2024 —— LG Electronics Sustainability Report —— 2025

BETTER LIFE FOR ALL

Life's Good.

Report Overview

LG Electronics is committed to driving meaningful change for sustainable growth and a "Better Life for All." To that end, we have established clear goals and implementation plans that guide our actions. We align the key issues identified through our materiality assessment with LG Electronics' six ESG strategic tasks, and present our major activities and achievements across the areas of environmental, social, and governance in this Sustainability Report. LG Electronics will continue to transparently disclose its key activities and performance through our annual Sustainability Report and actively engage with stakeholders.

Reporting Period

This report is based on key sustainability management activities and performance from January 2024 to December 2024, with some major activities extending through the first half of 2025. For quantitative performance, three years of data from 2022 to 2024 are provided to help observe performance trends.

Reporting Scope

The reporting scope covers LG Electronics' headquarters, all domestic and overseas production sites, and sales subsidiaries. In cases where data collection was limited or calculation criteria were revised, the reporting scope and reasons for these changes are noted separately in the footnotes.

Reporting Principles and Standards

The 2024–2025 LG Electronics Sustainability Report has been prepared in accordance with the GRI Standards 2021. Considering the International Sustainability Standards Board (ISSB)'s sustainability disclosure standards (IFRS S1 and S2), material topics are organized around governance, strategy, risk management, metrics and targets. Additionally, the report reflects the reporting criteria and frameworks established by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). Financial performance has been prepared on a consolidated financial statement basis in accordance with the Korean International Financial Reporting Standards (K-IFRS). For certain financial information prepared on a separate financial statement basis, relevant notes have been provided.

Third-Party Assurance

This report has undergone third-party assurance by an external organization to ensure the accuracy, objectivity, and reliability of the reporting process and related information. The assurance statement can be found in detail on pages 163 to 168.

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Life's Good.

CEO Message

LG Electronics remains steadfast in our commitment to practicing sustainable management for a “Better Life for All.”

Dear valued stakeholders of LG Electronics,

The year 2024 has been marked by prolonged geopolitical uncertainties, persistently high exchange rates, and a tightening of both investment and consumer spending, all of which have intensified instability across global supply chains. These challenges have had an especially pronounced impact on the manufacturing industry. Amidst these uncertainties and intensifying technological competition, LG Electronics is accelerating its transformation into a “Life Solution Company,” delivering differentiated customer experiences across a wide range of living spaces. We have restructured our business to focus on three core areas, space, customer, and solutions, building a resilient and sound business foundation that can withstand today’s volatile environment. This includes maximizing the performance of our existing businesses, accelerating growth in promising regions, and rebalancing new ventures. In particular, by driving qualitative growth through our B2B, non-hardware, and Direct to Customer (D2C) businesses and focusing on solutions, we achieved our highest-ever annual revenue of KRW 87.7 trillion. As a result, LG Electronics earned a place among Interbrand’s prestigious “Global Top 100,” a testament to our remarkable progress. We continue to push the boundaries of innovation with the spirit of a “Brave Optimist,” boldly pursuing sustainable growth.

One of the most important missions in LG Electronics’ journey of bold challenges and innovation is to work in close collaboration with all our stakeholders, and to place both people and the planet at the heart of everything we do. To that end, LG Electronics is committed to ESG management for a “Better Life for All.” We have identified three key areas for the planet—Carbon Neutrality, Circularity, and Clean Technology (the 3Cs)—and three for people—Decent Workplace, Diversity & Inclusion, and Design for All (the 3Ds)—as our mid- to long-term strategic tasks. We set clear annual targets in each area and are rigorously tracking our progress year over year.

To achieve carbon neutrality in production stage by 2030, LG Electronics is expanding the use of high-efficiency equipment to improve energy efficiency and accelerating the transition to renewable energy across our production sites. We are also focusing on electrification and enhanced energy efficiency in our products to reduce carbon emissions during the use stage. In particular, our high-efficiency HVAC solutions, powered by AI technology, are helping to lower emissions through customized thermal management for diverse regions and industries. As a result, LG Electronics’ high-efficiency products were awarded the “Energy Grand Prize” at the 2024 “Energy Winner of the Year” and named a “Green Masterpiece” for five consecutive years in the “Green Product of the Year” awards. LG Electronics has also been recognized for its excellence, winning “AHRI Performance Awards” for seven consecutive years from the Air-Conditioning, Heating, and Refrigeration Institute. Additionally, it was ranked No. 1 as the “Sustainable Brand” by Green Builder in 2024. We continue to expand the use of recycled plastics in our products each year, reaching a cumulative total of 188,000 tons since 2021. We are also advancing eco-friendly technologies, such as sustainable packaging materials and water-soluble glass powder, to further enhance the environmental performance of our products.

As a member of the Responsible Business Alliance (RBA), LG Electronics is also committed to ensuring that everyone in our supply chain works in a safe environment where labor and human rights are fully respected and protected. We have also expanded employee engagement programs and invigorated our “REINVENT” organizational culture initiative, creating an environment where our people are empowered to focus, take on challenges, and drive innovation. In partnership with our suppliers, we are providing carbon reduction consulting to strengthen ESG competitiveness together.

“Improving accessibility” is a core customer value that LG Electronics is deeply committed to. We continuously enhance features and services each year to ensure that all customers, regardless of gender, age, or ability, can easily use our products and services. We continually expand our lineup of assistive accessories, including the LG Comfort Kit, as well as products with voice recognition capabilities and enhancements to our WebOS platform. We also offer inclusive services, such as Best Companion Care and sign language consultation, to better support our diverse customers.

Notably, the LG Comfort Kit was awarded the Gold Prize at the prestigious 2024 International Design Excellence Awards (IDEA), recognizing its outstanding design and user-centered innovation. Our efforts don’t stop there. We actively seek new ideas to improve accessibility by operating an “Accessibility Advisory Group,” comprising individuals with disabilities and accessibility experts, participating as the first home appliance company in the global CSUN Accessibility Conference, and establishing partnerships such as an MOU with the Korean Intellectual Property Office.

Thanks to these ongoing efforts, LG Electronics was selected for the “Top 1%” ranking—representing the highest tier—for two consecutive years in the Corporate Sustainability Assessment (CSA) conducted by S&P Global.

We also achieved the distinction of being included in the Dow Jones Best-in-Class World Index for 13 consecutive years, testament to the strength and consistency of our ESG leadership.

LG Electronics will never stop taking on bold challenges in pursuit of a “Better Life for All,” and we remain committed to meeting the expectations of all our stakeholders. Thank you.

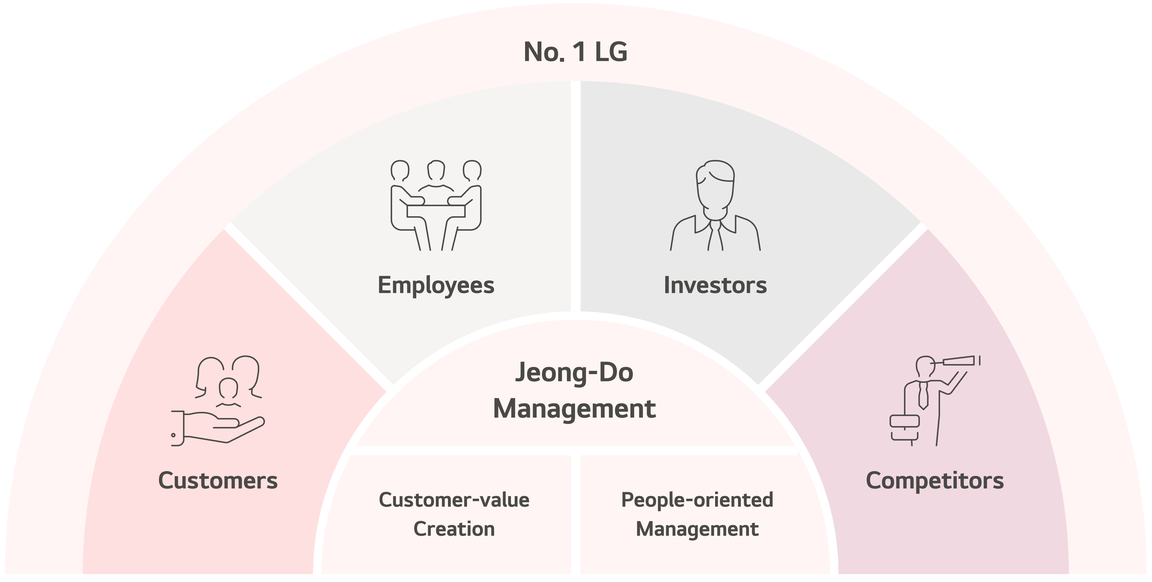


Chief Executive Officer of LG Electronics
William (Joowan) Cho

Mission and Vision

LG Way

The LG Way is LG's unique management philosophy, and guides the thoughts and actions of all LG associates. The LG Way aims to achieve LG's vision of "No. 1 LG" by practicing 'People-oriented Management,' and 'Creating Values for Customers' through "Jeong-Do Management."



Vision

The ultimate goal of LG is to be recognized as the market leader in business performance as well as in management practice.

Behavioral Mode

Ethical management and code of conduct to enable capability development and fair competition

Management Principles

The fundamental organizational principle guiding LG from its beginning as a firm

LG Electronics Mission and Vision

At LG Electronics, guided by our brand philosophy, "Life's Good," we are committed to enriching the lives of our customers by delivering experiences that are ▲First, ▲Unique, and ▲New - what we call F·U·N experiences that didn't exist before.

Mission

Innovation for a Better Life

This is the reason for our existence
and a promise to our customers.

Vision

Smart Life Solution Company

By 2030, we will become a KRW 100 trillion company by achieving "Triple 7: 7% average annual growth, 7% operating profit margin, and enterprise value(EV/EBITDA) multiple of 7x."

Core Value

Customer | Challenge | Excellence | Respect | Jeong-Do

Business Overview

At LG Electronics, guided by our brand philosophy, "Life's Good," we are committed to enriching the lives of our customers by delivering experiences that are ▲First, ▲Unique, and ▲New - what we call F·U·N experiences that didn't exist before. Our business is organized into four divisions: HS (Home Appliance Solution), MS (Media Entertainment Solution), VS (Vehicle Solution), and ES (Eco Solution). Operating in over 130 sites worldwide, we are a global leader driving technological innovation across diverse fields such as home appliances, IT, automotive components, and digital signage.

※ Starting in 2025, the H&A division was renamed the Home Appliance Solution (HS) division, establishing a Platform Business Center directly overseeing the smart home platform, LG ThinQ, and integrating the Robot Business from the BS division under its umbrella. The HE division was renamed the Media Entertainment Solution (MS) division and took over the IT/ID business from the BS division. The VS division was renamed from Vehicle Component Solution to Vehicle Solution (VS). The newly established Eco Solution (ES) division was formed by separating the HVAC (heating, ventilation, and air conditioning) business from the former H&A division into an independent business unit.

Home Appliance Solution



The HS (Home Appliance Solution) division leads the global home appliance market by offering market-leading products that combine innovative technology and premium design, all grounded in deep customer research reflecting the cultural characteristics and lifestyles of consumers worldwide. Beyond traditional home appliances, HS is establishing itself as a leading brand in future industries such as AI home solutions and robotics.

Main Products
Washing machines, dryers, vacuum cleaners, refrigerators, cooking appliances, water purifiers, beer makers (HomeBrew), plant cultivators (Tiiun), home beauty devices (Pra.L), built-in kitchen appliances, residential living solutions (Smart Cottage), and compressor and motor components for appliances.

Media Entertainment Solution



The Media Entertainment Solution (MS) division is dedicated to enhancing our customers' lives in terms of Wellness, Beauty, and Entertainment. Through various devices, including TVs, audio systems, laptops, monitors, and digital signage, as well as our webOS-based platform business and content services, we deliver inspiring experiences that enrich everyday life. We are committed to continuously providing innovative solutions that make our customers' lives more comfortable, beautiful, and enjoyable.

Main Products
OLED TVs, QNED TVs, lifestyle screens, Bluetooth earphones, wireless speakers, soundbars, IT devices (laptops, monitors, projectors), digital signage (transparent OLED, OLED, LED)

Vehicle Solution



Under the vision of being the "Innovation Partner for Future Mobility," the Vehicle Solution (VS) division is evolving beyond a traditional automotive components supplier to become a true innovation partner that delivers customer value through future mobility solutions. Leveraging advanced technologies in the electrical and electronic fields along with user experience expertise from the home appliance sector, we provide differentiated value essential for the era of autonomous driving and next-generation electric vehicles.

Main Products
Infotainment systems, in-vehicle displays, telematics, ADAS, automotive lighting, electric vehicle drive components, etc.

Eco Solution



The Eco Solution (ES) division pursues sustainable development based on innovative air conditioning and energy solutions, fulfilling our responsibility to the environment and humanity. From component design to finished products, we deliver total solutions optimized for each space, utilizing core technologies to provide customers with the best air conditioning experience while fostering a sustainable lifestyle that protects our planet.

Main Products
Air conditioners, air purifiers, system air conditioners, dehumidifiers, humidifiers, ventilation systems, chillers, etc.

ESG Overview



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ESG Strategy For the Planet

The 3C Strategy for the Planet

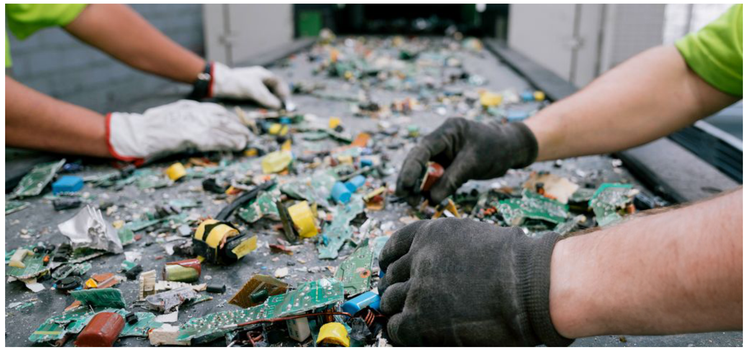
Carbon Neutrality



Achieving Carbon Neutrality and Transitioning to Renewable Energy

LG Electronics plans to reduce greenhouse gas emissions by 2030 through process improvements, adoption of energy-saving technologies, and increased use of renewable energy. Additionally, we aim to achieve carbon neutrality through mechanisms such as UN carbon credits. As a participant in RE100, we have set a goal to transition 100% of electricity consumption across all our domestic and overseas business sites to renewable energy by 2050.

Circularity



Waste Recycling and E-Waste Collection and Recycling

LG Electronics recycles waste generated at all its domestic and overseas business sites and is pursuing zero waste-to-landfill certification at its global sites. Having achieved a 95% waste recycling rate ahead of schedule by 2030, we will continue to maintain a recycling rate above 95%. In addition, we proactively respond to regulatory requirements in the countries where we operate by establishing related policies and collecting e-waste. LG Electronics uses eco-friendly materials not only in product manufacturing but also in packaging, and actively conducts campaigns to collect e-waste and used batteries.

Clean Technology



Developing High-Efficiency Products and Using Eco-Friendly Materials

LG Electronics is reducing carbon emissions per unit during the product use stage through high-efficiency energy products. Carbon emissions per unit refer to the amount of greenhouse gases emitted per unit of a product over its average usage period. For example, it is measured per liter of capacity for refrigerators, and per kilogram of washing capacity for washing machines. Additionally, LG Electronics is the first company in the Korean home appliance industry to receive validation from the Science Based Targets initiative (SBTi) for its carbon emissions reduction targets during the product use stage.

Achievements in 2024

14.4%
Global transition to renewable energy

1.02 Million Tons
Reduction in greenhouse gas emissions compared to the 2017 baseline year

97.4%
Waste recycling rate across all domestic and overseas sites

5.01 Million Tons
Cumulative e-waste collected (since 2006)

19.4%
Reduction in carbon emissions per unit during the use stage of seven key product categories

188,000 Tons
Cumulative use of recycled plastic (since 2021)

ESG Strategy For People

The 3D Strategy for People

Decent Workplace

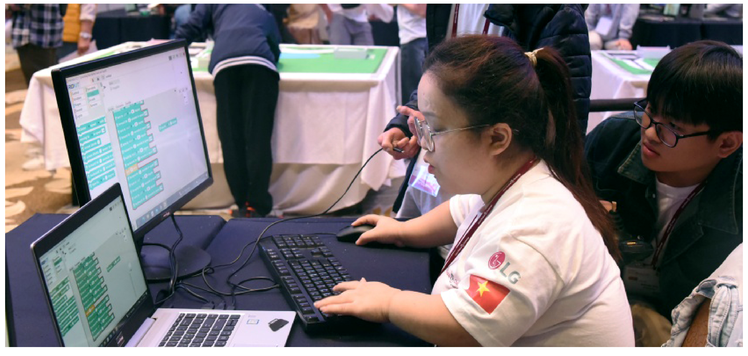


Ensuring Safety, Health, Labor, and Human Rights Across the Supply Chain

LG Electronics promotes workplace safety, health, and human rights through its RBA[1]-based production site management program. Aiming for zero critical non-conformances at all production sites by 2030, the company conducts self-assessments and audits, identifies risks, and supports suppliers through ESG evaluations, training, and consulting.

