



SL Corporation

**SL Corporation**  
Sustainability Report  
2022

**SL** Corporation



# ABOUT THIS REPORT

## Overview

This report is the first sustainability report by SL Corporation (hereinafter also referred to as “SL” or “we”). SL Corporation intends to publish annual sustainability reports from 2022 with the aims to ensure transparency in the disclosure of its sustainable management activities and accomplishments and positively collect feedback from the stakeholders. In preparing this report, we conducted a materiality test to listen to the stakeholders, based on which we identified material reporting issues covered in this report.

## Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option. Financial results presented herein are from consolidated financial statements, and the Korean International Financial Reporting Standards (K-IFRS) were applied for standards and definitions. Other non-financial results aggregated using SL Corporation’s own standards, if any, are clearly annotated.

## Reporting Period

This report covers the period from January 1 2021 to December 31 2021, with part of the content associated with activities conducted in the first half of 2022. To indicate annual trends, quantitative data in the last three years (2019 – 2021) are disclosed.

## Scope and Boundary of the Report

The scope of this report is all domestic establishments of SL Corporation including the head office, factory, research institute, and branch offices, and the data presented partially include overseas establishments (SL Yantai, SL Poland, SL Tennessee, SL Lumax, and SL Brasil. Data with different reporting scopes and/or boundaries are annotated.

## Reliability of the Report

To ensure reliability, this report underwent third party verification by an independent external organization, Korea Management Registrar. For more details about verification, see p.131.

## Contact

SL Corporation ESG TFT

Address | 32 Geomdangongdan-ro, Buk-gu, Daegu

Tel. | 053-850-8559

Email | [esg@slworld.com](mailto:esg@slworld.com)

# CONTENTS

LETTER TO STAKEHOLDERS		04
OVERVIEW	ESG Highlights	08
	Company Overview	10
	Business Overview	14
	Global Network	22
SUSTAINABLE HIGHLIGHTS	Special Report	26
	Stakeholder Communications	36
	Materiality Test	38
ENVIRONMENTAL	Environmental, Safety, and Health Management	42
SOCIAL	Human Rights	56
	Human Resources Management	58
	Customer-centric Management	68
	Mutual Growth Management	72
	Social Responsibility	80
GOVERNANCE	Governance	90
	Risk Management	95
	Ethical Management and Compliance	97
	Information Protection	101
APPENDIX	Consolidated Financial Statements	106
	ESG Data	109
	GRI Content Index	125
	GHG Emissions Verification Statement	130
	Third-party Verification Statement	131
	Awards and Membership	133



# Letter to Stakeholders



## Dear Shareholders, Customers, Suppliers, Employees, and All SL Stakeholders,

Thank you for trusting and encouraging us at SL.

This year, we are publishing our very first sustainability report. Seeking to disclose all we have done to all stakeholders in a transparent manner and explore ways to grow further, we have prepared this report with through the details about the present and future of SL and our sincere desire to grow with all stakeholders.

The persistent impact of COVID-19 means uncertainties in global business environments this year, as it was in the last year. The global automotive industry is changing quickly, revolving around up-to-the-minute technologies such as electrification, autonomous driving, and connectivity, and new technology competition to take the lead in the future automotive market is increasingly fierce. We at SL are standing at an important strategic turning point where we should have resilience to these uncertainties in the global market and changes in the automotive industry and create momentum to rebound from the impact of the virus. To adapt ourselves to these drastic changes in a flexible and efficient way, we have a new vision to work with stakeholders to create a better future and make ourselves more sustainable.

## Premium Value Innovation will be a new springboard for our business.

Guided by the mission to be a 'long-lasting company realizing people-first policy,' SL declared the vision of "Manageable Growth with Customer-centric Innovation," in 2009 in celebration of the 55th anniversary of its foundation. Being true to this vision, we have achieved technical innovation and worked closely with customers, making remarkable quantitative growth. However, we are facing even more uncertainties and challenges including the pandemic, increasingly fierce competition triggered by industrial paradigm shifts, and many social and environmental issues.

That is why we at SL prepared the new vision, "Premium Value Innovation." This vision is our affirmation that we, as SL members, will continue innovation after innovation with our utmost sincerity to focus on the essence in order to provide better-than-ever values for the customer and society, while deliberating on the true meaning of work consistently. With the new vision, we will strive to grow as a global premium business trusted by all stakeholders.

## We will practice ESG management for a sustainable future.

### **Environmental** | 2050 carbon neutral strategies

SL plans to achieve 40% carbon reductions by 2030 compared to 2018 and reach zero carbon emissions by 2050. To contribute to carbon neutrality, we have established three carbon neutral strategies, i.e., energy efficiency, resource recycling, and environmentally-friendly products. This is our commitment to the transition to a sustainable, low-carbon, and green carbon neutral society.

### **Social** | I A responsible company that takes care of society and fulfils its social responsibility including safety, human rights, anti-corruption, mutual growth, and social contribution

We at SL believe that putting safety first means putting people first. We are faithfully committed to fulfilling our responsibility not only for direct stakeholders, for example human resources management for executives and employees, win-win partnerships with suppliers, and quality management for customers, but also for the whole society including local communities, NGOs, and governments.

### **Governance** | Fair and transparent governance to fulfil social responsibility

SL has robust compliance, risk management, and security systems in place. Its business activities are led by the board of directors that has expertise and diversity so as to realize a transparent and healthy governance and increase value for shareholders. For ESG value creation and sustainable management, the sustainable management committee was established under the board of directors, which is responsible for considering the company's sustainable management strategies and policies and managing and supervising relevant outcomes and issues.

Distinguished shareholders, customers, suppliers, employees, and all SL stakeholders!

As we are entering the post-COVID era, everything around us is changing, from how we work to how we think and how we live. However, SL's managerial philosophy to realize the people-first policy will remain unchanged, as we clearly understand that this is our raison d'être. With the publication of this sustainability report, we at SL will build on foundations to further strengthen communications with all stakeholders and pursue mutual growth, as we believe that this will be the way to realize the people first policy. SL's sustainable growth will be new growth momentum for all stakeholders that will take them to a brighter future, and your continued interest and encouragement in this journey will be greatly appreciated.

Thank you.

SL Corporation  
Lee Sung-Yup Co-President

이성영



# OVERVIEW

SL members will continue innovation after innovation with our utmost sincerity to focus on the essence in order to provide better-than-ever values for the customer and the society, while deliberating on the true meaning of work consistently.

ESG Highlights	08
Company Overview	10
Business Overview	14
Global Network	22



# ESG Highlights

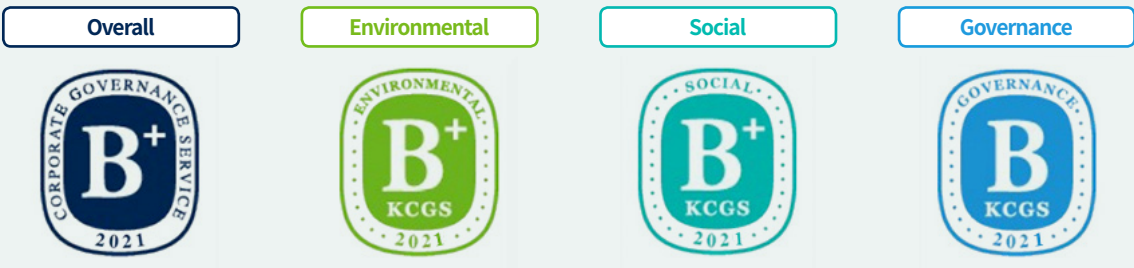
## SL Corporation aimed to build on its sustainable management in 2021.

We at SL incorporated sustainability elements in our internal systems and operations and pursued active communications with stakeholders by strengthening efforts for ESG disclosure externally. This sustainability report reflects SL's willingness to pursue sustainable management.

We look forward to the seamless integration between company-wide managerial activities and sustainability, rather than promoting it a separate element. We also aim at the internationalization of sustainable management in everything we do.

## External evaluations of sustainable management

We are active in opening ourselves to external ESG evaluations by the Korea Corporate Governance Service (KCGS) Ecovadis, and CDP among others, for objective evaluation of our sustainable management accomplishments. In particular, we furthered efforts for ESG disclosure in 2021. Accordingly, SL's KCGS ESG evaluation grade raised from Grade C in 2020 to Grade B+ in 2021. We at SL will continue communicating and sharing ESG information with both internal and external stakeholders.

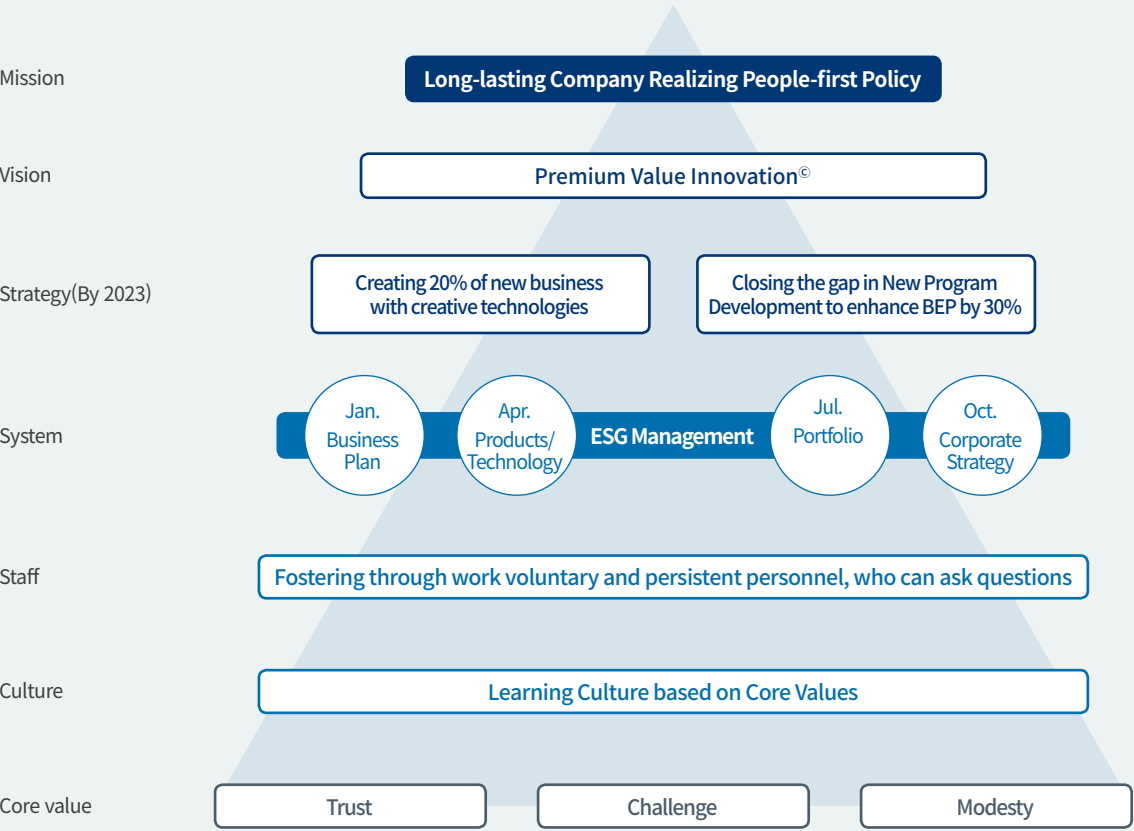


## More sustainable governance

SL is putting forth efforts to improve its governance to further solidify the foundations for compelling and actionable sustainable management practices. As part of the efforts, we established the Sustainable Management Committee under the Board of Directors (BoD) intending to address sustainability issues on the BoD level and translate the management's willingness for ESG practice into actual managerial activities.

## Revamping the strategy system

Actively pursuing sustainable management requires executives' and employees' consensus and understanding. To incorporate ESG elements across its management system, SL communicated this concept and reached a company-wide consensus, based on which it developed a new company-wide vision structure that incorporated ESG in the existing strategy system. Guided by its mission to be a 'a Long-lasting Company Realizing People-first Policy, we at SL pursue the vision of 'Premium Value Innovation,' aiming to take the lead in the automotive part industry.



SL members will continue innovation after innovation with our utmost sincerity to focus on the essence in order to provide better-than-ever values for the customer and the society, while deliberating on the true meaning of work consistently.



# Company Overview

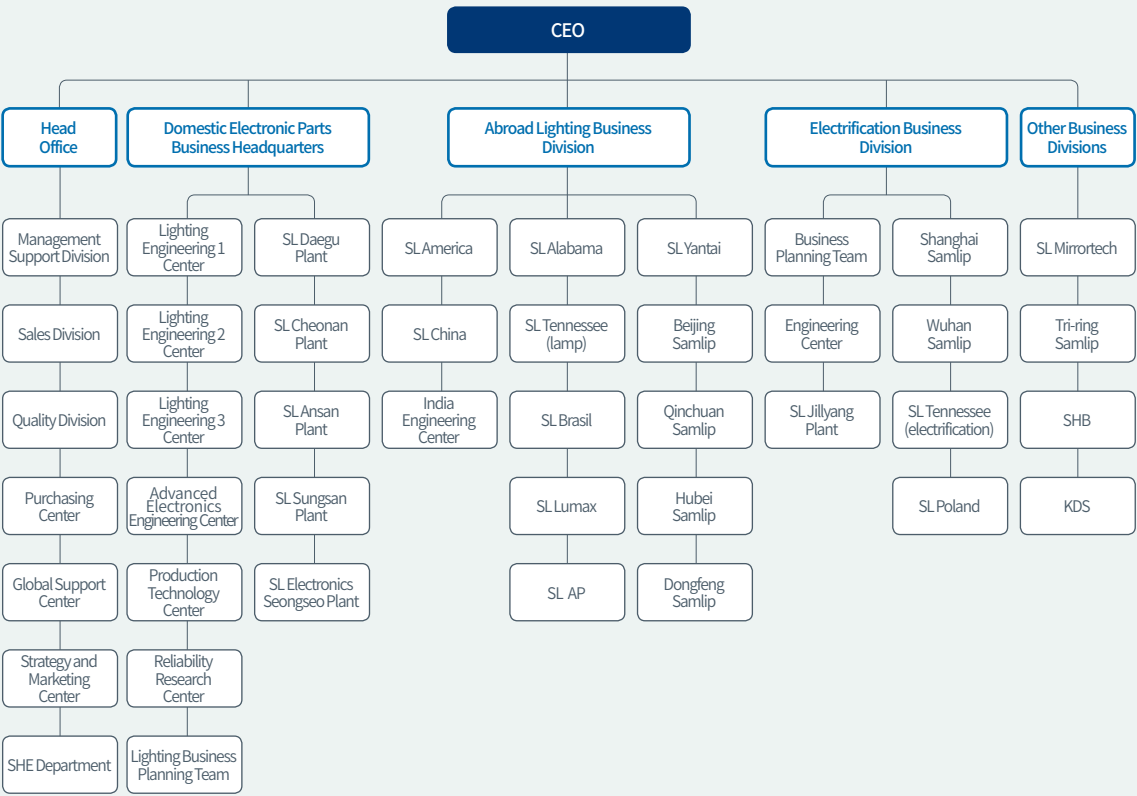
## About SL Corporation

Since its establishment in 1954, SL Corporation has been solely dedicated to automotive parts manufacturing, including headlamps, all sorts of lamps, chassis, mirrors, and front-end modules (FEM). As a global automotive parts specialist, we actively pursue research and development (R&D) for technological innovation and efficiency in production at our global workplace, and we have achieved mutual growth with our customers. With the declaration of our vision in 2022, we at SL will align all business activities to ‘Premium Value Innovation’ and play our role for a sustainable future by ensuring the internal stability of our core business.

(As of December 31 2021)

Company name	SL Corporation	Key business	Automotive parts manufacturing
Date established	May 22 1954	No. of employees	4,363
Presidents	Lee Sung-Yup, Kim Han-Young, Kim Jeong-hyun (as independent representatives)	Credit rating	A+ (ECREDIBLE Co. Ltd, As of April 2022)
Head office	32 Geomdangongdan-ro, Buk-gu, Daegu	Homepage	www.slworld.com

## Organization structure



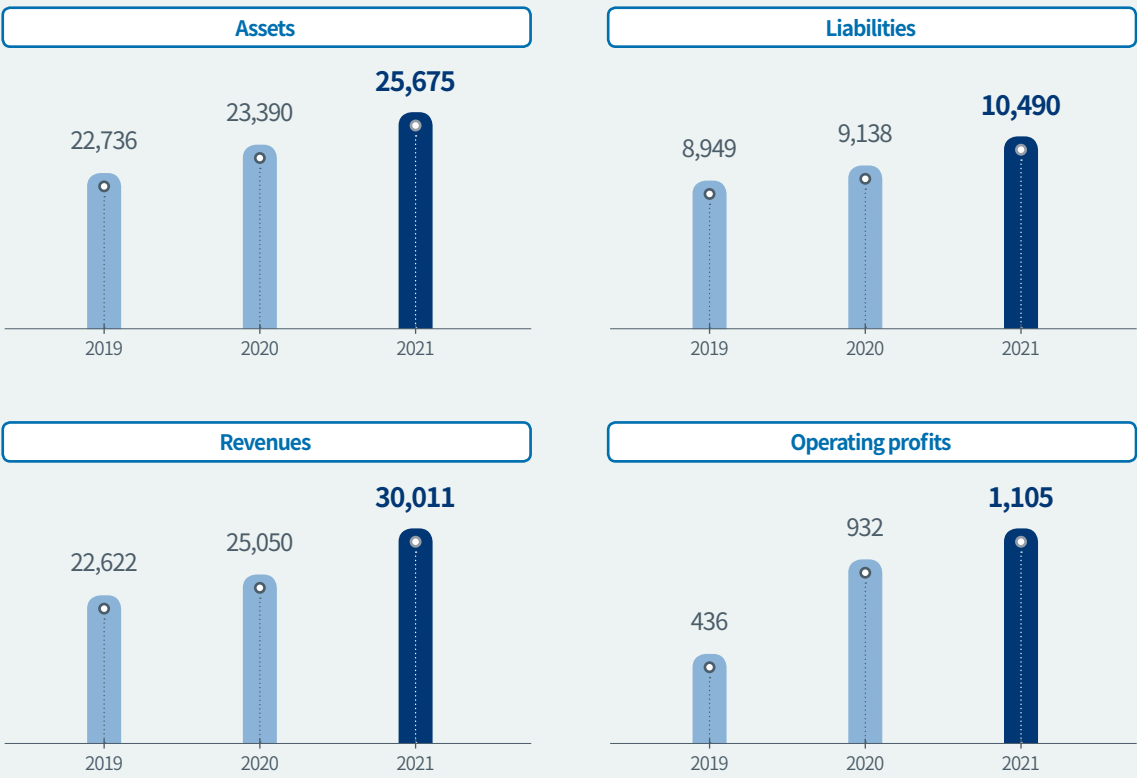
## Global revenues

(Unit: KRW 100 million)

Market	2019	2020	2021
Korea	11,549	14,247	16,544
North America	5,711	5,486	6,917
China	1,913	1,811	1,853
India	2,690	2,756	4,016
Europe	529	434	415
Latin America	211	300	249
Others	19	16	18
Total	22,622	25,050	30,011

## Key financial results

(Unit: KRW 100 million)





# Company Overview

## History

### Building foundations for trustworthiness

1954 - 1979

- 1954 Established as Samlip Automobile Industrial Inc.
- 1958 First in Korea to product bicycle hubs and band brakes.
- 1961 First in Korea to develop a bicycle dynamo lamp.
- 1968 Incorporated as Samlip Industrial Co., Ltd.
- 1969 Supplied head lamp assemblies to Hyundai Motors.

### Recognized for excellent quality

1980 - 1999

- 1985 Obtained UL Mark for the injection plant (C-2171).  
First Class for plant quality management (Da-1-31) headlamps.  
Joint venture agreement between Samlip Industrial and General Motors.  
Best prize for industrial standardization (No. 26 / Quality Control Standardization Competition).
- 1986 Established an inhouse research center (Ministry of Science and Technology approval no. 315).
- 1987 Won the Ten Million Export Tower Award.
- 1988 IPO (Korea Stock Exchange).
- 1989 Won the Korea Management Grand Prix (Best Company) (KMA).
- 1995 ISO9001 certified (TUV of Germany).  
Won the President's Prize in National Quality Management Contest (100 PPM sector).
- 1996 Won the Labor-Management Harmony Award (Mayor of Daegu).
- 1997 Won the Prime Minister's Commendation (Exemplary Taxpayer).  
Won the GM QSTP Award for the first time (Supplier of the Year).  
QS 9000 certified (SMBP Certification Center).

### Growing as a global business

2000 - 2009

- 2001 ISO 14001 certified (KFQ Quality Certification Center).  
Designated as a Leading Company in Parts and Materials Exportation (Ministry of Industry and Energy).
- 2003 ISO/TS16949 certified (KFQ).
- 2004 Introduced the Samlip Ethical Management System.  
World Class Product of Korea Certification (Automotive Lighting).  
Renamed as SL Corporation.  
Won the Excellent Company Recognition for New Labor-Management Culture (Ministry of Labor).
- 2006 Nominated as an Excellent Company in Ethical Management.  
Technology 5-Star certification from Hyundai/Kia Motors.  
Won the presidential award for single PPM quality innovation.
- 2007 CMMI LEVEL 3 certified.  
Won the Daegu Star Enterprise Award.  
Won the President's Commendation for cooperation with large and small- and medium-sized enterprises.
- 2008 Won the GM QSTP Award for 12 consecutive years (GM Supplier of the Year:1997-2008)  
Technology 5-Star certification from Hyundai/Kia Motors.
- 2009 Celebrated the 55th anniversary and declared new vision.

### Delivering a greater value to customers and society

2010 - 2022

- 2011 World Class 300 (Ministry of Knowledge Economy).  
Best family friendly management certified (Ministry of Gender Equality and Family).
- 2012 Top 100 companies for job creation (Ministry of Employment and Labor).  
Won the 200 Million Dollar Export Tower Award on Trade Day (Korea International Trade Association).
- 2013 Won the GM Overdrive Award (first GM Best Supplier in Asia).
- 2016 HKMC Supplier of the Year (in Overseas part) (Hyundai/Kia Motors).  
Top 100 companies for job creation (Ministry of Employment and Labor).  
Won the Grand Prize at the 16th Award Ceremony on Accounting Transparency ( Korea Accounting Association).
- 2018 Korea's Top Job-Creating Company (Ministry of Employment and Labor).  
Presidential Award for Labor and Management Culture.
- 2019 Hyundai/Kia's Best Partner of the Year Award.
- 2020 Hyundai/Kia Grand Prize for Innovation.  
Won the 800 Million Dollar Export Tower Award on the 57th Trade Day.  
Mutual Cooperation 5-Start certification from Hyundai/Kia Motors.
- 2021 Won the 25th GM SOY Award.  
Mutual Cooperation 5-Start certification from Hyundai/Kia Motors (2 years in a row).
- 2022 Declaring a New Vision (ESG Management System)  
Published the first sustainability report.



# Business Overview



SL always keeps up with ever-changing trends in the automotive parts industry. That is how the company has grown as an innovative technological leader in automotive parts. With the accelerating carbon transition, the automotive market is facing a transition from manual driving and internal combustion engines to fully autonomous driving and environmentally—friendly vehicles. In response these changes, SL is concentrating its product and technology development efforts on parts digitalization and electrification. Recognized for its excellent quality, SL supplies products and solutions to leading local and international automakers including HKMC, GM, Ford, and Geely.

## Revenues by category

(As of December 31 2021, unit: KRW 100 million (%))

Category	2019	2020	2021
Lamps and others	17,062 (75% )	20,050 (80%)	24,751 (83%)
Electrification and others	4,001 (18%)	3,256 (13%)	3,620 (12%)
Molds and others	1,559 (7%)	1,744 (7%)	1,641 (5%)
Total	22,622	25,050	30,011

## Key products

Lamp System	>	Head Lamp, Rear Lamp, Fog Lamp, CHMSL
Electrification System	>	Auto/Manual Shifter, Parking Brake Laver, Pedal, Actuator, Charge Port Door, Wireless Charger, Fuel filler Cap
Mirror System	>	Outside Mirror, Inside Mirror, Camera Monitoring System
FEM	>	Front End Module
Electronics	>	Side Body Control Module, Battery Management System, Sensor Integrated Application, Driving Video Recording System

## Lamp System

Lamp systems are the core products of SL Corporation. They are essential to secure a clear view for the driver. SL develops and manufactures a range of vehicle lamp systems including head lamps, fog lamps, rear lamps, and CHMSLs\*, and the company boasts strong market presence in the head lamp market.

Lamps are directly associated with the safety of vehicle users and pedestrians, which justifies ceaseless efforts to further strengthen the safety of the products. With a view to ensure safe and efficient driving and reduce accidents that involve pedestrians and/or other vehicles, SL developed digital lamps that are capable of recognizing road signs and pedestrians and offering precision LED control. It also succeeded in developing a communication lamp that offers pedestrian-vehicle communication and display functions.

\* CHMSLs (Center High Mounted Stop Lamp): Used to inform drivers of the following vehicles that the car will slow down and stop.

### SL Lamp Product Lineup

#### Genesis GV80



Source: <https://www.genesis.com/kr/ko/models/luxury-suv-genesis/gv80/gallery.html>



Genesis G90



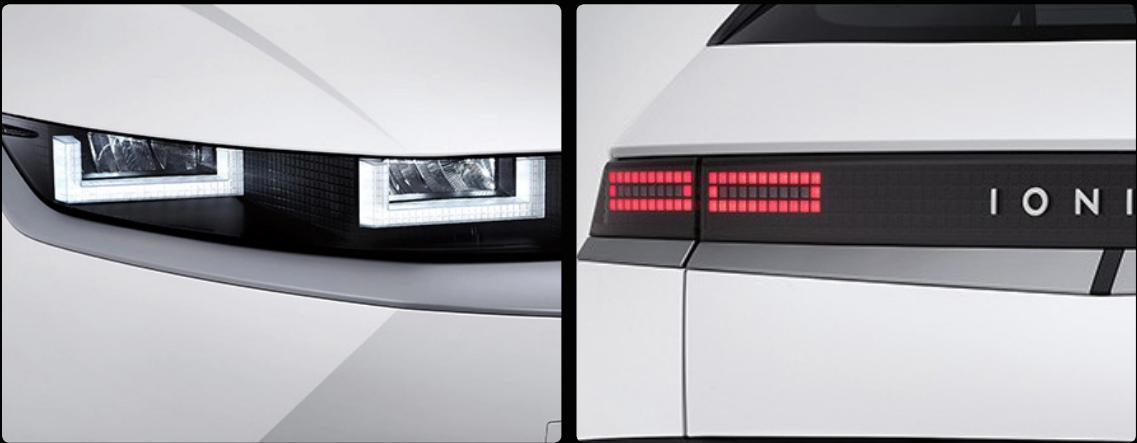
Source: <https://www.genesis.com/kr/ko/models/luxury-sedan-genesis/g90/gallery.html>

KIA EV6



Source: <https://www.kia.com/kr/vehicles/ev6/gallery.html>

Hyundai IONIQ 5



Source: <https://www.hyundai.com/kr/ko/e/vehicles/ioniq5/intro>

## Electrification System

SL Corporation's electrification system roadmap consists of auto shifters, manual shifters, parking brake levers, pedals, actuators, charge port doors, and wireless chargers.

Wireless charging modules improve convenience for drivers, and high-performance actuators offer optimized gearshift control and operability. Keeping pace with the global transition to environmentally friendly vehicles, SL also supplies charge port doors for these vehicles. With ceaseless efforts for product and technology innovation, SL Corporation aims to provide best possible solutions that meet ever-diversifying and ever-increasing customer demands.

Greater convenience for drivers	High performance/high precision position control	Environmentally friendliness
Wireless charger ▼ Wireless Charger Module	SBW system ▼ E-shifter / SBW* Actuator	Green car device ▼ Charge Port Door

\* SBW (Shift By Wire): An automatic gearshift system that works with an electronic lever without mechanical connections.

## SL Electrification Product Lineup

Genesis GV 60



Source: <https://www.genesis.com/kr/ko/models/luxury-suv-genesis/gv60/design.html>



## Mirror System

SL Corporation aims to further develop existing mirrors and establish camera mirror systems that combine convenience and safety. To do so, we minimized the size of the mirror to maximize the sense of openness, creating an environment where a hybrid mirror or camera mirror with sensors and a display detects surrounding environments and informs the driver of driving safety.

We developed a system that uses an ADAS\* to provide visual information on the vehicle's front, back, left, and right and harnesses the power of camera-based visual recognition to detect vehicles approaching from the vehicle's side or behind and warn the driver. We also developed a video-based integrated information system that uses side, rear, and front sensors and driving video recording features to support autonomous driving. SL's critical and practical mirror systems are designed to improve driver's comfort and convenience.

\* ADAS (Advanced Driver Assistance System): A driver assistance system that uses advanced sensors, GPS, communications, and intelligent visual equipment to recognize driving conditions and automatically control the vehicle or warn the driver of risks with sounds, lights, or vibrations.

### SL Mirror Product Lineup

#### Hyundai IONIQ 5



Source: <https://www.hyundai.com/kr/ko/e/vehicles/ioniq5/intro>

#### Genesis GV60



Source: <https://www.genesis.com/kr/ko/models/luxury-suv-genesis/gv60/highlights.html>

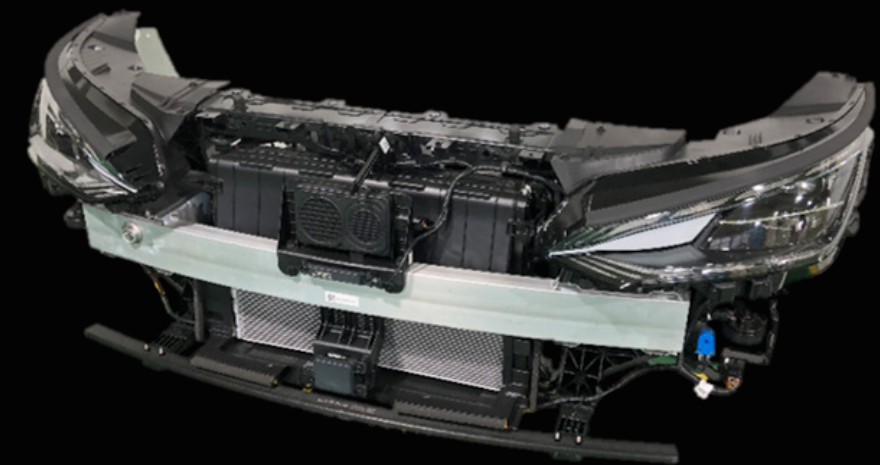
## FEM

A front-end module is an integrated assembly of vehicle front-end parts such as the head lamp, cooling, bumper beam, horn, hood latch, and sensors. FEM contributed to reducing vehicle assembly lines and lead time. SL Corporation is committed to bring innovation to FEMs, hence contributing to improving the quality of vehicles.

