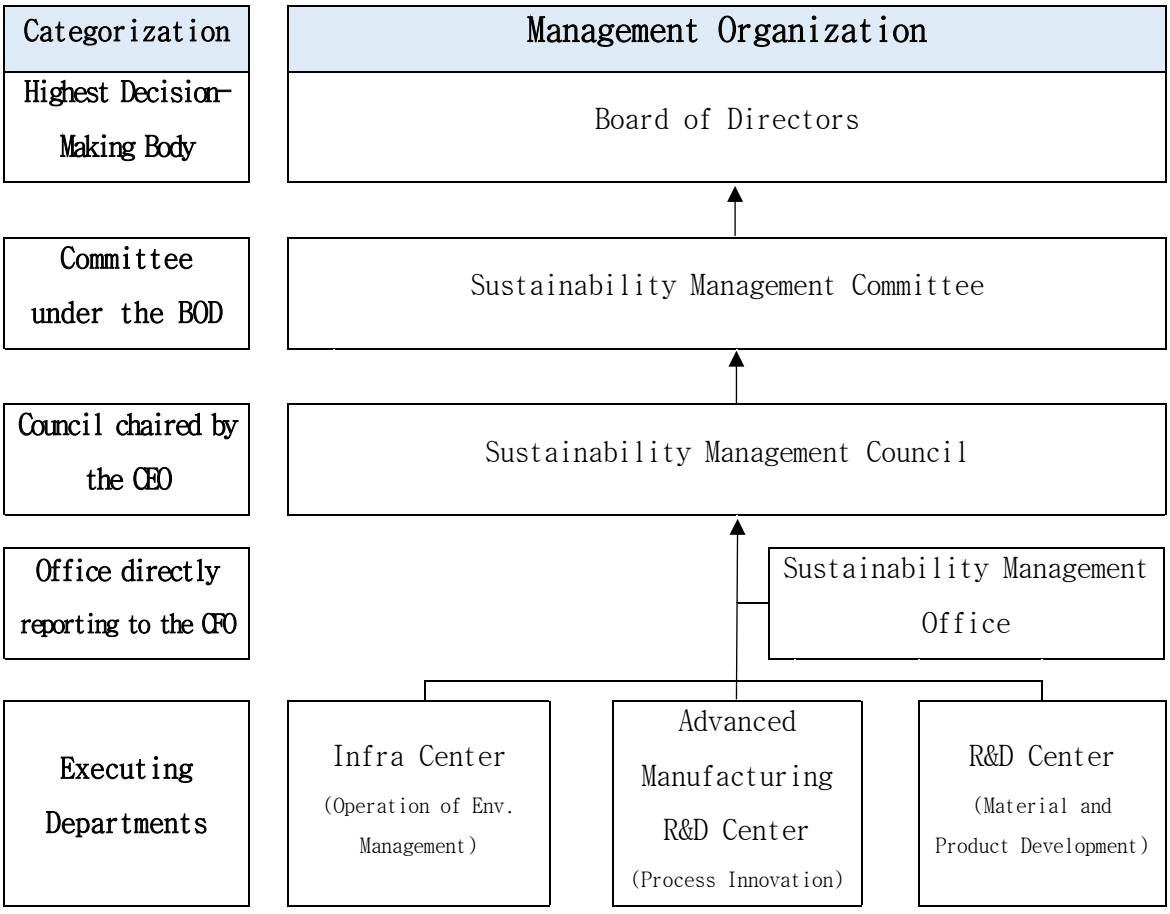
The **Board of Directors** (the "**BOD**") is the highest decision-making body related to sustainable management (hereinafter referred to as the same, includes Environmental, Social and Governance) and it deliberates and approves company-wide **Safety Environment Management Policy** and **Environmental Management Policy.**

The **Sustainability Management Committee** (the "**Committee**") under the BOD supervises the overall management of sustainability-related impacts, risks, and opportunities, and deliberates and approves major issues on a semi-annual basis.