1) RBA: Responsible Business Alliance, the world's largest industry coalition dedicated to promoting responsible business practices across global supply chains

Diversity & Inclusion



Recruiting and Developing Female Talents and Expanding Hiring for People with Disabilities

LG Electronics is embedding DEI (Diversity, Equity, and Inclusion) into its organizational culture to ensure every member of the company feels recognized, included, and empowered to reach their full potential. To foster an inclusive workplace, we have set targets to increase the proportion of employees with disabilities to 3.5%, and the global proportion of female employees to 25.5% by 2030.

Design for All



Improving Accessibility of Products and Services

LG Electronics is committed to ensuring that all customers, regardless of gender, age, or disability, can easily use our products and services. We continue to expand our lineup of products equipped with accessibility technologies and enhance service accessibility through initiatives such as companion care and sign language consultation services. To better reflect the needs of diverse users, we operate an Accessibility Advisory Group composed of individuals with disabilities, experts, and seniors. By 2030, we aim to incorporate accessibility features and universal design across all key product lines.

Achievements in 2024

100%
Production Sites Certified to ISO 45001
Excludes newly established entities (one in the U.S. and one in Mexico) that have not yet started mass production

90%
Percentage of production sites with zero critical non-conformances
(based on RBA audit requirements)

1.1%
Percentage of high-risk suppliers
(based on self-assessment)

22.1%
Ratio of female employee (Global)

2.6%
Employment rate of persons with disabilities (Korea)

11 Product Lines
Voice recognition guidance applied to 11 out of 16 key product lines

13 Types
Launch of 13 Comfort Kit models

Expanded availability of Easy Q-Cards on TVs

Expanded production of Easy Tutorials

Sustainable Business

Energy

AI-based High-Efficiency HVAC Solutions Leading the Global Market

LG Electronics is driving the global HVAC (Heating, Ventilation, and Air Conditioning) market with a comprehensive lineup of commercial and residential climate control solutions. Our portfolio spans a wide spectrum, from ultra-large-scale chiller systems for AI data center thermal management to solutions for semiconductor plants, commercial air conditioners, residential AC units, and heating systems that replace traditional fossil fuel boilers. Through advanced AI-based, high-efficiency solutions, we deliver customized services tailored to the diverse needs of industries worldwide. By developing a hybrid thermal management technology that combines a coolant distribution unit (CDU) for AI data centers with an air-cooling system, LG Electronics has enhanced both energy efficiency and system stability, even in high-density server environments. Our flagship variable refrigerant flow (VRF) system, Multi V, delivers optimized heating and cooling tailored to the size, design, and purpose of each building. Equipped with an energy-efficient inverter compressor and advanced air-to-air heat pump technology, Multi V offers outstanding performance and efficiency. It operates reliably even in extreme cold, down to -30°C, making it a popular choice in North American regions with harsh winter climates. “The Multi V i” system, installed at a large-scale logistics center in Singapore, was engineered for maximum efficiency tailored to the local climate. Its performance played a key role in earning the facility the prestigious “Green Mark Platinum SLE” certification, further solidifying LG Electronics’ presence in the Southeast Asian market. In addition, the company delivers HVAC solutions powered by high-efficiency inverter technology across a wide range of industries, including data centers, semiconductor facilities, and smart aquaculture farms, supporting both energy savings and carbon emission reduction efforts.



Ultra-Large-Scale “Chiller”



Air-to-Water Heat Pump
“Therma V R290 Monobloc”



High-Efficiency Commercial
Air Conditioner “Multi V i”

Water, Waste and Ecosystem Restoration

Innovative Tumbler Washer, myCup

To promote the use of reusable cups, LG Electronics has developed the myCup tumbler washer. Designed for use in cafés, offices, and public spaces, LG myCup offers a simple and hygienic way to clean tumblers, encouraging a shift away from disposable cups. It’s a result of the company’s advanced dishwasher technology and expertise, built on the high-performance standard of the DIOS dishwashers. Customers can download the “myCup” app to their smartphones, open the top lid of the washer, place the tumbler upside down, and choose between two wash courses directly through the app: the “Quick Wash” for a fast clean in under 30 seconds, or the “Extra Wash” for a deeper clean and dry, ideal after drinking dairy-based beverages. The external display shows the washer’s status, such as “Washing” or “Completed.” Once the tumbler is cleaned using high-temperature water about 65°C, a push notification is sent to the user. Since late 2022, LG Electronics has partnered with Starbucks to pilot-test the product at select stores, including Gyeongdong 1960, Sookmyung Women’s University Main Gate, Korea University Anam Hospital, and Changwondae-ro DT. Following a business agreement signed in May 2024, the company plans to gradually roll out myCup washers to all Starbucks locations nationwide.



Washing a tumbler using LG myCup

Water-Soluble Glass Powder

As climate change and environmental pollution continue to raise sea surface temperatures and accelerate seabed desertification, the need to restore marine ecosystems is becoming increasingly urgent. In response, LG Electronics is developing marine solutions based on water-soluble glass technology to support ocean restoration efforts. LG Electronics’ water-soluble glass is a specially engineered material that gradually releases mineral ions essential for the growth of marine plants. By promoting the development of halophytes, microalgae, and seaweed, this innovative glass contributes to the restoration of underwater forests and the sequestration of blue carbon. Halophytes such as reeds and Suaeda japonica have been officially recognized by the IPCC as carbon sinks, while seaweed and microalgae form the foundation of the marine food chain and are responsible for producing 80% of the Earth’s oxygen. In application trials, LG Electronics’ water-soluble glass improved the growth and survival rates of halophytes like Suaeda japonica and seaweed such as Ecklonia cava by about threefold. As a mineral-based, eco-friendly material that leaves no residual pollution in the ocean, it is emerging as a sustainable solution for restoring the marine ecosystem. The company is also developing a new technology that utilizes water-soluble glass materials to enable laundry without surfactants and with minimal rinsing. This innovation has the potential to significantly reduce water and electricity consumption, while also reducing household wastewater pollution. Both technologies completed field research at the King Sejong Station in Antarctica in February 2025, validating their applicability and environmental benefits in extreme polar conditions. LG Electronics plans to expand these innovations into global eco-friendly solutions.



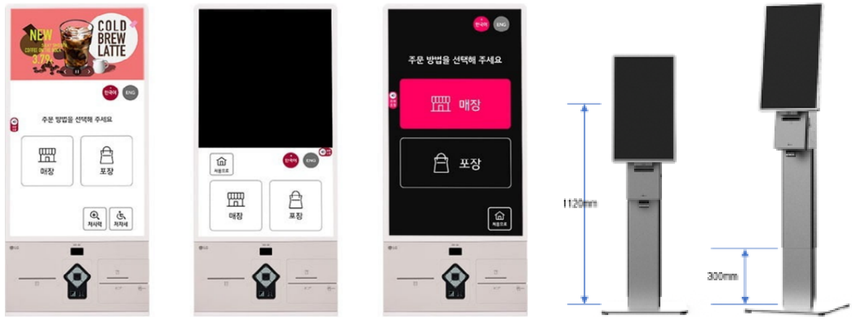
LG PuroTec in a variety of colors and crushed glass in the pre-processing stage before being made into glass powder

Sustainable Business

Accessibility

Kiosks with Adjustable Height and Tactile Keypads

LG Electronics has developed a kiosk that anyone can easily use. The LG Kiosk offers features such as “Low Vision Mode,” “Low Posture Mode,” and “Voice Menu Guide Mode,” with the latter designed to work seamlessly with a “tactile keypad.” In addition, the kiosk is engineered with an adjustable display that allows users, whether in a wheelchair or of shorter stature, to raise or lower the screen at the touch of a button, bringing it comfortably into view.



LG Kiosk, Enhancing Digital Accessibility for Underserved Populations

LG Comfort Kit, Expanding Usability and Accessibility of Home Appliances

Regardless of gender, age, or disability, the LG Comfort Kit is an assistive accessory designed to help all customers easily use LG Electronics home appliances. Built with universal design principles to ensure convenience for everyone, the kit has been internationally recognized for its excellence, earning the Gold Award at the 2024 International Design Excellence Awards (IDEA), one of the world’s most prestigious design competitions. Since the initial release of seven products in March 2024, six more have been added, featuring new and upgraded items that further enhance the usability and accessibility of LG appliances. LG Electronics remains committed to discovering and resolving customer pain points, continuously expanding the Comfort Kit lineup to better meet the diverse needs of users.



New Release: Six Types of LG Comfort Kits
(“Silicone Pads and Covers” for the Visually Impaired, “Color Sheets for Robot Vacuum Cleaners” for Low-Vision Customers, etc.)

Enhanced Accessibility Features Integrated, Such as Voice Guidance and Voice Recognition

LG Electronics is committed to making its appliances easy and convenient for everyone to use by incorporating accessibility features, such as voice guidance and voice recognition, into its product lines. The voice guidance feature announces the name of each button or the selected option every time a button is pressed, and provides spoken explanations about functions and the current status of the product. Additionally, the voice recognition feature allows users to operate the product simply by speaking commands, making it easier and more convenient to use. This feature helps visually impaired individuals, seniors, and children of shorter stature who may have difficulty seeing buttons use the products more easily. Currently, it is applied to products such as refrigerators, over-the-range (OTR) microwaves, ovens, and water purifiers, with plans to continuously expand the range of product lines supporting this functionality. Additionally, various accessibility features are incorporated into the products, such as Sound UX, which enables users to distinguish functions audibly by producing distinct sounds corresponding to each button’s function. The company will continue to develop and expand a wide range of accessibility features.



Products Equipped with Voice Guidance & Recognition and Sound UX Features (Water Purifiers, Vacuum Cleaners, Washing Machines)

Services that Leave No One Behind

LG Electronics offers sign language consultation services in various countries worldwide, including South Korea, France, India, and Canada, to support customers with hearing difficulties. In South Korea, LG Electronics became the first company in the electronics industry to launch sign language consultation services in October 2021, where professional sign language support representatives with product expertise assist hearing-impaired customers with their product-related inquiries. Additionally, LG Electronics’ Best Companion Care service provides dedicated managers who assist customers with mobility challenges, guiding and supporting them one-on-one from the store parking lot to the exit. This ensures customers visit and receive consultations conveniently. This service is available not only to wheelchair users with physical disabilities but to any customers who have difficulty moving. On the day of the reservation, we confirm any mobility difficulties and additional requests through prior contact to ensure the service runs smoothly.

Stakeholder Communication

LG Electronics is intensifying its efforts to engage with various stakeholders, aiming to enhance transparency and effectiveness in ESG management. Through communication channels such as the sustainability management website, the company shares key activities and achievements, while actively listening to and reflecting stakeholders' feedback via social media channels, service centers, surveys, and VOC submissions. LG Electronics will continue to foster trust and transparency in its ESG management through ongoing communication with stakeholders.

Stakeholder Interests and Participation Channels

Customers

Interests
- Product and service quality
- Environmental impact throughout the product lifecycle
- Value-driven consumption
- Transparent communication

Response Strategies
- VOCs
- Social media channels
- Product exhibitions
- Website
- Customer satisfaction surveys
- Service centers

Employees

Interests
- Safe and healthy work environment
- Diversity and inclusion
- Healthy organizational culture
- Employment and benefits
- Education and career development

Response Strategies
- Conversation with management
- Internal communication channels
- Jeong-Do management website
- Junior board
- Labor-management council

Stakeholder

Government/Institutions/Local Communities

Interests
- Social responsibility to local communities
- Minimizing environmental impact through greenhouse gas reduction and expanding renewable energy

Response Strategies
- Social contribution to the community
- Government liaison meetings
- NGO meetings

Suppliers

Interests
- Supplier support programs
- Fair contracting
- Prohibition of unfair trade
- Win-win cooperation

Response Strategies
- Shared growth support fund
- ESG consulting
- Supplier training
- Regular supplier association meetings

Shareholders/Investors

Interests
- Business performance
- Risk management
- Stock price and dividends
- Sustainability agenda

Response Strategies
- General shareholders' meetings
- Earnings call and public disclosures
- Electronic voting system
- Investor meetings

Materiality Assessment

LG Electronics conducts an annual materiality assessment to identify key sustainability issues and understand their significant impacts on stakeholders. The 2024 materiality assessment was conducted using a double materiality assessment, which considers both the impact of LG Electronics on the external environment and society (inside-out) and the financial risks and opportunities posed to LG Electronics by external environmental and social factors (outside-in). This year's assessment process incorporated the guidelines for materiality assessment outlined in the Global Reporting Initiative (GRI) 2021 Standards and the European Union's European Sustainability Reporting Standards (ESRS). As a result, 15 material topics were identified, reflecting both environmental and social impacts, as well as financial impacts. The outcomes of the materiality assessment are integrated into LG Electronics' enterprise risk management system and are managed at the company-wide level. The overall process and results are reported to the ESG Committee under the Board of Directors as an agenda item for approval. To enhance the reliability of the materiality assessment, LG Electronics ensures objectivity throughout the entire process through third-party verification.

Double Materiality Assessment Process

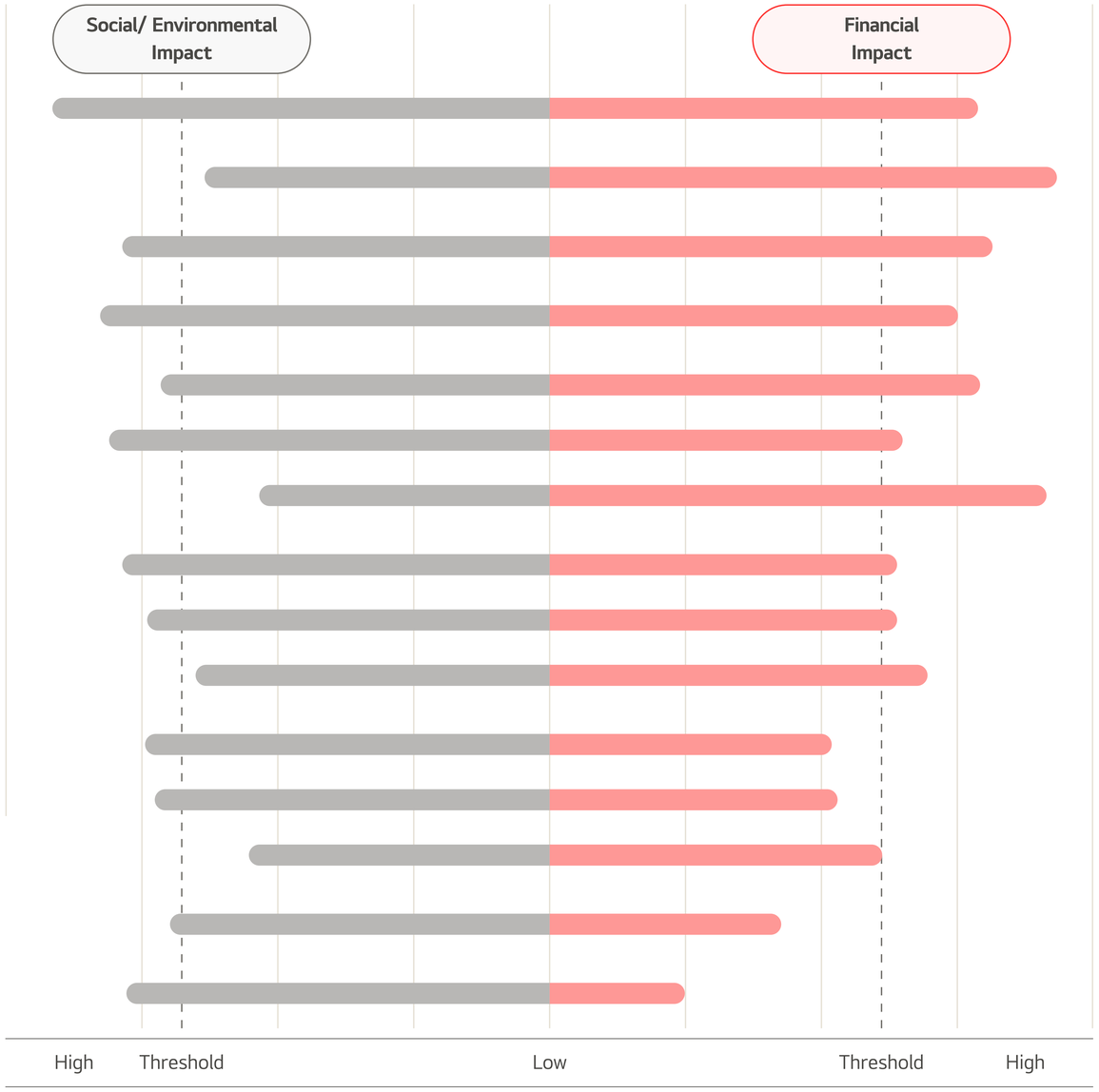
Step	Step 1. Understanding the Context of the Company	Step 2. Identifying Impacts, Risks and Opportunities (IROs)[1]	Step 3. Assessment and Determination of Material Topics Related to Sustainability Matters	Step 4. Disclosure of Material Topics and Related Information
Description	To comprehensively understand LG Electronics' sustainability context, the company conducted a value chain analysis that encompasses not only its business activities and relationships but also the environmental and social backgrounds in which these activities take place. In addition, LG Electronics thoroughly reviewed industry characteristics, business models, policy and regulatory environments, and global disclosure standards and frameworks. LG Electronics also analyzed domestic and international media coverage to gain a comprehensive understanding of the sustainability issues it is currently facing.	To identify impacts, risks, and opportunities across the business, LG Electronics identified actual and potential IROs[1] across the entire value chain, including business operations, supply chain, products and services, employees, and customers. Each IRO[1] was analyzed based on its positive or negative nature to determine specific direct and indirect impacts. As a result, LG Electronics identified 38 impacts based on impact materiality, 30 IROs[1] based on financial materiality, and a total of 136 direct and indirect impacts.	An internal roundtable was conducted with relevant business unit representatives to assess the long-listed topics based on the criteria (scale, scope, irremediability, and likelihood) outlined in the EU ESRS materiality assessment guidelines. In addition, various internal and external sources were incorporated into the assessment, including KPI analysis, media analysis, and requirements from investors and clients. Key stakeholders identified through the sustainability context analysis were also included in the evaluation process. Based on the results, a threshold of mean+0.5σ was set by considering both the practical relevance within the organization and the distribution of responses. Using this threshold, material topics were selected and prioritized, resulting in the final selection of 15 key material topics.	LG Electronics discloses information on the finalized material topics reviewed and approved by senior management in accordance with ESRS standards, including relevant policies, action plans, and performance indicators. The disclosure also explains how each material topic is linked to LG Electronics' overarching strategy and business operations. Additionally, the finalized material topics are systematically managed within the internal governance framework based on the ESG 4-Pillar structure (Governance, Strategy, Risk Management, Targets & Metrics).
Details	**Key Business Divisions** HS (Home Appliance Solution) MS (Media Entertainment Solution) VS (Vehicle Solution) ES (Eco Solution) **Value Chain** Upstream (Suppliers) In-house (Manufacturing, Sales) Downstream (Consumers) + **Long-list Topic Composition** Global disclosure standards (ESRS, GRI, KSSB, SASB) + Assessment indices (KCGS, MSCI, DJSI, EcoVadis) + Material topics of peer company, Industry regulation analysis, Media analysis	**Social/ Environmental Impact** (Effects of business operations on the external environment and society): Actual / Potential – Positive; Actual / Potential – Negative **Financial Impact** (Effects of the external environment and society on the company's financial condition and cash flow): Past / Present – Risk; Past / Present – Opportunity + Direct and indirect effects of each IRO[1] (Risk/Opportunity/Impact Pathway) **38 topics identified based on impact materiality, 30 topics based on financial materiality, and a total of 136 IROs[1] identified**	**Social/ Environmental Impact** • Peer material topic analysis • Media analysis (1,979 articles) • Employee survey • Roundtable with business units • KPI analysis **Financial Impact** • Industry regulation analysis • External stakeholder's (investor, customer) interest • Roundtable with business units **Final score evaluation process** **Internal** **Impact Materiality Scale:** Scale, Scope, Irremediability, Likelihood **Financial Materiality Scale:** Scale, Likelihood + **Supplementary** • Material topics in peer industry • Media analysis • Employee survey • Analysis of KPI and internal strategic analysis • Industry regulation analysis • Stakeholder interest analysis	**Final List of Material Topics[2]** ① Information Security ② Response to Climate Change ③ Management Innovation ④ Labor Rights of Own Workforce ⑤ Compliance and Ethical Management ⑥ Safety and Health of Own Workforce ⑦ Energy ⑧ Privacy Information Protection ⑨ Supplier Responsibility ⑩ Customer Communication ⑪ Product Environmental Sustainability and Life Cycle Management ⑫ Product/Service Accessibility ⑬ Labor Rights of Workers in the Value Chain ⑭ Risk Management ⑮ Board of Directors