### Advantages of FEMs

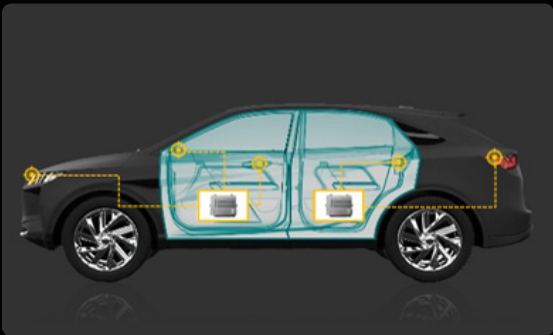
### Advantages of FEMs

- Easy to attach to/detach from the vehicle
- Component integration
- Optimized aerodynamic performance
- Easy to maintain
- Improved dimensional quality in the vehicle's appearance
- Cost and weight reduction
- Optimized front-end layout



Electronics

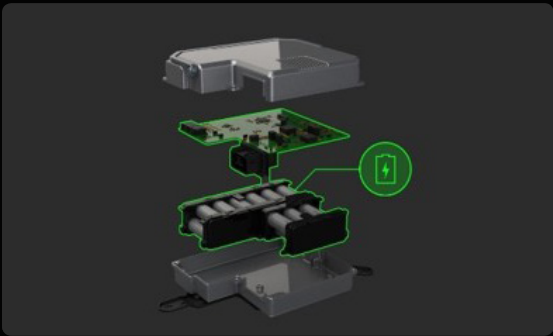
1) Side Body Control Module



The vehicle architecture is increasingly centralized. In response, we developed an integrated system of multiple controller modules on the side body, which contributes to cost reductions, improved power efficiency, and scalability for new technologies.

We at SL have ample experience in the mass-production of various control systems including lamps, chassis, and mirrors. Now we are putting forth efforts for the integration of various types of vehicle electronic equipment to improve driver convenience and maximize cost reduction and efficiency in management with integrated control systems.

2) Battery Management System



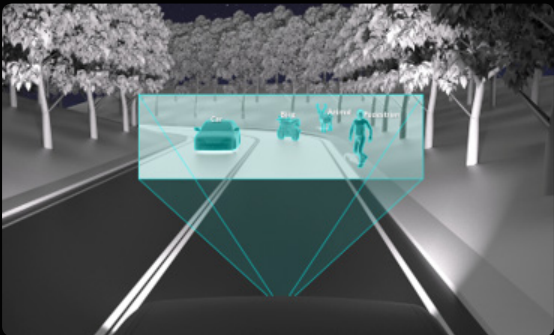
BMS\* includes IBS\* that monitors the status of internal combustion engine vehicle batteries, auxiliary batteries to power electronic components after the engine is turned off, and systems to monitor and control the high-voltage batteries of hybrid/electric vehicles in real time to ensure optimum performance.

We at SL have years of experience in IBS R&D and mass production and expertise in sensing technologies. Based on robust functional safety and pre-design validation capabilities with hardware and electromagnetic wave interpretations, we completed the advanced development of a lithium-ion starter battery, an auxiliary power battery, and an HEV BMS. Keeping pace with the emergence of electric vehicles, we focus on developing a range of EV BMS and battery systems to provide convenience and efficiency to drivers and clients, playing our roles in vehicle electrification to achieve environmental protection and carbon neutral goals.

\* IBS (Intelligent Battery Sensor): A sensor system that detects vehicle batteries' internal status such as voltage and current to ensure all relevant devices work in the best possible conditions.

\* BMS (Battery Management System): A system that detects high voltage lithium batteries' internal status such as voltage and current in real time and controls them to ensure optimum conditions.

3) Sensor Integrated Application



Sensor integrated applications converge cameras, LiDAR, FIR, and other sensing technologies and deep learning algorithms with the head and rear lamps and the front grille to provide the driver with convenience and safety in driving.

When driving day or night, they detect static and moving objects (vehicles, pedestrians, animals, potholes, etc.) in the vehicle's front and side 3-4 times farther than the driver's eyesight, and they also recognize the exact size and location of and distance from objects that are short or long distance away from the vehicle's rear or side. This sensor fusion lamp system works with communication lights to warn the driver of objects approaching from the vehicle's rear or side and blind spots.

We at SL go further beyond driver convenience and safety. We are concentrating our R&D efforts to develop sensing technologies and recognition algorithms in preparation for the era of autonomous driving, which will ultimately contribute to maximizing customer satisfaction.

\* LiDAR(Light Detection And Ranging): Sensing technology that uses light sources to detect the reflected light and measure distance from objects

\* FIR(Far Infrared) Sensing: Using Far Infrared (FIR) to detect differences in heat emitted naturally by an object and convert this data into an image

4) Driving Video Recording System



Driving video recording systems record driving and parking videos received from the vehicle's front and rear cameras and offer a range of convenient features such as impact detection, manual recording, and time lapse. In addition, they connect to AVNs\* and smart phones to help with accident analysis and convenient and accurate driving video management.

We at SL are also committed to developing next-generation technologies including video quality improvement and OTA\* updates. Further developing driving and parking video recording systems, we are pursuing RADAR-camera sensor fusion to develop various applications, for example monitoring the vehicle's interior and surroundings to prevent theft and detect babies left in the vehicle. There represent our efforts to ensure safety and compliance and maximize our value proposition for both drivers and customers.

\* AVN (Audio Video Navigation system): An integrated vehicle multimedia and navigation system.

\* OTA (Over The Air): Updates to remotely revise, add, or remove vehicle software.



# Global Network

Headquartered in Korea, SL Corporation has a global network of 35 places in seven countries including China, North America, Europe, and India.

 **Engineering centers** **8**

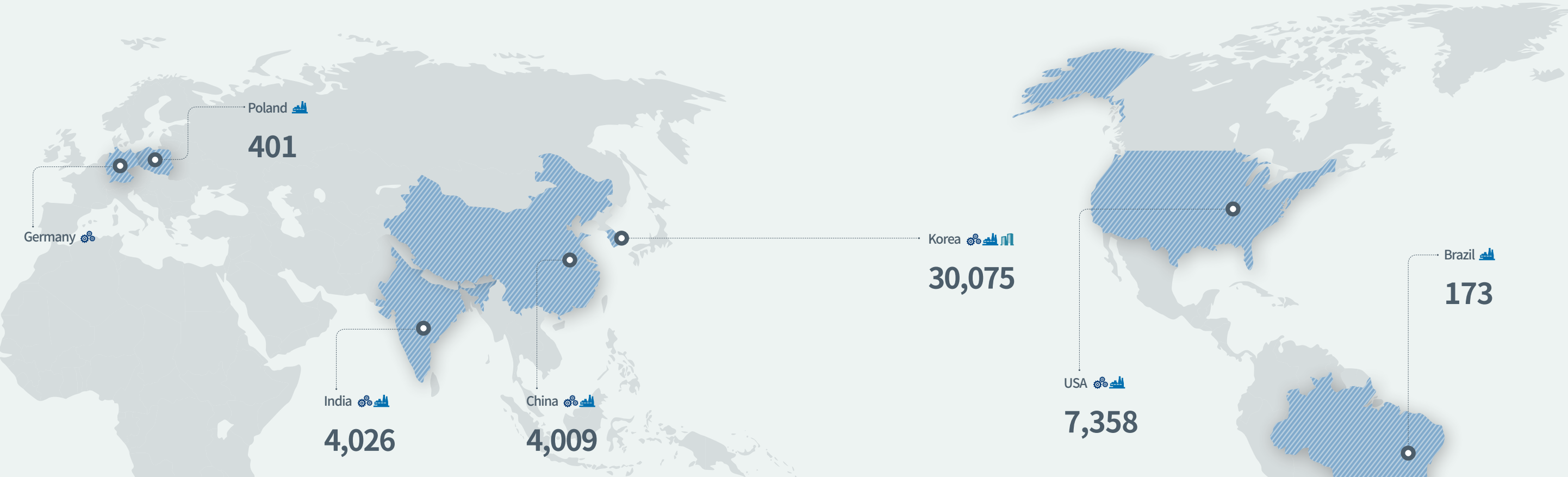
Korea 2, China 3, USA 1, India 1, Germany 1

 **Production bases** **26**




Korea 12, China 8, USA 2, India 2, Europe 1, Brazil 1

 **Office** **1**

Korea 1



(Sum of revenues by region, unit: KRW 100 million)

<div> <b>Poland</b></div> <div>SL Poland (Zory/lever, electrification, mirror)</div>	<div> <b>China</b></div> <div>SL Yantai (Yantai/lamp, mold) BeijingSamlip (Beijing/lamp) Dongfeng Samlip (Shiyan/lamp) Qinchuan Samlip (Chongqing/lamp) Hubei Samlip (Wuhan/lamp) Shanghai Samlip (Shanghai/electrification) Wuhan Samlip (Wuhan/electrification) Tri-ring Samlip (Wuhan/mirror) SL China (Shanghai, Yantai, Wuhan/engineering and sales)</div>	<div><div> <b>Korea</b></div><div>SL Head Office, Daegu Plant (Daegu/lamp) SL Ansan Plant (Ansan/lamp) SL Cheonan Plant (Cheonan/lamp) SL Sungsan Plant (Daegu/lamp)</div></div> <div><div> <b>USA</b></div><div>SL Tennessee (Tennessee/head lamp, rear lamp, electrification) SL Alabama (Alabama/lamp, mirror) SL Michigan (Michigan/engineering and sales)</div></div>	<div><div> <b>Brazil</b></div><div>SL Brasil (Gravatai/lamp)</div></div> <div><div> <b>Korea</b></div><div>SL Jillyang Plant (Gyeongsan/electrification) SL Jillyang Electronics Plant (Gyeongsan/electronics) SL Seongseo Electronics Plant (Daegu/electronics) SL Engineering Center (Gyeongsan) SL Engineering Institute (Anyang)</div></div> <div><div> <b>Korea</b></div><div>SHB Head Office (Gyeongsan/FEM) SHB Ulsan Plant (Ulsan/FEM) SHB Hwasung Plant (Hwasung/FEM) SHB Seosan Plant (Seosan/FEM) KDS (Gyeongsan/Chassis) SL Mirrotech (Siheung/mirror)</div></div>
---	--	--	---



# SUSTAINABLE HIGHLIGHTS

---

SL members will continue innovation after innovation with our utmost sincerity to focus on the essence in order to provide better-than-ever values for the customer and the society, while deliberating on the true meaning of work consistently.

Special Report	26
Stakeholder Communications	36
Materiality Test	38



# Climate change response

## Special Report #1

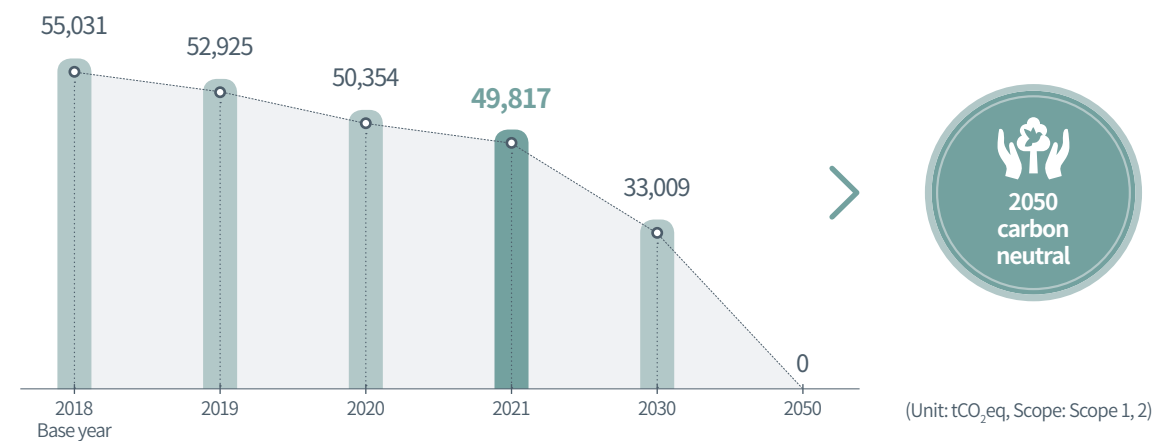


### SL contributes to the transition to a carbon neutral society

With an international agreement on climate change and carbon neutrality becoming a new global paradigm, countries and companies all over the world are actively responding to climate change. SL, too, takes the responsibility as part of international society and considers environmental impact in its business activities. In doing so, what matters the most for SL is an active and pioneering attitude.

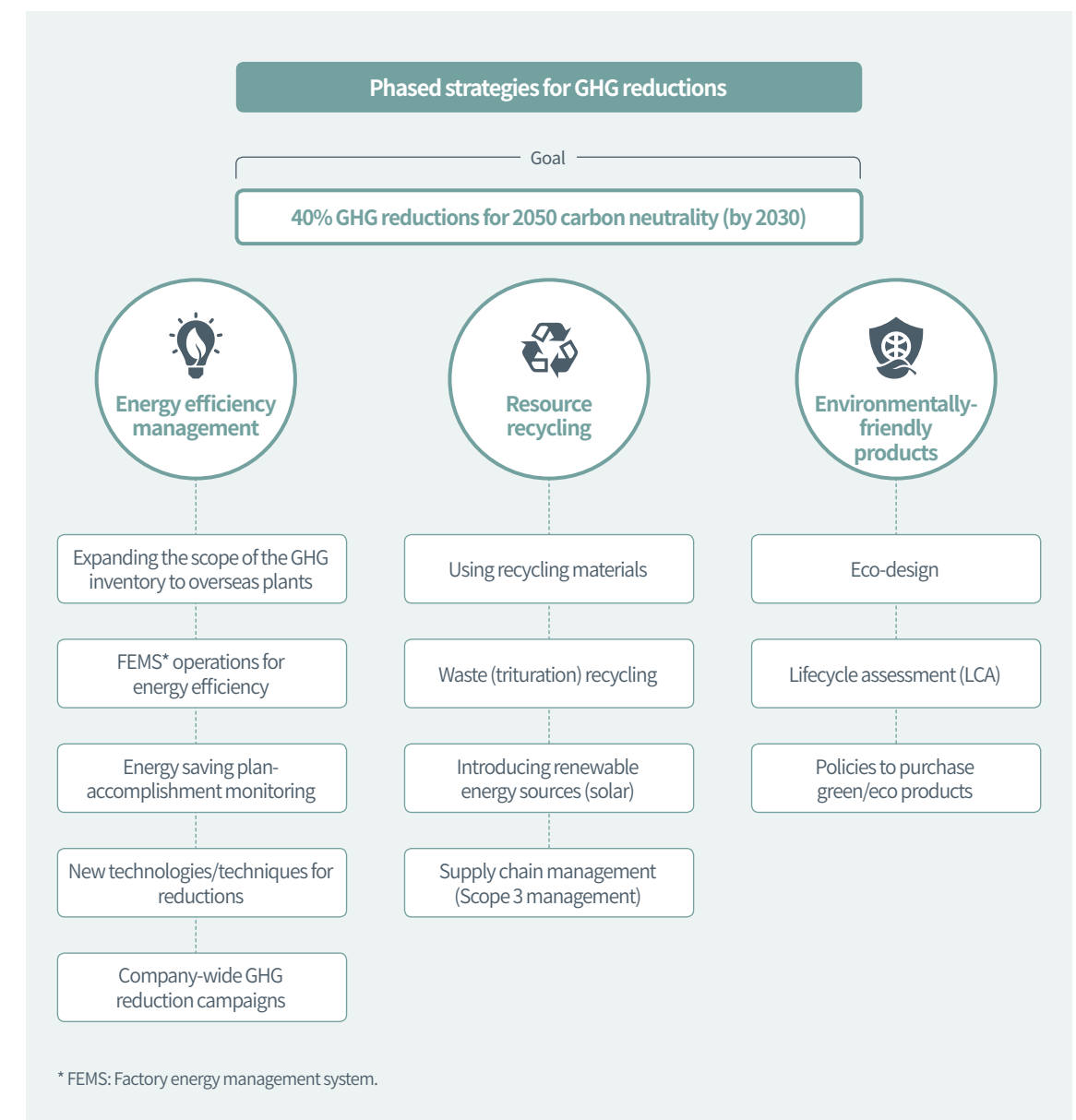
We at SL see carbon neutrality not as an ex-post response but as another opportunity for growth, and we put forth efforts to contribute to building a virtuous cycle for coexistence. To this end, we conduct a range of activities including developing mid/long-term carbon strategies and responding to relevant initiatives. We will continue playing our roles in the journey to a perfectly clean society.

### SL greenhouse gas emissions roadmap



### 2050 carbon neutrality strategies

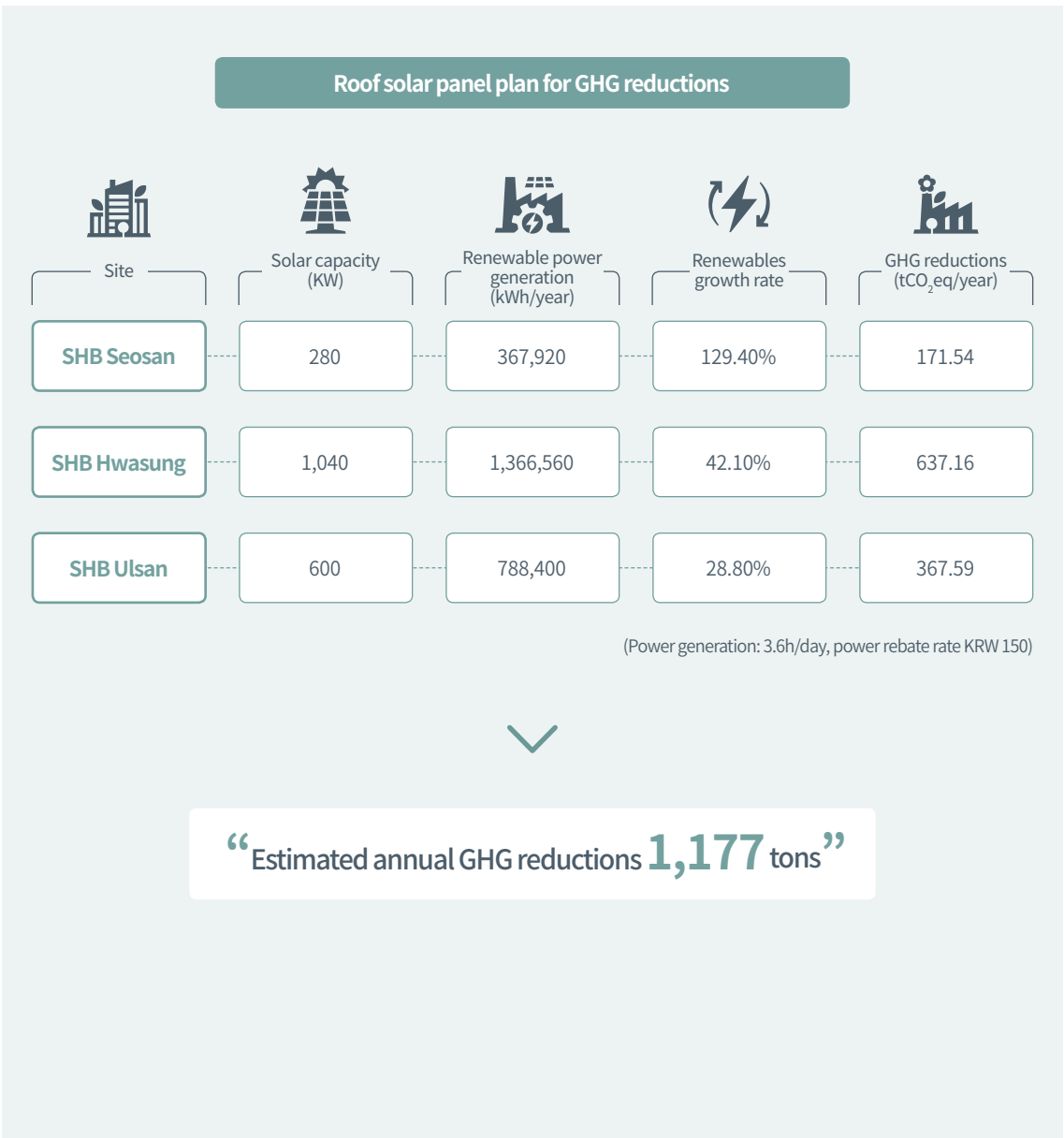
To contribute to achieving the 2050 carbon neutrality goal, we established three major carbon neutrality strategies with the aim of 40% reductions in greenhouse gas (GHG) emissions by 2030. Focusing on the three focal areas, i.e., energy efficiency management, resource recycling, and environmentally-friendly products, we will build foundations for sustainable low-carbon green growth, playing our roles in the transition to a carbon neutral society.





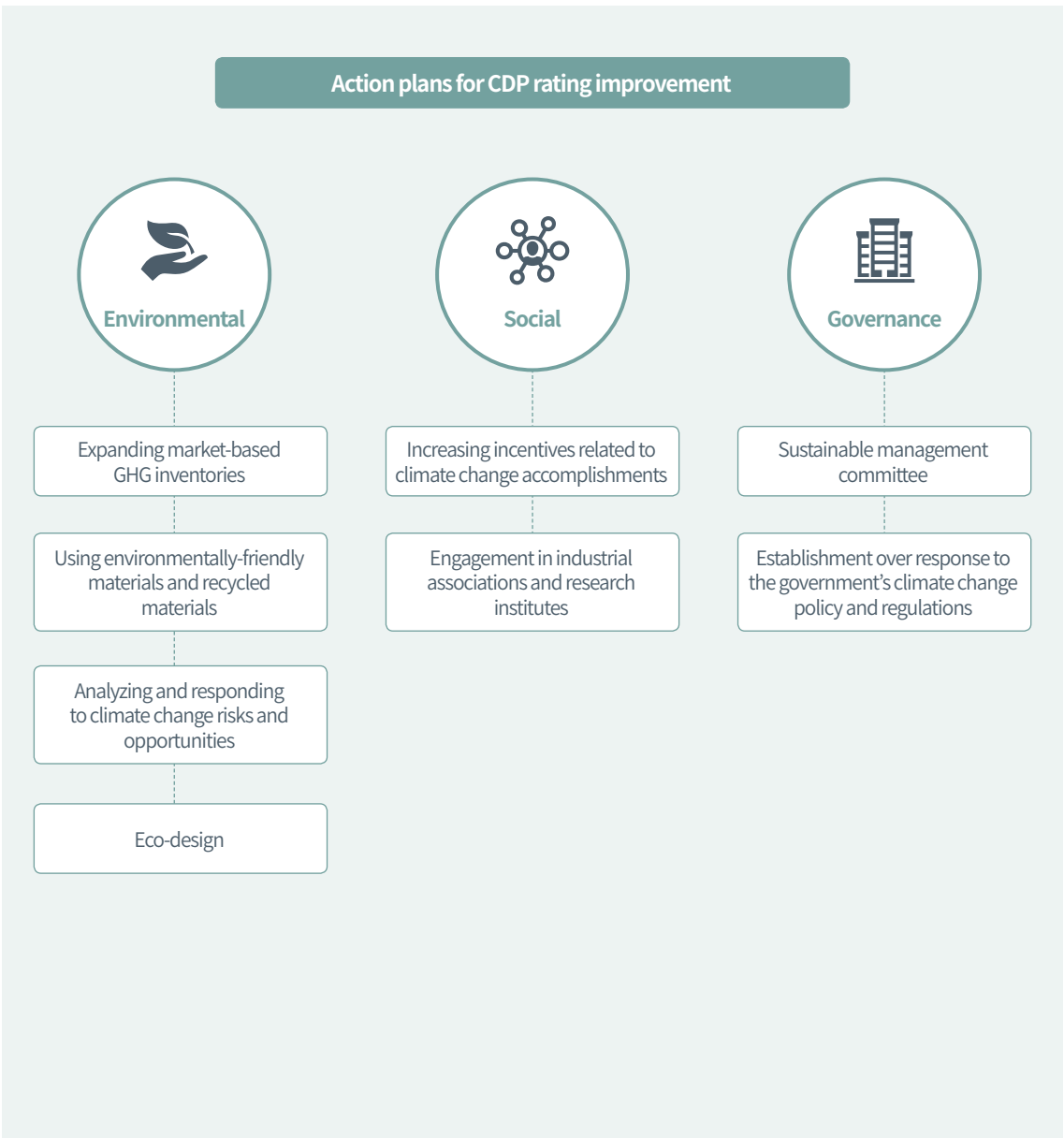
The first step to achieve K-RE 30

We started considering the installation of roof solar panels, to be less dependent on fossil fuels and accelerate the transition to renewables. This is the first step for us to achieve the K-RE 30 goal by 2030, sourcing 30% of power used in our workplace from renewables. We will first install solar panels in selected operations in Korea, after which we will gradually expand the scope of the project.



Active engagement in the CDP

We at SL started responding to the Carbon Disclosure Project (CDP) in earnest in 2021, ensuring transparency in the disclosure of climate change strategies and GHG reduction activities. This resulted in a two-step rise (Grade D → Grade C) in 2021 compared to the previous year. Aiming at Grade B in 2022, we developed action plans for each of the ESG areas.





# Creating innovative value for the future

## Special Report #2



### SL lightens the world through customers' eyes

We at SL are true to our company-wide mission, 'long-lasting company realizing people-first policy,' in our R&D activities, pursuing human-centeredness in technological development. This encompasses from setting ambitious corporate goals to ensuring interconnections between departments to achieve these goals and producing and sharing actual outcomes in product and technical development. In doing so, we are all ears to clients' opinions in all stages of new market development, product roadmap building, patent applications, and commercialization.

We aspire to provide high-quality and high-performance technologies and solutions satisfactory to customers and end users. This conveys SL's holistic viewpoint to the world, which is far more profound than simply focusing on creating corporate value internally. We will continue developing ways to deliver unique values to our clients and take advantage of innovative technologies to ensuring convenience and safety in customer experience.

R&D spending



# 1,352

(Unit: KRW 100 million)

Revenue to R&D ratio



# 6.8%

No. of domestic and foreign patents and utility registration (cumulative)



# 783

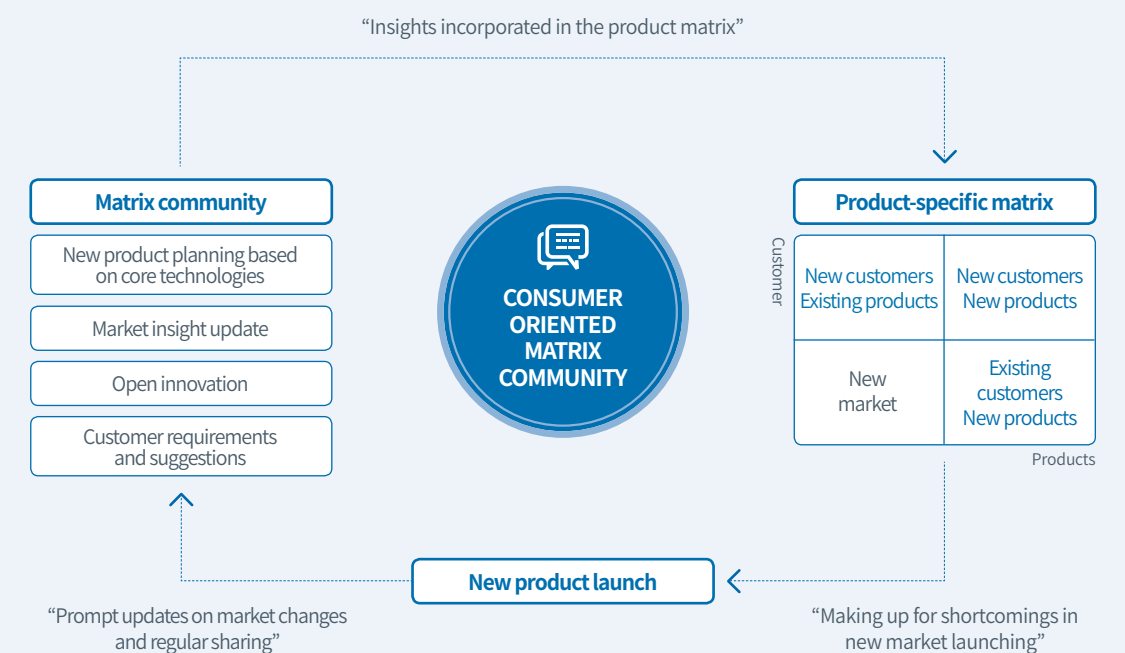
## Building market strategies based on consumer insights

We combine consumer insights with our core technologies for new product planning. We take advantage of our communication channel "Matrix Community" to constantly monitor ever-changing consumer opinions. We also have plans to vitalize open innovation for collaboration with external organizations.

### Matrix community

The matrix community is a communication system for product development through collaboration among different business divisions such as lamp, electrification, electronics, and mirror divisions. It is a consultative body of representatives of these business divisions, dedicated to market research and consumer insight analysis.

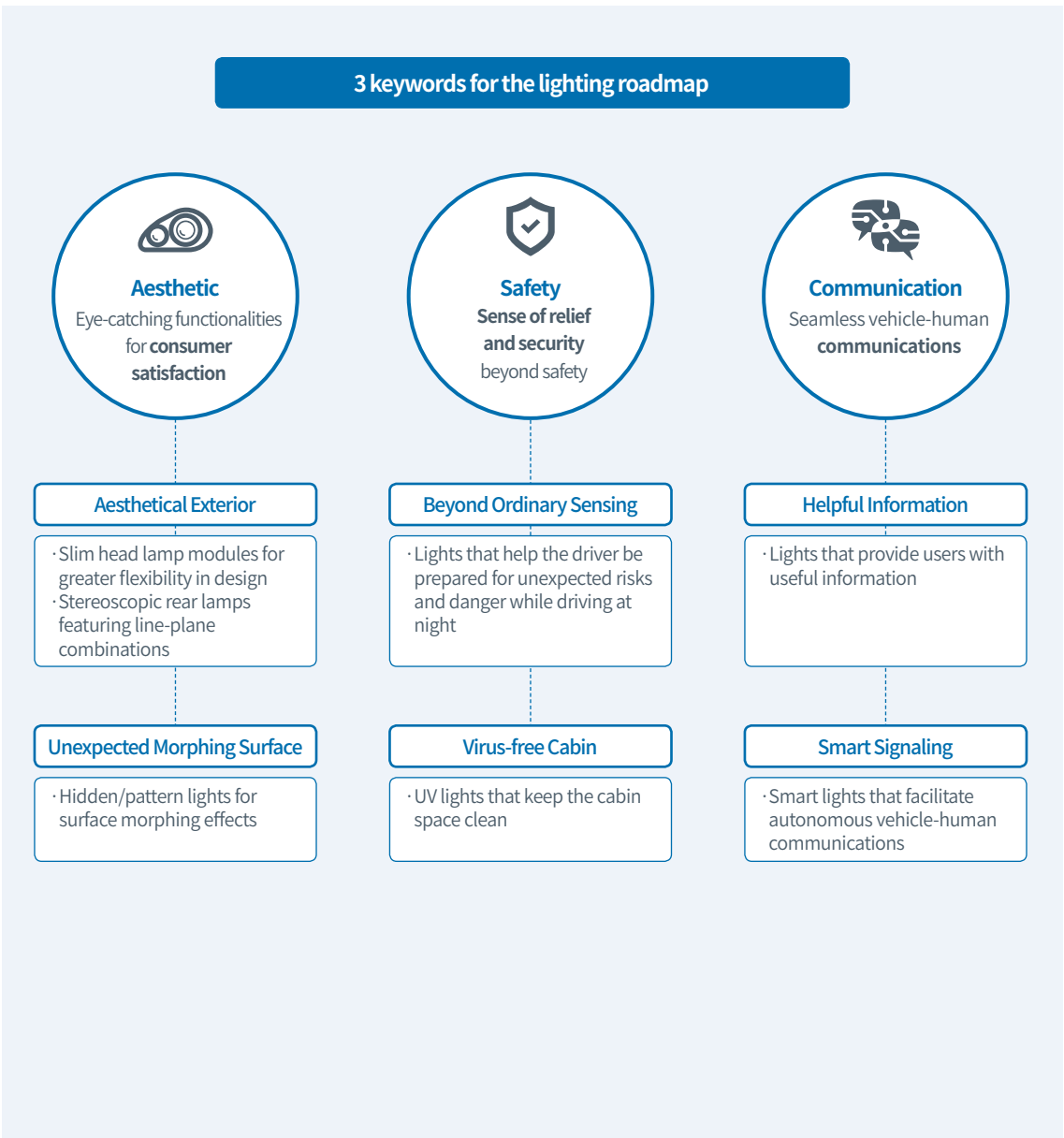
For each product group, SL has a 2X2 matrix (consumer X product), and the insights and fresh ideas identified through the matrix community are incorporated in product development. While previously respective departments independently identified new items and conducted pre-development, the matrix community ensures corporate-wide endeavours for product development.