The **Sustainability Management Council** (the "**Council**"), chaired by the CEO, reviews, discusses, and decides on response strategies and implementation performance for sustainability-related impacts, risks, and opportunities on a quarterly basis, and submits major issues to the Committee and the BOD for approval.

The **Sustainability Management Office** establishes mid-to-long term strategies related to sustainable management, manages major issues in an integrated manner, and supports the operation of the decision-making bodies (BOD, Committee, Council) mentioned above.
The **Infra Center, Advanced Manufacturing R&D Center, and R&D Center** serve their role as executing departments of environmental management by identifying impacts, risks, and opportunities related to Greenhouse Gas (GHG) and energy, pollutants, water resources, biodiversity and ecosystem services, preventing deforestation, and circulation of resources, as well as prioritizing and implementing action strategies to address such topics.

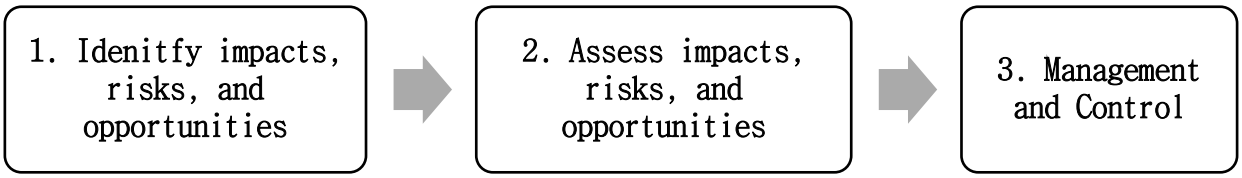
[Samsung SDI's Environmental Management Organization]



Samsung SDI sets and manages sustainability-related MBO (Management by Objectives) target of the responsible personnel and incorporate its evaluation to the remuneration system.

4.2 Management Procedures

Samsung SDI identifies, assesses, manages and controls the impacts it has on the external environment, as well as the risks and opportunities the external environment poses to Samsung SDI.



4.2.1 Identify Impacts, Risks, and Opportunities

Samsung SDI identifies climate and environmental impacts of its business activities (Inside-out), and physical/transition risks and opportunities (Outside-in) presented by the external environment, to recognize key sustainability topics. Objective data such as international regulations and standards, industry trends, corporate evaluation index, and media analysis may be used to recognize sustainability issues relevant to Samsung SDI's business.

4.2.2 Assessment of Impacts, Risks, and Opportunities

Samsung SDI evaluates and prioritizes identified impacts, risks, and opportunities by selecting appropriate evaluation methodologies and scenarios tailored to the specific characteristics of each area. If needed, the objectivity of these evaluations can be enhanced through methods such as

interviews and surveys with internal employees, officers and stakeholders, ISO14001, Environmental Impact Assessment, and WWF Risk Filter for biodiversity-related assessment.

4.2.3 Management and Control

Samsung SDI continuously manage the impacts, risks, and opportunities by means such as establishing and implementing measures to minimize selected material negative impacts and risks, and to maximize positive impacts and opportunities, and integrating such measures into business strategies.

5. Basic Principles

5.1 Greenhouse Gas (GHG) and Energy

Samsung SDI joins international efforts to respond to climate crisis, and **aims to gradually achieve *Net Zero*[1] and *RE100*[2] by 2050 in line with the Paris Agreement and related public policies** including the supply chain. To achieve this goal, Samsung SDI is committed to reducing direct and indirect GHG emissions through energy efficiency, increased use of renewable energy, and minimizing the carbon footprint of its products through their lifecycle. Samsung SDI tracks each metric and performance transparently, and strives to set high-level quantitative targets including Science Based Targets in the future.