1) The environmental and social impact of the company on the external environment, and the impact (risk and opportunity) of the external environment on the company's financial performance.
2) Compared to the previous materiality assessment results, three new topics were identified (Energy, Customer Communication, and Labor Rights of Workers in the Value Chain), while four topics were excluded (Health and Safety of Suppliers' Workers, Human Capital Development and Management, Social Contribution, and Transparent Disclosure of Information)

Materiality Assessment

LG Electronics conducted a comprehensive analysis of both the impacts of its business activities on the external environment and society (Inside-Out) and the impacts of the external environment and society on its financial condition or cash flows (Outside-In). Among the 38 total topics, 15 were finalized as material topics by applying a standardized threshold (mean+0.5σ) to identify those exceeding the threshold in either impact or financial materiality. The finalized material topics are reported to senior management and ultimately confirmed through approval by the ESG Committee and the Board of Directors.

ESRS Classification	Material Topics	LGE Strategy
ESRS G1	Information Security	Strengthening AI-based security systems and user privacy design in accordance with service expansion.
ESRS E1	Response to Climate Change	Promoting the enhancement of B2B climate technology capabilities, including high-efficiency systems
ESRS S4	Management Innovation	Advancing a customer value–centered strategy through AI-based UX innovation
ESRS S1	Labor Rights of Own Workforce	Reflecting OEM requirements by strengthening supply chain labor condition due diligence and response to regional regulations
ESRS G1	Compliance and Ethical Management	Strengthening control systems to address supply chain ethics issues such as subcontracting and anti-corruption.
ESRS S1	Safety and Health of Own Workforce	Real-time monitoring to ensure workplace safety.
ESRS E1	Energy	Promoting the reduction of energy intensity through the expansion of renewable energy and the optimization of manufacturing processes
ESRS S4	Privacy Information Protection	Considering the adoption of a privacy-by-design approach focused on data minimization and transparency
ESRS G1	Supplier Responsibility	Expanding ESG assessments and risk screening across the supply chain.
ESRS S4	Customer Communication	Strengthening feedback-based communication to respond to the expansion of customer touchpoints
ESRS E5	Product Environmental Sustainability and Life Cycle Management	Expanding eco-friendly design with a focus on reuse and recycling, in alignment with B2B requirements.
ESRS S4	Product/Service Accessibility	Enhancing customer experience by improving accessibility and usability
ESRS S2	Labor Rights of Workers in the Value Chain	Strengthening delivery conditions linked to supply chain human rights due diligence and ethical standards
ESRS 2	Risk management	Integrated risk matrix and scenario-based responses including emerging risks
ESRS G1	Board of Directors	Strengthening a board-led system and KPI-based monitoring for ESG strategy implementation.



*An issue is classified as material if either the social/ environmental score or the financial score exceeds the threshold, which is defined as the mean plus 0.5 standard deviations (a topic is deemed material if it meets the criteria for either impact materiality or financial materiality).

Overview by ESG Topic

LG Electronics reports on key ESG topics, including material topics, by disclosing its operating systems and a wide range of related activities.

ESRS		Governance	Strategy	Risk Management	Targets and Metrics
Climate Change Response (TCFD)	E1: Climate Change	• The ESG Committee under the Board and the CSO-led ESG Council lead climate change response • The ESG Committee reviews and approves key strategies such as GHG targets and transition to renewable energy • Climate change indicators are linked to executive KPIs to strengthen execution capacity	• Reduce Scope 1, 2 emissions from the production stage by 54.6% and Scope 3 emissions from the use of 7 major product lines by 20% by 2030 • Reach 100% renewable energy by 2050 • Follow a science-based strategy through the high-efficiency products, renewable energy transition, supply chain carbon management, and SBTi validation	• Classify climate change risks into acute (natural disasters), chronic (increased energy costs), and transition (regulation, market, technology, reputation), and assess via scenario analysis • The ESG Committee and the Enterprise Risk Management Committee regularly identify, assess, and respond to risks • Operate integrated risk management system; site disaster response, energy management, and supply chain resilience	• Metrics: Scope 1, 2 GHG emissions, renewable energy usage rate, use-stage emission intensity of 7 key products, implementation rate of SBTi validation • Targets: Reduce Scope 1, 2 emissions by 54.6% by 2030; achieve 100% renewable energy transition by 2050; reduce Scope 3 emissions during the use-stage of 7 key product lines by 20% • Performance and Status: Reduced Scope 1, 2 carbon emissions by 1.02 million tons; as of 2024, 19.4% reduction in use-stage carbon emissions for 7 major product lines compared to 2020; achieved 14.1% renewable energy transition rate
Circularity	E5: Resource Use and Circular Economy		• Pursue a resource circulation strategy across the entire product lifecycle • Prioritize low-carbon or high-recyclability materials at selection stage • Implement modular design and scrap recycling at production stage • Enhance durability during the use stage, provide repair manuals, and expand subscription services • Operate a collection and recycling system for used electronics through the Chilseo Recycling Center (CRC) at the end-of-life stage	• Identify risks; waste data reliability, disposal contractor compliance, insufficient collection/recycling, and possibility of environmental pollution • Monitor waste data through the company-wide IT system and conduct regular evaluations of disposal contractors • Perform recyclability assessments at the design stage and respond to global regulations and supply chain risks	• Metrics: Waste recycling rate, cumulative volume of collected E-waste, cumulative use of recycled plastics • Targets: Achieve a waste recycling rate of over 95% by 2030; collect 8 million tons of E-waste; use 600,000 tons of recycled plastics; expand ZWTL certifications; enhance recovery of eco-friendly packaging, batteries, and rare metals • Performance and Status: As of 2024, achieved a 97.4% waste recycling rate; collected 5.01 million tons of used electronics; used 188,000 tons of recycled plastics; obtained ZWTL certification for nine sites
Product Responsibility	E5: Resource Use and Circular Economy	• Operate multi-layered governance: ESG Committee (under the Board of Directors), top management, ESG Strategy team, Safety and Environment Center, and Customer Quality Research Lab • Conduct company-wide integrated management: environmental policy development, performance review, risk response, training, and information disclosure	• Apply eco-friendly strategies throughout the entire product lifecycle to improve energy efficiency, reduce hazardous substances, and expand recycling • Operate on Clean Tech; efficient design, alternative refrigerants, eco-friendly materials, and hazardous substance substitution technologies • Manage environmental impacts from the design stage in accordance with the "Corporate Principle of Environmentally Conscious Products"	• Identify key risks; environmental regulations, global certification requirements, and insufficient supplier management • Address risks through the establishment of an LCA DB, regular evaluations, and voluntary substitution of hazardous substances • Operate a chemical training and control program for suppliers	• Metrics: Carbon emissions at product use stage, proportion of Green 3 Star-rated products, number of products with eco-friendly certifications, progress on hazardous substance substitution • Targets: Expand the proportion of Green 3 Star products to over 80%; promote phased substitution of hazardous substances • Performance: Achieved a 45.1% share of Green 3 Star-rated products
Site Operations	E2: Pollution E3: Water and Marine Resources		• Establish an environmental management system to minimize impacts related to air, water quality, chemical, and water resources • Operate IoT/AI monitoring systems and an air environment research center and expand green certifications • Control emissions by internal standards and strengthen water resource reduction efforts	• Operate a real-time monitoring system for pollutants, chemical substances, and water usage • Respond to regulatory changes, and conduct emergency response training and education for the supply chain • Assess areas with water stress and systematize wastewater discharge management	• Metrics: Emissions of air/water pollutants, recycling rate of business site waste, renewable energy usage rate, water consumption, number of employees completing hazardous chemical training • Targets: Expand completion of hazardous chemical training; reduce water withdrawal by 8% (7.2 million tons) compared to 2022 • Performance and Status: 4,682 employees completed training; achieved water savings (34,044 tons in Changwon, 69,078 tons in Magok, 8,500 tons in Vietnam, and approximately 40,000 tons of leak test water); water withdrawal totaled 6.52 million tons, meeting the target
Employees (Human Rights Management)	S1: Own Workforce	• Operate governance through the ESG Committee, ESG Council, and Enterprise Risk Management Committee • Relevant departments manage the establishment and execution of human rights strategies • Make ongoing efforts to strengthen capabilities for preventing and addressing human rights risks	• Implement human rights management based on international standards such as the UNGPs through the establishment of the "Human Rights Principles" • Conduct human rights due diligence, training, and grievance mechanisms to prevent and remedy violations • Enhance stakeholder engagement to build trust-based communication	• Review and improve key risk annually through RBA-based human rights due diligence • Assign KPIs to high-risk items and manage recurrence prevention through grievance channels such as the grievance center • Operate systems for psychological counseling and sexual harassment prevention	• Metrics: Training hours, Human rights impact assessments at global production sites, grievance resolution rate via the Junior Board, number of counseling sessions at counseling centers • Targets: 100% zero major non-conformities by 2030; expanding due diligence and training coverage across human rights education, impact assessments, grievance handling, and forced labor inspections among suppliers • Performance and Status: As of 2024, more than 90% of sites recorded zero major non-conformities per RBA audit requirements; 45,494 individuals completed human rights training; implementation rate of human rights impact assessment reached 100%; Junior Board grievance resolution rate was 100%
Employees (HR Management)	S1: Own Workforce	• Operate a performance-based HR system and a horizontal organizational culture based on the LG Way • Expand communication channels: CEO, executive-level dialogue programs, and the Junior Board • Operate a fair and transparent evaluation system through 360-degree feedback and an appeals process	• Promote DEI culture and operate talent development programs • Provide flexible work, family-friendly benefits, in-house ventures, 1:1 caring, and career support • Enhance employee experience and innovation through REINVENT LG Electronics	• Identify and manage potential risks through LG Way surveys, 1:1 meetings, 360-degree feedback, and counseling services. • Broaden psychological support, DEI indicator monitoring, and promotion of leadership. • Mitigate risk through onboarding, mentoring, and job credit programs, and diversify business risks by discovering in-house ventures.	• Metrics: Female ratio, disabled employment, performance evaluation appeal handling rate, reskilling/upskilling program participants • Targets: 25.5% global female ratio, 3.5% disabled employment in Korea by 2030; expand DEI/talent programs, flexible work arrangements and family-friendly policies • Performance and Status: As of 2024, the female ratio reached 22.1%, and disabled employment rate was 2.6%
Employees (Safety and Health)	S1: Own Workforce	• Operate a company-wide health and safety management system based on the integrated SHEE framework • Establish and revise standards through the SWC Subcommittee and mandate ISO 45001 certification • Reflect health and safety indicators in reports to the Board of Directors and in executive performance evaluations	• Establish a system for "Zero Serious Accidents" and "Injury Rate of 30% or Less" • Introduce risk assessments, equipment improvements, supplier support, and smart safety systems • Conduct preventive education and campaigns to promote a safety-first culture	• Continuously monitor accident history and risk factors through the integrated SHEE IT system • Implement special inspections at high-risk sites, emergency response manuals, and regular drills • Respond to regulatory changes, conduct swift analysis, and establish recurrence prevention measures in the event of incidents	• Metrics: Serious accidents, injury rate, occupational safety training completion, ISO 45001-certified sites, safety inspection compliance • Targets: zero serious accidents by 2030; 100% ISO 45001 certification; maintain injury rate at 30% or less compared to industry average; strengthen supplier safety management; expand safety training and preventive activities • Performance and Status: As of 2024, achieved 100% ISO 45001 certification at all domestic and overseas production sites; zero serious accidents; maintained injury rate at 30% or less compared to industry average; 37,945 employees completed occupational safety training

Overview by ESG Topic

LG Electronics reports on key ESG topics, including material topics, by disclosing its operating systems and a wide range of related activities.