Identifying areas of opportunities for future lighting

SL conducted in-depth interviews with consumers to reflect their real-life opinions in our technology roadmap in the era of mobility, electrification, connectivity, and autonomous driving. Based on these findings, we built a future lighting roadmap that is underpinned by the following three keywords that combine what consumers want from lamps and innovative technologies SL can offer.



Aesthetic

Digital Lighting



Advanced LED light sources for cutting-edge intelligent low/high beam functions

Slim Lamp



Compact modules for flexibility in design Clear cut-off image

Safety

ADB\* Korea's first

Low Beam

High Beam

IFS

The ADB intelligent high beam system creates shadow areas in the vehicle's front to prevent glare to oncoming traffic.

\* ADB (Adaptive Driving Beam); Referred to as IFLS(Intelligent Front Lighting System) by HKMC.

Communication

Display



Display lamps that deliver vehicle status and other information for safety and convenience



## Advanced bidirectional communications with vehicles

The emergence of autonomous vehicles further highlights the importance of communications between vehicles and pedestrians. We at SL developed lamps that show lighting patterns on the road surface for communications that improve vehicles’ reliability and safety.



### Case 1. Integrated turn signal guide lamp World's-first

What makes SL’s turn signal guide lamps special is their functionality to enable communications with pedestrians. Patented in Korea, the USA, China, and Europe, this world-first integrated turn signal guide lamp shows lighting patterns on the road surface so that the vehicle’s intention to change lanes or turn at crossroads can be easily recognized in a position from which the vehicle’s turn signals cannot be seen. While existing lamps were primarily intended to improve the driver’s convenience, we aim at communications with pedestrians with these lamps.



We will continue pursuing bidirectional communications between vehicles, between vehicles and humans, and between vehicles and traffic infrastructure.



### Case 2. Integrated backup guide lamp World's-first

While regular backup lamps illuminate to inform following vehicles’ drivers of the vehicle going backward, SL’s backup guide lamps also create light patterns on the road surface when the backup lamps are turned on, hence people around the vehicle can read which direction the vehicle will be going. These lamps are particularly useful for parallel parking and driving at night. They are widely used in Korea, and mass production is slated overseas.





# Stakeholder Communications

SL Corporation defines stakeholders as individuals and entities on which its corporate activities have impact or may have impact in the future.



SL runs tailored communication channels for each stakeholder group and is eager to continue active mutual communications with them.

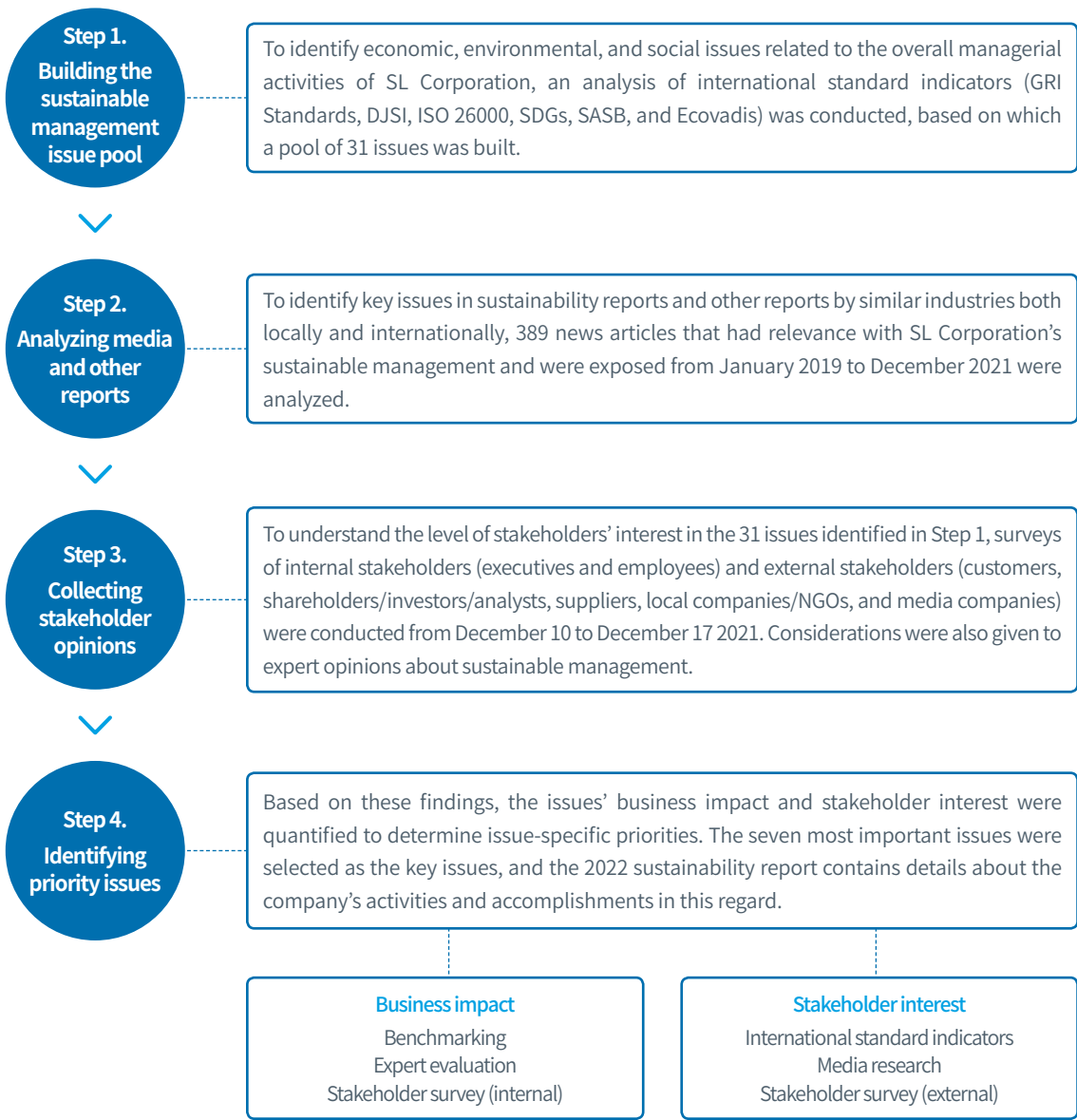




# Materiality Test

A materiality test was conducted to understand the actual/potential, positive/negative impact of sustainable management issues on SL Corporation and identify critical issues of importance for its business and stakeholders. For the materiality test the GRI Standards’ reporting principles and requirements were employed. This report contains details about the key issues identified from the materiality test, thereby ensuring transparency in SL Corporation’s sustainable management accomplishments and relevant activities.

## Materiality test process





# ENVIRONMENTAL

## Key Performance



ISO 45001, ISO 14001  
Domestic site certification

100%



Zero  
hazard

3 consecutive years



YoY GHG  
reductions

538 tons



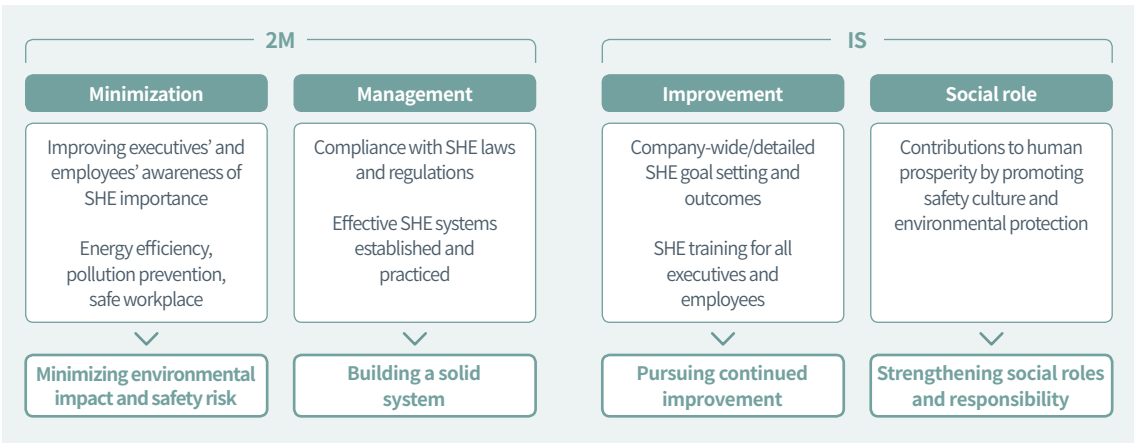
# Safety, Health, and Environmental Management

## Strengthening safety, health, and environmental management

### Safety, health, and environmental management policy

As an automotive parts specialist and corporate citizen, SL Corporation sees reducing environmental impact and promoting safety culture as fundamental values for business management. To this end, we at SL established the ‘2M IS SL’ policy for active safety, health, and environmental (SHE) management practice. Here, 2M stands for ‘minimization and management,’ and IS for ‘improvement and social role.’ These four elements are the key to SL’s SHE practice.

### 2M IS SL



### KPI management to achieve goals

We set and manage key performance indicators (KPIs) for safety, health, and environment. Annual achievements are compared to that year’s planned goals.

#### Environmental

KPI	2020 result	2021 target	2021 result
GHG emissions	50,354 tCO <sub>2</sub> eq	48,430 tCO <sub>2</sub> eq	49,817 tCO <sub>2</sub> eq
Safety and environmental compliance in plants	-	100%	100%

#### Safety and health

KPI	2020 result	2021 target	2021 result
Industrial accident rate	Zero accident	Zero accident	Zero accident
Potential risk improvement	24%	50%	98%

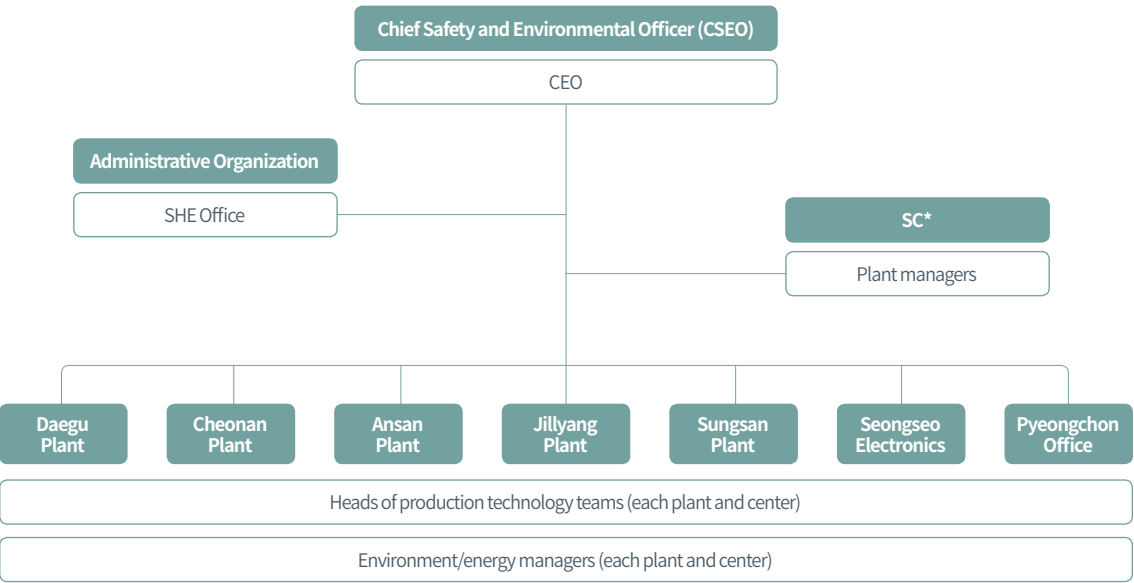
## Advanced SHE management

### Transparent environmental information disclosure

Subject to the Greenhouse Gas and Energy Target Management System, SL is required to disclose relevant information under the Environmental Technology and Industry Support Act. Started in 2021, SL’s environmental disclosure is intended to further solidify the company’s voluntary pursuit of environmental management and facilitate communications with citizens in this regard. SL discloses key environmental information about its Daegu Plant, Sungsan Plant, Ansan Plant, Electronics Plant, Jillyang Plant, and Cheonan Plant on the environmental disclosure system. It is noteworthy that the company not only discloses compulsory disclosure items but also expands the scope of the disclosure to voluntary disclosure items. By doing so, SL aims to further strengthen self-initiated management of environmental information. We at SL will continue disclosing a range of verified environmental information to various stakeholders, thereby ensuring the transparency of disclosure and the reliability of data.

### Environmental management structure

We at SL have a dedicated organizational structure to pursue environmental management and ensure streamlined working-level practice.



\* SC : Steering Committee



# Safety, Health, and Environmental Management

## Environmental impact management

### Energy management

SL Corporation aims to improve energy efficiency for GHG reductions by employing various energy management methods. SL’s operations are active in introducing activities to prevent waste of power with the purpose of reducing energy consumption and ensure efficiency.

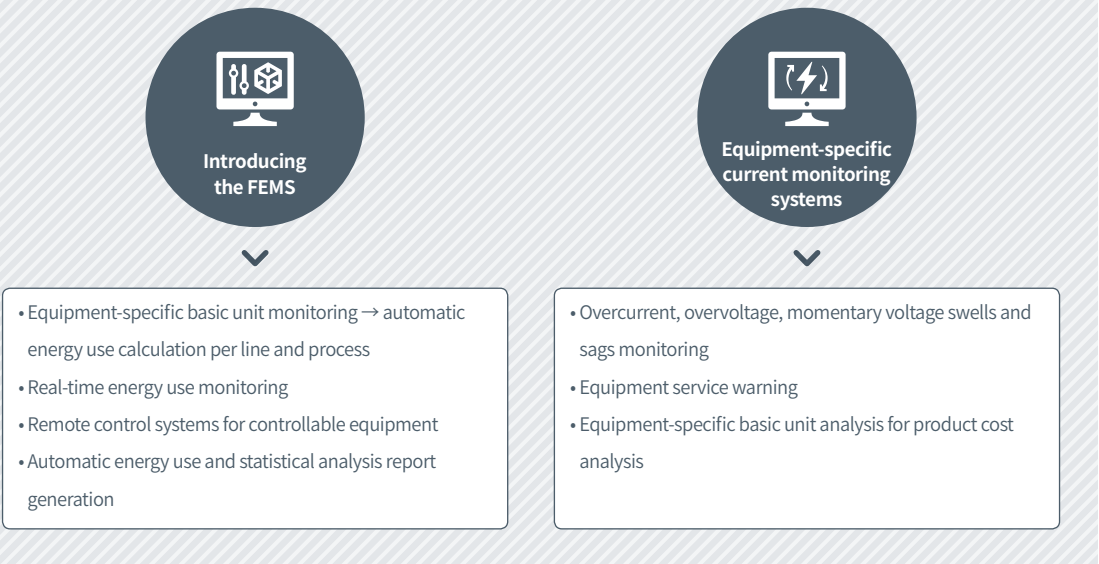
### Energy saving activities



## BEST PRACTICE

### Smart plant (Cheonan)

The SL Cheonan Plant actively uses the FEMS\* for optimized energy use. The FEMS applies solutions to improve energy efficiency and reduce energy use, thereby ensuring efficient equipment operations. In January 2021, the Cheonan Plant introduced the FEMS and turned to a smart plant. Previously power consumption and equipment failure were managed manually, hence inefficiency at work. Also, basic unit analysis of production equipment, lines, and processes were unavailable, and significant errors were present in energy statistics. Introducing the FEMS enabled automated measurements, hence more efficient energy management.



\* FEMS: Factory Energy Management System

# Safety, Health, and Environmental Management

## Environmental impact management

### Water resources management

For active utility water reuse, SL has a closed coolant system applicable to both waterworks and groundwater. All wastewater is treated by an external wastewater treatment plant, and annual self-measurements are conducted based on wastewater discharging business survey templates.

Water usage (Unit: ton)			
	2019	2020	2021
	150,814	125,398	159,473

### Materials management

SL established materials plans to strengthen resource cycling and efficiency as early as product planning and production stage. The use of environmentally friendly materials that contain recycled materials will first be applied to lamps. As of January 2022, we started considering relevant tests. We also developed materials management processes and long-term inventory management guidelines to efficiently and safely manage materials and inventories. They focus on ensuring that production goes as planned by managing warehousing, shipping and inventories and prevent stored materials and products from being damaged in the long term.

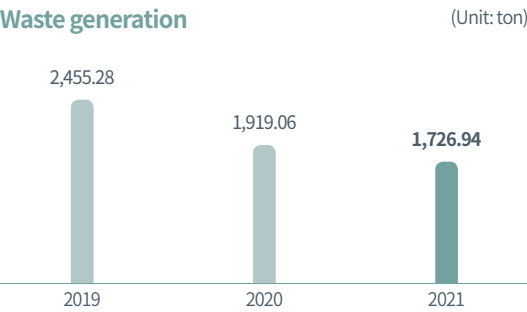
### Air pollutant management

In March 2022, SL Mirrortech secured a site to install a regenerative thermal oxidizer (RTO). The RTO concentrates and desorbs volatile organic chemicals (VOCs) and odorous gases generated from the process and discharges clean gas (CO<sub>2</sub>, H<sub>2</sub>O). Odorous gases are burned at a high temperature in the RTO, and the clean gas discharged therefrom is reused for waste heat collection for efficiency and energy saving. Introducing the RTO is expected to help reduce THC\* emissions, save fuel costs, and improve efficiency in waste heat collection. SL continues putting forth efforts to reduce air pollutant emissions by introducing environmental equipment.

\* THC (Total Hydro Carbons): Organic compounds detected by hydrogen flame ionization detection.

### Waste management

For safe lifecycle waste management, SL keeps monthly waste registers. It also works with the All-Baro System(Online Waster Disposal Verification System) operated by the Korea Environment Corporation to ensure thorough control over waste generation and reductions, and all of these details are disclosed transparently on the environmental disclosure system.



### Harmful chemicals management

We at SL established chemicals management guidelines for the thorough management of the purchase, use, storage, and treatment of harmful chemicals. Abiding by these guidelines helps SL prevent environmental and health hazards caused by harmful chemicals. Furthermore, we have a self-regulated harmful substances management system to manage suppliers' IMDS\* registrations. This ensures integrated data management from suppliers' data registration to clients' IMDS data approval. This system also allows for checking product/part-specific and legal standard-specific harmful substance analysis results, hence well-organized harmful substances monitoring.

\* IMDS (International Material Data System): A chemicals management system where chemicals used for automotive parts and their weight details are managed along the supply chain in response to harmful chemicals regulations.

### Environmental management system certification

As of December 2021, SL's 12 domestic operations (100% certified) and 11 overseas operations (79% certified) have obtained the ISO 14001 (international environmental management system) certification. SL as a corporate environmental management system that meets international standards for operation-specific environmental impact management, and efforts for continued inspections and improvements are made to retain certification. .

#### ISO 14001 certification

Domestic				
Jillyang Plant	Electrification	○	Seongseo Electronics Plant	○
	Electronics	○	SL Mirrortech	○
Daegu Plant	○	KDS		○
Sungsan Plant	○	SHB	Ulsan	○
Cheonan Plant	○		Hwaseong	○
Ansan Plant	○		Seosan	○

Overseas				
SL Lumax	○	Tri-ring Samlip		○
SL AP	-	Hubei Samlip		○
SL Yantai	○	SL Alabama		○
Beijing Samlip	○	SL	Lamp	○
Shanghai Samlip	○	Tennessee	Electrification	○
Dongfeng Samlip	○	SL Poland		○
Qinchuan Samlip	○	SL Brasil		-



# Safety, Health, and Environmental Management

## Safety and health management system

### 3 innovation plans for safety management

Guided by the principle that putting safety first means putting humans first, we at SL established three innovation plans for safety management. This precisely reflects SL’s managerial philosophy to value people more than anything, and these plans are designed to prevent potential safety and health risks and make our workplace safer. With these plans, SL aims to raise employees’ safety awareness and practice safety management in everyday life, hence making a safe work environment for all. To achieve this goal, SL will continue focusing on prevention and health at work and improving the quality of safety and health management for employees.

### 3 innovation themes for safety management

Daily checkup routines on site

MDT Field inspections

- MDT (5 people)  
Honorary occupational safety inspector, safety manager, production technology, production (field), SHE office

Affiliates cross-checkup

- Inspectors: Plant MDT, plant safety manager, production technology manager

Self-initiated field safety checkups

- Daily: Safety checkup considering line characteristics (field supervisor)  
- Weekly: Team safety checkup/improvement (team leader)  
- Monthly: Safety patrol, Monthly safety meeting (pland manager)

Precision safety diagnosis

Serious accident prevention

- 3-step safety checkup/improvement for 5 critical equipment\* (fixed, mobile, fire/electric shock)  
- Serious accident and safety failure handling guidelines (stage-specific measures, etc.)

Risk assessment (safety FMEA\*)

- Process/equipment-specific risk management/improvement  
- Safety document shortfalls improvement and field supervisor training

Precision safety checkup and system maintenance/improvement

- Precision safety checkup for machines and tools subject to safety inspections  
- Expanding the scope of the ISO 45001 management system

Process design considering safety

- Equipment specifications in process development stages

Safety culture

Organization and capacity building

- Revamping safety organization (CSEO system)  
- Hiring and fostering safety professionals

Safety awareness training

- Systemized legal safety training  
- Regular on-site safety training

Site safety mentor/mentee system

- Preventing accidents involving new hires and capacity building

Field safety management internalization

- Area (team)-specific safety activity status boards

Benchmarking other companies' safety management

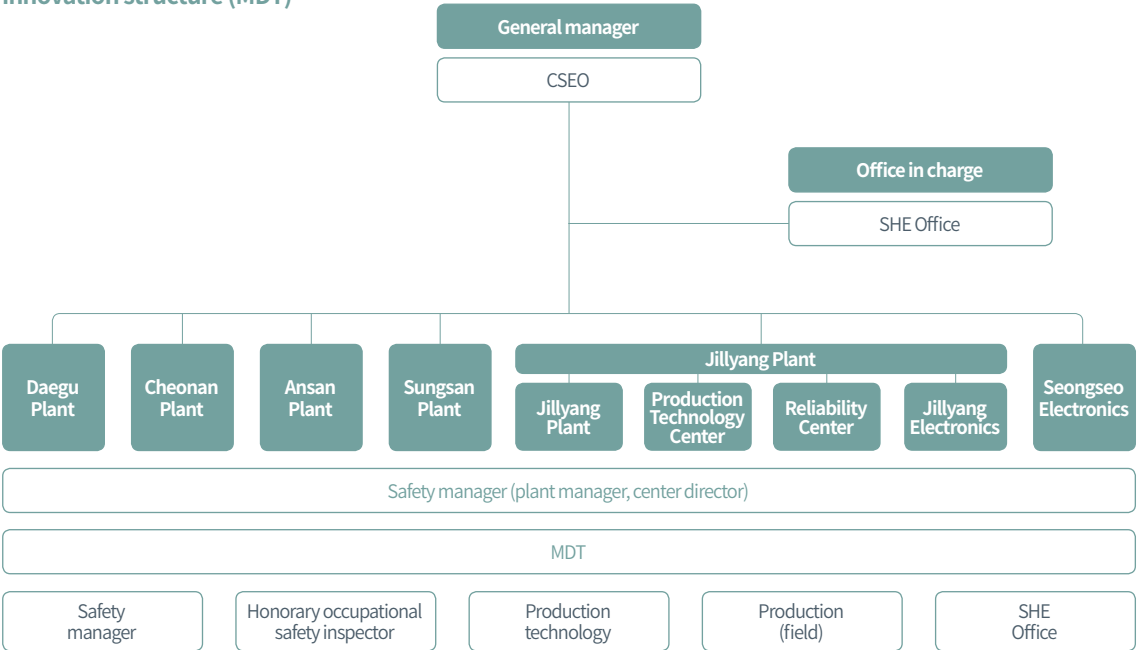
- Disseminating suppliers' safety management best practices

Safety incentives

- Mileages for potential risk improvement and suggestions

\* MDT: Multi Disciplinary Team  
\* 5 critical equipment types: Cranes, injection machines, industrial robots, lifts, and forklifts  
\* FMEA: Failure Mode and Effects Analysis  
\* DR: Design Review

### 3 safety management innovation structure (MDT)



### Safety and health management system certification

As of December 2021, SL’s 12 domestic operations (100% certified) and seven overseas operations (54% certified) have obtained the ISO 45001 (international safety and health management system) certification. SL established the safety and health management system for all of its domestic operations with the intention to prevent safety failures and risks at work and ensure well-organized safety and health activities and will continue pursuing certification of overseas operations.

### ISO 45001 certification

Domestic					
Jillyang Plant	Electrification	○	Seongseo Electronics Plant		○
	Electronics	○	SL Mirrortech		○
Daegu Plant		○	KDS		○
Sungsan Plant		○	SHB	Ulsan	○
Cheonan Plant		○		Hwaseong	○
Ansan Plant		○		Seosan	○

Overseas				
SL Lumax	○	Tri-ring Samlip		-
SL AP	-	Hubei Samlip		-
SL Yantai	○	SL Alabama		○
Beijing Samlip	○	SL	Lamp	-
Shanghai Samlip	○	Tennessee	Electrification	-
Dongfeng Samlip	○	SL Poland		○
Qinchuan Samlip	-	SL Brasil		-

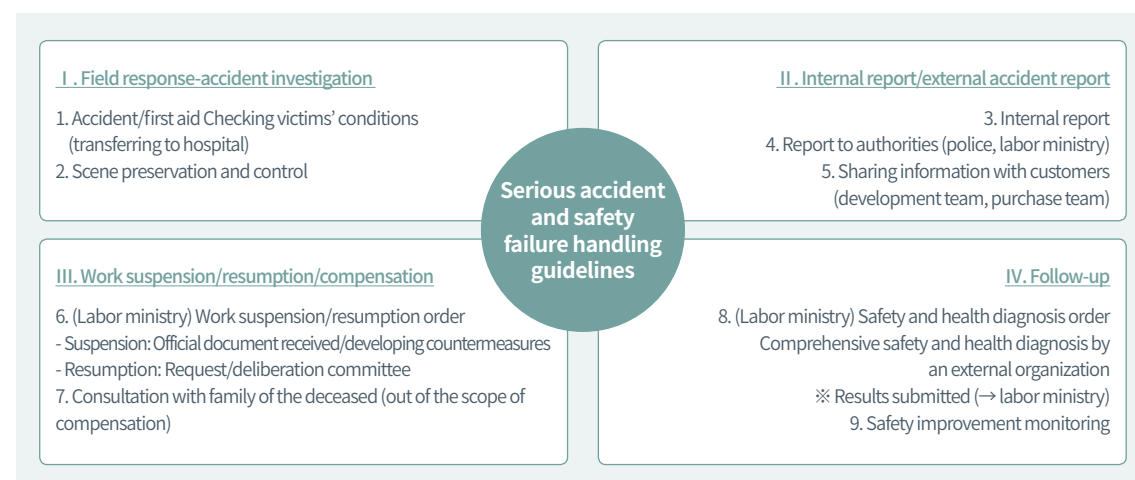
## Safety, Health, and Environmental Management

## Promoting safety and health culture

## Activities to prevent serious accidents

## Serious accident and safety failure handling guidelines

Following the enforcement of the amended Serious Accident Punishment Act in January 2022, we at SL developed the serious accident and safety failure handling guidelines. These guidelines primarily aim to prevent safety failures, and they also seek out streamlined and instant measures are taken in the event of an accident. With these guidelines, we at SL intend to establish voluntary safety culture at work and promote safety awareness. Continued efforts for monitoring will be made to ensure these guidelines are actually employed and practiced in the field, rather than mere documentary formalities.



## Accident-free workplace

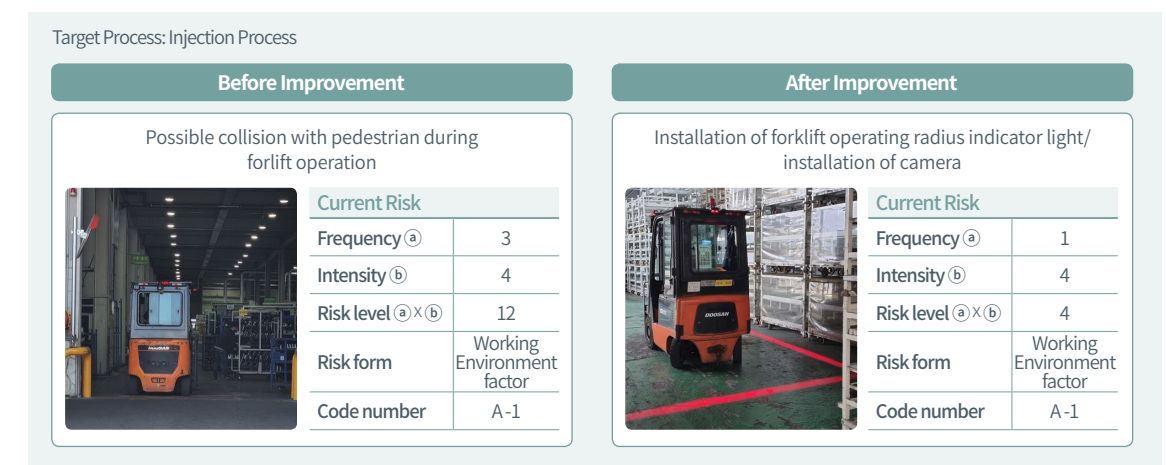
To create safe, accident-free work environment, we conduct the following activities.



### Risk assessment (safety FMEA)

To identify hazard and risk factors for machines and substances and minimize the likelihood of these factors causing accidents, SL conducted risk assessments for its six business operations (Jillyang, Cheonan, Ansan, Sungsan, Seongseo, and Daegu). As a result, 1,609 risk factors were identified, which were then classified by type (mechanical, work characteristics, work environment, electrical, chemical) and operation. Based on this analysis, risks were scored and operations that scored 8 points or more were categorized as operations subject to improvement and others as operations subject to continued management. Operations subject to improvement receive recommendations for improvement. With these activities, SL aims to prevent safety blind spots and improve the level of the company's safety culture.