5.1.1 GHG Reduction at Direct Operation Sites

Samsung SDI aims to improve energy efficiency by using highly

[1] Achieving balance between the emissions and removals of all GHG-not just CO_2-so that the net emissions equal zero

[2] 100% transition from fossil fuel-based electricity to renewable electricity

efficient equipment and reducing fuel usage such as LNG (Liquefied Natural Gas). It strives to reduce electricity consumption through R&D in production technology and process innovation, and expand the use of renewable energy through self-generation and Renewable Energy Certificate (REC) / Power Purchase Agreement (PPA). Samsung SDI actively promotes the transition of all corporate fleet vehicles to zero-emission vehicles.

5.1.2 Supply Chain GHG Reduction

Samsung SDI supports its partners in establishing and operating systems for GHG reduction and energy management by promoting energy efficiency, the use of renewable energy, and expanding recycling. GHG emission risks across the supply chain are managed through environmental performance evaluations of partners.

5.1.3 Reduction of Product's Carbon Footprint

Samsung SDI works to enhance environmental performance throughout the entire product lifecycle through research and technological development of low-carbon processes, materials, and products.

5.1.4 Prevention of Climate-related Disasters

Samsung SDI monitors climate risks such as extreme weather, identifies physical risk factors in advance, and prepares appropriate prevention or response plans.

5.1.5 Strengthen Climate Adaptation Capabilities

Samsung SDI strives to enhance employees' and officers' awareness of climate change by providing the relevant education

and training to strengthen climate resilience and by managing the effectiveness of such programs. Also, Samsung SDI actively contributes to strengthening sustainability across the industry by faithfully providing stakeholders, including customers, with environmental information such as carbon footprint data.

5.2 Pollutants

Samsung SDI is committed to preserving the safety and health of customers, employees and officers, and stakeholders by thoroughly complying with the laws and regulations of each country, gradually reducing environmental pollutant emissions and unnecessary use of hazardous substances, and conducting improvement activities such as safe handling and disposal of chemicals, **with the goal of minimizing negative impacts on the natural environment.**

5.2.1 Reduction of Air Pollutant

Samsung SDI monitors emissions of air pollutants such as NOx, SOx, dust through continuous or periodic measurements, or literature-based calculations, in accordance with methods stipulated by applicable laws and regulations at each emission source. To ensure that emissions remain below legally permitted levels, Samsung SDI establishes more stringent internal management standards and operates and manages appropriate pollution control facilities through the implementation of environmental management systems, related regulations, and standards.

5.2.2 Reduction of Water Pollutant

Samsung SDI monitors emissions of water pollutants such as BOD, TOC (or COD), SS through continuous or periodic measurements, or

literature-based calculations, in accordance with methods stipulated by applicable laws and regulations at each emission source. To ensure that emissions remain below legally permitted levels, Samsung SDI establishes more stringent internal management standards and operates and manages appropriate pollution control facilities through the implementation of environmental management systems, related regulations, and standards.

5.2.3 Prevent Soil Contamination

Samsung SDI regularly measures soil contamination, or takes measures to prevent pollution and contain the spread of leaks, such as proper flooring and retaining walls near the facilities subject to control.

5.2.4 Minimize the use of Hazardous Substances

Samsung SDI minimizes the use of hazardous substances and contents in products for unnecessary purposes, including Substances of Concern (Article 57 & 59(1) of EC 1907/2006, Part 3 of Annex VI EC1272/2008).

5.2.5 Lawful Management of Chemicals

Samsung SDI complies with chemical regulations (EC 1907/2006, REACH) in each country and international conventions (Minamata, Stockholm, Basel), ensuring proper labelling as well as safe transport, storage and appropriate reuse, recycle, or disposal.

5.2.6 Prevent Environmental Accidents and Minimize Impacts

Samsung SDI takes advance measures to prevent accidents such as abnormal discharges of pollutants. It also establishes relevant regulations and standards to minimize the negative impacts in

the event of an accident, and conducts regular drills and training for all employees and officers.