ESRS		Governance	Strategy	Risk Management	Targets and Metrics
Supply Chain	S2: Wokers in the value chain	• Manage supply chain risks under an integrated framework led by the ESG Council chaired by the CSO • Review new supplier registration and funding support through the Supplier Review Committee • Operate a conflict minerals management team and report to the ESG Committee	• Implement five RBA-based strategic initiatives • Strengthen sustainability through expanded self-assessments, audits, training, support, and certifications • Achieve zero major non-conformities, responsible mineral sourcing, and strengthen response to global regulations	• Conduct multi-layered risk checks via Risk SAQ, on-site audits, reporting channels, and PU-SRM • Monitor high-risk suppliers and enforce corrective actions • Use RMAP-certified smelters and support carbon consulting and labor regulation compliance	• Metrics: Major non-conformity rate (RBA audits), high-risk findings (self-assessments), RMAP-certified smelter usage • Targets: Maintain high-risk findings among suppliers at ≤0.5%, with full use of RMAP-certified smelters • Performance: 1.1% high-risk findings; 100% RMAP usage (based on 2021)
Customers	S4: Consumers and End-users	• Operate a customer-related governance system centered on the CX Center, company-wide C-D-P meetings, and the Customer Quality Research Lab, with customer value as the top management priority • Gather and analyze customer feedback via VOC, social media, and surveys • Build a system through expert and community bodies, including the Customer Accessibility Advisory Panel and CS Future Strategy	• Expand universal design under the vision of "Better Life for All" • Enhance accessibility features like voice guidance, recognition, and tactile keypads • Strengthen barrier-free services, personalization, and ethical marketing	• Address risks in accessibility, information security, PL, data protection, customer complaints, and reputation through a structured response system • Collaborate with the Accessibility Advisory Panel and experts; conduct regular customer satisfaction surveys • Prevent and mitigate risks via safety assessments and regulatory compliance • Respond promptly to issues through a customer issue management process	• Metrics: Accessibility/universal design adoption rate, barrier-free service coverage, customer satisfaction, VOC resolution, and A/C repair wait time • Targets: Apply accessibility and universal design to all major product lines by 2030; expand barrier-free services and AI voice bot use across key customer touchpoints • Performance: Customer satisfaction – Korea 92.1%, global 66.0%; A/C wait time reduced by 0.1 days; 11 voice-recognition products, 13 comfort kits launched; 1,304 sign language consultations
Local Community	S3: Affected Communities	• Operate the Executive Committee for the Social Contribution Fund and internal review system • Over 87% of executives contribute to the fund, reinforcing management accountability	• Pursue four strategic directions: leveraging products, technologies, and infrastructure; offering inclusive products and services, encouraging participation from customers and employees; and fostering mutual growth with local communities • Run global and local programs, including support for vulnerable groups, vocational training schools, IT challenges for youth with disabilities, environmental initiatives, and ESG education • Promote participatory activities with customers and employees alongside community engagement	• Collect stakeholder feedback and proactively identify complaints • Minimize business impact through stakeholder meetings and advisory council • Mitigate reputation risks through USR, free disaster recovery services, and environmental campaigns	• Metrics: Cumulative number of social contribution beneficiaries, social contribution expenses and fund contributions, employee volunteer hours, participation rate in the Executive Committee for Social Contribution Fund • Targets: 300,000 beneficiaries via technology-driven contributions by 2030 8 million supported in growth and self-reliance; expand employee volunteerism and global ESG initiatives • Performance: 136,806 beneficiaries from business/ESG-linked activities; 4.98 million from stakeholder participation (cumulative)
Corporate Governance Risk Management	ESRS 2 General disclosure	• Ensure the independence of the Board of Directors through a majority composition of independent directors • Deliberate and resolve major decisions through dedicated committees such as the ESG and Audit Committees • Conduct pre-briefings, evaluations, and training to improve Board effectiveness	• Establish the board based on expertise, diversity, and independence of independent directors • Establish and manage the shareholder return policy by considering investments, financial structure, and business enviroment • Hold regular general meetings of shareholders to ensure the exercise of shareholder voting rights	• Hold pre-briefings for independent directors prior to board meetings to enhance efficiency of Board operations • Conduct regular evaluations of the Board of Directors and individual independent directors to ensure the validity and effectiveness of board operations	• Performance and Status: In 2024, the Board of Directors held nine meetings with 100% attendance and maintained a majority of independent directors; regular board evaluations were conducted
Jeong-Do Management/ Compliance	G1: Business conduct	• Operate an ethics and compliance management system under an organization that reports directly to the CEO • Under the oversight of the Board of Directors, the Compliance Committee monitors company-wide risks • The Jeong-Do Management Center and Compliance Office oversee the Code of Ethics, Code of Conduct, and related policies	• Conduct training and campaigns to reinforce ethical awareness and promote a culture of integrity • Implement a Code of Conduct aligned with global standards and share violation cases across the organization • Operate a response system to address changes in laws and regulations and strengthen internal controls	• Proactively identify risks by monitoring legal and regulatory developments • Conduct regular inspections to detect issues related to ethics, compliance, corruption, and unfair trade practices • Implement investigations, follow-up actions, and recurrence prevention measures in case of violations	• Metrics: Compliance training completion rate among employees, number of compliance violations and corresponding actions, internal report resolution rate, implementation rate of the company-wide Code of Conduct • Targets: Achieve 100% compliance training completion for employees; internalize compliance management across global operations; proactively prevent compliance risks; eliminate compliance violations
Risk Management	ESRS 2 General disclosure	• Company-wide risk management is led by the Chief Risk Officer (CRO), and the Enterprise Risk Management Committee convenes semiannually • The Enterprise Risk Management Committee shares quarterly risk assessments and sets mitigation plans	• Select and evaluate core risks based on both quantitative and qualitative assessments • Establish management plans following core risk assessments. • Assign dedicated risk management teams for each core risk and conduct continuous monitoring • Operate a response system to identify and manage emerging risks	• Through the Enterprise Risk Management (ERM) framework, the company manages diverse risks including those related to finance, operations, ESG, and compliance • Develop and implement risk mitigation plans, review their effectiveness, and manage residual risks through follow-up assessments	• Metrics: Number of core risk assessments conducted; implementation rate of improvement measures • Performance and Status: Strengthened crisis response drills; reduced key risks; enhanced business continuity
Information Security	S4: Consumers and End-users G1: Business conduct	• Operate the Information Security Committee, Practical Affairs Council, and dedicated teams led by the Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) • Report major security issues regularly to the Board of Directors and the Audit Committee • Support strategic decision-making by a dedicated product security team and management	• Embed information security across the value chain and product lifecycle • Establish strategic responses for cloud and digital transformation environments, and customer data protection • Operate an integrated security system across four key domains: administrative, technical, physical, and personal information	• Conduct scenario-based assessments such as vulnerability diagnostics, simulated hacking, and Data Protection Impact Assessments (DPIA) • Proactively respond to risks such as hacking, insider threats, and system failures • When vulnerabilities are identified, take immediate action and promote the prevention of recurrence of similar cases • Apply LG-SDL from the design stage, including security requirements, code reviews, and testing • Strengthen product security through incident response systems, a bug bounty program, and the PSRT	• Metrics: Implementation rate of the company-wide information security management system, remediation rate of security vulnerabilities at sales subsidiaries and service centers, execution of preventive checks on key risks • Performance and Status: Simulated training conducted at least once annually at each site

Environmental



AT A GLANCE

Environmental protection is a crucial task for a sustainable future, and the importance of responding to the escalating climate crisis is growing increasingly significant.

LG Electronics fully recognizes the severity of these challenges and continues to enhance its environmental management system to implement systematic and comprehensive environmental stewardship. The company is actively pursuing company-wide initiatives, including setting targets for carbon neutrality and transitioning to 100% renewable energy. Through these practices, LG Electronics aim to take the lead in creating a healthy global environment that everyone can enjoy.

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Climate Change Response (TCFD)

Governance

LG Electronics has established a company-wide climate change governance framework to proactively identify and manage related risks and opportunities. The ESG Committee, newly established in April 2021, objectively and independently monitors material issues related to climate change response and regularly oversees the company's response strategies and the current status of implementation. In addition, climate change issues are taken into consideration when making key decisions that may have a significant impact on the company. The committee also reviews greenhouse gas reduction targets, key climate change response policies, and strategies.

Role of the Board of Directors

The Board of Directors regularly reviews and approves mid- to long-term strategies, action plans, and performance outcomes related to climate change through the ESG Committee. In 2024, the ESG Committee deliberated on key climate-related agenda items, including ▲2024 ESG business strategy report, ▲Carbon credit project plan and purchasing strategy, ▲Restructuring of the Scope 3 emissions calculation system, and ▲Reporting on greenhouse gas reduction during the product manufacturing and use stages.

These agenda items have been reflected in the company-wide action plans and product strategies, influencing internal management processes such as budgeting, investment in high-efficiency facilities, and performance management of reduction activities. Climate change issues are not limited to individual ESG agenda items but are comprehensively discussed at the board level through various channels, including ESG performance reporting and publication of the sustainability report.

Key Climate-Related Agenda Items at the 2024 ESG Committee

Date	Agenda Title	Type	Climate-Related Content
March 26, 2024	Report on 2024 ESG Business Strategy	Reporting	Includes Scope 1 and 2 reduction strategies, renewable energy plan
June 27, 2024	Report on the Publication of the 2023–2024 Sustainability Report	Reporting	Includes advancement of Scope 3 calculation system, reduction strategy for the use stage
November 19, 2024	Report on Current Status of Carbon Credit Project and Future Plans	Reporting	Includes strategies to secure domestic and international credits, and reduction project plans
November 19, 2024	Report on 2024 ESG Performance and 2025 Plan	Reporting	Includes Scope 1 and 2 reduction performance, product transition plans, RE100 progress

Role and Responsibility of Management

Management recognizes climate change as a key strategic issue and leads the establishment and execution of greenhouse gas reduction goals across Scope 1, 2, and 3. In particular, the ESG Council, led by the Chief Strategy Officer (CSO), holds quarterly meetings to review major ESG tasks such as the expansion of renewable energy use and supply chain emissions management, and to discuss action plans and areas for improvement. Among the items discussed, those deemed material or requiring board-level decisions are submitted to the ESG Committee. The CSO oversees strategic alignment between the board and management and supports ESG-related decision-making processes.

Decision-Making Process

LG Electronics operates an integrated climate-related decision-making system based on close coordination among the board, committees, and management. The ESG Committee oversees sustainability strategies and performance, including those related to climate change. At the same time, the company-wide ESG Council manages the current status of implementation through coordination among execution teams. This structure ensures that climate-related matters are not limited to reporting but are effectively integrated into the company's overall strategy and action plans.

The ESG Council, led by the CSO, comprises ESG execution teams from each division and conducts quarterly discussions to review and coordinate action plans, progress, and improvements for major ESG issues, such as increasing the use of renewable energy and managing greenhouse gas emissions across the supply chain. Issues of high importance are reported to the ESG Committee, thereby supporting strategic decision-making and company-wide responses at the board level.

Climate-Related Incentives

To strengthen the effectiveness of climate change response, LG Electronics links climate-related performance to the performance evaluation and incentive systems of key executives and departments. The CSO's KPIs include targets for reducing Scope 1 and 2 greenhouse gases. The ESG Strategy Division is evaluated based on indicators such as emission reductions during product use, usage rate of recycled plastics, and energy transition performance. In addition, major business divisions are individually assigned KPIs linked to greenhouse gas reduction performance, serving as a company-wide mechanism to secure execution competency for achieving climate goals.

Current Status of Climate-Related Incentives

Scope	KPIs	Incentives
Chief Strategy Officer (CSO)	• Achievement of climate-related goals • Reduction of greenhouse gas emissions	Performance-based compensation linked to KPI achievement
ESG Strategy Division	• Achievement of climate-related goals • Emission per unit during product use stage • Volume of recycled plastic used • Volume of renewable energy used • Energy transition rate	
Key Functional Units		

Climate Change Response (TCFD)

Strategy

LG Electronics discloses to stakeholders that its 2030 carbon neutrality target and implementation plan are based on long-term climate change scenarios, ensuring transparent responses to disclosure requirements regarding performance. To this end, LG Electronics has conducted the following analysis to more specifically identify climate change-related risks and opportunities and to establish a systematic response plan. Using S&P's Climanomics platform, LG Electronics has completed a quantitative risk analysis of its owned assets. The analysis focused on risks projected through 2030 and reviewed long-term scenarios through 2100, based on four SSP scenarios: SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5. More than 85% of the company's owned assets were included in the analysis, with the scope determined not only by the size of assets or revenue contribution but also by the potential long-term business impact. The analysis centered on major production hubs and R&D sites, which are core operational bases that generate the vast majority of LG Electronics' revenue, ensuring that the analysis maintains strong representativeness in terms of revenue coverage. The results are being used to develop adaptation plans for physical risks related to both existing facilities and new investments. LG Electronics is currently establishing a phased improvement plan to complete practical physical risk mitigation measures within the next five years. These details are regularly and transparently disclosed to the public through the CDP[1] Climate Change.

1) Carbon Disclosure Project (CDP): An international nonprofit initiative that provides a platform for companies, cities, states, regions, and public institutions to disclose environmental impacts.

Physical Risk

Classi-fication	Details	Financial Impact	Period	Impact on LG Electronics	Detailed Response Strategy
Acute	Expenditures such as recovery costs, production delays, and insurance payouts due to natural disasters	Medium	Short-term	The frequency and intensity of extreme weather events, such as heavy rainfall, floods, typhoons, and heatwaves, are increasing continuously due to climate change. Such acute physical risks may directly damage key assets of LG Electronics, including production facilities, buildings, and infrastructure, leading to financial losses such as recovery costs, production disruptions, and operational shutdowns. LG Electronics operates in various domestic and global locations, including major production sites, some of which are more vulnerable to natural disasters such as heavy rain, typhoons, and localized downpours. In recent years, events such as road and power grid outages and logistics delays caused by typhoons and heavy rains have occurred near global and domestic sites, and in the short term, such abnormal weather conditions may increase asset damage and recovery costs.	• Conduct annual risk assessment • Conduct periodic inspections of preparedness for key risks such as typhoons and flooding • Conduct risk assessments incorporating climate change scenarios and improve preparedness systems • Conduct regular disaster response training and manual implementation by site: Evacuation, firefighting, first aid, etc. • Establish cooperation systems with local communities and government agencies to share up-to-date weather information and coordinate joint response efforts • Expand facility safety investments: Install waterproofing systems, rainwater storage facilities, and reinforce building structures • Prepare and provide training on emergency response manuals: Evacuation procedures, firefighting drills, first aid training • Establish risk prediction systems
Chronic	Increase rate of energy costs, changes in facility maintenance and repair costs, and productivity loss due to climate impacts	Medium	Long-term	Due to rising average temperatures, increased cooling demand in production facilities and logistics centers may lead to long-term increases in power consumption and energy costs.	• Introduce energy-saving equipment and build energy management systems • Smart energy management: Implement real-time IoT-based energy monitoring systems and optimize temperature control using AI prediction • Expand renewable energy: Install solar panels and increase the use of Power Purchase Agreements (PPAs) to mitigate the risks of rising energy costs • Set energy efficiency targets: Establish annual energy improvement goals for each site and monitor performance
				Although short-term risks from sea level rise due to climate change are currently limited, in the long term, coastal flooding, typhoons, and storm surges may pose increasing threats to low-lying business sites.	• Conduct prior assessments of flood risk zones when planning new investments • Review mid- to long-term site stability and feasibility of alternatives in advance • Operate a flexible response system that adapts to evolving risks through continuous risk assessments

Climate Change Response (TCFD)

Transition Risk

Classification	Details	Financial Impact	Period	Impact on LG Electronics	Detailed Response Strategy
Regulation – Current	Increased emissions credit purchase costs and greenhouse gas emission liabilities	High	Short-term	Due to strengthened government climate change response policies, such as Korea's Emissions Trading System (ETS), LG Electronics is required to purchase additional emission allowances if it exceeds its allocated amount, resulting in increased financial burdens. Particularly, increased greenhouse gas emissions at major production sites could impact financials through higher allowances, and strengthened national reduction targets may further increase the regulatory burden. Such policy shifts could lead to higher production costs, reduced profitability, and a decline in competitiveness.	• Monitor greenhouse gas emissions and emissions trading costs • Promote a range of reduction initiatives, including investment in energy-efficient low-carbon facilities and process innovation • Establish and enhance reduction strategies by reflecting assessment results based on government policy changes • Continuously expand investment in practical technologies and facilities for greenhouse gas reduction • Regularly report reduction targets and performance to the Board of Directors and the ESG Committee, and incorporate them into executive management decision-making
Regulation – Emerging	Operational risks from non-compliance with new policies	Medium	Long-term	Strengthened global climate policies and potential new regulations, such as Carbon Border Adjustment Mechanism[1] and expanded climate risk disclosure obligations, are increasing uncertainties in LG Electronics' operations, exposing the company to risks of additional costs and lost business opportunities in the long-term. In particular, changes in policies in key export markets (e.g., EU CBAM, U.S. IRA) may impact the entire supply chain.	• Monitor global policy trends and analyze business impact scenarios resulting from the introduction of new regulations • Establish proactive response strategies based on the analysis results • The Carbon Border Adjustment Mechanism (CBAM), implemented in October 2023, is expected to have a limited short-term impact, but is recognized as requiring mid- to long-term measures such as supply chain risk management, expansion of low-carbon materials, and enhanced product energy efficiency • Continuously monitor and manage risks arising from policy changes in connection with the company-wide risk management system, including the ESG Committee
Legal	Decrease in revenue and adverse impact on transactions	High	Short-term	As climate change-related laws and regulations (e.g., regulations for greenhouse gas emissions, energy efficiency standards, and environmental liability laws) are strengthened both domestically and internationally, LG Electronics may face legal risks, such as fines, litigation, or delays in business approvals, in the event of non-compliance. In particular, violations of environmental regulations in global markets could lead to direct financial losses, including fines, product recalls, or export restrictions.	• Continuously monitor changes in environmental laws and regulations in key markets • Strengthen internal controls and compliance systems to ensure legal adherence • Operate a pre-screening process for environmental regulations during new product development • Minimize potential damage through prompt legal responses and consultation with external experts in the event of legal risks • Regularly report and review the status of legal risks and response measures through governance bodies such as the ESG Committee
Technology	Increased expenditure due to technology transfer and delays in new technology development	High	Short-term	As the pace of low-carbon and eco-friendly technology advancement accelerates, there is a risk that existing production processes or products may not meet market demands, resulting in decreased competitiveness, reduced market share, and increased investment burdens. In addition, delays or failures in adopting new technologies may result in the loss of business opportunities and a decline in technological competitiveness.	• Expand R&D investment in climate-responsive technologies such as improving energy efficiency, applying low-carbon materials, and implementing eco-friendly designs • Strengthen technological competitiveness through external technology partnerships and open innovation • Regularly evaluate the costs and performance associated with new technology adoption • Adjust investment priorities and incorporate strategies to minimize the risk of failure based on evaluation results • Risks associated with major technological changes are regularly reported to management and the ESG Committee to support strategic decision-making
Market	Decline in demand for products and services due to changing customer preferences	High	Long-term	Shifting market conditions in response to climate change (e.g., increasing demand for low-carbon products, decreasing demand for carbon-intensive products, and strengthening requirements for eco-friendly certifications) may lead to reduced sales of existing products, higher barriers to entry in new markets, and customer attrition. In addition, there is a risk of reduced profitability due to fluctuations in raw material prices and the transfer of carbon costs.	• Actively expand into new markets such as electric vehicle components and energy solutions, while broadening the low-carbon and eco-friendly product portfolio • Adjust product and service strategies through real-time monitoring of market trends • Proactively reflect eco-friendly certifications and customer requirements through collaboration with major clients • Promote supply chain diversification strategies to mitigate risks related to raw material price and carbon cost fluctuations • Implement price hedging strategies to alleviate the impact of price volatility
Reputation	Risk to investment and business relationships due to negative perception of stakeholder	High	Long-term	Inadequate response to climate change, lack of ESG disclosure, or occurrence of environmental issues may result in reputation risks such as declining trust among investors, customers, and society, damaging brand value and losing investment and market expansion opportunities. In particular, as ESG assessment criteria from global investors and major customers become stricter, any decline in corporate credibility could have a negative impact across the business.	• Disclose climate change-related information and performance based on global standards such as TCFD and CDP • Strengthen trust-based relationships through continuous communication with key stakeholders • Actively respond to ESG assessments and pursue external certifications • Minimize the spread of risk through prompt response and corrective actions in the event of environmental issues • Actively share and review the current status of reputation risk management and major issues with the Board of Directors, ESG Committee, and executive management

1) Carbon Border Adjustment Mechanism: A policy requiring importers into the EU to pay a carbon price equivalent to that borne by EU producers for six categories of goods (cement, steel, aluminum, fertilizers, chemicals–hydrogen, and electricity) produced outside the EU, based on the emissions generated during their production process.