### Risk assessment /Improvement activities

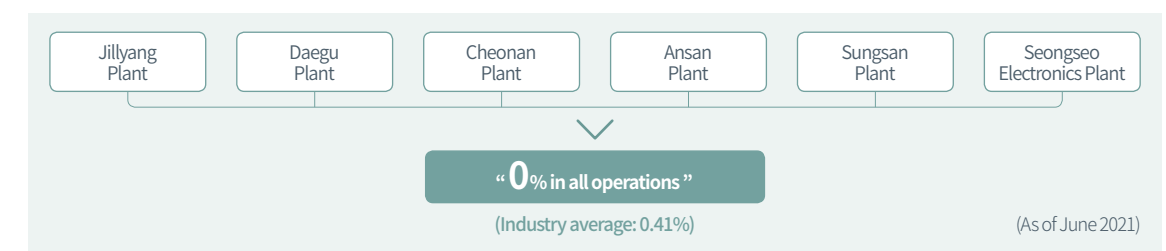


### Zero accident for 3 consecutive years

From 2018 to 2020, SL's domestic operations recorded occupational accident rates significantly lower than the industry average. Such an achievement owed to continued efforts to improve workplace environments and take active measures for health management.

For SL's domestic operations, occupational accident rates are documented and confirmed by the Korea Occupational Safety and Health Agency. Overseas operations report accidents to the Occupational Health and Safety Association (OHSA).

## Occupational accidents at SL





# Safety, Health, and Environmental Management

## Promoting safety and health culture

### Suggestions for potential risk improvement

SL’s potential risk improvement suggestion program ‘Do together’ is designed to identify the fundamental causes of safety failures arising from frequent defects and failures in machineries and take improvement measures. The focus of these activities is on listening to field workers to pinpoint actual problems and develop and apply improvement measures. Direct communications with field workers help identify potential safety risks in the work environment and prevent safety failures. Recently SL revised the program to make up for shortcomings, building on the efficient and clear-cut risk management measures.

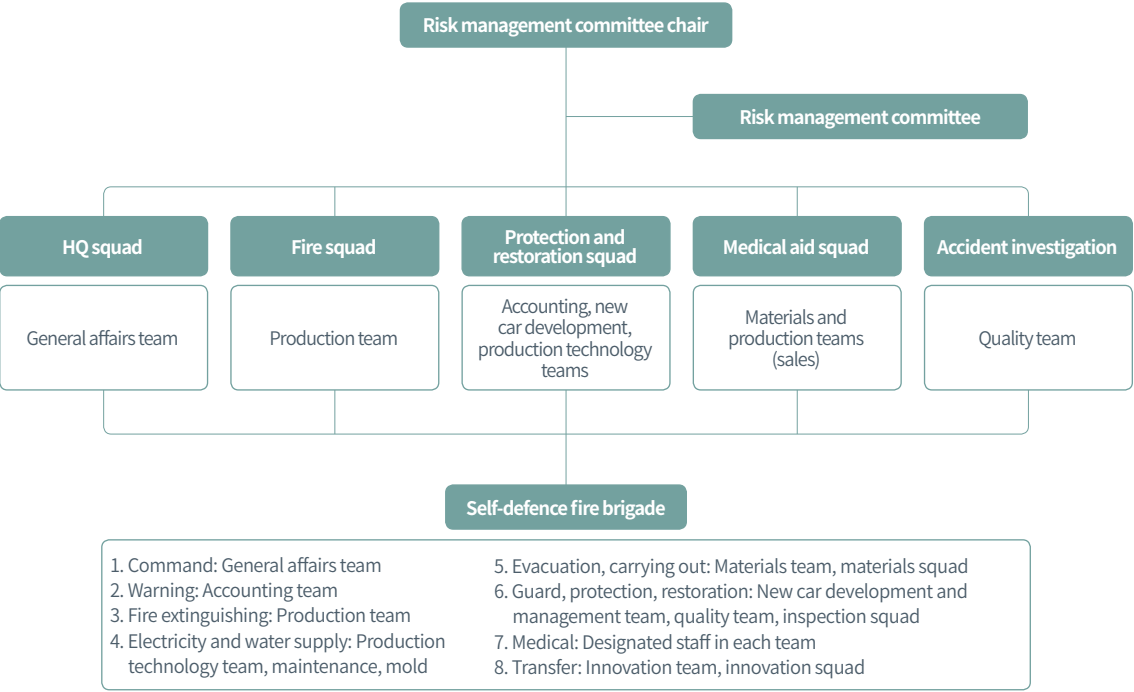
### Potential risk improvement suggestion program

“Do together”	
Simplified suggestion process	<b>Field supervisor → Team leader</b> Documentary formalities simplified by taking oral suggestions from field supervisors, which are registered by team leaders.
More mileages	<b>Proposers → Proposers and action takers</b> To facilitate suggestions and actions, both proposers and action takers receive mileages. (Near-miss: 100 points, potential risk: 50 points)
Better escalation	<b>Insufficient escalation → Better escalation</b> Monthly safety meetings chaired by plant managers to follow-up on improvement measures.
Efficient system operations	<b>Offline → Online system (registration and monitoring)</b> Documentation and collection process migrated from an offline to online system.

## Emergency response system

We at SL have an emergency response system to ensure well-organized response to emergency situations to keep workers safe and healthy. This allows for the swift propagation of information on safety failures and accidents in workplace to facilitate rapid decision making. We also conduct simulation drills of environmental and safety accidents to ensure streamlined response to safety and environmental emergencies. In 2020, all departments participated in a response and control drill for designated waste leakage in the waste storage. SL Corporation focuses on preventing accidents and improving contingency capabilities.

### Emergency response organization





# SOCIAL

## Key Performance



**First ESG  
evaluations**  
for SL suppliers



Social responsibility  
investment

KRW **1.32** billion

(SL donation and SL Seobong  
Foundation contribution amount)



Supplier funding  
support

KRW **2.35** billion

Human Rights 56

Human Resources Management 58

Customer-centric Management 68

Mutual Growth Management 72

Social Responsibility 80



# Human Rights

## Human rights management system

### Human Rights Management Charter

SL Corporation established the Human Rights Management Charter to respect and protect all stakeholders’ rights. In doing so, we incorporated international human rights principles including the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the 10 Principles of the UN Global Compact (UNGC). We at SL Corporation pursue human rights management that values people more than anything, and we will continue striving to promote human rights management.

### Respect for suppliers’ rights

SL’s promise for human rights-friendly management is not limited to its own executives and employees. Indeed, it is applied to all stakeholders involved in its business activities, in particular, suppliers. This is clearly specified in its human rights principles. In addition, the Supplier Code of Conduct contains detailed provisions on suppliers’ rights, which are open on the SL website.

#### SL Corporation Human Rights Management Charter

One, we respect and support international and domestic norms that support values such as human rights, labor, environment, and anti-corruption.

One, we do not discriminate against all stakeholders, including executives and employees, on the grounds of race, religion, disability, gender, academic background, age, family relationship (marriage, etc.), physical condition, country of origin, region of origin, political opinion, pregnancy, childbirth, and others.

One, we guarantee the freedom of association and collective bargaining to protect and promote the human rights of our employees.

One, we do not allow any form of forced or child labor.

One, we guarantee industrial safety and health rights by creating a safe and hygienic working environment.

One, we strive for win-win development with partner companies, and support and cooperate to practice human rights management.

One, we respect and protect the human rights of local residents in the areas where we operate.

One, we comply with domestic and foreign environmental laws and strive to protect the environment and prevent environmental disasters.

One, we strive not to endanger the safety of the public in our business activities, protect personal information collected during business and guarantee consumers’ right to access information.

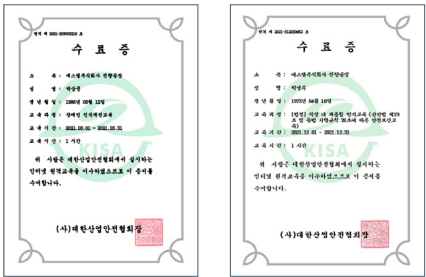
One, we provide prompt and appropriate remedies for human rights violations that occur in our business activities.

We strive to protect the human rights of all stakeholders, including our employees, and pledge to do our best to establish and spread human rights management.

## Human rights education

### Inhouse human rights education

At SL Corporation, all executives and employees take human rights education every year. Programs include sexual harassment prevention, improving awareness of people with disabilities at work, workplace bullying prevention. These are intended to improve executives’ and employees’ human rights awareness and ultimately internalize the culture of respect for human rights.

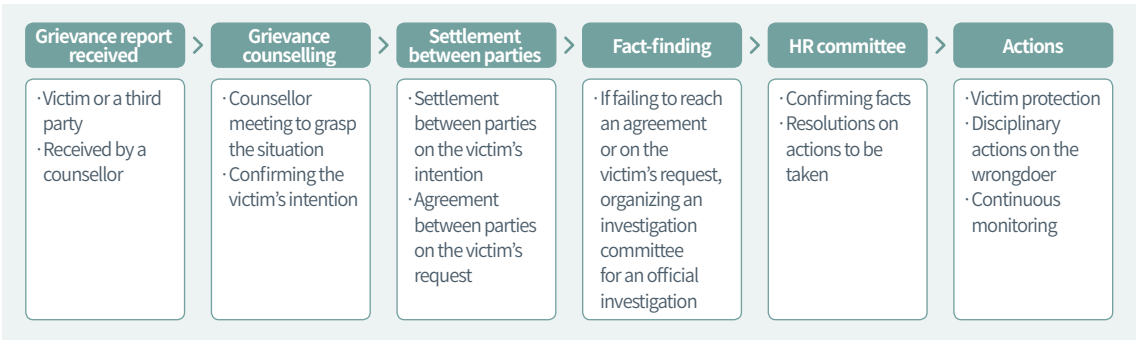


## Workplace grievance settlement

### Workplace bullying prevention and response rules

We at SL established the workplace bullying prevention and response rules for the purpose of preventing workplace bullying. The rules clearly provide organizational and reporting structures to prevent workplace bullying, as well as processes to handle actual cases and follow-up measures. These rules were also incorporated in our amended employment rules, taking a further step closer to company-wide human rights protection.

### Workplace grievance settlement process



### Grievance settlement system operation

We established the grievance settlement system to resolve grievance, prevent sexual harassment and bullying at work, and take appropriate measures. The HR team designated each affiliate’s general affairs team head as counsellors, and the reporting system involves counsellors from external psychological consultation services, where they visit the company for interviews as needed to resolve grievance and relevant issues our executives and employees may face.

### Grievance settlement track records

Category	2019	2020	2021
Grievance cases received	-	1	-
Grievance cases settled	-	1	-



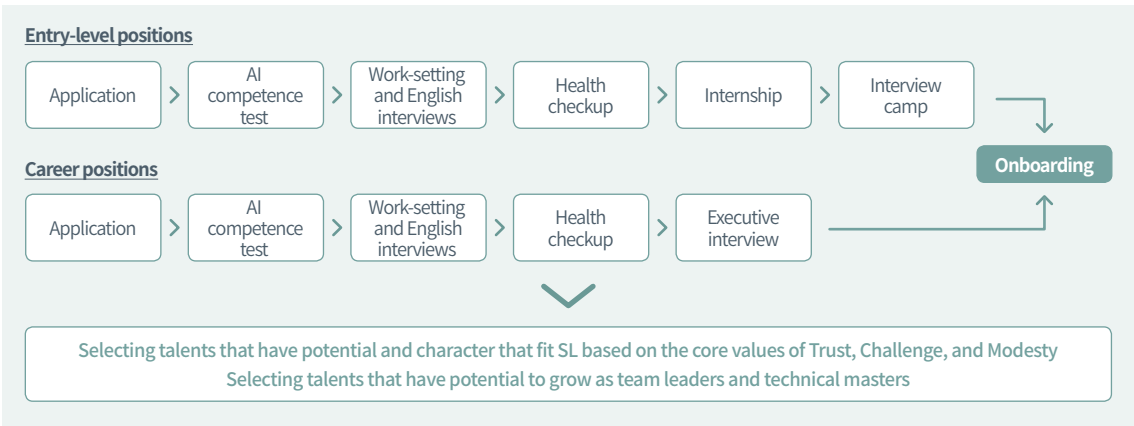
# Human Resources Management

## Hiring and fostering

### Hiring process

We introduced an AI competence test in 2020 in high hopes of improving the fairness and efficiency of the hiring process. Valuing candidates’ growth potential, we put more weight on what they have done and what they have experienced in their self-description, rather than focusing on quantitative qualifications, to find talents that fit SL.

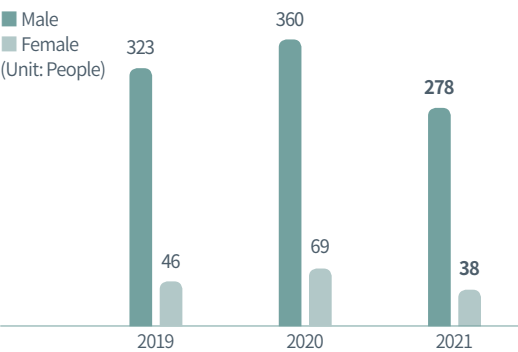
### Hiring process



### Diversity in hiring

For more diversity in hiring, we at SL do open recruitment without discriminating against applicants on the grounds of age, gender, or academic background. We work with school career centers and departments to publicize our employment program. When using external channels for employment promotions, we receive applications through open recruitment regardless of regions and schools.

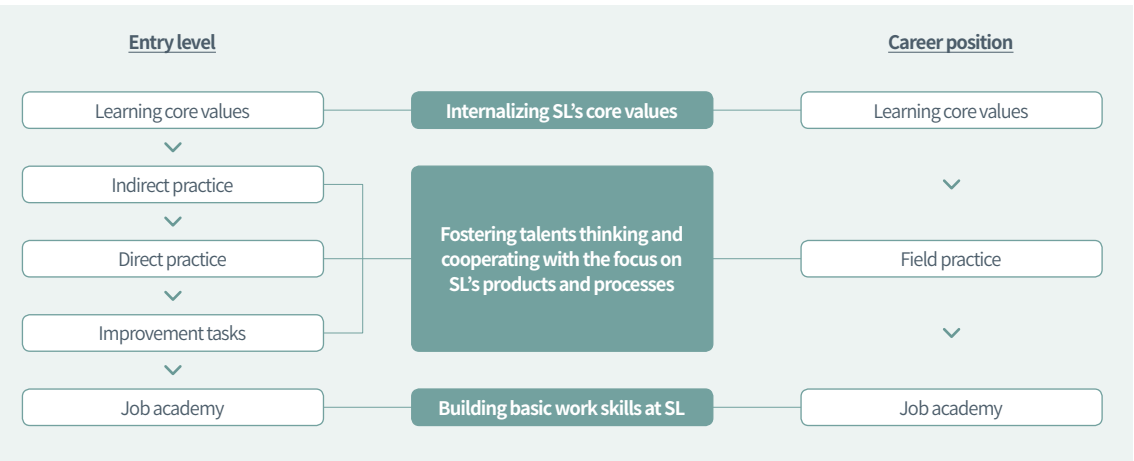
### Annual new hires (by gender)



## Entry level/career position employee development roadmap

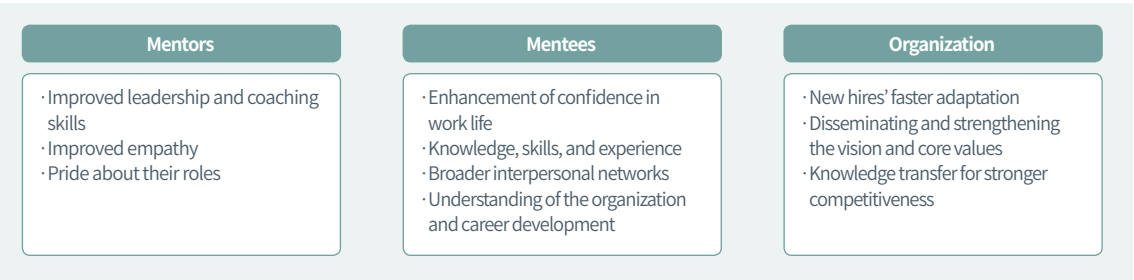
SL Corporation established an entry level and career position employee development roadmap to help them understand the company’s core values and organizational culture. Entry level and career position new hires undergo six-month and 15-day programs, respectively. The curriculum is designed to help them develop basic work skills and easily adapt themselves to work in the real-world settings.

### Talent development roadmap



## SL mentoring activities

Senior employees help juniors grow through field-oriented training and practice. Mentoring activities range from work instructions to work coaching, counselling, and personal support. Mentors prepare monthly mentoring reports, and they are also encouraged to participate in relevant surveys designed to manage the results of the mentoring activities.



# Human Resources Management

## Capacity building and motivation for executives and employees

### Annual training plans

SL establishes annual training plans to provide its executives and employees with appropriate training. At the end of each year, teams and staff responsible for training review the year’s training outcomes and consider improvements. In doing so, they identify room for improvement and needs for new programs, based on which annual training plans are established. SL aims to offer a range of training programs to help executives and employees build on their capabilities.

Category	Training	Time	Duration
Common	E-learning (general)	January, April, July, October	1 month
	E-learning (GD&T*)	January, April, July, October	1 month
	Personal reading	Any time	2 months
	Team reading (required annually)	Any time	2 months
	Foreign language (online, telephone)	March, September	2-3 months
Legally required	Occupational safety and health	January, April, July, October (required quarterly)	Quarterly
	Awareness of people with disabilities	March (required annually)	1 month
	Sexual harassment prevention	June (required annually)	1 month
	Personal Information Protection Act	September (required annually)	1 month
	Workplace bullying prevention	November (required annually)	1 month
Elective	Job academy	Different by course	
	Mentoring	Entry level: 6 months, assignment change/career position: 3 months	
	Learning club	3 months	
	External training	Any time	

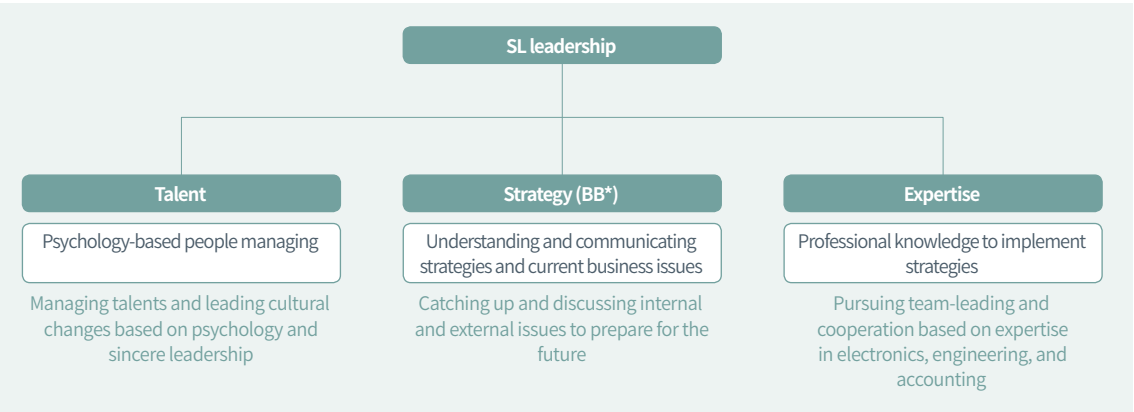
SL learning club activities

Voluntary clubs to set common goals and share thoughts about topics

- Environments for self-led job/foreign language skill development
- Personal expertise + learning synergies → improved organizational capabilities
- Self-initiated learning culture at SL

\* GD&T: Geometric Dimensioning & Tolerancing

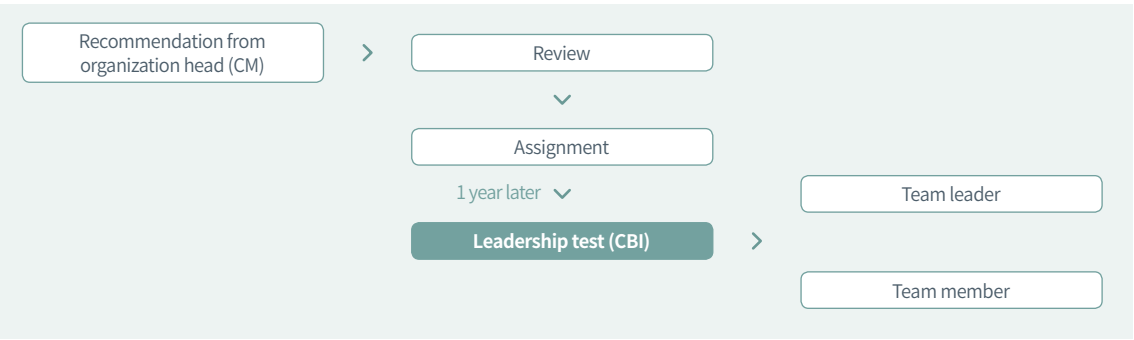
### Leadership training (executives/team leaders)



\* BB (Be prepared, Be required): Preparedness for business and talents

### Team leader rotation system

SL has a team leader rotation system in place, where candidates are assigned to team leader positions first and officially appointed after undergoing the CBI\* process to test their leadership as team leaders one year later. The CBI is a prerequisite to reverifying the leadership capabilities of the candidates and officially appointing them as team leaders. Interviewers are SL’s staff who completed the CBI interviewer training. This system is intended to give employees open opportunities and help team leaders develop job skills and leadership.



\* CBI (Competency Based Interview): Conducted in one year after being assigned to a team leader position to test candidates' leadership.

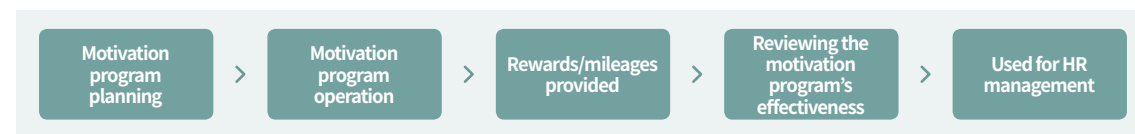


# Human Resources Management

## Capacity building and motivation for executives and employees

### Motivation process

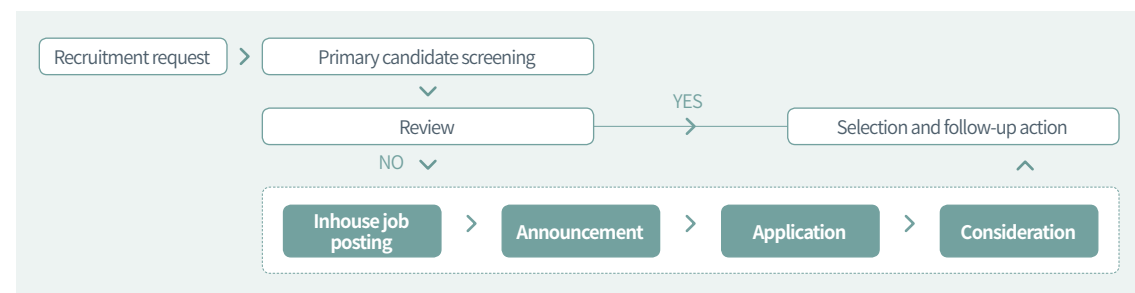
SL has a motivation program in place, which aims to create environments to achieve organization goals and pursue continued improvements, hence facilitating innovation. The program starts with selecting outstanding employees based on their virtue, attitude at work, and achievements. The selected employees are provided with appropriate rewards such as citations, awards, appreciation plaques, mileages, etc. The effectiveness of the motivation program is regularly reviewed to continuously improve the program. The awards and other reward records collected from this program may also be used for human resources management.



### Inhouse job posting and bidding system

Launched in 2019, the inhouse job posting and bidding system aims to fill positions inhouse by posting job openings internally, receiving applications from employees and interviewing them. This is an open version of the position rotation system, ensuring human resources are assigned to the right places at the right time. With this system, SL aims to motivate employees and encourage them to further develop their skills and abilities, thereby ultimately pursuing to vitalize the organization.

### Inhouse job posting and bidding process



## Work-life balance

### Benefits for executives and employees

Category	Details
Gifts and long-serving employee awards	Gifts on special days such as New Year, Labor Day, company anniversary, Chuseok, and birthday Awards for employees serving 5, 10, 15, and 20 years
Vehicle, communication, tuition support	Vehicle and communication allowance Tuition support for employees' children
Health examinations	General/special/comprehensive health examinations for executives and employees
Childbirth gifts	Gifts celebrating employees' or their spouses' childbirth for work-life balance
Reserved parking lot for pregnant women	Reserved parking lot for pregnant women's safety and convenience
Housing fund loans	Housing fund loans (KRW 20 million for jeonse, housing funds from welfare funds) to improve executives' and employees' quality of life
Livelihood security funds	Funding support for entry level and career position hires
Company housing	Company (rental) housing for qualified executives and employees
Recreational facilities	Recreational facilities for all executives' and employees' leisure activities
Sports	Reserved seats in the Samsung Lions Sweet Box at baseball and football stadiums to help executives and employees relieve stress
Healing service	Personal, family, work, and financial counselling for executives and employees
Commissioned education	Commissioned education at childcare centers in the Gyeongsan Industrial Complex

#### Healing service

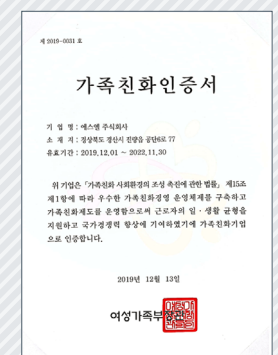
Professional psychology counselling for executives' and employees' stress management and mental health

- Family (children, in-laws, couple), work (job, colleagues), others (financial, legal), and mental
- Cooperation with external counselling services
- Online and offline counselling (8 times annually per person)

## BEST PRACTICE

### Family-friendly business certification

The family-friendly business certification scheme recognizes businesses and public institutions that have outstanding childbirth and childcare support, flexible work hours, family-friendly workplace culture programs as provided in the Act on the Promotion of Creation of Family-friendly Social Environment. Recognized for its family-friendly welfare and benefit programs, SL Corporation was certified by the Ministry of Gender Equality and Family as a family-friendly business in 2019.



# Human Resources Management

## Flexible organizational culture

### Flexible work hours

We at SL have a staggered office hour system that allows employees to have flexibility in their office hours within the eight-hour workday system. This aims to improve efficiency at work and employees' immersion into the organization. In addition, work-from-home and remote work systems allow executives and employees to work from home or elsewhere out of the office on the company's approval.

### It's everyone's treat!

'It's everyone's treat!' is designed to treat executives and employees, selected among applicants, with various gifts and treats. This not only motivates executives and employees but also gives their family fun and special experience.



### PC-OFF

SL Corporation complies with the 52-hour workweek system and keep employees' work-life balance. To do so, employees' computers show prior notices according to their weekly work plans and turn off in 30 minutes.

### SL HR Radio

SL HR Radio is a signature program at SL, which was introduced to vitalize communications between colleagues in the COVID era. Launched in 2021, SL HR Radio speaks of their questions, announcements, and updates.

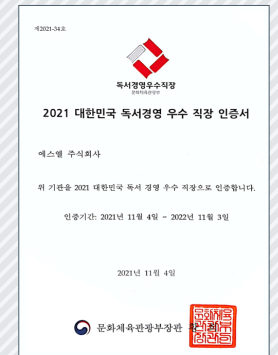
### Organizational commitment survey

At SL, executives and employees participate in annual surveys on organizational commitment. Organizational commitment is an indicator of organizational effectiveness, which represents the mentality of an individual who is attached to the organization, puts forth further efforts for the organization, and willingly accepts the organization's values and goals. We use the findings from the survey to improve work environments and make changes as needed, thereby building a positive and equal organizational culture.

## BEST PRACTICE

### Korea Reading Management Best Workplace certification

The Korea Reading Management Best Workplace certification scheme aims to encourage reading in workplace by recognizing companies with outstanding reading management practices. SL Corporation has been dedicated to expanding the base for reading in workplace, for example through the New Reading Newsletter program, which was recognized with the Korea Reading Management Best Workplace certification.



### Note culture

SL's note culture is all about instant communications with the millennials and encouraging compliments by exchanging feedback in a convenient way. The company's portal has the "Send a note" tap for employees to send notes about compliments, opinions, and other thoughts. To encourage them to actively use the note function, users will receive additional mileages (benefit points). With this company culture, SL pursues mutual growth through free exchange of opinions and horizontal motivation.

### Performance review

At SL Corporation, individual employees' growth and performances are reviewed based on self-descriptions (essays) as part of comprehensive evaluation. Before 2018, we set quantitative KPIs for performance review, after which we started the transition toward qualitative evaluations with focuses on substantial growth, cooperation, and core values. We at SL value process, cooperation, and core values more than results. In doing so, individuals are encouraged to self-describe how they have grown and what they have achieved to accomplish the company-wide goals.

Self-description  
(Essays)



Top-down  
feedback



Peer feedback/  
Cooperative feedback



Leadership  
feedback



# Human Resources Management

## Health labor-management relation

### Labor-management events

SL organizes a range of events for positive labor-management communications to build consensus among them. Amidst ever-worsening COVID-19, however, we had to put off existing labor-management events and tap into other ways of communications. During the COVID crisis, we endeavored to organize meetings, albeit in a smaller scale, between labor and management, for example executives attending the labor union's workshops and general meetings. We at SL will continue healthy and faithful mutual communications to maintain the sustainable and cooperative labor-management relation.

### Pre-COVID labor-management events



Affiliates football competition



Communications with field supervisors



Labor-management joint workshop

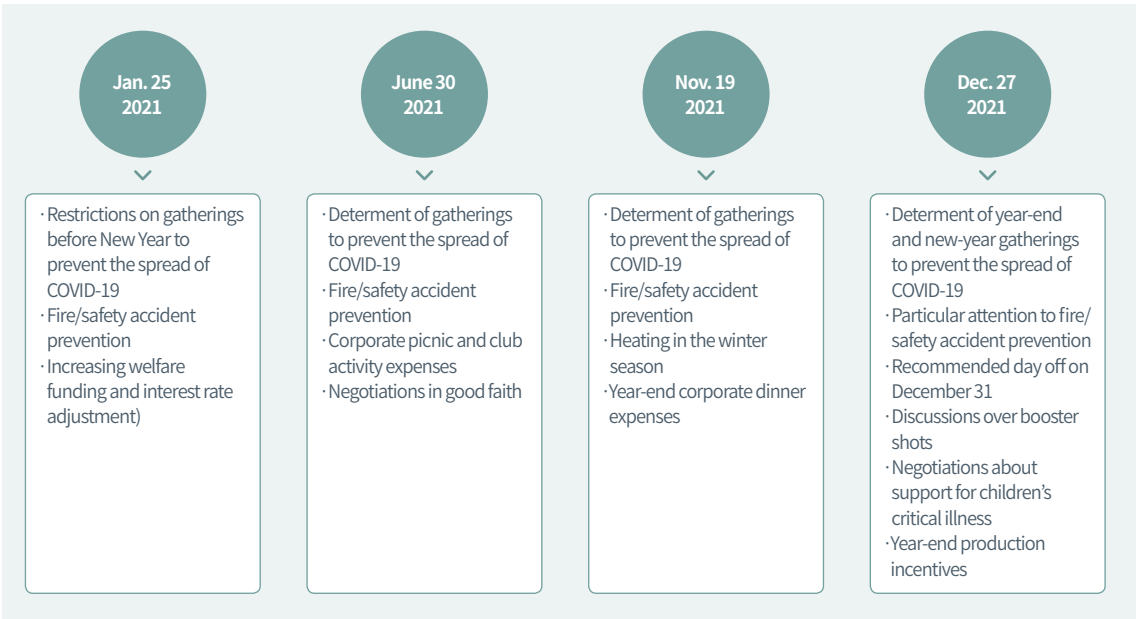


Field supervisor capacity building

### Labor-management council

The labor-management council aims to improve workers' welfare and pursue the healthy development of the company through participation and cooperation. Meetings are held quarterly to discuss key agenda. Each plant has a labor union to enable discussions in consideration of the plant's characteristics. SL guarantees the freedom of association to protect workers' social and economic rights and complies with relevant laws and regulations.