5.3 Water Resources

Samsung SDI is **committed to the sustainable intake and use of water resources**. It strives to develop products to reduce water consumption, continuously improves water use efficiency through the reuse of water and wastewater in production, and ensures the provision of safe drinking water and sanitary facilities for all employees and officers.

5.3.1 Improve Water Use Efficiency

Samsung SDI reviews and promotes the reuse (or recycling) of water and wastewater, particularly in water risk regions (including water-stressed regions). By reducing water consumption, it contributes to preserving ecological functions of the water sources and strives to prevent negative impacts on the health and livelihoods of local communities.

5.3.2 Product Design in Consideration of Water Resources

Samsung SDI strives to reduce water consumption in the processing of raw materials by facilitating the reuse (or recycling) of resources during product design phase.

5.3.3 Provide Safe and Clean Drinking Water and Sanitation Services

Samsung SDI provides and monitors access to safe, clean, well-maintained drinking water and sanitation services (including washing and bathing facilities) for all employees and officers. It also tracks the transport and safe treatment of generated wastewater at the external treatment facilities.

5.4 Biodiversity and Ecosystem Services

Samsung SDI supports the goals of the Convention on Biological Diversity as well as other UN SDGs, and **aims to identify and progressively eliminate factors that cause the loss of biodiversity and ecosystem services** based on the Global Biodiversity Framework.

5.4.1 Identifying Protected Areas

Samsung SDI identifies protected areas as defined by global conventional provisions (World Heritage Areas, IUCN Category I-IV Protected Areas) related to biodiversity and soil, groundwater, and ocean protection and comply with national and local laws in regard to worksites in these areas. Samsung SDI will actively comply with outside organizations and groups of experts to this end, as needed.

5.4.2 Preventing and mitigating Biodiversity Loss

Samsung SDI strives to implement progressive mitigation actions (avoidance, minimization, restoration, and offsetting) to prevent biodiversity loss (including land artificialization, the introduction of invasive species, climate change, and pollution of water sources) (*No Net Loss*[3]) and enhance positive impacts (*Net Positive Impact*[4]) within its direct operation sites and their areas of influence. To achieve this, Samsung SDI is committed to reducing environmental impacts, including

[3] Minimizing or counteracting biodiversity loss so that the net result is neutral

[4] Protecting, restoring, and encouraging biodiversity to create a positive biodiverse impact

ecotoxicity, and identifying and monitoring the impacts on biodiversity and ecosystem throughout the value chain of its products, components and raw materials making every effort for conservation. Additionally, Samsung SDI conducts necessary assessments and takes appropriate measures to prevent, minimize, and mitigate factors that pose a threat to biodiversity when undertaking new projects such as entering new sites and expanding existing operation sites. Measures to prevent and mitigate losses arising from climate change, pollution, and water resources shall follow "Section 5. Basic Principles - Sections 5.1, 5.2, 5.3, and 5.6".

5.4.3 Protecting Endangered and Endemic Species

Samsung SDI prioritizes the protection of rare and endemic species at risk of extinction and is reviewing its participation in various initiatives to protect local, state and global biodiversity.

5.4.4 Increasing Biodiversity Protection Capabilities

Samsung SDI continually provides resources regarding biodiversity to its employees, officers and associates to increase their awareness and understanding of biodiversity protection.

5.5 Preventing Deforestation

Samsung SDI aims to reduce deforestation by protecting forests and the local environment during its operations and taking action to protect the environment, such as mitigating climate change. It also supports UN SDGs regarding deforestation measures.

5.5.1 Eliminating Deforestation and Restoring Deforested Areas

Samsung SDI refrains from operations that result in deforestation of protected areas for forests and biodiversity, and contributes to the restoration of nature that has been damaged during its previous operations.

5.5.2 Strive for Net Deforestation Zero

As part of its environmental sustainability policies, Samsung SDI will take part in *Net Deforestation Zero*[5] until 2050.