Climate Change Response (TCFD)

Strategy

Opportunities through Climate Change Response

LG Electronics recognizes climate change as a new growth opportunity and is strengthening its sustainable competitiveness through product innovation, energy transition, and proactive responses to global regulations.

Opportunity	Detailed Response Strategy
Growing Demand for Low-Carbon Products	LG Electronics continues to expand its portfolio of products that incorporate technologies to improve energy efficiency and reduce greenhouse gas emissions. In particular, the company is promoting designs and certifications that meet international standards for key products, such as high-efficiency refrigerators, thereby securing technological competitiveness that reduces carbon emissions during the product use stage.
Cost Savings and Operational Efficiency through Energy Transition	In line with its RE100 implementation strategy, LG Electronics is expanding its use of renewable energy, aiming to simultaneously reduce electricity costs and Scope 2 emissions through various means, including on-site generation, Power Purchase Agreements (PPAs), and carbon funds. LG Electronics also manages RE100 implementation rates and annual greenhouse gas reductions as key performance indicators.
Compliance with Global Regulations and Acquisition of Eco-Friendly Certifications	To address the strengthening of energy efficiency regulations and growing requirements for product carbon information in key markets, including the EU, North America, and Asia, LG Electronics is continuously expanding its portfolio of top-rated energy-efficient products, carbon-labeled products, and those with eco-friendly certifications. Through these efforts, LG is not only enhancing its regulatory compliance capabilities but also strengthening brand trust and its position as a sustainable brand in the eco-friendly premium market.

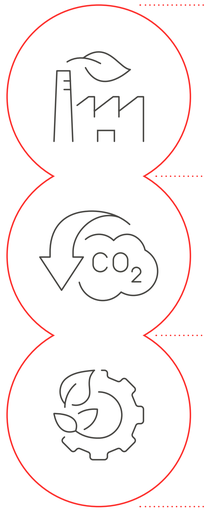
Strategy to Achieve Greenhouse Gas Reduction Goal

LG Electronics has established and is executing a phased, company-wide strategy to achieve its mid- to long-term greenhouse gas reduction goals across all product life cycle. The company is actively implementing energy efficiency improvements in the product use stage, introducing high-efficiency equipment in manufacturing processes, and expanding transition to renewable energy to continuously reduce emissions. Specifically, LG Electronics has set a target to reduce total greenhouse gas emissions, encompassing both direct emissions from production (Scope 1) and indirect emissions from energy use (Scope 2), by 54.6% by 2030 compared to 2017 levels. Annual reduction performance is systematically managed as part of internal KPIs and reporting indicators to the ESG Committee. This target has been established in alignment with the 1.5°C scenario of the Science Based Targets initiative (SBTi), the international standard for science-based emissions reduction.

For the product use stage, the company has set a target to reduce greenhouse gas emissions per unit (per product or per operating hour) from seven major product categories by 20% by 2030 compared to 2020 levels. This target is incorporated as a KPI at the product planning and design stages and is being actively implemented.

In 2021, LG Electronics became the first Korean home appliance company to officially declare a reduction target in line with the SBTi, and has secured the objectivity and credibility of its targets through third-party verification. The progress of reduction efforts is reported annually to the SBTi and the ESG Committee based on actual annual reduction performance, and is managed in connection with a KPI-based performance management system. LG Electronics continues to pursue its targets through various strategies, including the development of high-efficiency products, the expansion of renewable energy use, and investments in greenhouse gas reduction facilities.

LG Electronics Greenhouse Gas Reduction Plan



Reduction of greenhouse gas emissions in production and manufacturing processes (Scope 1, 2)

- Reduce greenhouse gas emissions by 54.6% by 2030 compared to 2017 levels, in accordance with the SBTi.

Promotion of external greenhouse gas reduction programs

- Promote international carbon reduction projects (based on Clean Development Mechanism, CDM[1)]) by expanding sales of high-efficiency products.
- As of 2020, approximately 560,000 tCO2eq of carbon credits have been issued; additional credits are targeted to be secured by 2025.

Reduction of greenhouse gas emissions during the product use stage

- Reduce greenhouse gas emission per unit during the product use stage of seven major product lines by 20% by 2030, compared to 2020.

1) CDM: Clean Development Mechanism

Reduction of Greenhouse Gas in Production and Manufacturing Processes

To reduce greenhouse gas emissions generated during the production stage, LG Electronics has implemented high-efficiency energy systems and emission reduction equipment in its manufacturing processes. In particular, to address potential quality issues that may require refrigerant recovery such as with outdoor units after refrigerant charging, the company has introduced systems that enable the recovery and recycling of refrigerants, thereby preventing unavoidable leaks in advance. Through these efforts, LG Electronics continues to reduce refrigerant emissions and improve the environmental impact of its production processes.

Climate Change Response (TCFD)

Strategy

Promotion of External Greenhouse Gas Reduction Projects

LG Electronics is promoting a Clean Development Mechanism (CDM) project aimed at reducing greenhouse gas emissions externally by converting the electricity savings from the sale of high-efficiency refrigerators in India into carbon credits. This project was approved by the United Nations Framework Convention on Climate Change (UNFCCC) in 2013 and had secured approximately 560,000 tCO2eq of carbon credits by 2020. This achievement corresponds to a reduction of approximately 61.4 GWh in electricity consumption through the use of the company's high-efficiency refrigerators.

LG Electronics initially aimed to accumulate a total of 2 million tons of carbon credits by 2025 through this project. However, the issuance of internationally recognized carbon credits is contingent upon formal registration and approval by the Indian government. As the approval process is currently delayed, it is deemed unlikely that the company will be able to meet its target within the planned timeframe. Accordingly, LG Electronics is continuing discussions with the local government while simultaneously reviewing its mid- to long-term reduction strategy, including alternative measures.

Reduction of Greenhouse Gas Emissions in the Product Use Stage

LG Electronics is reducing greenhouse gas emissions during the product use stage by developing and selling high-energy-efficiency products, and continuously expanding the launch of products equipped with advanced energy-efficient technologies. Additionally, the company quantitatively assesses the emissions associated with the use stage of its major products and discloses the data transparently.

LG Electronics complies with global energy regulations, including the EU Ecodesign Directive[1)], and is focused on developing technologies and designing products that improve energy efficiency. Furthermore, the company has established a "Technology Road Map (TRM)," setting energy efficiency improvement targets and detailed strategies by product line, and is executing them accordingly.

According to the 2021 analysis, approximately 90% of emissions of product use stage are generated from seven major product lines (TVs, refrigerators, washing machines, dryers, residential air conditioners, system air conditioners, and monitors). Accordingly, LG Electronics has set and is implementing a target to reduce the carbon emissions per unit during the use stage of globally sold models in the seven major product lines by 20% by 2030, compared to 2020. LG Electronics is achieving tangible reductions in emissions of product use stage by pursuing a range of technological and institutional initiatives, thereby reducing energy consumption and carbon emissions.

1) EU Ecodesign Directive: A set of environmental and energy efficiency regulations that manufacturers, distributors, and retailers must comply with from the product design stage.

Reduction of Greenhouse Gas Emissions in the Product Distribution Stage

LG Electronics is making continuous efforts to reduce greenhouse gas emissions generated during the product distribution stage through collaboration with LX Pantos, a logistics specialist.

LX Pantos Climate Change Response

Strategy to Achieve 100% Transition to Renewable Energy

In June 2023, LG Electronics joined RE100 and is pursuing a phased implementation to achieve 100% transition to renewable energy by 2050. Taking into account the operational status of domestic and overseas sites, as well as relevant regulations of the countries where they are located, the company plans to gradually increase the share of renewable energy use to achieve 100% transition over the mid- to long-term. By comprehensively reviewing a range of renewable electricity procurement options, including green pricing programs, the purchase of Energy Attribute Certificates (EACs), and Power Purchase Agreements (PPAs)[1)], LG Electronics is targeting 60% renewable energy use by 2030, 90% by 2040, and 100% by 2050.

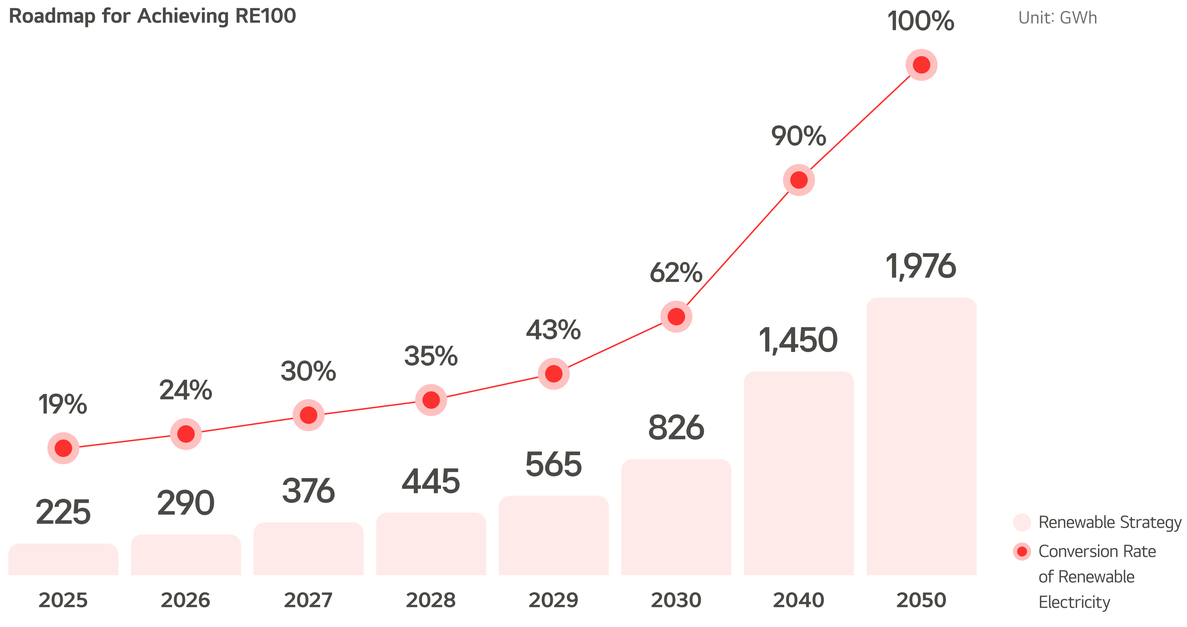
In 2024, the company procured a total of 182,246 MWh of renewable energy through self-generation, PPAs, and the purchase of renewable energy certificates.

*Changwon Smart Park: Utilized 2.3 MW of renewable electricity through Korea's first off-grid PPA
*Pyeongtaek Digital Park: Introduced 1.4 MW of solar power generation

Additionally, LG Electronics sources approximately 44,000 MWh of renewable energy annually through wind and hydropower. Since 2024, the company has been investing in a solar power generation project at its production subsidiary in India, with a capacity of 11 MW capable of producing 16,500 MWh of electricity annually.

1) PPA: Power Purchase Agreement, A contract directly signed between an electricity consumer and a renewable energy generator for the use of renewable energy

Roadmap for Achieving RE100



Climate Change Response (TCFD)

Risk Management

LG Electronics adopts a dual approach to climate change risk management, combining top-down strategic planning with bottom-up site-level risk identification to conduct a comprehensive management of the climate change risk across the organization. Under a connected structure involving the ESG Committee, the ESG Council led by the CSO, and each business division, climate change risks are addressed in alignment with the company-wide risk management system.

Top-Down Approach to Risk Identification and Assessment

The ESG Committee, LG Electronics' highest decision-making body, comprises the CEO and independent directors, and oversees all ESG-related matters. This committee approves major investments and new business initiatives related to mitigation of climate change risk and leads the establishment and performance management of mid- to long-term greenhouse gas reduction strategies and renewable energy expansion plans. Each business division and support organization develops independent strategies and targets based on the climate change policies and directions set by the Committee.

Bottom-Up Approach to Risk Identification and Assessment

At the asset level, LG Electronics manages quantitatively identified risks and opportunities daily. At the operational level, the current status of implementation is reviewed monthly in accordance with internal regulations related to the environment, energy, and greenhouse gases. These activities are grounded in the ISO 50001 Energy Management System and are systematically operated according to the Plan-Do-Check-Act process on a daily, monthly, and annual basis. Additionally, risks and opportunities specific to certain products and solutions are managed by the respective business units, with appropriate measures taken as needed.

Framework for Company-wide Integrated Climate Change Risk Management

The ESG Council convenes quarterly to comprehensively review and manage climate change-related risks and opportunities across the organization. To effectively manage climate change risks and secure new opportunities, the company applies an integrated management approach. This approach involves all relevant departments and responsible parties participating in a unified discussion process to jointly address identified issues, solutions, and ways to explore new opportunities across organizations and business divisions. The ESG Council is chaired by the CSO, with decision-makers from all relevant departments in attendance. During each meeting, members share assessments of the risks and opportunities raised as agenda items, establish appropriate action plans, and formulate financial investment strategies, resource allocation plans, and detailed approaches to mitigate climate change risks and capitalize on new opportunities. Key issues discussed within the ESG Council are reported to the CEO and the ESG Committee, which determines the final direction and decisions.

Risk Management Procedure

To establish and implement a management plan for climate change-related risks, LG Electronics identifies the potential impacts of risk factors and utilizes the results derived from internationally recognized scenario analyses such as NZE 2050, NDC, and RCP[1)] (1.9/2.6/8.5). These scenario analyses are conducted through a comprehensive process that includes identifying and defining climate change-related risks, selecting appropriate scenarios, and assessing the likelihood and impact of risks under each scenario. Through this approach, LG Electronics identifies key climate change risks and establishes corresponding response strategies.

1. Definition of Key Risks

Climate change risks are broadly categorized into physical risks and transition risks.

- Physical risks:
  - Acute risks: Financial losses caused by asset damage and suspension of production and sales due to extreme weather events such as floods and typhoons
  - Chronic risks: Increased operating costs resulting from climate change (e.g. greater demand for cooling)
- Transition risks
  - Market risks: Financial losses due to project delays and reductions in production and sales caused by changes in climate policies and regulations
  - Reputation risks: Impacts on revenue due to damage to corporate image and legal sanctions resulting from insufficient climate action

2. Scenario-Based Impact Assessment and Development of Strategy

To comprehensively assess the likelihood and financial impact of climate change risks, LG Electronics conducts both quantitative and qualitative analyses using internationally recognized scenarios. Transition risk scenarios include Net Zero Emissions by 2050 (NZE 2050) and Nationally Determined Contributions (NDCs), while physical risk scenarios are based on RCP[1)] 1.9, RCP 2.6, and RCP 8.5. The scope of these analyses covers domestic and overseas production sites, key upstream supply chains, and downstream product use stages. The analysis is conducted across short-term (0 to 3 years), medium-term (3 to 10 years), and long-term (10 to 25 years) horizons, with strategic responses developed in consideration of regulatory changes, physical risk, and market demand. The findings from these analyses are regularly reviewed by the ESG Council, chaired by the CSO, and the ESG Committee under the Board of Directors. These insights are then incorporated into the company's financial planning and strategic investment decisions.