### 2021 labor-management meetings



### Communications between Team leaders and the Representative

At SL Corporation, the company's representative Mr. Lee Sung-Yup meets team leaders every month to discuss business environments and future strategic orientations. These meetings are designed to discuss where the company is standing and where it should go in the mid- and long-term, rather than being a mere formality of reporting.

# Customer-centric Management

## Improving customer values

### Customer satisfaction management

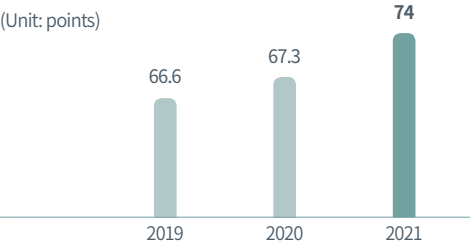
SL Corporation conducts regular customer satisfaction surveys as a means to listen to domestic and international customers’ opinions and suggestions and actively incorporate them in its business activities. Topics covered by the survey include department-specific satisfaction, changes in new technologies and products, abilities to implement projects, price competitiveness, and project recommendation indices with focuses on identifying clients’ complaints and requirements.

The results of the survey are shared among all leadership positions and team leaders to identify organization-specific improvements, hence developing the company’s competitiveness in the mid- and long-term.

In 2021, 255 respondents from six OEMs worldwide participated in the survey, and the NPS increased by 6.7 points compared to the previous year. Based on the findings from the survey, SL puts forth efforts to further develop its strength areas and make up for shortcomings, hence further improving customer satisfaction.

\* NPS (Net Promoter Score) = {(Very satisfied + Satisfied) - (Unsatisfied + Very unsatisfied)} / number of respondents x 100

Customer satisfaction survey results (NPS\*)



### Strengthening communications with clients

SL organizes tech-shows and technical exchange meetings on a regular basis to strengthen communications with customers. Despite the limitations in customer contact activities due to COVID-19 in 2021, we organized 12 tech-shows for BMW and Chinese customers to showcase our products and listen to their voices.

Before COVID-19, we organized more offline tech-shows (18 times) for Hyundai-Kia, GM, Ford, and Chinese customers. Given the non-face-to-face trends in 2022, we are planning to organize online tech-shows as part of our efforts to further strengthen customer relations.

To understand end-users’ viewpoints, identify future automotive trends, and pursue cooperation, we started participating in the annual Daegu International Future Auto Expo since 2017. At this exhibition, we strive to communicate with customers and keep up with the latest trends in the rapidly-changing automotive industry to prepare ourselves for the future.

In addition, customer contact points including design, sales, quality, and PM communicate and work with customers to listen to their opinions and satisfy their needs.

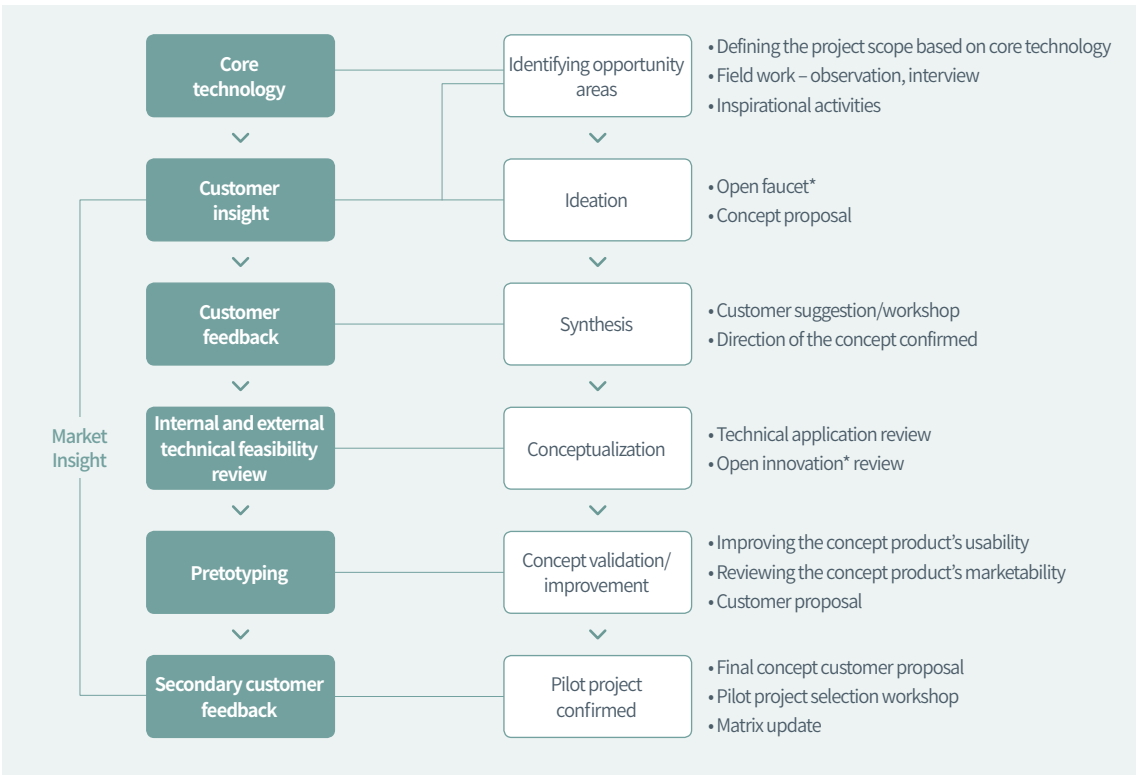


## Joint pilot projects with customers

With this strategy, SL Corporation works with customers as early as product planning and development stages to streamline the flow from new technologies and products to mass production. In doing so, we identify customers’ pain points and suggest solutions that will deliver values based on SL Corporation’s products and technologies. Pioneering technological developments allow us to introduce new technologies and products to our customers before they request. We also work to reflect our technologies and products in major customers’ TRM\* and pursue face-to-face and non-face-to-face customer contact activities for continued communications. Indeed, SL’s technologies have been incorporated in customers’ TRM, and five joint pilot projects led to mass production in the last three years. In 2022, 15 joint pilot projects are slated.

\* TRM (Technology Road Map): A blueprint that contains technological plans to predict technologies and products that will need to be developed to meet future demands and select and implement the best possible technical alternatives.

### Process of joint pilot projects with customers



\* Open innovation: A product development platform that discovers innovative technologies/ideas and promotes rapid commercialization using various collaborative methods such as technology use scenarios and PoC (Proof of Concept) with external organizations

\* Open faucet: SL Corporation’s original process of interpreting problems from the user’s point of view and solving problems through creative ideas, which means pouring out potential creative ideas like water pouring out of the tap.



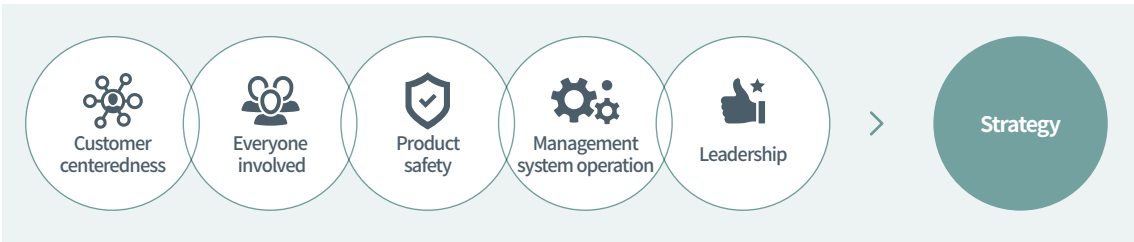
# Customer-centric Management

## Quality competitiveness

### Quality management system

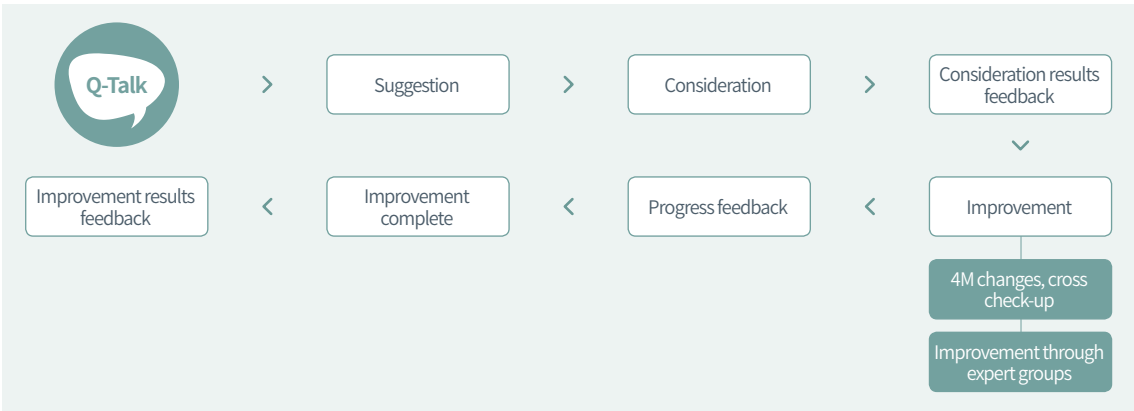
SL Corporation has established and managed a quality management policy to meet customers’ expectations and requirements for quality, reliability, and safety of products. Continued quality verification and improvement efforts are being made to realize customers’ satisfaction and to supply products with the highest levels of quality and safety in the automotive industry.

### Quality management policy



### Q-TALK as a channel for direct quality communications

Q-TALK is SL’s channel for direct communications and streamlined escalation of quality issues. It is an anonymous channel for real-time communications between the CEO and working-level staff. Anyone filing an opinion on this channel is informed of progress and provided with feedback. With this activity, SL aims to further develop its quality competitiveness.



## Quality monitoring

Field claims received from domestic and international operations are immediately reported to and shared with the head office. In particular, the three worst claims are managed as major defects, which are reported to the management weekly. We at SL conduct thorough quality monitoring at three months and one year after shipping and during the warranty period. We also have an organized monitoring system for quality verification and improvement.

### Quality monitoring methods

Category	Method
North America IQS/VDS quality satisfaction survey (annual)	• Customer satisfaction survey on finished cars (JD Power) • VOC analysis, complaint selection for communications with customers (survey of customers at 3 months and 3 years after new car purchase)
Global new car 100-day action Field issue monitoring	• Asking new car buyers about key quality issues (3 months after new car mass production)
North America NHTSA recall/ complaint monitoring (weekly)	• NHTSA* recall and customer complaint monitoring
Regional HKMC quality center user environment monitoring (year-round)	• NAQC (North American Quality Center, USA), CNQC (China), EUQC (Europe), INQC (India), AMQC (Asia and the Middle East)
VOC at service centers and Blue Hands/Auto-Q	• Preventing erroneous/excessive service, publicizing moisture absorbent replacement • Listening to customer complaints about products, reasons for part replacement, mechanics’ bottlenecks at work
Complaint handling channel for swift response to customer complaints	• Actions taken on-site upon receiving customer complaints
Global region-specific field monitoring	• Collecting field claims received on the previous day and recollecting defective parts for cause analysis

\* NHTSA: National Highway Traffic Safety Administration

## Quality management certification

SL’s all domestic and international operations obtained the International Automotive Task Force (IATF) 16949 Automotive Quality Management Systems certification as a recognition of the stability and reliability of quality. In addition, they also are testing laboratories accredited by the American Association for Laboratory Accreditation (A2LA), serving as internationally accredited certification bodies for machineries (14 items) and noise and vibration (4 items).

### IATF 16949 certificates



# Mutual Growth Management

## Supply chain management

### Supply chain management system and policy

SL Corporation established five directions for the sustainable development of suppliers and the comprehensive management of supply chains, based on which the company operates its supply chain management system. Also, it established and proclaimed the Supplier Code of Conduct in 2021 as part of its endeavors to further solidify the supply chain management system. By doing so, SL works to develop close relations with suppliers and build a stable supply chain.

### Supply chain management strategy



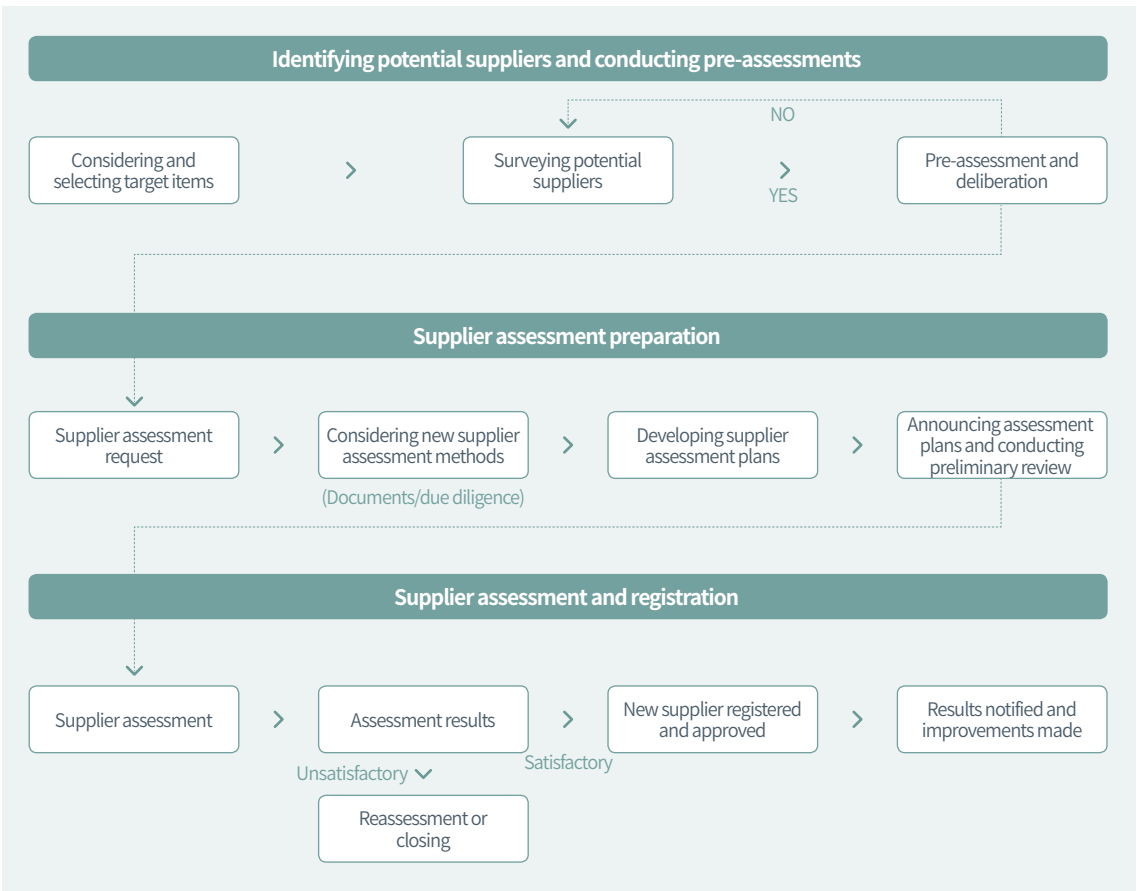
### Supplier Code of Conduct



## Eligibility assessment when registering a new partner

To build long-term, mutually-prosperous relations with suppliers, we at SL consider not only quality, credit rating, and other financial factors but also non-financial factors such as environment and safety when selecting new suppliers. The supplier registration criteria include ISO 14001 and ISO 45001 certification, environment and safety officers appointed and trained, etc. In 2021, 30 domestic and international suppliers met the SL criteria and were registered as new suppliers. SL's existing suppliers, too, undergo quality, delivery, quality management system, environmental, and safety assessments, based on which we pursue to further strengthen the supply chain environment and the safety system by, for example, asking suppliers to make improvements and following-up actions taken, and including supply safety-related provisions in contracts.

### New supplier registration and assessment process





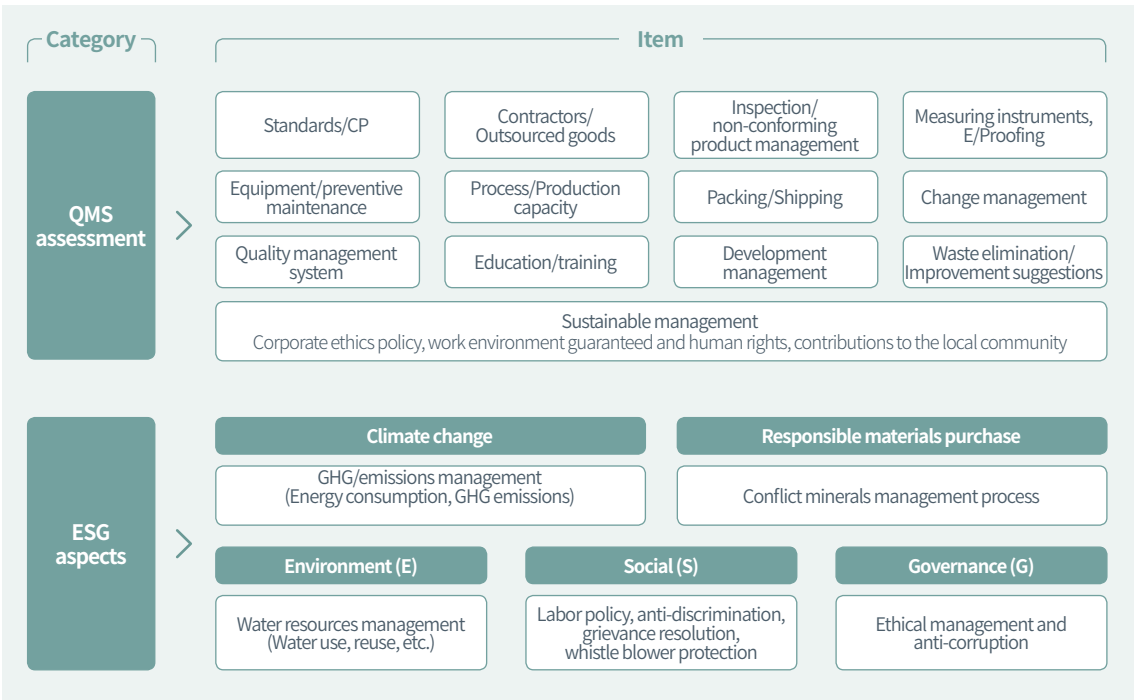
# Mutual Growth Management

## Building a sustainable supply chain

### Supplier ESG risk management

To raise the bar for suppliers’ ESG management, SL conducted ESG assessments of 111 suppliers for the first time in 2021. The assessments consisted of a Quality Management System (QMS) assessment and an ESG assessment, where the QMS assessment was intended to rate suppliers’ inspection, production, development, and other quality management aspects, and the ESG assessment was designed to look into their safety, environment, labor/human rights, ethics, and social responsibility aspects. In the 2021 assessments, the suppliers scored 77.7 points on average. The QMS and ESG assessments are supplemented by ESG self-inspections to encourage suppliers to take the initiative in ESG management. In 2022, we plan to make up for the assessment system so as to further strengthen ESG risk management, including suppliers’ conflict minerals and emissions management.

### Supply chain management assessments and criteria



(For 2022 assessments)

### Conflict minerals

Conflict minerals refer to four minerals (tin, tantalum, tungsten, and gold) sourced from the Democratic Republic of the Congo and its surroundings. The extraction of these minerals in this area has been associated with serious human rights violations, labor exploitation, and funding for rebel forces. To join the movement to ensure no conflict minerals are used, we at SL consider suppliers’ use of conflict minerals and their refinery details. The use of conflict minerals and requirements for the prohibition of such use are part of suppliers’ self-inspection and QMS and ESG assessments.

### Certified refineries by mineral



### Supplier competitiveness rating

To objectively assess its global suppliers’ capabilities and increase global sourcing, SL has a supplier competitiveness rating system in place. This system is designed to quantify the four elements of supplier competitiveness and give an at-a-glance view to suppliers’ competitiveness. In particular, the competitiveness of quality management systems is measured through QMS and ESG assessments, hence suppliers’ ESG aspects are considered in the competitiveness rating and ultimately reflected in their competitiveness level. In 2021, 210 out of SL’s 253 suppliers underwent the competitiveness rating process. These quantified assessment results are considered in the selection of supplies for new projects, thereby ensuring fair supplier selection based on objective criteria.

### Supplier competitive rating items



# Mutual Growth Management

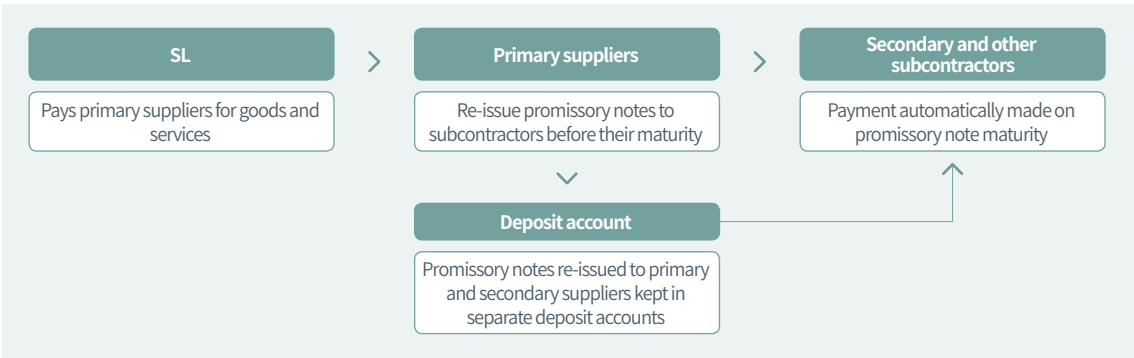
## Activities for mutual growth with suppliers

We at SL understand that the growth of our suppliers means the growth of ourselves. That is why we work for mutual growth with suppliers. Our supplier support programs range from fund and technical support to education and training, helping them build on capacity and creating a culture for mutual growth.

### Financial support

#### Win-win payment

To strengthen the competitiveness of the automotive industry and ensure mutual growth with suppliers, SL employed the win-win payment system, as recommended by the National Commission for Corporate Partnership, as its supplier payment system in 2021. Under the win-win payment, primary suppliers are allowed to make payment to its subcontractors in the same payment terms and conditions within the limit of the payment made to them. This ensures that they are paid in cash on the payment date, and they can cash the payment earlier at a lower financial cost, hence securing liquidity.



#### Corporate partnership funds

To assist in suppliers' business stability and investment, SL established special funds worth KRW 10 billion in 2010, which is called the corporate partnership funds designed to provide suppliers with funding support. Payments and repayments have gone on wheels ever since, and in 2020 SL paid out KRW 7 billion as "COVID support" from these funds to help suppliers affected by COVID-19. SL will continue using these corporate partnership funds in the pursuit of mutual growth with its suppliers.

Supplier   Corporate partnership funding request		
SL   Inhouse deliberation committee		
Support for suppliers		
2019	2020	2021
KRW 7.8B	KRW 8.8B	KRW 2.4B

## Supplier communications

### Supplier association

SL runs a supplier association, which consists of 60 suppliers that meet the membership criteria in three subcommittees. The association meetings are held to hear from suppliers about their challenges and discuss how to support them.

In addition to the supplier association, we also organize seminars for 120 major suppliers annually to share the details about SL's purchase policy with the association members and major suppliers.



2021 supplier association board meeting

## Foundations for fair trade

### Subcontracting deliberation committee

To deliberate on the fairness and legality of subcontracting agreements on our own, we run the subcontracting deliberation committee. Committee meetings are held monthly to ensure fair subcontracting practice.

#### Deliberation committee's key agenda

- Standard supplier agreement
- Subcontracting practice amendment
- New subcontractor registration
- Closing accounts
- Subcontracting dispute mediation
- Payment adjustment
- Disciplinary actions against subcontracting law violations

### Fair trade culture

To establish a fair trade culture and pursue mutual growth with suppliers, SL established the four subcontracting practices. These are posted on SL's and suppliers' noticeboards to promote the fair trade culture.

## Four subcontracting practices

Practice for fair supplier selection

Practice for appropriate contracting for mutual growth

Practice for documentation and record keeping in subcontracting

Practice for the installation and operation of the subcontracting deliberation committee

### Inhouse subcontracting law education

To ensure compliance with the subcontracting law, SL conducted online education on the subcontracting and fair trade laws for purchase officers at SL. The program covered highly relevant subcontracting law case studies to improve their legal compliance awareness.





# Mutual Growth Management

## Activities for mutual growth with suppliers

### Support for work efficiency

#### Supplier instructions

SL's supplier instruction team consists of ten instructors who have professional knowledge and experience in their respective area. The instructors visit suppliers to give instructions and guides. Ranging from development to process, they provide solutions and advice tailored to suppliers to help them improve productivity. To compare outcomes before and after instruction, we set KPIs for suppliers to grasp actual improvements achieved. In 2021, SL's instructors visited 11 suppliers.

#### Quality management system level-up

The SL corporate partnership planning team has eight evaluators who have professional knowledge and experience. They visit suppliers to help them raise the level of QMS such as inspection, production, and development and ESG management such as safety, environment, labor/human rights, ethics, and social responsibility. Suppliers subject to the quality management system level-up program are selected based on the results of the previous year's quality management system assessment and requests for program participation received from suppliers. Program participants are finally selected after SL's internal review. Suppliers' levels are pre-determined to set KPI targets and conduct on-site instructions, and the results are assessed by other evaluators to ensure objective evaluation. In 2021, three suppliers participated in the level-up activities.

#### New SQ certification level-up

The SL corporate partnership planning team visits suppliers to help them obtain the SQ\* certification, an essential prerequisite to supply parts to Hyundai-Kia Motors. We at SL consider suppliers' annual new development plans and purchase schemes to determine suppliers that would need the SQ certification and visit them for the level-up activities. In 2021, 14 suppliers participated in the SL level-up program and all of them obtained the SQ certification. SL's SQ certification level-up activities are intended to provide suppliers with human resources to help them save consulting fees they would otherwise need to pay. We at SL continue with these activities to pursue mutual growth and partnership.

\* SQ (Supplier Quality): HKMC's own certification program that assesses the quality management level of suppliers to determine if they are qualified as an HKMC supplier.

## Education and technical support

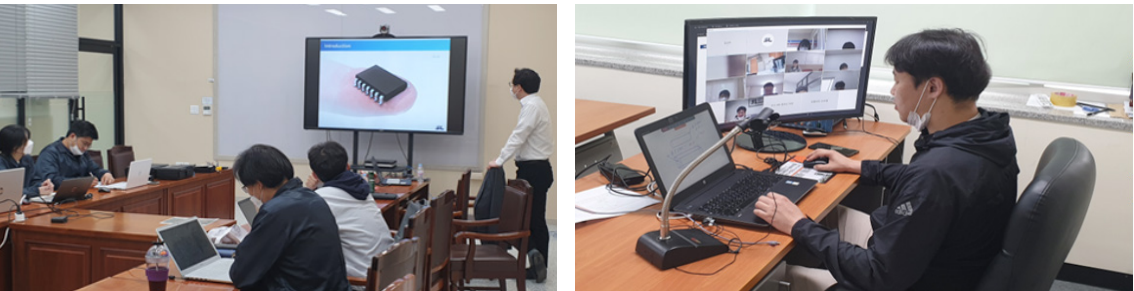
### Job academy

SL offers job academy programs to suppliers' executives and employees annually in order to help them further strengthen their competitiveness. The job academy programs are regularly added and replaced based on suppliers' VOC(Voice Of Customer) to ensure relevance to SL's strategy. Suppliers are surveyed about their intention to take these programs, and on completion a satisfaction survey is conducted to identify shortcomings and make improvements accordingly, thereby providing suppliers with quality training experience.

### 2021 job academy results

Area	Activity	No. of suppliers
Productivity and quality improvement	APQP* training (basic/advanced) to better understand and execute development process	19
	Understanding the SL quality system to improve suppliers' quality management	48
	Understanding functional assembly SQ requirements to strengthen quality system management	9
	Mold maintenance capacity building	9
R&D	Understanding geometrical tolerance and drawings interpretation	19
	Understanding lamp structures and injection molding process	12
	Special characteristics concept and drawings interpretation details	6
	ESD*/EOS* model and standard learning	1
Other	Hazardous materials handling methods and system practice to develop IMDS preparation skills	15

※ Job academy run online in 2021 due to COVID-19



\* APQP (Advanced Product Quality Planning): A concept defined in IATF16949 for continuous project management.  
\* ESD (Electro-Static Discharge): A sudden flow of electric current between two electrically charged objects.  
\* EOS (Electrical Over Stress): Stress sources by which individual semiconductor components and systems are subjected to stress beyond their absolute maximum rating, hence leading to misoperation or failure.

# Social Responsibility

## Social contribution

### Social contribution system

As a corporate citizen, SL set its social responsibility vision and missions to contribute to resolving the local community issues and building mutually beneficial relations. Guided by them, SL actively pursues social responsibility activities both home and abroad, giving hope to those in need.



### Domestic social responsibility activities

#### Jomdori campaign at the Ansan Plant

“Jomdori” is an old Korean tradition that people used to take one spoon of rice out of their pots before cooking, and put it aside to collect and give to those worse off. Inspired by this caring heart, the SL Ansan Plant donates rice and instant noodles through the Welfare Policy Division of Ansan City on every national holiday.

All staff at the Ansan Plant chip in from their monthly salary to scrape up the money, and the labor union and the general affairs team also play their part.



Jomdori event celebrating the New Year (February 2021)



### SL Seobong Foundation

In 2006, SL contributed KRW 10 billion to establish SL Seobong Foundation. Now, the foundation runs on the contributions of KRW 30 billion, supporting talents and research institutes in the local community and helping young people and underprivileged neighbors pursue and realize their dream. SL Seobong Foundation works steadily on an array of social responsibility projects to continue pursuing the development and stability of the community, rather than simply making one-off donations.

#### Key social responsibility activities by SL Seobong Foundation

##### Support for the underprivileged

To provide low-income classes, people with disabilities, elderly people, children, and social service organizations with support that counts indeed, we started covering low-income families' health insurance premiums in 2007. This allows low-income classes and elderly people, who would otherwise have no way to pay the insurance premiums, to retain access to healthcare services.