5.5.3 Supply Chain Impact on Forests

Samsung SDI monitors the deforestation risks of its partners' operations and is working to protect the environment and minimize deforestation alongside its partners.

5.5.4 Protecting Forested Areas

Samsung SDI strive to advance the protection of forested areas via employee/officer participation, cooperating with civic and environmental organizations and when necessary, with specialized organizations to preserve forested areas near SDI's worksites.

5.6 Circulation of Resources

Samsung SDI **aims to create a circular economy** to promote the sustainable use of resources. To do this, Samsung SDI is committed to developing products that incorporate circularity and responsibly managing resources throughout the entire product lifecycle by recovering, recycling or environmentally treating materials during the entire production and disposal stages.

5.6.1 Reclaiming Resources and Expanding Recycling

[5] Reducing deforestation to zero through reforesting and minimizing deforestation

Samsung SDI is committed to recovering raw materials for sustainable sourcing and prioritizes the use of recycled raw materials and raw materials that are recyclable. To this end, Samsung SDI collaborates continuously with raw material suppliers, recycling partners, and customers, and works to gradually establish regional collection and closed loop battery system.

5.6.2 Minimizing Resource Usage and Promoting Eco-friendly Disposal

Samsung SDI strives to minimize waste, chemical substances and wastewater generated during its operations, and promotes environmentally friendly treatment methods by increasing the percentage of recycled material and reducing reliance on landfill disposal.

5.6.3 Circular Product Design

Samsung SDI minimizes unnecessary resource usage by developing products that are easily dismantled and recycled or reused.

6. Referenced Material

Samsung SDI continuously monitors the expectations and requirements of stakeholders-including customers, institutions, investors, and global initiatives-and incorporates them through periodic reviews and policy revisions.

[Environmental Laws]

1) Clean Air Conservation Act and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
2) Special Act on the Improvement of Air Quality in Air Control Zones (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)

3) Water Environment Conservation Act (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
4) Drinking Water Management Act and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
5) Water Supply and Waterworks Installation Act and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
6) Soil Environment Conservation Act and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
7) Wastes Control Act and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
8) Act on Registration and Evaluation of Chemical Substances and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
9) Chemical Substances Control Act and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
10) Environmental Impact Assessment Act and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)
11) Act on the Integrated Control of Pollutant-Discharging Facilities and its subordinate regulations (Enforcement Decree, Enforcement Rules, and Administrative Guidelines)

[International Conventions and Treaties]

1) Paris Agreement (2015)
2) Kunming-Montreal Global Biodiversity Framework
3) Convention on Biological Diversity
4) Minamata Convention on Mercury
5) Stockholm Convention on Persistent Organic Pollutants
6) Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

[Global Initiatives]

1) The Climate Group, RE100 (Renewable Electricity 100%)
2) Science Based Target Initiative (SBTi)

[Code of Conduct for the Customer's Suppliers and Business Partners]

1) BMW, Group Supplier Code of Conduct, 2022, version 3.0,
   https://www.bmwgroup.com/en/download-centre.html
2) Volkswagen, Code of Conduct for Business Partners, 2023, version 01
   https://www.audi.com/en/sustainability/ethical-leadership/documents-policies/
3) General Motors, Supplier Code of Conduct
   https://investor.gm.com/governanceandsustainability
4) Volvo Cars, Code of Conduct for Business Partners, 2019
   https://www.volvocars.com/intl/sustainability/downloads/
5) Hyundai, Supplier Code of Conduct, 2024, 2025-S-07
   https://www.hyundai.com/kr/ko/sustain-manage/manage-system/esg-policy
6) Kia, Supplier Code of Conduct, 2024
   https://www.worldwide.kia.com/kr/company/sustainability/about/how-it-works

7. Addendum

These policies are effective beginning April 25, 2025, and will remain in effect until stated otherwise.

Ver	Date of Implementation/ Revision	Details
1.0	2025-04-25	Creation and implementation