1) RCP: Representative Concentration Pathways

Climate Change Response (TCFD)

Risk Management

1) Scenario-Based Physical Risk Analysis

Representative Concentration Pathways (RCPs), grounded in climate science, present projected temperature rise trajectories and associated physical risks under different scenarios depending on future changes in greenhouse gas concentrations. LG Electronics utilizes RCP 1.9, 2.6, and 8.5 scenarios to assess climate change risks that may impact its major global operations.

RCP 1.9 Scenario The RCP 1.9 scenario outlines a pathway to limit the global average temperature increase to within 1.5°C above pre-industrial levels. It emphasizes the global need to achieve net-zero emissions by 2050 to meet this target.

Source: IPCC 1.5°C Special Report, 2018

RCP 2.6 Scenario The RCP 2.6 scenario represents a low-emissions pathway aimed at limiting the global temperature rise to below 2°C above pre-industrial levels. It maintains radiative forcing at 2.6 W/m^2 by 2100 and requires immediate and effective global efforts to mitigate greenhouse gases by 2030.

Source: IPCC Fifth Assessment report, 2014

RCP 8.5 Scenario The RCP 8.5 scenario assumes a continued increase in greenhouse gas emissions due to the absence or insufficiency of climate change response policies, resulting in radiative forcing reaching 8.5 W/m^2 by 2100. This high-risk scenario projects a global average temperature increase of approximately 2.4 to 4.8°C by 2100. This may lead to heightened occurrences of sea-level rise, heavy rainfall, droughts, and other extreme weather events, which may pose significant physical risks to global operations and supply chains.

In addition to its 2030 carbon neutrality goals, LG Electronics recognizes climate change-related physical risks as an independent strategic management priority and is committed to strengthening the resilience and adaptive capacity of its global business operations.

- **Enhancing Climate Disaster Response Capabilities:** The company has established risk assessments and response scenarios tailored to regional weather disasters. For areas at risk of damage, LG Electronics implements facility reinforcement, upgrades disaster prevention infrastructure, and develops and conducts emergency response protocols.
- **Securing Supply Chain Resilience:** In preparation for supply chain disruptions due to physical disasters, LG Electronics promotes inventory management strategies, dual sourcing, and supplier diversification.
- **Operating an Integrated Climate Information Response System:** The company proactively addresses long-term physical risks through climate vulnerability assessments of key sites, climate forecast monitoring, and the establishment of a climate information-sharing system.
- **Investing in Eco-Friendly Infrastructure and Technology:** LG Electronics is deploying high-efficiency energy facilities and climate-resilient infrastructure, while leveraging digital technologies such as monitoring of IoT-based equipment condition and AI-based maintenance solutions.

2) Scenario-Based Transition Risk Analysis

LG Electronics assesses the mid- to long-term impact of transition risks based on carbon neutrality scenarios developed by international organizations and national governments, and establishes corresponding response strategies. In particular, the company analyzes the implications of greenhouse gas reduction levels, as well as policy and market changes, primarily focusing on the IEA's Net Zero by 2050 (NZE 2050) scenario and Nationally Determined Contributions (NDCs) under the Paris Agreement.

Net Zero by 2050 (NZE 2050) Scenario The Net Zero by 2050 (NZE 2050) scenario aims for net-zero CO_2 emissions from the energy and industrial sectors by 2050, thereby limiting the rise in global average temperature to within 1.5°C by 2100. The IEA proposes a 35% reduction in CO_2 emissions from the energy sector by 2030 compared to 2022. Milestones include expanding renewable energy to supply 70% of electricity by 2030, phasing out vehicles with internal combustion engine by 2035, and shutting down coal-fired power plants by 2040. In alignment with the NZE 2050 scenario, LG Electronics has set a target to reduce its greenhouse gas emissions by 54.6% by 2030 compared to 2017, and has received validation from the SBTi.

Source: Net Zero by 2050 - A Roadmap for the Global Energy Sector, 2021

Nationally Determined Contributions (NDC) Scenario The Nationally Determined Contributions (NDC) scenario represents the national greenhouse gas reduction targets voluntarily determined by participating countries under the Paris Agreement. The Republic of Korea, where LG Electronics' headquarters and major production sites are located, has set a national target to reduce total emissions by 40% (including a 37% net domestic reduction) by 2030 compared to 2018. The industrial sector is required to reduce emissions by 14.5%, and the nation has legally committed to carbon neutrality by 2050 through the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis. Under this framework, companies voluntarily submit their planned efforts across various areas, including mitigation, adaptation, finance, technology, capacity building, and transparency. Furthermore, regulatory developments by national governments, including those in countries where LG Electronics operates, are key considerations in scenario analyses. Recently, OECD countries including Korea have introduced emissions trading schemes and carbon taxes, and are implementing specific policies such as the Carbon Border Adjustment Mechanism (CBAM) and the Inflation Reduction Act (IRA). It is also expected that major non-OECD countries will join these efforts in the future. In particular, investments aimed at carbon reduction are expected to increase across various areas, including efficiency improvements, renewable energy, and nuclear power, while energy sources that replace fossil fuels are projected to expand.

Source: UNFCCC and respective national NDC government websites

As LG Electronics manufactures products through a global supply chain, it is pursuing an integrated strategy to address various transition risks, including policy changes such as carbon taxes, CBAM, rising emissions allowance prices, raw material price volatility, and supply chain disruptions, through decarbonizing production processes, strengthening supply chain collaboration, investing in technology development, and expanding eco-friendly product offerings. The company also provides greenhouse gas emissions assessments and improvement consulting to selected key suppliers, aiming to reduce its Scope 1 and 2 emissions by 54.6% by 2030 through the adoption of high-efficiency equipment and the expansion of renewable energy usage. In addition, LG Electronics is proactively addressing market demand for environmentally friendly products by establishing technology roadmaps for each product line, strengthening R&D investments, and expanding its portfolio of ENERGY STAR-certified products in the U.S.

Climate Change Response (TCFD)

Targets and Metrics

LG Electronics has established greenhouse gas emissions reduction targets across Scope 1, 2, and 3, and continues to enhance its greenhouse gas management system based on a mid- to long-term roadmap validated by the SBTi. To achieve its carbon neutrality goals, the company monitors its carbon neutrality performance monthly to manage the progress of reducing greenhouse gas emissions.

1. Scope 1, 2: Reduce greenhouse gas emissions by 54.6% by 2030 compared to 2017 (SBTi validation completed in 2021)

To achieve carbon neutrality by 2030, LG Electronics is actively reducing Scope 1 and 2 emissions across its domestic and overseas business sites through process improvements, the adoption of energy-saving technologies, and the expansion of renewable energy use. The 2021 target for emissions reduction were validated by SBTi.

Greenhouse Gas (GHG) Emissions (Scope 1, Scope 2)

Category		Unit	2022	2023	2024
Direct GHG emissions (Scope 1)	South Korea	1,000 tCO_2eq	110	75	77
	Overseas		155	134	148
Indirect GHG emissions (Scope 2)	South Korea		224	217	226
	Overseas		438	448	455
Total (Scope 1+ Scope 2)			**928**	**874**	**907**
GHG Emissions Intensity		1,000 tCO_2eq/KRW 100 billion	1.12	1.06	1.03

Scope of Verification
- South Korea: Business sites under the operational control of LG Electronics in Korea
- Overseas: 28 overseas production sites of LG Electronics

Verification Principles and Standards
- South Korea: Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme, Guidelines for Verification under the Emissions Trading Scheme
- Overseas: ISO 14064-3:2006 (Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions)

Verification Methods
- South Korea: GHG emissions and energy consumption statements, management and collection of LG Electronics GHG data, calculation of emissions and reporting processes
- Overseas: LG Electronics GHG emissions reports, management and collection of LG Electronics GHG data, calculation of emissions and reporting processes

Global GHG Emissions

Year	Unit	Direct GHG Emissions (Scope 1)	Indirect GHG Emissions (Scope 2)	Scope 1+Scope 2
2019	1,000 tCO_2eq	604	869	1,473
2020		429	865	1,294
2021		333	819	1,152
2022		265	662	928
2023		209	665	874
2024		225	681	907
2030 Target				878[1)]

1) A 54.6% reduction compared to 2017 levels in line with SBTi standards

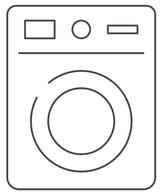
2. Scope 3: Reduce GHG emissions per unit in the product use stage by 20% by 2030 compared to 2020 (SBTi validation completed in 2021)

LG Electronics is strengthening Scope 3 emissions management to realize greenhouse gas reductions across the entire value chain. From 2023 through the first half of 2024, the company conducted greenhouse gas emissions calculations for all Scope 3 categories and analyzed the significance and potential for improvement in each category. The assessment revealed several constraints, including limited data disclosure from suppliers, challenges in collecting information from external investments, subsidiaries, and affiliates, and inconsistencies in data quality across global sites. Taking these practical limitations into account, LG Electronics has established a target to reduce greenhouse gas emissions per unit during the use stage of its seven major product lines by 20%, and is developing specific implementation plans to achieve this goal.

Key Reduction Achievements

- In 2024, LG achieved a 19.4% reduction in emission per unit compared to its 2030 target of 20%.
- In the washing machine category, despite increased sales, improved energy efficiency led to a reduction of approximately 850,000 tons of CO_2 globally.
- In the TV category, average CO_2 emissions per unit were reduced by 4.3 kg, resulting in a global reduction of approximately 110,000 tons of CO_2, despite increased sales.
- In the refrigerator category, energy efficiency per unit capacity improved by 4.3%, contributing to a reduction in greenhouse gas emissions.

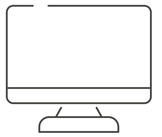
Greenhouse Gas and Energy Reduction Performance by product (Compared to 2023)



Improved energy efficiency per kg of laundry by 30%

Washing Machine

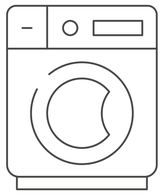
Based on all models



Reduced carbon emission by 6.9%

Monitor

Based on all models



Reduced carbon emission by 3.9%

Dryer

Based on all models

Annual GHG Emissions in the Product Use Stage

Year	Improvement in unit efficiency during the product use stage compared to 2020
2022	13.1%
2023	11.8%
2024	19.4%

Climate Change Response (TCFD)

Targets and Metrics

GHG Emissions (Scope 3)

Category		Materiality[1]	Coverage	Unit	2022	2023	2024
Category 1[2), 3)]	Purchased Goods and Services	H	Tier 1 suppliers within 90% of total purchase value	tCO_2eq	2,735,782	2,712,121	2,468,350
Category 2	Capital Goods	L	Tangible fixed assets newly acquired during the reporting year		-	400,997	287,860
Category 3	Fuel/Energy-Related Activities	L	Fuel and energy used in operations, excluding Scope 1 and 2		-	135,070	151,474
Category 4[4), 5)]	Upstream Transportation and Distribution	H	Inbound parts based on 2023 volume (excluding missing and outlier data (3.5%)) + product distribution (including 90% or more)		-	826,753	1,363,300
Category 5	Waste Generated in Operations	L	Total waste generated domestically and overseas		-	12,769	10,588
Category 6	Business Travel	L	More than 95% of business travel data		19,746	46,073	78,307
Category 7	Employee Commuting	L	All employees		-	78,055	82,500
Category 8	Upstream Leased Assets	L	All leased assets		-	65,377	90,795
Category 9	Downstream Transportation and Distribution	L	-		-	-	-
Category 10	Processing of Sold Products	L	All intermediate products		-	37,810	39,239
Category 11	Use of Sold Products	H	Excluding categories with <1% of sales or emissions (based on 2021 SBTi registration) 7 major finished goods (home air conditioners, system air conditioners, TVs, monitors, washing machines, refrigerators, dryers)		61,082,416	61,207,842	65,061,927
Category 12	End-of-Life Treatment of Sold Products	H			-	1,153,377	1,220,204
Category 13	Downstream Leased Assets	L	All rental properties		-	3,005	3,005
Category 14	Franchises	L	Not applicable		Not applicable	Not applicable	Not applicable
Category 15	Investments	H	Subsidiaries, associates, and joint ventures not included in Scope 1 and 2		-	2,482,319	1,902,052
Total					**63,837,944**	**69,161,568**	**72,759,601**

1) Categories with less than 1% contribution to total GHG emissions are marked as L (Low), and those with 1% or more as H (High).
2) Due to limitations in data collection and disclosure from suppliers, coverage is based on purchase amount: 84% in 2024, 83% in 2023, and 88% in 2022.
3) GHG emissions have been recalculated and corrected due to restatements of supplier sales in 2022 and 2023.
4) Both the stage where suppliers deliver components to LG Electronics and the downstream distribution stage to end customers are included.
5) GHG emissions have been recalculated and corrected after identifying duplicate entries in some 2023 data.

Current Status of Global Renewable Energy

In 2024, LG Electronics purchased and generated 186 GWh of renewable energy across its global sites through PPA (solar, wind, hydro), EAC purchases (wind, hydro, biomass), and on-site generation. As a result, 14.4% of the company's global electricity consumption was converted to renewable energy.

Renewable Energy Transition at Global Sites

Category	Unit	2022	2023	2024
PPA	MWh	37,786	56,110	103,625
EACs	MWh	58,961	65,159	77,646
On-site Generation	MWh	4,336	5,141	4,962
Total	MWh	100,083	126,410	186,223
Conversion Rate	%	8.2	10.1	14.4

2024 Renewable Electricity Consumption by PPA Type

Procurement Method	Consumption (GWh)	Notes
PPA	103.6	On-site PPA and hydropower
Domestic	3.1	
Overseas	100.5	

Climate Change Response (TCFD)

Targets and Metrics

Organizational Energy Consumption

Category		Unit	2022	2023	2024
Direct Greenhouse Gas Emissions from Non-renewable Fuels (Scope 1)	LNG (Korea)	TJ	548	496	564
	LNG (Overseas)		845	615	537
	Coal (Korea)		0	0	0
	Coal (Overseas)		0	0	0
	Others (Korea)		67	56	40
	Others (Overseas)		450	557	533
	Subtotal		**1,910**	**1,724**	**1,674**
Renewable Energy Consumption	Solar Power[1)]		33	64	190
	Wind Power		212	268	310
	Biomass		-	1	-
	Other		115	122	169
	Subtotal		**360**	**455**	**670**
Energy[2)]	Electricity (Korea)		1,736	1,686	1,744
	Electricity (Overseas)		2,678	2,808	2,919
	Steam (Korea)		335	310	197
	Steam (Overseas)		2	2	21
Energy Intensity (per unit)[3)]		TJ per KRW 100 billion	8.0	7.8	7.5

- Scope of Verification
  - South Korea: Business sites in Korea under the operational control of LG Electronics
  - Overseas: 26 overseas production sites of LG Electronics
- Energy subject to verification: Combustion equipment used within the sites and externally supplied electricity and heat
- Calculation of energy consumption: Based on net calorific value, including steam from waste heat recovery in Korea
- Current status of verification: Third-party verification completed

1) Corrected from solar thermal to solar power
2) Corrected from purchased energy to energy (including on-site generation) data
3) Energy intensity data for 2021 and 2022 revised due to changes in calculation standards

Carbon Neutrality Goal by 2030



1. 54.6% reduction in GHG emissions by 2030 compared to 2017

- Continuous investments in facilities to reduce emissions
  (initial investments began in 2015, with annual investment scale increasing)
  - Improvements in energy efficiency and replacement of outdated, low-efficiency equipment

2. GHG reduction through participation in UN CDM projects

- Contribution to reduction in emissions during the use stage by expanding the distribution of LG Electronics' high-efficiency products, such as refrigerators and air conditioners, in India
- Certification by the UN for emission reduction performance, CERs are being secured



3. 100% transition to renewable energy by 2050

- Priority introduction of renewable energy at overseas business sites where economic viability has been secured, expanding the transition to renewable energy use
  - Achieved 100% renewable energy transition at U.S. production/sales subsidiaries and logistics sites, and Brazil production subsidiary (2022)
- Expansion of renewable energy transition based on current laws and site conditions in countries where Korean and overseas business sites are located
- Reviewing applicable options such as green pricing programs, EAC purchases, and third-party PPAs for renewable energy procurement

Climate Change Response (TCFD)

Activities

LG Electronics actively promotes greenhouse gas reduction and energy efficiency through participation in global-level climate initiatives and systematic environmental management practices. To this end, the company has established internationally certified environmental and energy management systems and is strengthening its sustainable environmental foundation in line with global agreements.

Participation in International Climate Change Initiatives

LG Electronics collaborates with domestic and international expert organizations, associations, and initiatives to introduce and implement effective climate change response policies based on international agreements such as the Paris Agreement[1)] and the IPCC[2)]. The company regularly reviews the positions and activities of participating organizations to assess alignment with LG Electronics' internal policy. In cases where material discrepancies are identified, the company considers requesting corrective actions from the organization or withdrawing the membership. Through these efforts, LG Electronics aims to establish a collaborative framework for addressing climate change and to drive the achievement of shared goals.