##### Scholarships to foster talents

Since 2006, we offer scholarships to outstanding college students from challenge financial backgrounds. Scholarships are also offered to juveniles, for example those in poverty, single-parent families, and child breadwinners to help them grow as future leaders.

##### Academic and research activity support

Since 2006, we select outstanding colleges and institutes nationwide and provide them with funding support. Priority is given to projects in automotive engineering.

##### Donations to help neighbors

To help neighbors struggling with COVID-19, we donated KRW 1 billion to the Daegu chapter of the Community Chest of Korea as part of its “Hope 2022” campaign.



Hope 2022 donation campaign



Vehicles donated to social service institutions (November 2020)



# Social Responsibility

## Social contribution

### Global social responsibility activities



India was the first in the world to enact a law to require CSR. Guided by this law, SL Lumax pursues a range of CSR activities including disaster relief, donation, and COVID-19 relief.

#### Cyclone ‘Gaja’ diaster relief

On November 16 2018, cyclone Gaja hit the southern part of India, causing serious casualties and property damages. As part of the state-wide relief activities, SL Lumax played its role by donating rice, oil, grains, and other disaster relief items worth \$28,355 to the local government.



#### Donations to the world women diabetes support organization

World Women Diabetes Support Organization(DIWAAAS) is an NGO committed to helping women manage diabetes and improve their health. It offers women education about diabetes and pursues activities to prevent and treat diabetes. In March 2021, SL Lumax donated \$13,513 to this organization.

#### Items to fight COVID-19

To help the community fight COVID-19, SL Lumax donated articles worth \$69,440 including 250 oxygen cylinders, 100 oximeters, and 6,000 N-94 masks, to government organizations including the Kancheepuram District in June 2021.



#### Installing restrooms for women in surroundings

In rural Indian regions, hygienic restroom facilities are scarce, leaving women exposed to high risk of sexual assault and illegal photography. To improve the community's hygiene and allow women to use clean and safe restrooms, SL Lumax is working with municipalities to build restrooms within the radius of 100 km from the SL Lumax plant. The construction project was commenced in January 2022 and is to be completed in June.

### Reservoir maintenance in surrounding areas

On request from the community, SL Lumax supported the reservoir maintenance works at Pabankulim Pond in Katrambakkam and Alikulim Pond in Gugamdarumedu with a view to flood and secure safe drinking water supply. The works at Pabankulim Pond started in June 2021 and ended in September, followed by the completion of works at Alikulim Pond in March 2022.

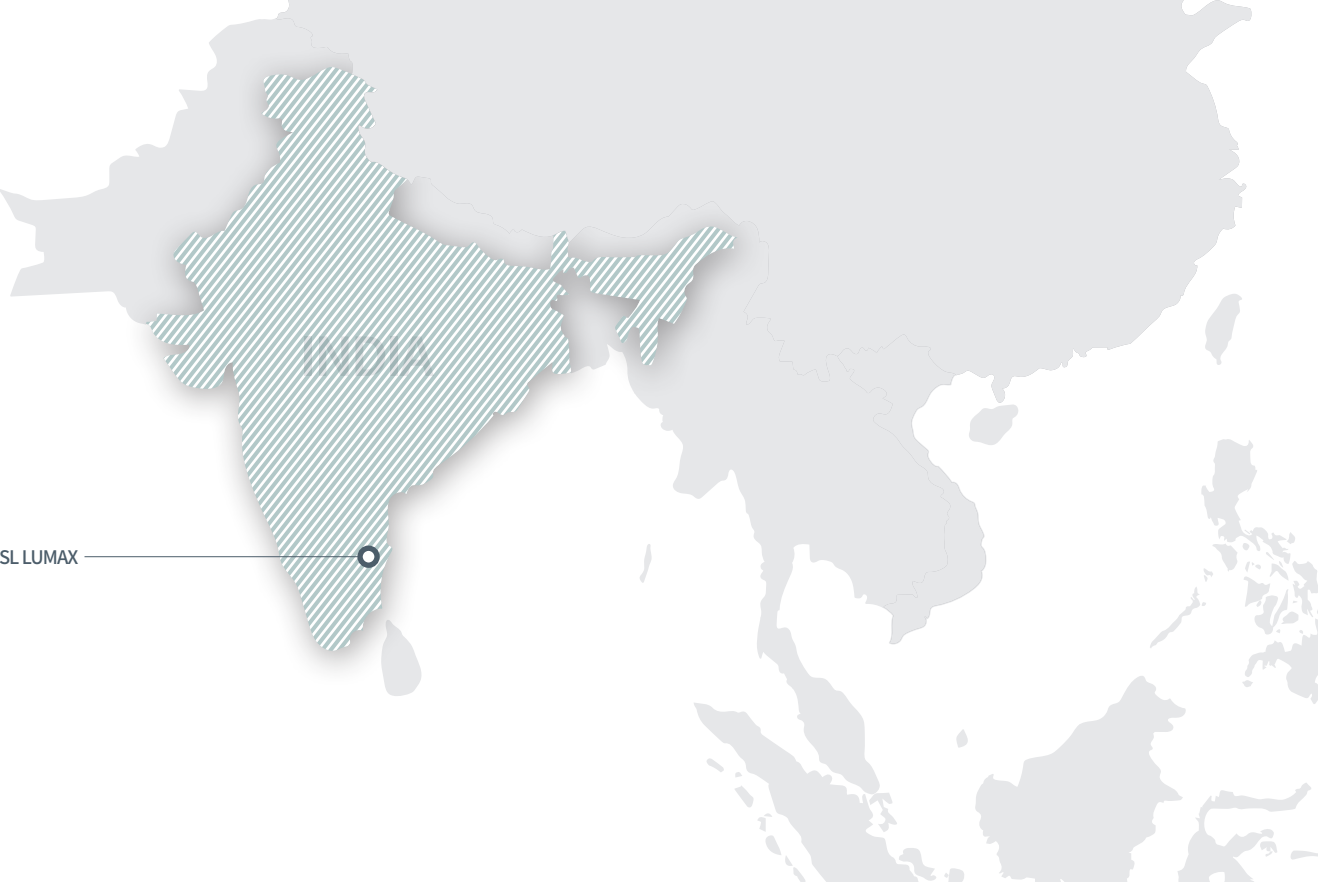
With these activities, SL provided access to safe drinking water to residents in communities living near these reservoirs.



Before Pabankulim Pond maintenance



After Pabankulim Pond maintenance



# Social Responsibility

## Social contribution

### Global social responsibility activities

#### SL ALABAMA

##### Medical supplies to fight COVID-19

SL Alabama stepped forward to help local medical institutions struggling with the shortage of medical supplies to fight COVID-19. We visited the Russel Medical Center and Bill Nichols State Veterans Home and donated surgical masks and hand sanitizers. This activity to help the community fight the virus will serve as the bridgehead to publicize the presence of SL in this community and advocate SL's human-centric managerial philosophy.



#### SL TENNESSEE

##### Land donation to build an education center

SL Tennessee donated a lot of 36,387m2 in the northern corner of the Tennessee Rear Combi plant in 2017 as the site to build the Anderson County Higher Education Center for the community. This will also help SL find the right human resources and benefit from commissioned education working with the center.



#### SL AMERICA

##### Giving back to the community

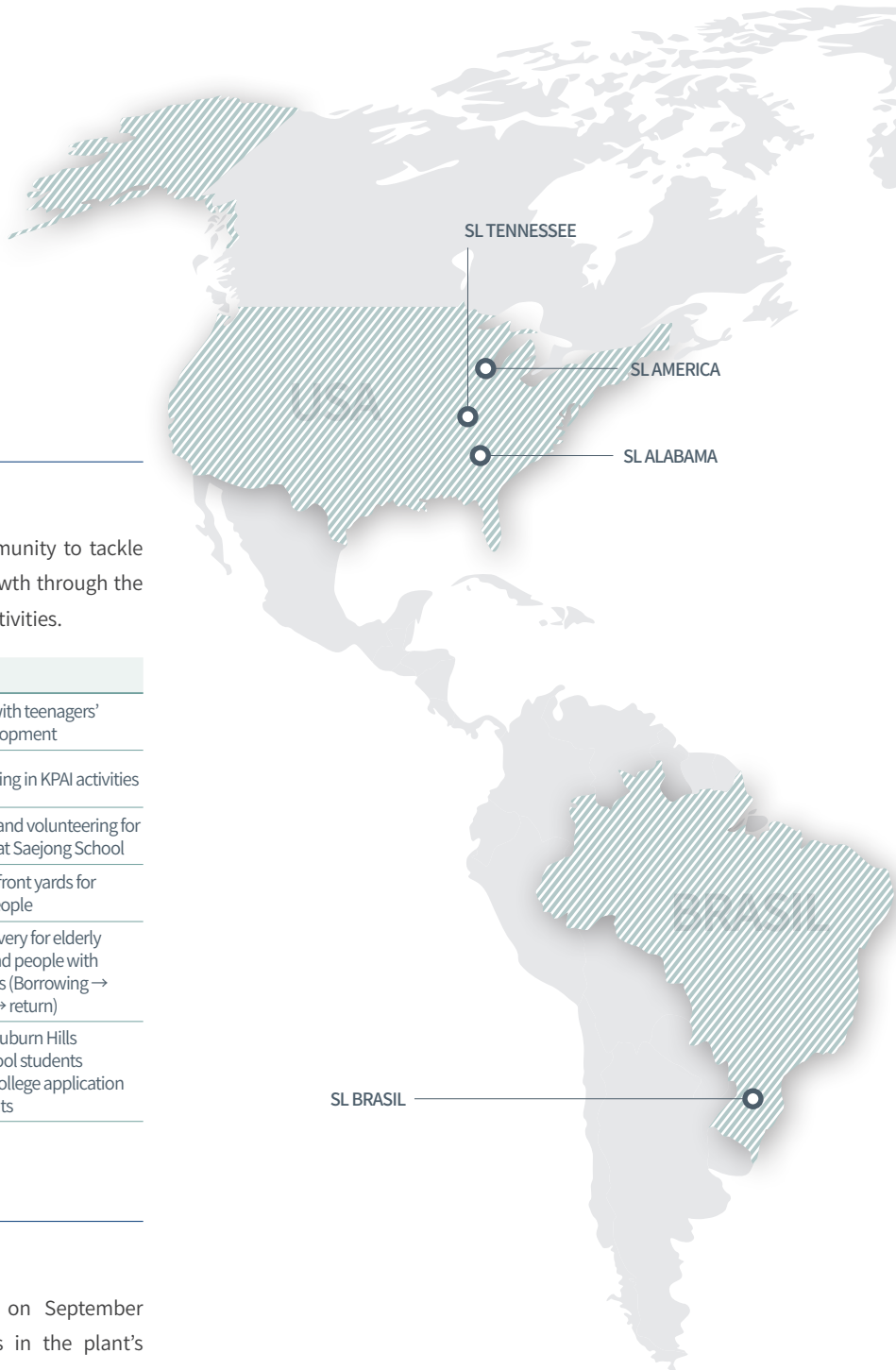
SL America works with the local community to tackle local problems and pursue mutual growth through the following volunteering and donation activities.

Organization and campaign title	Activity
Rhonda Walker Foundation (Girls into Women)	Helping with teenagers' self-development
The Association of Korean American Professionals (KPAI)	Participating in KPAI activities
Saejong Society of Detroit	Supplies and volunteering for students at Saejong School
Auburn Hills Spring Rake + Run	Cleaning front yards for elderly people
Auburn Hills Library	Book delivery for elderly people and people with disabilities (Borrowing → delivery → return)
Auburn Hills United College Access Network	Helping Auburn Hills High School students prepare college application documents

#### SL BRASIL

##### Planting trees on arbor day

Celebrating the Brazilian arbor day on September 25 2021, SL Brasil planted 140 trees in the plant's surrounding. This is part of our efforts to create green living environments and reduce air pollutants.





# Social Responsibility

## Social contribution

### Global social responsibility activities



#### Medical supplies Support for COVID-19

SL POLAND provided medical supplies (127 protective clothing, 40 face guards, 40 goggles, and 1000 masks) to local medical institutions suffering from a lack of medical equipment due to COVID-19.



2020.04.28

#### Support for facilities for persons with disabilities

Since 2020, SL POLAND has regularly visited rehabilitation facilities for the disabled in nearby areas to fulfill their children's wishes. When children living in the facility send Santa Claus a letter with the wishes and gifts they want, SL POLAND fulfills the children's wishes.



2021.06.12

#### Korean Culture event

'The Korean Culture Day' was held in Zory City, where SL POLAND is located, to provide a place to introduce Korean food and taste it. Through this, we are forming a consensus by promoting our culture to local residents.



2020.10.10



#### Run environmental campaign

SL YANTAI participates in an environmental campaign called "I LOVE YANTAI" hosted by the Korean Chamber of Commerce and Industry every year. This is an environmental cleanup activity that picks up trash while hiking mountains near Yantai, and regularly participates to contribute to protecting the environment of the community.

#### Support for needy neighbors and COVID-19 quarantine residents

SL YANTAI provides daily necessities to neighbors in unpleasant conditions in Yantai regions, and provides scholarships to low-income students to continue their studies. In addition, we are continuing constant communication and co-prosperity with the local community by providing snacks to local resident quarantined due to COVID-19.



# GOVERNANCE

## Key Performance



Established the independent director candidate recommendation committee ('21)  
Established the sustainable management committee ('22.03)



Introduced electronic voting ('21)

Governance	90
Risk Management	95
Ethical Management and Compliance	97
Information Protection	101



# Governance

## Corporate governance charter

SL Corporation has been committed to establishing a healthy, transparent, and fair governance to earn trust from stakeholders. As part of these efforts, it established the corporate governance charter to incorporate sustainability elements in its governance in December 2021.

SL Corporate Governance Charter

SL aims to be a long-lasting company that brings innovation to customers and realize the people-first policy based on the core values of trust, challenge, and modesty. With an array of positive ESG improvement activities, it will fulfil its social responsibility as a global corporate citizen and contribute to building a sustainable business, a sustainable society, and a sustainable world. SL has established this corporate governance charter with the belief that as a global business SL can earn trust from all stakeholders and build foundations for sustainability by establishing a health and transparent governance. Guided by this charter, SL will put forth its utmost efforts to ensure its sustainability for stakeholders including shareholders, customers, executives and employees, and the board of directors affirms its willingness to play leading roles in such endeavors. The board of directors will continue strengthening diversity, expertise, and independence. Under the supervision of the board of directors, the management will practice transparent and responsible management to promote the rights and interests of shareholders, customers, executives and employees, suppliers, and other stakeholders in a balanced manner.

## Board of directors

### Board members

As the supreme standing decision maker at SL Corporation, the board of directors decides on business goals and strategies in the interest of the company and its shareholders and effectively supervises the management. Board members are appointed through transparent processes to widely incorporate opinions from many different shareholders. As of December 2021, the board of directors consists of three internal and three independent (50%) directors as per the legal requirements

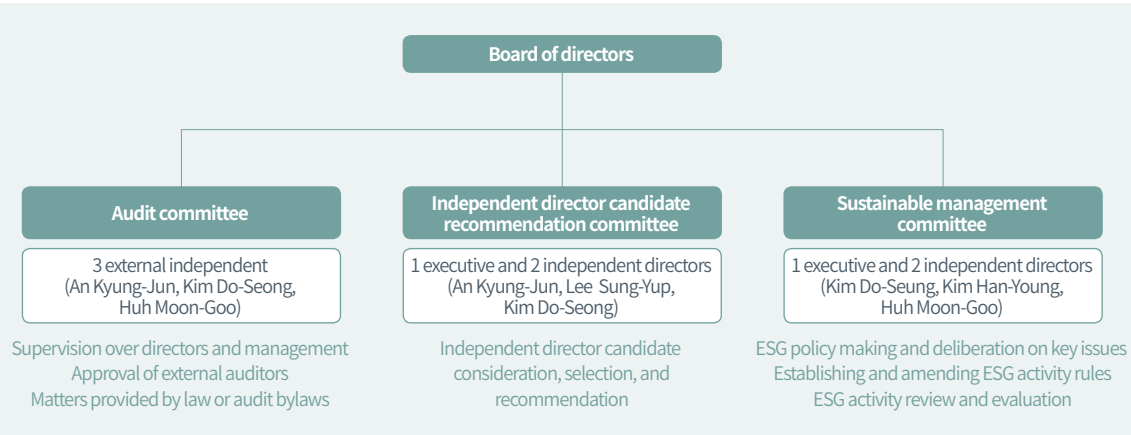
As of May 2022

Type	Name	Present and former positions	Tenure	Area of expertise	Gender
Executive directors	Lee Sung-Yup	(Present) Co-President, SL Corporation	2006.04.01 – 2023.03.30	General management	Male
	Kim Han-Young	(Former) President, SL Seobong Corp. (Present) Co-President, SL Corporation	2022.03.29 – 2025.03.29	Lamp	Male
	Kim Jueong-hyun	(Former) General manager, Beijing Samlip (Present) Co-President, SL Corporation	2021.03.31 – 2024.03.30	Chassis	Male
Inde- pendent directors	An Kyung-Jun	(Former) General manager, Kyung Shin Accounting Corporation (Present) Audit committee chair, SL Corporation (Concurrent) General manager, Sunil Accounting & Consulting Firm	2020.03.31 – 2023.03.30	Financial audit	Male
	Huh Moon-goo	(Former) President, Korean Strategic Management Society (Former) Vice president, Korean Academic Society of Business Administration (Present) Auditor, SL Corporation (Concurrent) Professor, Kyungpook National University Business School	2022.03.29 – 2025.03.29	Business organization, human resources	Male
	Kim Do-Seong	(Former) Member, KRX Corporate Review Committee (Present) Auditor, SL Corporation (Concurrent) Professor, Sogang University Business School	2020.07.16 – 2023.07.15	Business, capital market	Male

## Committees under the board of directors

SL Corporation runs the audit committee, the independent director candidate recommendation committee, and the sustainable management committee pursuant to the board of directors’ bylaws. These committees are assisted by the audit office, the accounting team, and the finance team. Organizing and running these committees is intended to ensure professional and efficient decision making and strengthen the independence and transparency of the board of directors.

### Committees under the board of directors



### Audit committee

Responsible for internal audits, the audit committee entirely consists of independent directors to guarantee its independence, and the committee is chaired by an independent director. Accounting and financial experts are involved in the committee activities to provide expertise, and the committee members undergo online training conducted by an independent institution. Also, the audit office was installed directly under the audit committee to assist in handling relevant matters and implementing the compliance system.

### Independent director candidate recommendation committee

The independent director candidate recommendation committee was established in March 2021 seeking to strengthen the independence of the board of directors. The committee consists of an executive director and two independent directors (66.7%) and is chaired by an independent director. The committee’s roles include to verify the independence of independent director candidates and their fitness for the role and recommend candidates to the board of directors.

### Sustainable management committee

The sustainable management committee was newly established in 2022. Chaired by an independent director, the committee consists of an executive director and two independent directors (66.7%). The sustainable management committee will play central roles in discussing sustainability policies and issues and systemically managing relevant activities and track records.

# Governance

## Board of directors operation

### Board meetings and resolutions

Board meetings are categorized into regular quarterly board meetings and extraordinary board meetings convened as needed. At a board meeting, a resolution requires the presence of a majority of the directors and majority votes of the directors present. Directors, all or some of them, may choose not to physically attend a meeting but to vote using a remote communication methods to receive and transmit voice from and to all directors in real time.

### Board meetings in 2021



### Directors’ remuneration

Directors’ remuneration is paid in consideration of their position and roles within the limit of the director’s remuneration budget approved at a shareholders meeting pursuant to the articles of association. All payment records are disclosed to stakeholders through quarterly reports.

### Directors’ remuneration

Category	No.	Total remuneration paid	Avg. per person
Executive	3	2,496	624
Independent	3	54	18

(As of December 2021, unit: KRW million)

## Independent directors’ responsibility, evaluation, and remuneration

### Independent directors’ responsibility

Independent directors, take part in making decisions on important business policies and supervise and support the management as board members. To ensure this, we at SL check if any of the independent directors hold a position at SL or any affiliates and review their history as independent directors and independence from SL. There are no internal rules about whether to allow an independent director to hold a concurrent position at another business. However, to ensure they fulfill their responsibility fully and faithfully, they are not allowed to hold concurrent positions as a director, executive, or auditor at two or more listed company other than SL. If an independent director holds his/her position for longer than six years, the reason should be clarified and disclosed.

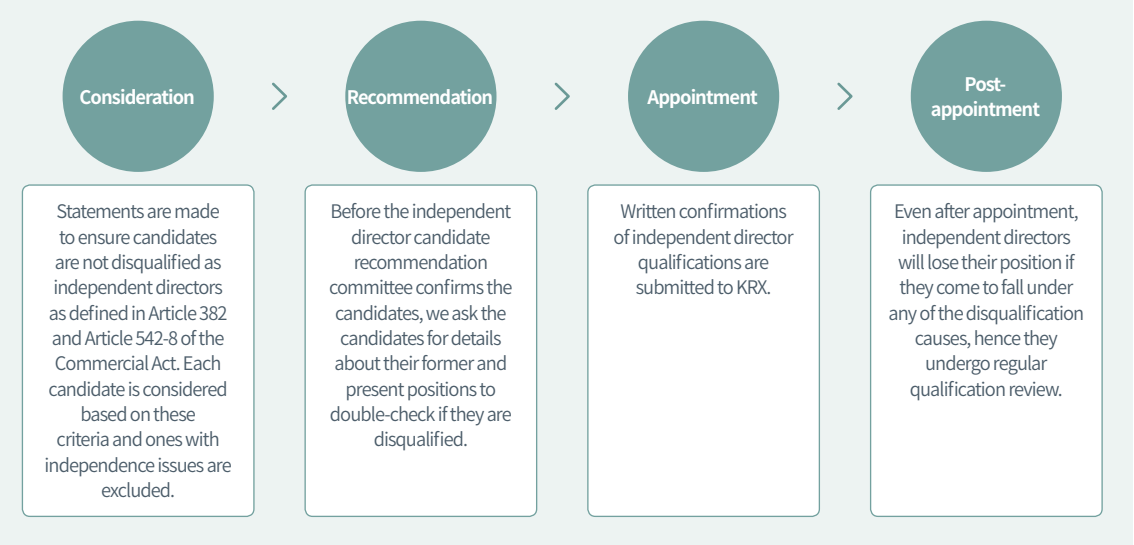
### Independent directors’ evaluation, and remuneration

Independent directors’ evaluation is based on individual directors’ performance including attendance, contribution to decision making, and the provision of effective and professional advice. And the results are also considered in making decisions on reappointment. To encourage Independent directors to play their roles more actively, their activities are assessed fairly, and their remuneration and reappointment are determined based on the results. Independent directors’ remuneration limit is approved at a regular general shareholders meeting in consideration of their evaluation results, responsibility, and risks involved in their roles, and the execution of the remuneration is delegated to the board of directors.

## Independence and transparency of the board of directors

The independence and transparency of the board of directors is critical to build an ethical corporate culture and a healthy governance. We at SL Corporation disclose full details about directors before the general shareholders meeting for their appointment. To allow shareholders to have sufficient time to consider sufficient amounts of information about director candidates, details about their relationships with the nominator and the largest shareholder and the history of their transactions with the company are publicly disclosed. All processes from considering independent director candidates and post-appointment stages are subject to thorough review and verification to ensure independence.

### Independent directors’ independence



## Expertise and diversity of the board of directors

To ensure expertise and diversity, SL chooses directors from those who have professional knowledge and/or experience in business administration, economy, law, or relevant technologies or have social reputation. For executive directors, the board of directors considers candidates’ qualifications and background and selects candidates to nominate at the general shareholders meeting. For independent directors, criteria to select the right person include not only the legal qualification requirements provided in the Commercial Act but also many other factors to consider their expertise and experience.



# Governance

## Board of directors operation

### Guaranteeing shareholders’ rights

To protect the rights and interest of shareholders, providing them with sufficient information for them to exercise their rights in a timely manner is essential. We at SL Corporation send a written notice to shareholders two weeks prior to a general shareholders meeting, specifying the time and date, venue, and agenda of the meeting, and make a public announcement of the convening of the meeting. Furthermore, we also provide details about director candidates, such as their experience and expertise, reasons why they are nominated, their independence, positions concurrently held, if any, delinquency, and if they are part of the management of an insolvent company, two weeks prior to the general shareholders meeting. For reappointment, shareholders are provided with details to help them assess the candidates based on information about their previous activities as board members, for example meeting attendance and voting, disclosed through general shareholder meeting notices and business reports, among others. This allows shareholders to have sufficient information to consider the agenda and candidates and exercise their rights through the appropriate procedures.

### Raising value for shareholders

Provision of sufficient information

Shareholders meeting details

① Time, date, and venue publicly announced on KRX on the date of the board resolution.  
② Two-weeks notice prior to the general shareholders meeting

Director candidate details

① Candidates’ details provided two weeks prior to the general shareholders meeting  
② Details about reappointed director candidates disclosed in a transparent manner

Active voting rights

Electronic voting system (March 2021)

Introduced to facilitate shareholders’ exercising their voting rights

Giving back to shareholders

Dividends and relevant disclosure

Dividends paid regularly and relevant details (amount per stock and time and date) disclosed two weeks prior to general shareholders meeting on the disclosure system and by post

# Risk Management

## Risk management system

### Risk management policy and operation

SL conducts company-wide risk management. The finance team develops annual financial scenarios and sets relevant signposts, and we regularly monitor them with the focus on preventing potential risks proactively. We hold financial review meetings to monitor company-wide liquidity, foreign exchange risks, and financial market conditions and report to the management. The financial review meetings are held regularly (monthly), and we also organize special reporting sessions to make in-depth discussions over extraordinary agenda as needed. We have built a system to report risks to the management without delay as soon as they are identified, thereby preventing them and taking swift follow-up measures. The audit office and accounting team are responsible for monitoring risks in daily business settings.

### Risk management process



### Financial review meeting agenda

Regular reporting		Special reporting
Liquidity risk reporting	FX risk reporting	Reviewing funding support to suppliers
KRI*/bond delinquency rate/debts	FX in/outflow records	Reviewing receivables uncollected (Korea)
Available funds in new overseas operations	FX rate monitoring	Financial results of clients/JVs
Development costs recovery	Financial market monitoring	2022 financial strategy reporting
Receivables standing	FX rate and inflation	
Signpost observation		
Scenario signpost monitoring		

(As of December 2021)

\* KRI: Key Risk Indicator

# Risk Management

## Tax policy

We at SL understand that complying with the tax laws and systems and actively managing tax risks are essential to contribute to national wealth, ensure interest of customers, maximize shareholders’ profits, and establish a sustainable business. We set standards and procedures for transparent tax payment and risk management and ensure our policy is fully in compliance with relevant laws and regulations.

### Tax management principles

- SL’s executives and employees involved in tax accounting faithfully perform the obligations to report and pat tax under relevant laws and regulations and keep transparent relations with the tax authority.
- SL responds to investigations and requests from the tax authority in a transparent and responsible manner.
- Where there are changes in relevant laws and regulations, for example an amendment to the tax law and the establishment of a regulation or case law, SL monitors what would be potentially applicable to SL, considers relevant risks and responds to them accordingly.
- SL honestly reports and pays tax in compliance with laws and tax treaties in jurisdictions where it conducts business activities and faithfully performs its obligations as a taxpayer in close cooperation with tax authorities in respective countries.
- SL does not conduct trans-border income shifting or tax dodging by taking advantage of differences in tax laws in different jurisdictions, vacuums in the international taxation system, or tax havens. SL works to ensure the lawful distribution of taxable income from the value generated in all countries where SL is present and conducts business activities.
- Pursuant to country-specific base erosion and profit shifting (BEPS) reporting and other rules, SL submits details about transfer prices to tax authorities and appoints external professionals if needed.
- SL’s tax payment details are disclosed publicly and transparently. Information on corporate tax cost estimation criteria, deferred tax assets and liabilities, corporate tax costs breakdown, and applicable tax rates can be found from the financial statements and notes in SL’s audit reports, which are prepared by an external auditor for transparency and objectivity.
- SL does not use tax structures without commercial substance to evade tax.
- In transactions with affiliates, SL sets prices based on the normal prices (normal trading prices with third parties not in a special relationship). The appropriateness of the transfer prices is verified by external experts.

# Ethical Management and Compliance

## Ethical management system

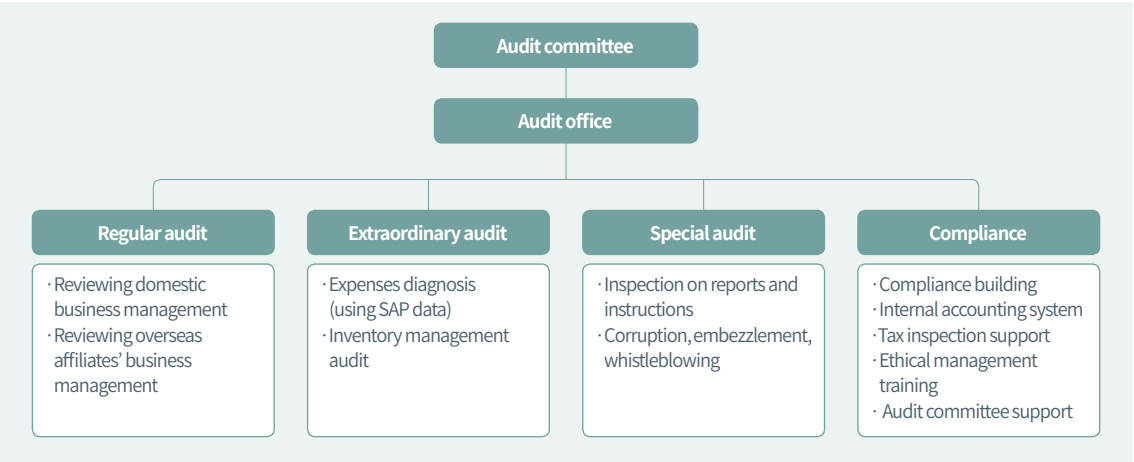
### Ethical management policy and organization

Since its declaration of ethical management, SL Corporation has established an ethical management system and dedicated organization in an effort to realize ethical values in its business activities and the conduct of its executives and employees. In 2020, we at SL thoroughly considered the Universal Declaration of Human Rights and the Ten Principles of the UNGC and incorporated them in its revised rules of ethics and guidelines, which are available on our homepage. In addition, we reorganized the audit office, which is responsible for ethical management and compliance, to be under the direct supervision of the audit committee to strengthen its independence. By establishing ethical management, SL Corporation contributes to building a healthy business culture and a healthy society.

### Ethical management policy



### Ethical management organization





# Ethical Management and Compliance

## Internalizing ethical culture

### Ethics training for executives and employees

We at SL conduct ethics training to ensure our executives and employees act transparently, fairly, and reasonably in everything they do at work by helping them better understand key ethical values.

Team leaders took the ethics training in 2019, and entry level and career position new hires took ethics training in 2020 and 2021. For the company-wide internalization of ethical culture, we plan to further expand the scope of the training to require all executives and employees undergo ethics training in 2022.