1) Paris Agreement: An agreement adopted on December 12, 2015, by 195 countries during the 21st session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC), held in Paris, France from November 30 to December 11, 2015
2) IPCC: Intergovernmental Panel on Climate Change

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

RE 100 | °C

CDP DISCLOSURE INSIGHT ACTION

UN GLOBAL COMPACT United Nations Global Compact

K-EV100 Declaration and Implementation

Since April 2021, LG Electronics has participated in the "K-EV100 (Transition to Korean Zero-Emission Vehicle)[1)]" campaign led by the Ministry of Environment, initiating the transition of its business vehicles to eco-friendly alternatives. In line with this commitment, the company continues to increase the proportion of eco-friendly vehicles[2)] among its owned and leased fleets, aiming for a complete transition to 100% eco-friendly business vehicles by 2030.

1) K-EV100 (Transition to Korean Zero-Emission Vehicle): A campaign led by the Ministry of Environment in which participating companies declare and gradually implement the full conversion of their owned and leased vehicles to zero-emission vehicles by 2030
2) Eco-friendly vehicles: Vehicles that meet zero- or low-emission standards and offer high energy efficiency

Introduction of Carbon Accounting and Internal Carbon Pricing

LG Electronics compares its allocated carbon emission allowances and actual emissions every quarter. When emissions exceed the allocated allowances, the company reflects the excess as a liability on its consolidated financial statements. Additionally, the company assigns an internal carbon price to identify business opportunities and assess risks related to energy savings and greenhouse gas reduction activities. This metric serves to quantify the value of carbon for internal transactions, enabling the measurement of environmental costs and supporting rational decision-making for investments of greenhouse gas reduction.

Environmental Management System (ISO 14001) Certification

To effectively manage environmental risk factors, LG Electronics has established a system to identify, evaluate, manage, and improve the necessary elements of environmental management. Based on this system, all domestic and overseas sites have obtained ISO 14001 certification and continue to renew it regularly.

Number of ISO 14001 Certified Production Sites

Category	Certified Sites	Total Sites
Domestic	5 sites	5 sites
Overseas	25 sites	25 sites[1)]

1) Excluding newly established entities (one in the U.S. and one in Mexico) that have not yet started mass production

100%
Rate of certification obtained

Operation of Energy Consumption Management System at Global Production Sites

LG Electronics operates a global energy consumption management system that tracks energy consumption by type every month across its domestic and overseas business sites. This data serves not only as the basis for calculating Scope 1 and 2 greenhouse gas emissions but also supports the establishment and operation of high-efficiency energy systems within the company.

Energy Management System (ISO 50001) Certification

LG Electronics continues to expand the acquisition of ISO 50001 certification to reduce energy consumption and improve energy efficiency at its domestic and overseas business sites. To ensure standardized management, the company has established "Energy and Greenhouse Gas Management Standards/Guidelines" and conducts regular inspections and audits of its site energy management systems.

Number of ISO 50001 Certified Production Sites (As of 2024)

Category	Certified Sites	Total Sites (Production Sites)
Domestic	5 sites	5 sites
Overseas	17 sites	25 sites[1)]

1) Excluding newly established entities (one in the U.S. and one in Mexico) that have not yet stabilized mass production

73%
Rate of certification obtained

Environmental Management Organizational Operation System

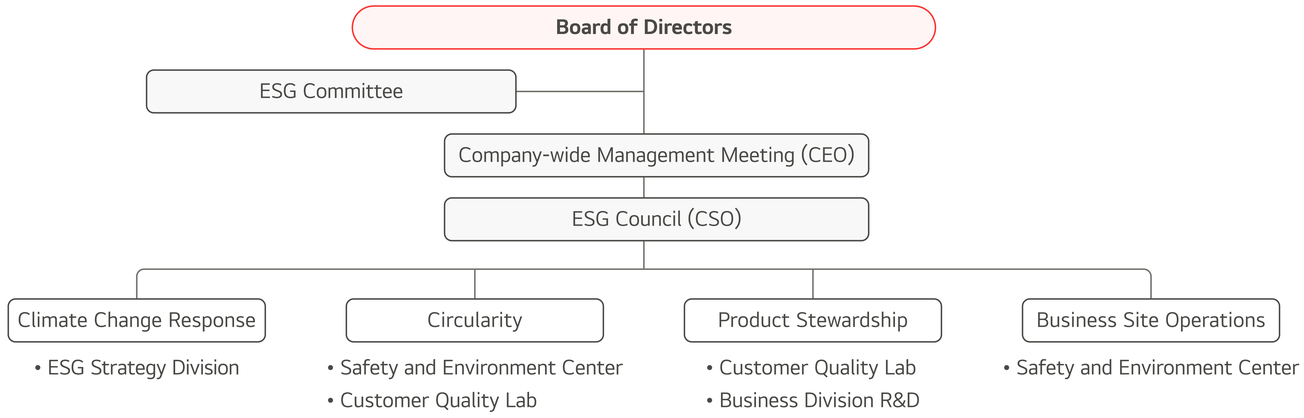
Governance

Environmental Management System

LG Electronics has established a systematic governance structure that clearly defines the roles and responsibilities of each organization to effectively manage and strengthen execution competency across all aspects of environmental management, including climate change response. This system is consistently applied company-wide from the development and implementation of environmental strategies to monitoring and serves as a core foundation for achieving sustainable management performance.

Board of Directors and Top Management

LG Electronics integrates the management of environmental performance and risk response through the ESG Committee within the Board of Directors and management meetings involving top management. The ESG Committee reviews the performance of environmental management twice a year, including revisions to environmental management policies, responses to environmental laws and regulations, and response to climate change.



Dedicated Environmental Management Organization

LG Electronics has designated a dedicated organization to ensure the effective implementation of its environmental management tasks. The primary roles of this organization include monitoring and responding to environmental laws, regulations, and stakeholder requirements; setting environmental management goals and metrics; establishing and operating environmental management systems; and providing education, raising awareness, and disclosing information to key stakeholders.

Organization Name	ESG Strategy Division	Customer Quality Research Lab	Safety & Environment Center
Responsibilities	Establishing strategies related to company-wide climate change response and energy transition	Managing product environmental performance, responding to hazardous substances in products, and collecting e-waste	Managing comprehensive environmental issues associated with business site operations and ensuring regulatory compliance

Strategy

LG Electronics prioritizes environmental protection as a core value of its business operations and strictly complies with the UN Sustainable Development Goals (SDGs), as well as relevant environmental laws and international agreements.

Principles of Environmental Responsibility

As a responsible corporate citizen, LG Electronics upholds environmental protection as a core value in all business activities and adheres strictly to environmental laws and international agreements as a fundamental principle. To this end, the company has established environmental policies aligned with the UN Sustainable Development Goals (SDGs) and defined clear management principles for a wide range of environmental issues, including air and water pollution, hazardous chemicals, waste, energy, greenhouse gases, water resources, biodiversity, and forest preservation.

These policies extend beyond legal compliance, encompassing employee training programs and awareness campaigns. Progress and mid-to-long-term performance against these goals are transparently disclosed on the company's website and in its Sustainability Report. Through these efforts, LG Electronics has built and continues to strengthen a company-wide framework for environmental responsibility.

Link for Website

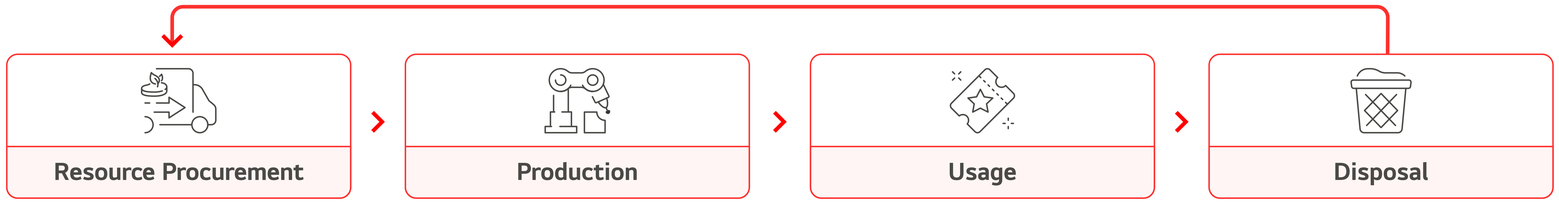
Circularity

Strategy

LG Electronics is committed to building a sustainable future based on resource circulation and has established a clear strategic direction to achieve this goal. The company has developed a comprehensive resource circulation strategy that spans the entire product lifecycle and is systematically implementing it at each stage. By advancing its waste management systems and enhancing the recovery and recycling of e-waste, the company aims to improve resource efficiency while minimizing its environmental impact.

Resource Circulation Strategy

LG Electronics implements a resource circulation strategy throughout the entire lifecycle of its products. At the material selection stage, the company gives priority to resources with high recyclability and strong carbon reduction potential, and actively promotes the reuse of components identified as recyclable based on waste recovery status and economic feasibility. During the production stage, modular design and efficient manufacturing processes enable the recovery of scrap, which is then recycled as a reusable material. In the usage stage, LG Electronics extends product lifespans by enhancing durability and providing repair manuals, while increasing resource efficiency through home appliance subscription services. At the disposal stage, the company strengthens waste collection and recycling efforts centered around the Chilseo Recycling Center (CRC), contributing to the sustainable circular economy.



Material Selection

- Assesses material significance based on product application scale and environmental attributes, including recyclability and carbon footprint
- Strategies are developed with a focus on high-priority materials.

Reusing Components

- Analysis on waste recovery status and ROI
- Based on analysis results, components with reuse potential are actively repurposed.

Modular Process

- Modular and standardized product design
- Efficient production lines
- Quality management systems
- Improved parts replaceability

Recycling Scrap

- Residual scrap from the production process is collected and reintegrated into component manufacturing.
- Development of parts using recycled materials is actively pursued.

Durability

- Products are designed for extended lifespans.
- Standardized quality management systems are established and operated.

Repairability

- Modular designs
- Providing repair manuals
- Maintaining spare parts inventory
- Ensuring fair access to repair services
- Complying with relevant regulations

Subscription Products

- Customers are encouraged to participate in environmental initiatives, including waste reduction and a circular economy.
- Subscription platforms are being further advanced.

Collecting E-Waste

- Operates the Chilseo Recycling Center (CRC)
- Collects regional waste
- Enhances automation and advancement of recycling (RC) facilities

Closed-Loop Waste System

- Products collected at the Chilseo Recycling Center (CRC) are reused in component and electronics manufacturing
- Packaging materials collected by Pantos and repurposed either as raw materials through packaging waste recyclers or for recycled EPS production via resin manufacturers
- Promotes a global closed-loop resource circulation system

Waste Management and Reduction Strategy

LG Electronics operates a systematic waste management system across all its business sites to strengthen resource circulation. The company regularly records and inspects the types and volumes of waste generated at each site, using this data to comprehensively analyze the current status of waste management and identify ongoing opportunities for improvement.

Site-specific waste reduction roadmaps have been developed, tailored to each facility's unique characteristics. These plans focus on achieving reduction targets through manufacturing process improvements and the use of eco-friendly materials. Additionally, the company regularly conducts customized waste reduction training programs for all employees to raise awareness and encourage responsible waste practices among employees. This integrated approach has become a core strategy in building a circular economy business model that maximizes resource efficiency and minimizes environmental impact.

E-waste Recovery & Recycling Policy

LG Electronics operates a "Global E-Waste Collection and Disposal Policy" to minimize environmental impact at the disposal stage of electronic products, in line with the principle of Individual Producer Responsibility (IPR), which holds manufacturers accountable for the recovery of e-waste. As of the end of 2024, the company has established e-waste recovery and recycling systems in 91 regions across 56 countries, and shares related information through its official website.

The Global E-waste Collection and Disposal Policy outlines LG Electronics' commitment to complying with e-waste recovery and recycling regulations, supporting the Individual Producer Responsibility (IPR) system, and providing global recovery guidance for customers.

The Global E-waste Local Collection Facilities and Systems established across global regions include detailed requirements for recyclers as well as region-specific information on local recyclers.

Global E-waste Collection and Disposal Policy

Global E-waste Local Collection Facilities and Systems

Circularity

Risk Management

LG Electronics has established and operates a response system based on pre-identified waste-related risks. Each business site continuously monitors and reviews waste data trends and conducts regular evaluations of waste management vendors to systematically control associated risks.

Waste Data Management Process at Business Sites

LG Electronics systematically manages waste data as part of its proactive approach to environmental risk management. At the core of this approach is a continuous monitoring system that enables timely response based on reliable data. Each business site regularly inputs data on waste generation, treatment, and recycling into a company-wide IT system. The data is then automatically collected and aggregated within an integrated platform. Outliers and fluctuations are regularly monitored and reviewed by relevant departments to ensure data integrity if necessary. This waste data management process serves as a critical foundation for enhancing LG Electronics' ability to respond to environmental risks.

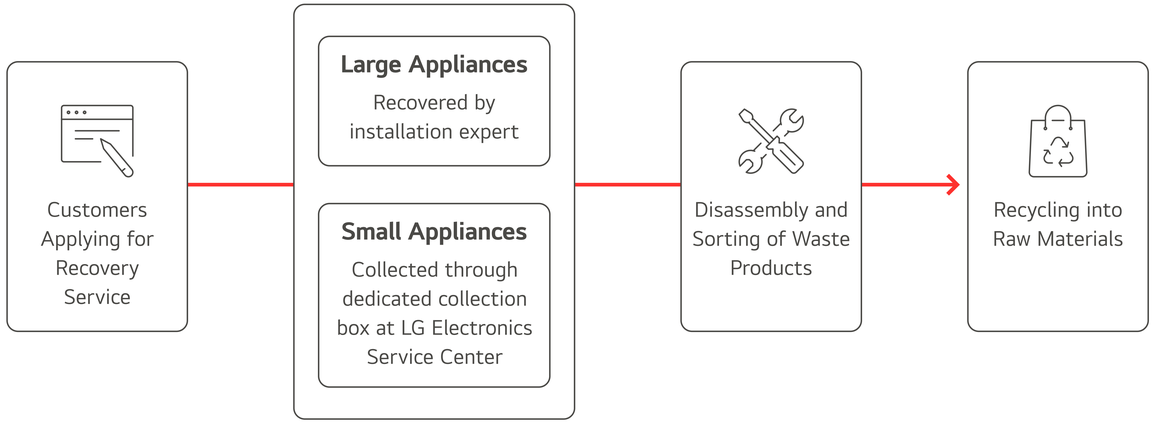
01	Goal Setting	• Establish annual targets for recycling rates, waste emissions, and e-waste recovery • Monitor monthly waste generation and e-waste recovery performance
02	Vendor Contracting	• Review legal compliance and management status of waste management vendors • Review regulatory compliance for waste permits and legal treatability by type and category
03	Generation	• Waste generated from research samples and test materials at business sites • Scrap waste from offices and production facilities
04	Storage	• Operate recycling centers at business sites • Classify and store general designated waste in accordance with legal standards
05	Transport	• Monitor waste transport vehicle logs • Ensure legal compliance during waste transfer
06	Treatment	• Conduct regular inspections of waste management vendors to assess lawful processing practices

Evaluation of Waste Management Vendors

To ensure a more objective and discerning selection process, LG Electronics strengthened its criteria for selecting and managing waste management vendors starting in 2024. All LG Electronics business sites exclusively work with waste management vendors authorized by national governments and conduct regular evaluations at least once a year to closely assess compliance and operational practices. Additionally, to minimize environmental impact and ensure eco-friendly waste processing, LG Electronics provides tailored guidance based on each vendor's specific characteristics and practices, supporting continuous oversight and improvement.

Free E-waste Recovery Process

Since 2003, LG Electronics has participated in the "Extended Producer Responsibility (EPR)" program by providing a free e-waste recovery service. This policy holds manufacturers and importers responsible for the recovery and recycling of waste generated by the use of their products, promoting resource circulation and minimizing environmental impact. Based on this framework, LG Electronics operates a free e-waste recovery service to improve recycling rates while proactively identifying and controlling potential environmental risks throughout the recovery process. Notably, recyclability is assessed during the product development stage, allowing waste reduction measures to be integrated into product design. In addition, continuous monitoring and inspection of the recovery and recycling process help minimize risks associated with unrecovered or improperly treated waste.



Recovered e-waste is transported to the Chilseo Recycling Center (CRC) in the Gyeongnam region, where it undergoes a systematic recycling and hazardous substance treatment process. CRC not only recycles waste but also mitigates risks identified during the recovery process by environmentally friendly treatment of hazardous materials contained in the e-waste. Additionally, LG Electronics operates a management system that minimizes environmental impact throughout the product lifecycle by adhering to environmental assurance standards from the design and production stages.

Circularity

Targets and Metrics

LG Electronics establishes clear goals and monitors performance to enhance its execution competency in resource circulation and manage it systematically. By continuously comparing and managing progress against targets based on key resource circulation metrics, the company strengthens its execution competency to achieve those goals.