Online Collective Education for Ethical Business

### Ethics and compliance pledge

All executives and employees at SL are required to sign and submit an ethics and compliance pledge. SL's intranet portal has a pledge signing system to ensure well-organized management. Suppliers are asked to sign and submit a compliance pledge as their commitment to compliance with anti-corruption rules and ethical business practice, thereby building fair mutual relations based on trust.



Pledge signing system

### SL whistleblowing system

Established in 2014, SL's whistleblowing system is accessible by executives, employees, and people outside the company through the company website and intranet portal. This system is based on the three key principles, i.e., protection, reward, and consensus. All reports are immediately delivered to the audit office for internal inspections, and reporters, being treated anonymous, may be contacted to take appropriate measures. Once the case is closed, we put a comment to the original post written by the reporter to inform them of the results.

### 3 key principles of the SL whistleblowing system

**Protection**

**Whistleblowers' confidentiality**

- No IP tracking (system retention)
- Reporters kept anonymous (confidentiality and no disadvantages in human resources affairs)

**Reward**

**Cash rewards worth 10% of value estimated by the audit**

- Payment methods negotiated using comments on the whistleblowing system

**Disciplinary actions against misconduct overlookers/conniver**

**Consensus**

**Sharing details about key reports and actions taken**

- EKP popups half-annually

**Strengthening education on the necessity of the whistleblowing system**

- In new hire training and team leader training



## Compliance

### Third-party compliance assessment

SL has a third party conduct a compliance assessment to ensure compliance in all areas of its operations. The third-party assessment provides area-specific details and needs for complement to be done by each team. This is SL Corporation's voluntary initiative to make up for shortcomings internally and strengthen compliance. We at SL will continue curbing potential compliance risks and ensuring executives' and employees' compliance.

### Area-specific improvement

**Anti-corruption**

- Compliance pledge to ensure third party compliance
- Customer, supplier, employee relation guidelines

**Fair trade**

- Documenting supplier due diligence and selection processes
- Systemizing technical data requests and receiving processes
- Contracts in compliance with the subcontracting law

**Personal information**

- Updating the privacy consent form
- Updating the privacy policy
- Updating CCTV and site surveillance guidelines

**Trade secrets**

- Monitoring compliance with security procedures
- Completing new hire and resignee management process
- Executives' and employees' awareness of trade secrets

**HRM and labor**

- Workplace sexual harassment and bullying guidelines
- Illegal dispatch risk management guidelines

**Occupational safety and environment**

- Complementing safety and health systems and organizations
- Improving field staff's understanding of occupational safety

**Governance**

- Internal role sharing rules for responsible business management
- Revising the board of directors operation rules

**Capital market**

- Disclosure and unfair stock trade training for executives and employees
- Disclosure training for all executives and employees

**Foreign exchange**

- Regular review of work manuals
- Regular audit of documentary proof retention
- Training materials posted on the internal portal

**Accounting and tax**

- Advanced internal accounting management
- Checklists to clarify work processes

# Ethical Management and Compliance

## Compliance

### Internal control system

SL's internal accounting management system works as an internal control system to ensure the trustworthiness and accuracy of financial information and proactively manage financial statement risks. This system works to prevent errors and misconducts that may result in distortions in financial statements. Th appropriateness of the system management is verified by an independent external auditor.

### Audit

As part of SL's efforts for compliance management, all SL affiliates undergo regular, extraordinary, and special audits. Well-structured procedures are applied to determine their compliance and appropriate improvement measures are taken if needed, thereby ensuring organization-wide compliance.

### Audit process



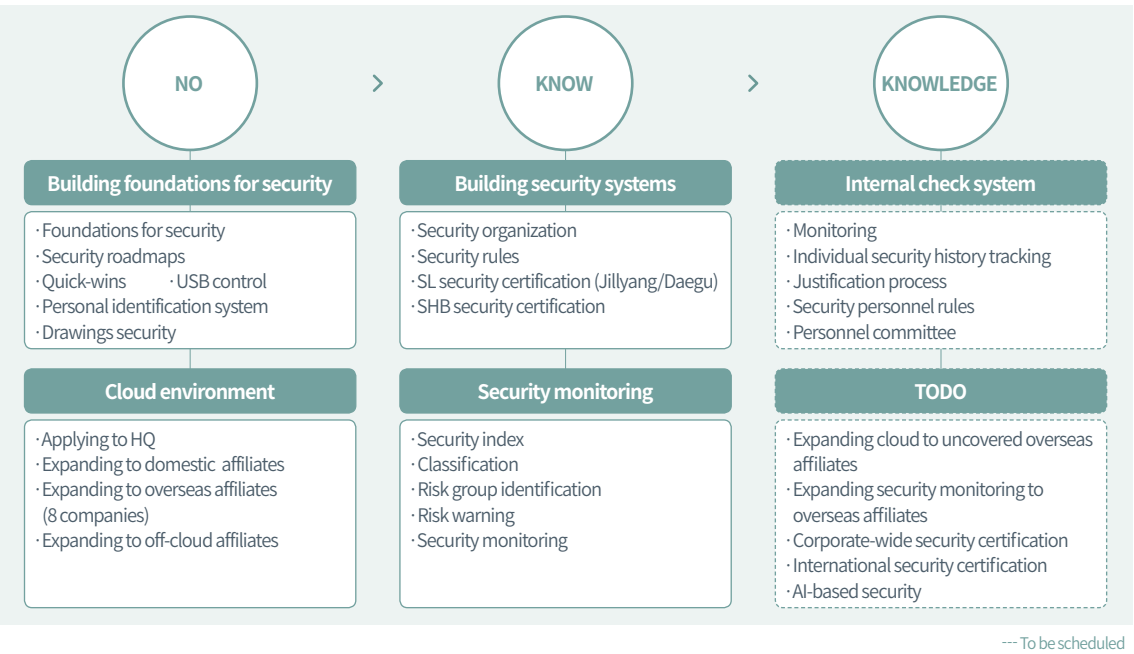
# Information Protection

## Information protection management system

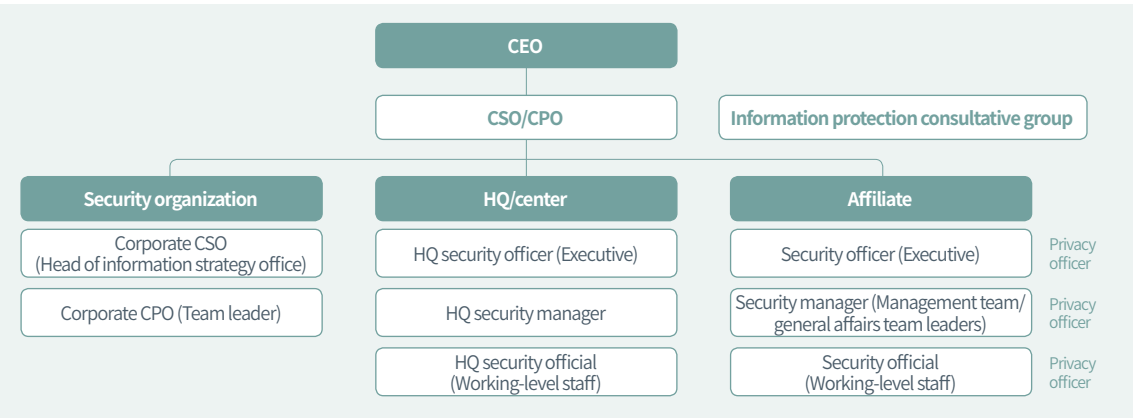
### Information protection strategy and organization

SL Corporation has established a system to protect its technology and personal information by following and abiding by laws and international standards on information protection. The focus is on minimizing impact on productivity by reducing the blocking of information circulation and managing and clarifying the flow of information. Corporate, headquarters, and affiliate security officers and managers are designated under the supervision of the chief security officer (CSO). With systemized security management, SL experienced no personal information leaks in 2021. .

### SL's security strategy



### Security organization





# Information Protection

## Security infrastructure

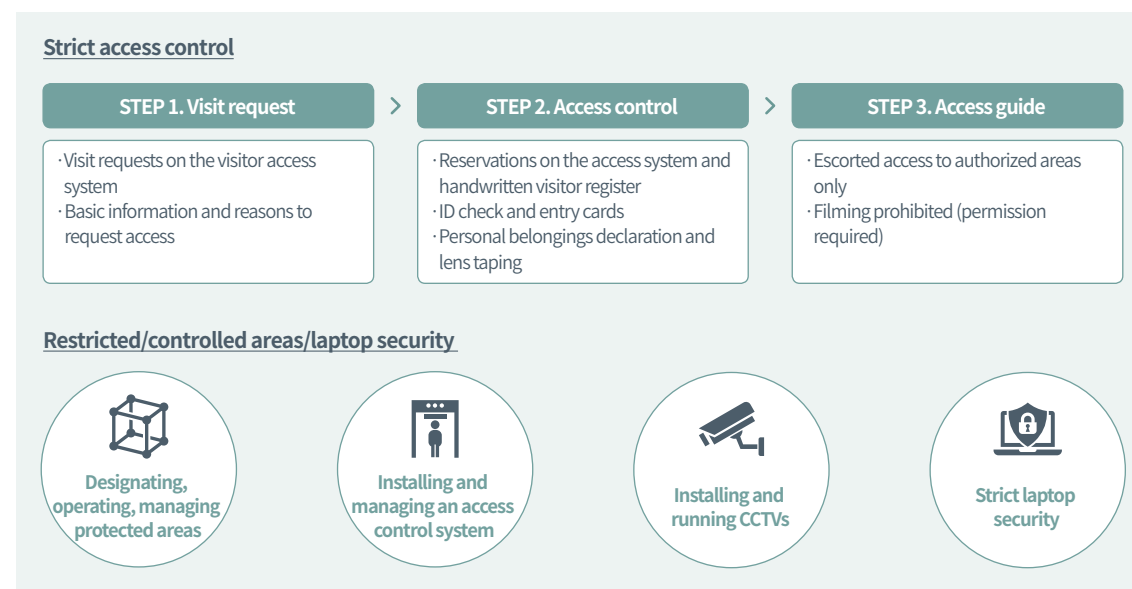
### Administrative, physical, and technical security

At SL Corporation, security revolves around the three core axes – administrative, physical, and technical security which correspond to security policy and rules, access control against external personnel and devices, and system and network security measures, respectively.

#### Administrative security

Redefining security rules	<ul style="list-style-type: none"> <li>Establishing/revising security rules and documenting detailed instructions</li> <li>Revising security rules</li> <li>Documenting security process</li> </ul>
Security training	<ul style="list-style-type: none"> <li>Regular training sessions for executives and employees' security awareness and cautiousness</li> <li>Internal notices to encourage working-level staff to attend external training/seminars</li> </ul>
Security pledge	<ul style="list-style-type: none"> <li>Retaining and managing security pledges and personal information provision and use consent forms collected from executives, employees, and external personnel involved in operations and projects</li> </ul>
Phishing drill	<ul style="list-style-type: none"> <li>Simulation scam phishing with executives and employees to prevent malware infection</li> </ul>
Security day	<ul style="list-style-type: none"> <li>Portal posting: Monthly themes for internal security checks by team leaders</li> <li>Security day event: Random visits to an affiliate to check its security conditions</li> </ul>

#### Physical security



#### Technical security

SL Cloud	<ul style="list-style-type: none"> <li>SL Cloud to assetize documents, drawings, and emails → integrated search functionality</li> <li>Confidential documents may be taken out after obtaining approval (with limited views, periods, and no PDF conversion)</li> </ul>
Comprehensive security status	<ul style="list-style-type: none"> <li>Security databases to give notices on security history and abnormality</li> <li>Comprehensive security status for proactive security</li> </ul>

## Security activities

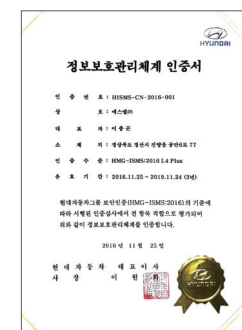
### Personal, team, corporate security scores

SL built a system to visualize security indices, quantified security preparedness of SL employees in the score form, in real time. For example, an individual's security score will decrease if he/she fails to upload his/her signed security pledge on a regular basis. And supervisors can see the security scores of people they supervise, hence overall individual and team security management. This aims to proactively prevent security incidents such as illegal program downloading and hacking by activating constant security checks, rather than pursuing ex-post response to security issues. SL Corporation puts forth efforts to make a regular habit of security checks in daily work environments and establish security as part of the organizational culture.



### Security certification

SL Corporation obtained the H-ISMS (HKMC Information Security Management System). With this certification scheme, Hyundai-Kia Motors recognizes companies for security levels specifically suitable for the automotive industry. Regular reviews are conducted to reverify the security level.







# APPENDIX

Consolidated Financial Statements	106
ESG Data	109
GRI Content Index	125
GHG Emissions Verification Statement	130
Third-party Verification Statement	131
Awards and Membership	133



# Consolidated Financial Statements

Period 54: As at 2021.12.31  
Period 53: As at 2020.12.31  
Period 52: As at 2019.12.31

## Consolidated statement of financial position

(Unit: KRW)

지역	Period 54	Period 53	Period 52
Assets			
I . Non-Current Assets	966,165,465,109	898,576,967,799	874,408,516,275
Tangible assets	645,617,646,184	605,117,734,353	566,880,835,497
Investment properties	27,527,261,654	28,043,009,899	28,518,992,656
Rights of use	2,185,133,072	4,597,231,980	5,937,051,933
Intangible assets	17,505,407,494	18,828,885,132	20,223,922,345
Other non-current receivables	1,616,765,942	1,262,233,606	1,248,440,638
Investments in associates and joint ventures	159,590,347,348	156,658,222,673	156,096,895,394
Deferred income tax assets	8,126,095,151	6,882,733,231	19,160,253,057
Non-current financial assets	66,709,847,442	51,736,171,381	51,695,741,675
Other non-current asset	37,286,960,822	25,450,745,544	24,646,383,080
II . Current assets	1,601,327,668,417	1,440,379,978,327	1,399,218,046,180
Inventory	360,848,443,124	245,188,443,073	247,838,974,691
Accounts receivables & other receivables	636,362,743,143	637,243,839,108	557,927,849,027
Current financial assets	159,683,142,626	238,316,270,668	225,341,088,986
Other financial assets	113,870,048,102	167,188,083,866	231,663,521,351
Current income tax assets	16,993,637,496	19,331,210,278	12,433,625,468
Cash and cash equivalents	313,569,653,926	133,112,131,334	124,012,986,657
Total assets	2,567,493,133,526	2,338,956,946,126	2,273,626,562,455
Equity			
I . Controlling invest equity	1,501,766,343,972	1,409,520,352,618	1,360,506,928,029
Capital	24,101,638,500	24,101,638,500	24,101,638,500
Additional paid-in and other capital	459,660,393,730	459,660,393,730	459,660,393,730
Capital adjustment	-12,700,611,810	-12,700,611,810	-8,092,345,538
Accumulated other comprehensive income	-5,674,479,790	-33,730,031,919	-27,163,767,123
Retained earnings	1,036,379,403,342	972,188,964,117	912,001,008,460
II . Non-controlling invest equity	16,707,940,934	15,648,075,044	18,211,133,549
Total equity	1,518,474,284,906	1,425,168,427,662	1,378,718,061,578

(Unit: KRW)

지역	Period 54	Period 53	Period 52
Liabilities			
I . Non-current liabilities	150,495,730,758	139,728,753,306	165,494,307,407
Provisions for non-current liabilities	33,110,538,600	38,705,178,201	38,974,339,341
Other non-current liabilities	13,223,718,218	13,717,548,916	10,498,162,308
Non-current financial liabilities	36,242,428,605	18,624,173,739	27,013,705,227
Non-current lease liabilities	731,335,833	3,364,568,772	3,898,635,171
Defined benefit liabilities	38,508,503,079	34,474,716,391	48,934,903,617
Deferred income tax liabilities	28,679,206,423	30,842,567,287	36,174,561,743
II . Current liabilities	898,523,117,862	774,059,765,158	729,414,193,470
Provisions for current liability	18,240,028,163	22,307,409,696	30,036,431,315
Trade and other current payables	434,751,261,045	418,070,875,937	384,136,622,672
Current financial liabilities	398,956,296,472	284,799,044,707	248,112,727,128
Current lease liabilities	602,367,636	620,468,315	1,279,497,821
Other current liabilities	20,609,024,296	31,363,958,733	65,269,193,666
Current tax liabilities	25,364,140,250	16,898,007,770	579,720,868
Total liabilities	1,049,018,848,620	913,788,518,464	894,908,500,877
Total liabilities and equity	2,567,493,133,526	2,338,956,946,126	2,273,626,562,455

# Consolidated Financial Statements

Period 54: 2021.01.01 - 2021.12.31  
Period 53: 2020.01.01 - 2020.12.31  
Period 52: 2019.01.01 - 2019.12.31

## Consolidated statement of profits and losses

(Unit: KRW)

지역	Period 54	Period 53	Period 52
I . Sales	3,001,142,196,348	2,505,016,886,581	2,262,212,220,833
II . Cost of goods sold	2,714,481,015,510	2,250,232,419,789	2,052,543,751,127
III. Gross profit	286,661,180,838	254,784,466,792	209,668,469,706
Selling and administrative expenses	176,120,257,464	161,620,303,058	166,066,865,560
IV. Operating income	110,540,923,374	93,164,163,734	43,601,604,146
V . Non-operating income	44,936,582,840	-4,188,210,537	38,293,357,528
Gain on investment in associates and joint ventures	11,948,774,581	6,616,562,516	23,011,591,077
Financial income	10,676,134,167	10,154,834,553	9,776,997,248
Other income	59,634,655,650	55,776,111,699	57,445,788,225
Financial cost	-11,159,372,444	-10,046,023,822	-12,008,925,086
Other non-operating cost	-26,163,609,114	-66,689,695,483	-39,932,093,936
VI. Income before income tax expenses	155,477,506,214	88,975,953,197	81,894,961,674
VII. Income tax expenses	-59,264,961,516	-24,772,878,626	5,197,954,577
VIII. Net income	96,212,544,698	64,203,074,571	87,092,916,251
Net income attributable to			
Controlling interests	96,450,532,586	65,675,124,927	85,799,441,282
Non-controlling interests	-237,987,888	-1,472,050,356	1,293,474,969
IX. Earnings per owner’s share			
Basic and diluted earnings per share	2,094	1420	1979

# ESG Data

## Economy

### Economic value creation and distribution

Category	Items	Unit	2019	2020	2021
Customers	Revenues	KRW	1,407,091	1,739,395	1,994,230
Shareholders and investors	Dividends, interests	KRW million	18,591	23,032	23,028
Suppliers	Purchases	KRW million	936,599	1,054,217	1,267,620
Executives and employees	Salary, retirement benefits, welfare expenses	KRW million	289,835	349,043	365,016
Governments and NGOs	Tax and public imposts, income tax	KRW million	15,363	30,996	66,272
Community	Donations, CSR contributions	KRW million	78	3,182	158

\* Based on separate financial statements

### Government support

Category	Items	Unit	2019	2020	2021
Government support	Tax exemption and deduction	KRW million	13,680	11,629	14,355
	Subsidies	KRW million	1,156	1,207	137
	Investment, R&D, other support	KRW million	925	1,858	3,814

### Entry-level new hires’ wage compared to the minimum wage (by gender)

Category	Unit	2019	2020	2021
New hire (male)	%	217.5%	215.7%	213.6%
New hire (female)	%	208.0%	206.4%	204.7%

### R&D

Category	Unit	2019	2020	2021
Total R&D investment	KRW million	117,804	133,288	135,203
% R&D/revenues	%	8.4%	7.7%	6.8%

### Patents and utility models (last 3 years)

Category	Type	Unit	2019	2020	2021
Domestic	Registered	Case	93	47	66
	Pending	Case	102	113	102
International	Registered	Case	39	49	53
	Pending	Case	55	83	65



# ESG Data

## Environment

### All domestic operations (excluding GHG)

#### Materials management

Category	Operation	Unit	2019	2020	2021	Remarks
Materials used	Daegu Plant	kg	5,474,328	5,377,980	5,165,734	Molding materials (ABS, PC, PBT, PMMA), hot melt, paint, hard coat
	Cheonan Plant	kg	3,471,515	2,654,286	2,929,874	
	Ansan Plant	kg	4,226,641	4,218,654	4,399,747	
	Sungsan Plant	kg	2,430,398	3,379,508	2,085,538	
	Jillyang Plant	kg	1,552,556	1,161,864	1,193,419	
	Electronics Plant	kg	222,684	239,916	526,547	Solder wire, solder band, solder cream, hot melt, etc.
	Total	kg	17,378,122	17,032,208	16,300,859	

#### Energy management

##### Energy consumption

Category	Type	Unit	2019	2020	2021	Remarks
Total non-renewable fuel consumption in organization	-	TJ	22	21	21	- Reporting standard, method, assumption, calculation formula used: Energy consumption * total heating value (higher heating value)
Total renewable fuel consumption in organization	-	TJ	0	0	0	
Power consumption	Electricity	TJ	1,083	1,013	1,016	
	Heat	TJ	0	0	0	
	Cooling	TJ	0	0	0	
	Steam	TJ	0	0	0	- Source for unit conversion factors used: Guidelines on GHG, energy target management, etc. (Ministry of Environment Notification No. 2016-255) and 2006 IPCC Guidelines
Power sold	Electricity	TJ	0	0	0	
	Heat	TJ	0	0	0	
	Cooling	TJ	0	0	0	
	Steam	TJ	0	0	0	
Total energy use	-	TJ	1,101	1,030	1,032	

##### Energy intensity

Category	Unit	2019	2020	2021	Remarks
Total energy	TJ	1,105	1,033	1,037	- Measurement unit (denominator) used for intensity calculation: total revenue
Total domestic revenue	KRW 100 million	19,324	20,311	19,942	- Types of energy included in intensity: fuel (LNG, propane, diesel, petrol, etc.), electricity
Energy intensity	TJ/KRW 100 million	0.0571	0.0508	0.0519	- Internal/external/internal and external organization intensity: internal

#### Water resources management

Category	Unit	2019	2020	2021
Water intake	Ton	150,814	125,398	159,473

Category	Operation	Unit	2019	2020	2021	Remarks
Water usage	Daegu	Ton	22,166	14,016	18,983	
	Cheonan	Ton	20,826	25,209	20,823	
	Ansan	Ton	33,011	32,377	44,850	
	Sungsan	Ton	21,128	15,238	19,431	
	Jillyang	Ton	42,474	32,928	48,279	
	Electronics	Ton	11,209	5,630	7,107	
	Total water usage	Ton	150,814	125,398	159,473	
	Basic unit usage	Ton/KRW 100 million	7.804	7.209	7.997	Based on revenue

Category	Unit	2019	2020	2021	Remarks
Wastewater generation	Ton	43,714	41,625	49,001	

\* All of SL's six domestic operations are Category 5 operations, hence not subject to the water pollutants emission reporting requirements.

#### Air pollutants management

Category	Type	Unit	2019	2020	2021	Remarks
Air pollutants emissions	THC	ppm	688.36	364.41	529.58	Number of outlets measured: Daegu 5, Sungsan 5, Ansan 4, Electronics 5, Jillyang 4, Cheonan 8
	Dust	mg/Sm³	151.00	114.89	70.70	Number of outlets measured: Daegu 5, Sungsan 5, Ansan 4, Electronics 5, Jillyang 4, Cheonan 8

\* NOx, SOx not applicable

ESG Data

Environment

GHG management

Category	Site	Unit	2019	2020	2021	Remarks
Direct GHG emissions (Scope 1)	Domestic					- Gases included in calculation (CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> ): CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O - Biological CO <sub>2</sub> emissions: 0 - Base year: Domestic) 2019-2021, overseas)2021 - Source for emission factors and GWP used: Ministry of Environment's guidelines on GHG, energy target management, etc., 2006 IPCC Guidelines, Global warming potential (GWP), IPCC second assessment report - Approach (equal division/financial control/ operational control): operational control - Standard, methodology, assumption used: ISO14064-3, Ministry of Environment's guidelines on GHG, energy target management, etc.
	Daegu	tCO <sub>2</sub> eq	163.088	136.993	123.895	
	Cheonan	tCO <sub>2</sub> eq	227.907	209.475	259.952	
	Ansan	tCO <sub>2</sub> eq	147.802	121.439	144.311	
	Sungsan	tCO <sub>2</sub> eq	219.094	166.669	179.761	
	Jillyang	tCO <sub>2</sub> eq	466.787	351.676	361.669	
	Electronics	tCO <sub>2</sub> eq	108.685	176.037	133.151	
	Overseas					
	SL Yantai	tCO <sub>2</sub> eq	-	-	54.312	
	SL Poland	tCO <sub>2</sub> eq	-	-	132.661	
	SL Tennessee	tCO <sub>2</sub> eq	-	-	25.551	
	SL Lumax	tCO <sub>2</sub> eq	-	-	196.786	
	SL AP	tCO <sub>2</sub> eq	-	-	137.16	
	Beijing Samlip	tCO <sub>2</sub> eq	-	-	38.136	
	Shanghai Samlip	tCO <sub>2</sub> eq	-	-	37.921	
	Dongfeng Samlip	tCO <sub>2</sub> eq	-	-	6.302	
	Qinchuan Samlip	tCO <sub>2</sub> eq	-	-	29.639	
	Tri-ring SL	tCO <sub>2</sub> eq	-	-	1.916	
	Hubei Samlip	tCO <sub>2</sub> eq	-	-	20.042	
	SL Alabama	tCO <sub>2</sub> eq	-	-	154.919	
	SL Brazil	tCO <sub>2</sub> eq	-	-	3.801	

Category	Site	Unit	2019	2020	2021	Remarks
Indirect GHG emissions (Scope 2)	Domestic					<div>- Gases included in calculation (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>): CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</div> <div>- Biological CO<sub>2</sub> emissions: 0</div> <div>- Base year: Domestic) 2019-2021, overseas)2021</div> <div>- Source for emission factors and GWP used: Ministry of Environment's guidelines on GHG, energy target management, etc., 2006 IPCC Guidelines, Global warming potential (GWP), IPCC second assessment report</div> <div>- Approach (equal division/financial control/operational control): operational control</div> <div>- Standard, methodology, assumption used: ISO14064-3, Ministry of Environment's guidelines on GHG, energy target management, etc.</div>
	Daegu	tCO <sub>2</sub> eq	9330.121	7891.999	7673.2	
	Cheonan	tCO <sub>2</sub> eq	11758.91	10530.157	9143.19	
	Ansan	tCO <sub>2</sub> eq	10404.135	9840.243	10847.346	
	Sungsan	tCO <sub>2</sub> eq	6896.924	6394.177	6543.227	
	Jillyang	tCO <sub>2</sub> eq	11129.938	11378.289	11313.673	
	Electronics	tCO <sub>2</sub> eq	2516.286	2656.214	2552.441	
	Overseas					
	SL Yantai	tCO <sub>2</sub> eq	-	-	10238.537	
	SL Poland	tCO <sub>2</sub> eq	-	-	892.635	
	SL Tennessee	tCO <sub>2</sub> eq	-	-	4061.644	
	SL Lumax	tCO <sub>2</sub> eq	-	-	11593.473	
	SL AP	tCO <sub>2</sub> eq	-	-	4214.134	
	Beijing Samlip	tCO <sub>2</sub> eq	-	-	6050.897	
	Shanghai Samlip	tCO <sub>2</sub> eq	-	-	1577.422	
	Dongfeng Samlip	tCO <sub>2</sub> eq	-	-	1702.668	
	Qinchuan Samlip	tCO <sub>2</sub> eq	-	-	3576.094	
	Tri-ring SL	tCO <sub>2</sub> eq	-	-	100.479	
	Hubei Samlip	tCO <sub>2</sub> eq	-	-	2311.166	
	SL Alabama	tCO <sub>2</sub> eq	-	-	9711.118	
	SL Brazil	tCO <sub>2</sub> eq	-	-	1894.674	
Total GHG emissions	Total (domestic)	tCO <sub>2</sub> eq	52,925	50,354	49,817	
	Total (overseas)	tCO <sub>2</sub> eq	-	-	58,764.087	
GHG emission intensity	-	tCO <sub>2</sub> eq/KRW 100 million	2.79	2.48	2.49	<div>- Intensity denominator: total revenue</div> <div>- Types of GHG included in GHG emission intensity calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</div> <div>- All gas types included in calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</div>
GHG reductions	-	tCO <sub>2</sub> eq	1,106	3,571	537	<div>- All gas types included in calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</div> <div>- Base year: 2018-2021</div> <div>- Emission scope: Scopes 1,2</div> <div>- Reporting standard, methodology, assumption, calculation formula used: ISO14064-3, Ministry of Environment's guidelines on GHG, energy target management, etc.</div>



# ESG Data

## Environment

### Waste management

#### Waste generation

Category	Site	Unit	2019	2020	2021
Specified waste	Daegu Plant	Ton	15.81	17.9	8.2
	Cheonan Plant	Ton	67.59	77.7	46.54
	Ansan Plant	Ton	17.59	35.43	28.02
	Sungsan Plant	Ton	129	115.08	93.68
	Jillyang Plant	Ton	35.29	17.98	29.58
	Electronics Plant	Ton	1.49	1.53	0.83
General waste	Daegu Plant	Ton	592.99	425.84	397.47
	Cheonan Plant	Ton	322.5	200.77	144.43
	Ansan Plant	Ton	459.98	382.75	375.46
	Sungsan Plant	Ton	368.13	363.25	259.97
	Jillyang Plant	Ton	282.51	250.41	280.79
	Electronics Plant	Ton	162.4	30.42	61.97
Total waste generation		Ton	2,455.28	1,919.06	1,726.94

#### Waste conversion (reuse, recycling, etc.)

Category	Type	Unit	2019	2020	2021	비고
Harmful waste	Reuse	Ton	-	-	-	
	Recycling	Ton	-	-	-	
	Other treatment	Ton	-	-	-	
	Total	Ton	-	-	-	
Non-harmful waste	Reuse	Ton	-	-	-	
	Recycling	Ton	1,331.84	1,260.54	1,057.45	Recycling contracted out
	Other treatment	Ton	-	-	-	
	Total	Ton	1,331.84	1,260.54	1,057.45	

### Waste disposal

Category	Type	Unit	2019	2020	2021	비고
Harmful waste	Incineration (including energy recovery)	Ton	-	-	-	
	Incineration (excluding energy recovery)	Ton	-	-	-	
	Landfill	Ton	-	-	-	
	Other disposal	Ton	-	-	-	
	Total	Ton	-	-	-	
Non-harmful waste	Incineration (including energy recovery)	Ton	-	-	-	Incineration contracted out
	Incineration (excluding energy recovery)	Ton	746.83	520.79	515.44	
	Landfill	Ton	-	-	-	
	Other disposal	Ton	94	96	72	Contracted out (waste alkali neutralization)
	Total	Ton	840.83	616.79	587.44	

### Others

Category	Unit	2019	2020	2021
Environmental law and regulation violations	Case	0	0	0

(Fines and punishments of KRW 10 million or more)

# ESG Data

## Social

### Executives and employees

#### Executives and employees overview

Category	Contact type	2019		2020		2021	
		Female	Male	Female	Male	Female	Male
Total number of executives and employees		566	3,523	637	3,766	606	3,757
Executives and employees (by gender)	Permanent	497	3,136	551	3,296	538	3,331
	Temporary	-	-	-	-	-	-
	Contract	69	387	86	470	68	426
	Standing	-	-	-	-	-	-
	Part-time	-	-	-	-	-	-
		Domestic	International	Domestic	International	Domestic	International
Executives and employees (by region)	Permanent	3,633	2,968	3,847	2,886	3,887	3,252
	Temporary	-	-	-	-	-	-
	Contract	456	1,753	556	1,720	494	1,969
	Standing	-	-	-	-	-	-
	Part-time	-	-	-	-	-	-

- Domestic: SL (Daegu, Cheonan, Ansan, Jillyang, Electronics, Sungsan)  
- International: SL China, Hubei Samlip, SL America, SL Tennessee, SL Alabama, SL Poland, SL Lumax, SL AP, SL Brazil

#### Locally hired employees in major operations

Category	Unit	2019	2020	2021
Local hires	People	6,813	6,482	7,025
% senior positions	People	104	125	157
% senior positions among local hires	%	1.5%	1.9%	2.2%

\* Senior position: Team leader or higher  
\* Surges in resignees in India and America due to COVID led to the number of locally hired people in 2021 (7,025) being greater than the total overseas employees (5,221).

#### New hire and turnover

Category	No. of executives and employees (%)	Type	Unit	2019	2020	2021
New hire	Total executives and employees newly hired (%)		People (%)	369 (9.0)	429 (9.7)	316 (7.2)
	Executives and employees newly hired, by age (%)	Under 30	People (%)	280 (6.8)	229 (5.2)	160 (3.7)
		30-50	People (%)	77 (1.9)	139 (3.2)	129 (2.9)
		50 or over	People (%)	6 (0.1)	42 (1.0)	22 (0.5)
		Under 70	People (%)	6 (0.1)	19 (0.4)	5 (0.1)
	Executives and employees newly hired, by gender (%)	Male	People (%)	323 (7.9)	360 (8.2)	278 (6.3)
		Female	People (%)	46 (1.1)	69 (1.6)	38 (0.9)
	Executives and employees newly hired, by region (%)	Daegu Plant	People (%)	71 (1.7)	59 (1.3)	46 (1.0)
		Cheonan Plant	People (%)	20 (0.5)	30 (0.7)	13 (0.3)
		Ansan Plant	People (%)	34 (0.8)	116 (2.6)	93 (2.1)
		Sungsan Plant	People (%)	67 (1.6)	99 (2.2)	58 (1.3)
		Jillyang Plant	People (%)	177 (4.3)	75 (1.7)	102 (2.3)
		Electronics Plant	People (%)	0 (0.0)	50 (1.1)	4 (0.1)
Turnover	Total executives and employees turnover (%)		People (%)	88 (2.2)	178 (4.0)	209 (4.8)
	Executives and employees turnover, by age (%)	Under 30	People (%)	46 (1.1)	91 (2.1)	93 (2.1)
		30-50	People (%)	34 (0.8)	63 (1.4)	98 (2.2)
		50 or over	People (%)	8 (0.2)	24 (0.5)	18 (0.4)
	Executives and employees turnover, by gender (%)	Male	People (%)	78 (1.9)	157 (3.6)	190 (4.3)
		Female	People (%)	10 (0.2)	21 (0.5)	19 (0.4)
	Executives and employees turnover, by region (%)	Daegu Plant	People (%)	27 (0.7)	24 (0.5)	54 (1.2)
		Cheonan Plant	People (%)	3 (0.1)	4 (0.1)	8 (0.2)
		Ansan Plant	People (%)	20 (0.5)	70 (1.6)	72 (1.6)
		Sungsan Plant	People (%)	11 (0.3)	61 (1.4)	41 (0.9)
		Jillyang Plant	People (%)	27 (0.7)	17 (0.4)	30 (0.7)
		Electronics Plant	People (%)	0 (0.0)	2 (0.05)	4 (0.1)

#### Parental leave

Category	Type	Unit	2019	2020	2021	Remarks
Male	No. of executives and employees entitled to parental leave	People	672	778	733	
	No. of executives and employees that used parental leave	People	5	4	18	
	No. of executives and employees that returned after parental leave	People	6	5	7	
	% returnee after parental leave	%	-	100.0%	100.0%	2018 data unavailable, hence no calculation for 2019
	% continued (1 year) service after parental leave	%	-	50.0%	80.0%	
Female	No. of executives and employees entitled to parental leave	People	43	56	53	
	No. of executives and employees that used parental leave	People	17	15	19	
	No. of executives and employees that returned after parental leave	People	11	17	15	
	% returnee after parental leave	%	-	106.3%	100.0%	2018 data unavailable, hence no calculation for 2019
	% continued (1 year) service after parental leave	%	-	100.0%	88.2%	



ESG Data

Social

Executives and employees

Education and training

Category	Item	Unit	2019	2020	2021
Training hours	Total training hours	Hours	367,482	380,176	409,471
	Average training hours per person	Hours	89.9	86.3	93.9
	Female	Hours	75.3	66.5	72.9
	Male	Hours	90.8	88.4	95.7
Training costs	Total training costs	KRW 100 million	10.5	9.3	6.6
	Average training costs per person	KRW million	256,487	210,575	150,261

Category	Item	Unit	2019	2020	2021
Improving awareness of people with disabilities at work	Training hours	Hours	4,133	4,349	4,416
	No. of people	People	4,133	4,349	4,416
Occupational health and safety	Training hours	Hours	109,258	112,976	106,544
	No. of people	People	4,100	4,200	4,217
Workplace sexual harassment prevention	Training hours	Hours	4,288	4,363	4,343
	No. of people	People	4,288	4,363	4,343
Personal information protection	Training hours	Hours	3,831	3,629	3,837
	No. of people	People	3,535	3,629	3,837
Workplace bullying prevention	Training hours	Hours	3,745	3,881	4,321
	No. of people	People	3,745	3,881	4,321

Category	Item	Gender	Unit	2019	2020	2021
% executives and employees that undergo regular performance review*	No. of executives and employees subject to performance review	Female	People	566	637	606
		Male	People	3,523	3,766	3,757
	No. of executives and employees that underwent performance review	Female	People	131	141	153
		Male	People	1,565	1,656	1,687
	% executives and employees that underwent performance review	Female	%	23.1%	22.1%	25.2%
		Male	%	44.4%	44.0%	44.9%

\* Admin positions only, field workers excluded

Diversity and equal opportunity

Category	Unit	2019	2020	2021	Remarks
Women’s base salary and compensation compared to men	%	100%	100%	100%	No gender difference

Category	Item	Unit	2019	2020	2021
Female employees	Total female employees	People	566	637	606
	Female managers (department head or higher)	People	49	63	80
	All managers (department head or higher)	People	1,127	1,271	1,115
	% female managers	%	4.3%	5.0%	7.2%

Category	Unit	2019	2020	2021
Discrimination cases during reporting period	Case	0	1	0

Welfare and benefits

Category	Item	Unit	2019	2020	2021
Welfare expenses	Total welfare expenses	KRW million	30,932	38,254	39,747
	Welfare expenses per person	KRW million	7.6	8.7	9.1

Employment of socially disadvantaged people

Category	Unit	2019	2020	2021
No. of people with disabilities employed	People	88	116	135
% people with disabilities employed	%	2.2%	2.6%	3.1%

## ESG Data

### Social

#### Suppliers

##### Suppliers overview

Category	Unit	2019	2020	2021	Remarks
Total suppliers (domestic)	Companies	992	1,003	1,052	Part (mass production/service), general, packing, materials, etc.
Total suppliers (international)	Companies	940	991	1,019	Part (mass production/service), general, packing, materials, etc.
Total purchases from suppliers (domestic)	KRW 100 million	19,789	20,009	20,986	Part (mass production/service), general, packing, materials, etc.
Total purchases from suppliers (international)	KRW 100 million	6,757	7,124	7,325	Part (mass production/service), general, packing, materials, etc.
No. of new suppliers (domestic)	Companies	162	11	49	Part (mass production/service), general, packing, materials, etc.
No. of new suppliers (international)	Companies	23	51	28	Part (mass production/service), general, packing, materials, etc.
No. of core suppliers (domestic)	Companies	137	134	134	Part (mass production/service), materials
No. of core suppliers (international)	Companies	78	74	99	Part (mass production/service), materials
Purchases from core suppliers (domestic)	KRW 100 million	17,551	17,745	17,381	Part (mass production/service), materials
Purchases from core suppliers (international)	KRW 100 million	2,431	2,563	2,635	Part (mass production/service), materials

##### Suppliers’ sustainability

Category	Unit	2019	2020	2021	Remarks
New suppliers selected through environmental and social criteria review	Companies	15	12	30	ISO14001/45001 certification considered for domestic/international supplier assessment
% new suppliers that underwent environmental and social criteria review	%	8.1%	19.4%	39.0%	

Category	Unit	2019	2020	2021	Remarks
Suppliers that underwent ESG assessment	Companies	-	-	111	ESG assessment started in 2021 (QMS+ESG)

##### Mutual growth

Category	Item	Unit	2019	2020	2021	Remarks
Direct/indirect funding	Amount	KRW million	7,773	8,801	2,350	
Suppliers’ job academy	No. of participating suppliers	Companies	131	33	121	
	No. of people	People	344	62	378	Academy temporarily closed due to COVID-19

Category	2019	2020	2021	Remarks
Mutual growth index	-	Good		First evaluation for 2020: 2021.09.152021: 2022 evaluation results to be released

#### Customer

##### Customer/product quality

Category	Unit	2019	2020	2021	Remarks
Customers’ personal information leaked/stolen/lost	Case	0	0	0	

Category	Unit	2019	2020	2021	Remarks
Customer satisfaction	Points	66.6	67.3	74	

##### Marketing

Category	Unit	2019	2020	2021	Remarks
Product, service, labelling incompliances	Case	0	0	0	

#### Miscellaneous

##### Social contribution

Category	Item	Unit	2019	2020	2021
CSR investment	Donation	KRW million	78	3,182	158
	Contributions from employees	KRW	8,123,720	6,765,000	3,760,000
Volunteering*	No. of volunteers	People	204	0	0
	Hours	Hours	1,312	0	0
	Volunteering hours per person	Hours	6	0	0
SL Seobong Foundation	Scholarship	KRW million	330	430	530
	Development fund		100	88	120
	charitable work		156	143	514
	Total		586	661	1,164

\* No volunteering result in 2020-2021 due to COVID-19



## ESG Data

### Governance

#### Board of directors

Category	Item	Unit	2019	2020	2021
Composition	executive director	People	4	3	3
	Independent director	People	3	3	3
	% independent director	%	43%	50%	50%
	% female director	%	0	0	0
No. of board meetings	No. of meetings held	Times	35	24	13
Average attendance rate	Attendance	%	80.8%	73.8%	94.6%
No. of agenda objected by independent directors	-	Cases	0	0	0

#### Committees under the board of directors

Category	Item	Unit	2019	2020	2021	Remarks
Audit committee	% Independent director	%	100%	100%	100%	
	No. of meetings held	Times	25	8	8	
	Attendance	%	82%	98%	93%	
Independent director candidate recommendation committee	% independent director	%	-	-	-	New in 2021
	No. of meetings held	Times	-	-	-	
	Attendance	%	-	-	-	
Sustainable management committee	-	-	-	-	-	New in 2022

#### Stock ownership

Category	Unit	2019	2020	2021	Remarks
% shares possessed by presidents and affiliated persons	%	40%	40%	26%	
% shares possessed by public institutions	%	8%	4%	6%	Including the National Pension Service

#### Major shareholders and % ownership

Category	Name	Shares possessed	% ownership
Shareholders with > 5% ownership	Lee Sung-Yup	12,291,248	25.50%
	Lee Choong-Gon	6,817,884	14.14%
	Lee Seung-hoon	5,505,095	11.42%
	Stanley Electric Co., Ltd.	3,255,797	6.75%
	National Pension Service	3,340,174	6.93%

#### Fines and non-monetary sanctions against incompliance

Category	Unit	2019	2020	2021
Total fines	KRW million	1	0	0

#### Shareholder-friendly management

Category	Unit	2019	2020	2021	Remarks
Total cash dividends	KRW million	18,579	23,028	23,028	
% cash dividends	%	22.7%	25.1%	17.4%	Based on separate financial statements
Cash dividends per share (normal)	KRW	400	500	500	
System introduction	Voting in writing (Y/N)	N	N	N	
	Electronic voting (Y/N)	N	Y	Y	

#### Information protection

Category	Unit	2019	2020	2021	Remarks
Security violations and cybersecurity incidents	Case	0	0	1	Actions taken against ransomware

Category	Unit	2019	2020	2021	Remarks
Security training	No. of people	2,146	2,219	2,238	1 hour per course
	Hours	2,146	2,219	2,238	

## ESG Data

### Governance

#### Ethical/compliance management

Category	Item	Unit	2019	2020	2021
Whistleblowing	Welfare and work environment improvement	Case	4	4	3
	Attitude and rule violation	Case	7	8	6
	Unethical conduct	Case	7	7	6
	Employment/compensation complaint/enquiry	Case	9	7	2
	Work rule and process improvement	Case	4	4	4
	Corruption reporting	Case	3	6	4
	Others	Case	0	3	7
	Total	Case	34	39	32
	Disciplinary actions against confirmed corruption cases	Case	3 <sup>1)</sup>	3 <sup>2)</sup>	0

1) Resignation 1, suspension from work 1, reprimand 1  
2) Resignation 1, suspension from work 1, reprimand 1

Category	Item	Unit	2019	2020	2021	Remarks
Ethics training (Course: Employee and ethical management)	No. of people	People	132	90	85	2019: Team leaders 2020, 2021: Entry level and career position hires
	% completed	%	3.2%	1.9%	1.7%	

Category	Unit	2019	2020	2021	Remarks
Total operations	Operation	7	7	7	
Operations that underwent corruption risk assessment	Operation	7	7	7	Monthly review of corporate credit card use
% operations that underwent corruption risk assessment	%	100%	100%	100%	

#### Anti-competition

Category	Unit	2019	2020	2021
Legal actions taken against anti-competition, monopoly and other unfair trade conduct	Case	0	0	0
Fines and other payment arising from anti-competitive conduct	KRW	0	0	0

## GRI Content Index

For the reporting period (2021.01.01 - 2021.12.31), SL Corporation followed the GRI Standards.

GRI 102: General Disclosures 2016				
Category	Disclosure	Item	Reporting level	Pages
Organizational profile	102-1	Name of the organization	●	2
	102-2	Activities, brands, products, and services	●	10-11, 14-21
	102-3	Location of headquarters	●	10
	102-4	Location of operations	●	22-23
	102-5	Ownership and legal form	●	-
	102-6	Markets served	●	22-23
	102-7	Scale of the organization	●	10-11
	102-8	Information on employees and other workers	●	10-11, 116-119
	102-9	Supply chain	●	72-79
	102-10	Significant changes to the organization and its supply chain	○	No Significant Changes
	102-11	Precautionary Principle or approach	●	95-96
	102-12	External initiatives	○	-
	102-13	Membership of association	●	133
Strategy	102-14	Statement from senior decision-maker	●	4-5
	102-15	Key impacts, risks, and opportunities	●	95-96
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	●	56, 97
	102-17	Mechanisms for advice and concerns about ethics	●	57, 98
Governance	102-18	Governance structure	●	90-94
	102-19	Delegating authority	●	91
	102-20	Executive-level responsibility for economic, environmental, and social topics	●	91
	102-21	Consulting stakeholders on economic, environmental, and social topics	●	36-37
	102-22	Composition of the highest governance body and its committees	●	90-91
	102-23	Chair of the highest governance body	●	90-91
	102-24	Nominating and selecting the highest governance body	●	92-93
	102-25	Conflicts of interest	●	90-94
	102-26	Role of highest governance body in setting purpose, values, and strategy	●	91
	102-27	Collective knowledge of highest governance	○	-
	102-28	Evaluating the highest governance body's performance	○	-
	102-29	Identifying and managing economic, environmental, and social impacts	○	-
	102-30	Effectiveness of risk management processes	○	-
	102-31	Review of economic, environmental, and social topics	○	-
	102-32	Highest governance body's role in sustainability reporting	●	91
	102-33	Communicating critical concerns	●	90-91
	102-34	Nature and total number of critical concerns	●	38-39
	102-35	Remuneration policies	○	-
	102-36	Process for determining remuneration	○	-
	102-37	Stakeholders' involvement in remuneration	○	-
	102-38	Annual total compensation ratio	○	-
	102-39	Percentage increase in annual total compensation ratio	○	-



# GRI Content Index

GRI 102: General Disclosures 2016				
Category	Disclosure	Item	Reporting level	Pages
Stakeholder engagement	102-40	List of stakeholder groups	●	36-37
	102-41	Collective bargaining agreements	○	-
	102-42	Identifying and selecting stakeholders	●	36-37
	102-43	Approach to stakeholder engagement	●	36-37
	102-44	Key topics and concerns raised	●	36-39
Reporting practice	102-45	Entities included in the consolidated financial statements	◐	106-108
	102-46	Defining report content and topic Boundaries	●	38-39
	102-47	List of material topics	●	38-39
	102-48	Restatements of information	-	-
	102-49	Changes in reporting	-	-
	102-50	Reporting period	●	2
	102-51	Date of most recent report	-	-
	102-52	Reporting cycle	●	2
	102-53	Contact point for questions regarding the report	●	2
	102-54	Claims of reporting in accordance with the GRI Standards	●	2
	102-55	GRI content index	●	125-129
	102-56	External assurance	●	131-132

GRI 103: Management Approach 2016				
Category	Disclosure	Item	Reporting level	Pages
Management Approach	103-1	Explanation of the material topic and its Boundary	●	38-39
	103-2	The management approach and its components	●	26-35, 90, 97-99
	103-3	Evaluation of the management approach	○	-

GRI 200: Economic Performance				
Category	Disclosure	Item	Reporting level	Pages
Economic performance	201-1	Direct economic value generated and distributed	●	109
	201-2	Financial implications and other risks and opportunities due to climate change	○	-
	201-3	Defined benefit plan obligations and other retirement plans	○	-
	201-4	Financial assistance received from government	●	109
Market position	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	●	109
	202-2	Proportion of senior management hired from the local community	●	116
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	●	78-87
	203-2	Significant indirect economic impacts	●	78-87
Procurement Practices	204-1	Proportion of spending on local suppliers	○	-
Anti-corruption	205-1	Operations assessed for risks related to corruption	●	124
	205-2	Communication and training about anti-corruption policies and procedures	●	97-100
	205-3	Confirmed incidents of corruption and actions taken	●	124
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	124
Tax	207-1	Approach to tax	●	96
	207-2	Tax governance, control, and risk management	◐	96
	207-3	Stakeholder engagement and management of concerns related to tax	●	96
	207-4	Country-by-country reporting	○	-

# GRI Content Index

GRI 300: Environmental Performance				
Category	Disclosure	Item	Reporting level	Pages
Materials	301-1	Materials used by weight or volume	●	110
	301-2	Recycled input materials used	○	-
	301-3	Reclaimed products and their packaging materials	○	-
Energy	302-1	Energy consumption within the organization	●	110
	302-2	Energy consumption outside of the organization	○	-
	302-3	Energy intensity	●	110
	302-4	Reduction of energy consumption	●	111
	302-5	Reductions in energy requirements of products and services	●	44-45
Water and Effluents	303-1	Interactions with water as a shared resource	◐	46
	303-2	Management of water discharge-related impacts	◐	46
	303-3	Water withdrawal	●	111
	303-4	Water discharge	○	All waterworks and sewer, wastewater from process (contracted out)
	303-5	Water consumption	●	111
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	○	-
	304-2	Significant impacts of activities, products, and services on biodiversity	○	-
	304-3	Habitats protected or restored	○	-
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	○	-
Emissions	305-1	Direct (Scope 1) GHG emissions	●	112
	305-2	Energy indirect (Scope 2) GHG emissions	●	113
	305-3	Other indirect (Scope 3) GHG emissions	○	-
	305-4	GHG emissions intensity	●	113
	305-5	Reduction of GHG emissions	●	113
	305-6	Emissions of ozone-depleting substances (ODS)	●	No emissions
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	●	111
Waste	306-1	Waste generation and significant waste-related impacts	◐	47
	306-2	Management of significant waste-related impacts	◐	47
	306-3	Waste generated	●	114
	306-4	Waste diverted from disposal	●	114
	306-5	Waste directed to disposal	●	115
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	●	115
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	●	74-75, 120
	308-2	Negative environmental impacts in the supply chain and actions taken	◐	74-75, 120

GRI 400: Social Performance				
Category	Disclosure	Item	Reporting level	Pages
Employment	401-1	New employee hires and employee turnover	●	117
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	○	-
	401-3	Parental leave	●	117
Labor-management relations	402-1	Minimum notice periods regarding operational changes	○	-
Occupational health and safety	403-1	Occupational health and safety management system	●	48-53
	403-2	Hazard identification, risk assessment, and incident investigation	●	48-53
	403-3	Occupational health services	●	48-53
	403-4	Worker participation, consultation, and communication on occupational health and safety	●	48-53
	403-5	Worker training on occupational health and safety	●	60, 118
	403-6	Promotion of worker health	●	48-53
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●	48-53
	403-8	Workers covered by an occupational health and safety management system	●	49
	403-9	Work-related injuries	●	Zero hazard
	403-10	Work-related ill health	●	Zero hazard
Training and education	404-1	Average hours of training per year per employee	●	118
	404-2	Programs for upgrading employee skills and transition assistance programs	●	60-62
	404-3	Percentage of employees receiving regular performance and career development reviews	●	118
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	●	119
	405-2	Ratio of basic salary and remuneration of women to men	●	119
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	●	119
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	○	-
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	◐	56, 72
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	◐	56, 72
Security practices	410-1	Security personnel trained in human rights policies or procedures	○	-
Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples	○	-
Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	○	-
	412-2	Employee training on human rights policies or procedures	●	57, 118
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	○	-
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	●	80-87
	413-2	Operations with significant actual and potential negative impacts on local communities	○	-
Supplier social assessment	414-1	New suppliers that were screened using social criteria	●	74-75, 121
	414-2	Negative social impacts in the supply chain and actions taken	◐	74-75, 121
Public policy	415-1	Political contributions	○	-
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	○	-
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	○	-
Marketing and labeling	417-1	Requirements for product and service information and labeling	○	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	●	121
	417-3	Incidents of non-compliance concerning marketing communications	○	-
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	121
Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	●	123



# GHG Emissions Verification Statement



## Verification Statement on 2021 Greenhouse Gas & Energy Inventory Report

- Introduction**  
Korean Foundation for Quality (hereinafter 'KFQ') has been engaged by 『SL Coporation』 to independently verify its 2021 Greenhouse Gas Emission & Energy Consumption Report (hereinafter 'GHG Inventory').
- Verification Scope & Standard**  
KFQ's verification was conducted three business sites of manufacturing division and logistics division under operational control of 『SL Coporation』. 'Greenhouse Gas and Energy Target Management Scheme (Notification No. 2021-47 of Ministry of Environment & IPCC Guidelines 2006)' were mainly applied in verification process but also the Company Guidelines for GHG Inventory was considered.
- Verification Procedure**  
The Verification has been planned and conducted by the "Greenhouse Gas and Energy Target Management Scheme", and to reach reasonable level of assurance.
- Consideration and Limitation**  
Accuracy and completeness of emission data reported in the 'GHG Inventory' are subject to inherent limitations due to their nature and the methodology used in determining, calculating and estimating such data.
- Conclusion/Opinion**  
Based on verification process according to the ISO 14064-1, ISO 14064-3, KFQ obtained reasonable basis to express the following conclusion on the 2021 Company GHG Inventory.  
As a result of materiality assessment on 2021 Greenhouse Gas Emission of entire business places, material discrepancy is less than the criteria of 5% for the organization who emits less than 500,000 tCO<sub>2</sub>-eq/yr in accordance with the requirements of the 'Greenhouse Gas and Energy Target Management Scheme'.

2021 Greenhouse Gas Emissions of 『SL Coporation』			
Division	GHG Emissions (tCO <sub>2</sub> -eq)		
	Direct Emissions (Scope1)	Indirect Emissions (Scope2)	Scope1 + Scope2
Jin-ryang factory	362	11,314	11,675
Pyeongchon R&D center	15	528	543
Cheonan factory	260	9,143	9,403
Ansan factory	145	10,847	10,992
Daegu factory	124	7,673	7,797
Elentronic factory	133	2,552	2,685
Sungsan factory	180	6,543	6,722
Total	1,219	48,601	49,817

\* The above GHG emissions are cut in units of integer for each business site, and a difference of less than ±1 tCO<sub>2</sub>eq from the actual value of the system may occur.

March 26<sup>th</sup>, 2022  
*Ji Young Song*  
CEO Ji-Young Song

# Third-party Verification Statement

To readers of SL Corporation Sustainability Report 2022

**Introduction**  
Korea Management Registrar (KMR) was commissioned by SL Corporation to conduct an independent assurance of its Sustainability Report 2022 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of SL Corporation. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with SL Corporation and issue an assurance statement.

**Scope and Standards**  
SL Corporation described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 1, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
  - Management approach of Topic Specific Standards
  - GRI 205: Anti-Corruption
  - GRI 206: Anti-Competitive Behavior
  - GRI 301: Materials
  - GRI 302: Energy
  - GRI 303: Water and Effluents
  - GRI 305: Emissions
  - GRI 308: Supplier Environmental Assessment
  - GRI 405: Diversity and Equal Opportunity

As for the reporting boundary, the engagement excludes the data and information of SL Corporation's partners, suppliers and any third parties.

**KMR's Approach**  
To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by SL Corporation to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with SL Corporation on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

SL Corporation has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

SL Corporation has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

SL Corporation prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of SL Corporation's actions.

Impact

SL Corporation identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with SL Corporation and did not provide any services to SL Corporation that could compromise the independence of our work.

March 2022 Seoul, Korea



CEO E. J. Hwang

Awards and Membership

Awards

Date	Award	Awarder
2019.12.01	Family-friendly Business Certification	Ministry of Gender Equality and Family
2019.12.13	Excellent Company Recognition for New Labor-Management Culture	Ministry of Employment and Labor
2019.12.12	300 Million Dollar Export Tower Award on the 56th Trade Day	Ministry of Trade, Industry and Energy
2020.07.07	IR52 Jang Young-Shil Award – Hidden lamp lens with inner evaporation and laser pattern technology	Korea Industrial Technology Association
2020.12.08	800 Million Dollar Export Tower Award on the 57th Trade Day	Ministry of Trade, Industry and Energy
2021.03.31	Won the SOY (Supplier Of the Year) Award for the 24th time	GM Motors
2021.06.23	Supplier Quality and Development Excellence Award	Hyundai Motors
2021.11.04	Korea Reading Management Best Workplace Certification	Ministry of Culture, Sports and Tourism Publication Industry Promotion Agency of Korea
2022.03.16	SOY(Supplier Of the Year) Award for the 25th time	GM Motors

Membership

Organization	Purpose
Daegu Chamber of Commerce CSR Council	CSR activities in Daegu
Korea Intelligent Automotive parts promotion Institute	Competitiveness of local automotive parts companies
Korea Industrial Safety Association	Workers' safety improvement
Korea Enterprises Federation	Cooperation for labor-management partnership and policy recommendation
Korea Auto Industries Corp. Association	Cooperation for the development of the automotive industry
Korea Productivity Center	External education, training and benefits for members
Korea Automobile Manufacturers Association	Cooperation for the development of the automotive industry (using data on the domestic automotive industry)
Korea International Trade Association	Export, tariff, and other trade intelligence and policy recommendation
Korea Auto Industries Corp. Association	Cooperation for the development of the automotive industry (using showrooms)
Korea Industrial Technology Association	Policy suggestion for technical innovation, technical exchange and cooperation, utilizing R&D outcomes, etc.
Federation of Middle Market Enterprises of Korea	Resolving unreasonable regulations and pain points, networking with government agencies, middle market enterprise certification for project engagement
Korean Society of Automotive Engineers	Automotive conferences and other activities to obtain technological insights
Korean Standards Association	Domestic and international standards intelligence



Sustainable Management Committee			
MOONGOO HUH	DOSEONG KIM	HANYOUNG KIM	
Contributors			
SUNGHUN KWAK	HYUNA KIM	SEUNGJE WOO	CHUNGKYUNG LEE
YONGCHAN KWON	SOOHYEON RYU	JIHUN WI	CHIWOO LEE
EUNJIN KWON	HAEJIN MOON	SEUNGKYU YOO	HAEJA LEE
SHIN KIM	SANGWOO PARK	EUNSU YOU	KYOUL LEEM
KYUNGHYUN KIM	YUMI PARK	JAECHEUL YU	SEONGJUN LIM
DONGKYUN KIM	JEONGHO PARK	KYONGMOK LEE	JONGSUNG LIM
DONGSHIN KIM	JUNGON PARK	KIWOOONG LEE	YEONNAM JANG
DOOHYUN KIM	JIYOUNG PARK	MIJUNG LEE	JUYEON JANG
RYEUNG DONG KIM	JINYONG PARK	BORAM LEE	JINGOO JEON
SUNGRYONG KIM	JONGHO BAN	SUNGWOO LEE	JAEHUN JEONG
SUNGYONG KIM	SEONHO BAEK	SUNGCHAE LEE	JINHWA JEONG
YOUNGYEON KIM	SEO DONGHO	SUNGHWA LEE	TAEKYONG JUNG
YOUNGCHUL KIM	BORIM SEO	SUBEEN LEE	HYEONDO JEONG
YEONGCHEOL KIM	YOONJAE SEONG	SEUNGWOOK LEE	YUJIN CHO
YUNHEE KIM	SUNGHOON SON	SINWON LEE	HYUNCHEOL TAE
JUNGHOO KIM	JOOHEE SON	YEOKYOUNG LEE	JOOSUN PYO
JINHYUN KIM	IKCHAN SONG	YOUNGKYO LEE	KWANGHYUN HAN
TAEWAN KIM	HYOJUNG SHIN	JEONGSOO LEE	YOUNGHEE HAN
TAEWOOK KIM	SUNGHYUCK AHN	HUNHYEOK LEE	JULIO Han
TAEHOON KIM	BANGSEOB EOM	CHEOLKYU LEE	HONG SUNTAE

Planning
SL Corporation   KYUBONG LEE   ILHYUNG PARK
Korea Productivity Center   DEOKSU CHUNG   MIJEONG JO

# Rebirth

---

Installation artist Wonsuk Han loves our traditional culture.

He focused on the concept of value.

To ask questions about the concept of value,

It hommages Korea's representative cultural properties with a waste light.

1,374 Headlights of abandoned cars that would be distorted and crushed into trash without a trace gathered and pulled up, reborn as a shining Cheomseongdae.

It was made based on the frame of the H-beam, 9m high and 5.5m wide, the same size as Cheomseongdae in history. As a result, the building was restored at the same time as it was a symbolic monument.

Cheomseongdae, who was observing the stars, turned into a star and shone on its own.

Installation Artist Wonsuk Han