Increase in Waste Recycling Rate at Worksites	Expansion of Cumulative E-Waste Recovery	Expansion of Cumulative Use of Recycled Plastics
Achieved a 95% recycling rate for waste generated at all business sites (Domestic & Overseas)	Achieved a cumulative e-waste recovery volume of 8 million tons (2006–2030)	Achieved a cumulative recycled plastic usage volume of 600,000 tons (2021–2030)

Maintaining a 95% Waste Recycling Rate Across All Domestic and Global Sites

LG Electronics promotes the use of recyclable resources by thoroughly sorting and separating waste at its facilities. At major domestic sites, heat generated during incineration is recovered and reused either in operations or supplied externally as an energy source, contributing to improved energy efficiency.

In 2024, LG Electronics implemented tailored recycling improvement plans at overseas subsidiaries that had not yet met the company's 95% waste recycling target. These plans were supported by ongoing monitoring and practical initiatives aimed at steadily improving recycling performance.

As a result of these efforts, LG Electronics achieved a 97.4% recycling rate across all domestic and international sites in 2024, surpassing its original goal of 95% by 2030 well ahead of schedule. The company remains committed to maintaining a recycling rate of over 95% in 2025 through continued and diverse waste recycling initiatives.

Setting Waste Reduction Goals

LG Electronics conducts numerous waste reduction activities at each of its business sites.

- Pyeongtaek Digital Park - Hanuri: Replaced about 1.36 million single-use plastic cups used for beverage service with reusable alternatives.
- Changwon Smart Park 1: Improved packaging methods in 2024, successfully reducing 66 tons of defective vinyl packaging waste generated on-site. Starting in 2025, aims to divert 167 tons of previously landfilled waste glass to recycling by sourcing new vendors.
- Pyeongtaek Chiller: In 2024, the material used for pallets in the painting process was changed from wood to steel for reuse, resulting in a 20-ton reduction of incinerated waste wood.
- Magok Science Park, Gasan R&D Campus, Seocho R&D Campus, Yangjae R&D Campus, Pyeongtaek Digital Park, and Pyeongtaek Chiller: Participated in the Bi:Cycle Campaign[1], establishing a closed-loop recycling system for used paper hand towels in restrooms to strengthen recycling efforts.

1) An eco-friendly campaign led by Yuhan-Kimberly that promotes resource circulation by collecting and sorting waste, producing goods from recycled materials, and encouraging their use.

ZWTL[1] (Zero Waste to Landfill) Goals and Performance Management

To ensure the transparency and credibility of its waste recycling practices, LG Electronics renews its "Zero Waste to Landfill" annually through UL, a global safety certification institute. The company is also expanding this initiative across all domestic and international business sites. In 2024, two domestic business sites (Changwon Smart Park 2 and Gumi Future Park 1) achieved Platinum certification, while four sites (Changwon Smart Park 1, Pyeongtaek Digital Park, Pyeongtaek Chiller, and Magok Science Park) obtained Gold certification. In 2025, LG aims to expand Zero Waste to Landfill (ZWTL) certification to include its domestic R&D centers. In addition, the company plans to obtain Zero Waste to Landfill certification for its domestic research centers in 2025. Overseas, the Manaus plant in Brazil and the Taizhou and Tianjin plants in China were certified at the Platinum grade in 2024. LG Electronics plans to have all manufacturing sites certified ZWTL by 2026.

1) Zero Waste to Landfill (ZWTL): An eco-friendly certification by UL, a standards institute in North America, awarded in three levels based on waste recycling rates (Silver (90–94%), Gold (95–99%), and Platinum (100%)).

Performance and Goals for E-Waste Management

LG Electronics has set a goal to recover a cumulative total of 8 million tons of e-waste from 2006 to 2030. As of 2024, the company has recovered a cumulative 5.01 million tons. To meet this target, LG Electronics operates e-waste recovery programs in 91 locations across 56 countries, including Korea, and closely monitors management performance across these regions.

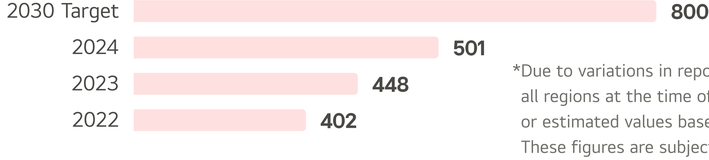
Regional E-Waste Management Performance[1]

Region	Unit	2022	2023[7]	2024
Europe	Ton	152,185	101,898	124,089
South Korea		121,831	126,848	125,138
North America[2]		27,572	30,635	28,334
Asia[3]		148,221	134,110	151,774
CIS[4]		23,677	10,291	92
Latin America[5]		16,545	51,361	95,905
Africa[6]		7,394	7,298	7,298

1) In some countries, projected values are used.
2) North America: United States, Canada
3) Asia: Japan, India, Australia, Singapore
4) CIS: Russia
5) Latin America: Brazil, Colombia, Mexico, Peru
6) Africa: South Africa
7) Revision of 2023 data due to replacement of estimated values with actual measurements

Cumulative E-Waste Recovery Volumes

(Since 2006, unit: 10,000 tons)



*Due to variations in reporting schedules by country, data may not be available for all regions at the time of publication. In such cases, prior-year recovery volumes or estimated values based on recovery rates from neighboring countries are used. These figures are subject to slight adjustments in the following year's report.

Circularity

Targets and Metrics

Performance and Goals for Using Recycled Plastic

LG Electronics contributes to resource circulation and environmental protection by incorporating recycled plastics, extracted from collected e-waste, into the production of new products. The company has set a goal to use a cumulative total of 600,000 tons of recycled plastic between 2021 and 2030. As of 2024, LG Electronics has used a cumulative 188,000 tons.

Category	Unit	2022	2023	2024
Use of recycled plastic	ton	32,987	54,423	74,079
Use of recycled plastic raw materials		16,070	21,632	27,455
Cumulative use of recycled plastic	10,000 tons	5.9	11.4	18.8
Achievement rate (Target cumulative 600,000 tons)	%	9.8%	19%	31%

Achievements in Product Material and Structural Improvement

LG Electronics is continuously advancing the development of eco-friendly products and enhancing the design and materials of existing products to minimize waste generation and improve resource efficiency. In 2024, by improving the material and structure of the TV model (model name 50UR8250KNA), the company achieved a reduction in product weight of about 19% (about 2.8 kg) compared to the previous model (model name 50LF6500), along with a 7% reduction in product volume (0.013 m^3) and a 3% reduction in packaging weight (0.11 kg). Additionally, recycled plastic (0.71 kg) was newly applied to the TV's external plastic back cover. For the air conditioner model (model name FQ18EV4EEN), LG Electronics achieved a 22% reduction in product weight (8.5 kg), a 12% reduction in product volume (0.025 m^3), and a 42% reduction in packaging weight (2.1 kg) compared to the previous model (model name FQ18HDNHEN). Additionally, the use of recycled plastic increased by 27% (0.37 kg). Through these achievements, LG Electronics continues to strengthen resource efficiency and environmental sustainability.

Improvements in TV Model (Model: 50UR8250KNA)

Weight	Product Volume	Packaging Weight	Recycled Plastic
19% reduced (2.8 kg)	7% reduced (0.013m^3)	3% reduced (0.11 kg)	Newly applied (0.71 kg of recycled plastic)

Improvements in Air Conditioner (Model: FQ18EV4EEN)

Weight	Product Volume	Packaging Weight	Recycled Plastic
22% reduced (8.5 kg)	7% reduced (0.025m^3)	42% reduced (2.1 kg)	27% increase in usage (0.37 kg of recycled plastic)

Improvements in Eco-Friendly Packaging

LG Electronics is actively promoting eco-friendly packaging design and the use of sustainable materials to ensure product protection and stability while minimizing waste. By strengthening technology development and material sourcing across business units, the company plans to expand these improvement efforts to all products and accelerate the transition to eco-friendly packaging.

2022	2023	2024
• Reduction of packaging material usage and packaging volume by business division based on the 'Packaging Design Guidelines'.	• Developed and applied recycled cushioning material containing 50% waste polystyrene • Expanded use of eco-friendly printing and FSC-certified packaging materials	• Air purifier (Montblanc, 24kg): Developed a high-weight pulp mold, which is currently being applied • Vacuum cleaner (NR, 25kg): Currently developing a high-weight pulp mold

Expansion of Paper Cushioning and Recycled EPS Manufacturing Technology

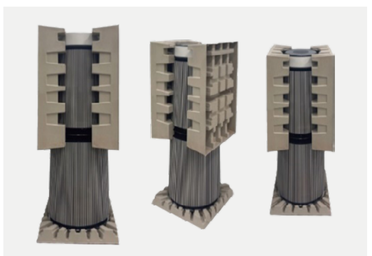
LG Electronics is transitioning to paper and recycled materials for its packaging to reduce plastic waste. Since 2021, the company has applied pulp mold cushioning to small products, including laptops, soundbars, and portable speakers. In 2023, the company developed the industry's first high-strength paper cushioning capable of supporting a 20 kg air purifier (Montblanc model).

This technology is currently being expanded to mid-sized appliances such as vacuum cleaners, air conditioners, and indoor units, with ongoing development aimed at applying it to large products weighing up to 70 kg.

In cases where the use of plastic cushioning is unavoidable, LG Electronics is adopting recycled EPS (Expanded Polystyrene) containing more than 50% post-consumer plastic. This approach maintains shock absorption performance while reducing resource consumption. In 2024, recycled EPS cushioning was pilot-tested in dryer packaging and successfully validated for performance. The company plans to expand its use to other products, such as washing machines and refrigerators. Through these packaging strategies, LG Electronics aims to build an eco-friendly packaging system and increase the use of recycled materials.



Paper cushioning used in speaker packaging



Paper cushioning used in air purifier packaging

Circularity

Targets and Metrics

Acquisition of Certification for E-Cycle Excellent Product

LG Electronics continues to expand the development of products that reflect resource circulation and eco-friendliness, earning the Ministry of Environment–sponsored "Certification for E-Cycle Excellent Product" for 54 models in 2024, including 5 TV models, 7 washing machines, and 42 refrigerators.

A flagship product, the LG OLED evo (model OLED83G5), has received the certification for two consecutive years since 2023. Its backlight-free design reduces the number of components, enhancing resource efficiency. This product utilizes eco-friendly composite fiber and metal materials in place of plastic, resulting in plastic usage that is approximately 40% lower than that of an LCD TV of the same size.

Additionally, LG Electronics replaced approximately 30% of the plastic used in its 2024 TV manufacturing process with recycled plastic, thereby reclaiming around 6,300 tons of waste plastic. The company plans to increase this proportion to 50% by 2025, aiming to recycle approximately 7,700 tons of waste plastic.

In addition, the product's rear cover incorporates recycled materials containing more than 30% post-consumer plastic. This eco-conscious design has received international recognition through the "Carbon Footprint" certification from the UK-based nonprofit certification body Carbon Trust, as well as the "Resource Efficiency" certification from Intertek, a global testing and certification organization based in the UK.

Current Status of LG Electronics Excellent E-Circular Product Certification

Unit: Number of Models

Year	Product Category	Number of Models
2023	TV	2
	Air Purifier	18
	Vacuum Cleaner	2
	Refrigerator	46
2024	TV	5
	Washing Machine	7
	Refrigerator	42

Collection/Recycling of Small-Scale Secondary Batteries

In May 2024, LG Electronics signed a "Memorandum of Understanding (MOU) on Recovery/Recycling of Small-Scale Secondary Batteries" with the Korea Environment Corporation and E-Circulation Governance to strengthen the recovery and recycling system for used batteries, which are increasing in volume due to the growing trend toward wireless devices. Through this agreement, LG Electronics extracts rare metals with high import dependency, such as nickel and cobalt, from small used batteries that can no longer be reused, thereby contributing to the securing of resources.

LG Electronics is also leading efforts to raise awareness of the circular economy through its customer engagement campaign, "Battery Turn." This campaign facilitates the recovery of used vacuum cleaner batteries and encourages consumers to participate in recycling. Launched in 2022 and held twice a year, the campaign had been conducted five times as of 2024, drawing about 116,000 participants and collecting approximately 200,000 batteries (A9-based), equivalent to about 90 tons.

Annual Rare Metal Recovery Volumes

Unit: kg

Category	2022	2023	2024	Cumulative Total
Cobalt	117	368	336	**821**
Nickel	887	2,716	2,439	**6,042**
Lithium	168	281	344	**793**
Manganese	57	323	168	**548**

Development of Marine Restoration and Eco-Friendly Technologies Using Water-Soluble Glass Materials

LG Electronics is developing eco-friendly technologies based on water-soluble glass materials to help restore marine ecosystems and secure blue carbon. This technology gradually releases mineral ions that promote the growth of marine plants such as halophytes, microalgae, and seaweed. Field tests conducted at the King Sejong Station in Antarctica showed that the growth and survival rate of Suaeda japonica and Ecklonia cava improved by three times compared to conventional methods.

The company is also expanding the application of water-soluble glass materials into everyday life, developing laundry technologies that reduce water usage and electricity consumption. The company plans to roll out this technology across major marine restoration sites worldwide by 2026. This innovative approach aims to minimize chemical discharge into household wastewater, contributing to environmental sustainability.

Product Stewardship

Strategy

LG Electronics integrates environmentally conscious strategies throughout every stage of product and service development to minimize environmental impact and advance product stewardship. To this end, the company continues to expand its sustainable product portfolio, focusing on improving energy efficiency, reducing carbon emissions, and managing hazardous substances.

R&D on Eco-Friendly Products

LG Electronics is advancing an eco-friendly product R&D strategy to achieve carbon neutrality and enhance resource efficiency. Focusing on Clean Tech research, the company develops high-efficiency products and solutions that reduce carbon emissions during the use stage. It also promotes circulation of resources by developing packaging that incorporates recycled plastics and environmentally-friendly materials. Furthermore, LG Electronics operates a dedicated Clean Tech research team specializing in a wide range of eco-friendly technologies, including energy efficiency improvement, carbon capture and utilization, waste recycling, and pollution reduction. The outcomes of this research contribute to enhancing the environmental performance of products and expanding a sustainable product portfolio.

Eco-Friendly Product Design Strategy

LG Electronics has established a company-wide Eco-Friendly Product Management Policy to reduce environmental impact throughout the new product and service development process. Based on this principle, the company promotes sustainable product design across all stages of development. Focusing on three core elements—Resource, Energy, and Human—LG Electronics sets specific environmental targets such as expanding reuse and recyclability, improving energy efficiency, reducing carbon emissions, and substituting hazardous substances. Additionally, during the product development phase, an Eco-NPI (New Product Introduction) checklist is applied to systematically review eco-friendly factors. Through ongoing improvement efforts, LG Electronics strives to minimize environmental impact throughout the entire product lifecycle.

Hazardous Substance Management System

LG Electronics tiered a hazardous substance management system into LEVEL A-I, LEVEL A-II, and LEVEL B to ensure eco-friendly design from the earliest stages of product development. LEVEL A-I covers substances that are strictly prohibited from use in products, while LEVEL A-II includes globally regulated substances beyond those restricted under the EU RoHS (Restriction of Hazardous Substances) directive. LEVEL B includes substances that require voluntary substitution or monitoring. Through this classification, LG Electronics actively minimizes the use of hazardous substances in its products and promotes the expanded use of sustainable materials. This systematic approach is part of the company's broader eco-friendly product strategy, aimed at reducing environmental impact and enhancing resource efficiency.

LEVEL A-I Substances prohibited	LEVEL A-II Substances prohibited outside the scope of EU RoHS	LEVEL B Substances for voluntary substitution or monitoring
10 hazardous substances specified under the EU RoHS regulation	**Regulated substances banned under national laws or international conventions other than RoHS**	**Substances subject to monitoring or recommended for reduction**
• Heavy metals, such as lead, cadmium, mercury, hexavalent chromium, and their compounds • Brominated flame retardants including polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE) • four types of phthalates (DEHP, DBP, BBP, DIBP)	• Chlorinated compounds • Asbestos, organotin compounds • Formaldehyde, ozone-depleting substances and others (e.g., PCBs, PCNs, PCTs, VOCs, HBCD, Bisphenol A, nickel and its compounds, etc.)	• Polyvinyl chloride resin (commonly known as PVC), phthalates, beryllium, palladium, bismuth, and other chlorinated flame retardants (substances specified in EU REACH SVHCs and California Proposition 65 and PVC, PCP, etc.)

Product Stewardship

Risk Management

LG Electronics has established a comprehensive risk management system to proactively identify and address potential environmental and hazardous substance risks throughout the entire life cycle of its products and services. To support this, the company has developed a database based on the Life Cycle Assessment (LCA) to continuously monitor potential risks. Additionally, LG Electronics operates a chemical substance management program for suppliers, helping to control risks and enhance response capabilities.

Conducting Product Life Cycle Assessments

LG Electronics conducts the Life Cycle Assessment (LCA) to identify and mitigate potential environmental risks throughout the entire life cycle of its products. Since 2011, the company has developed a Life Cycle Inventory (LCI) database for major product categories, and it conducts regular Life Cycle Assessments (LCAs) on key products, including TVs, refrigerators, washing machines, air conditioners, and monitors, to identify potential risks. Building on this foundation, LG Electronics developed a simplified LCA tool in 2016. In 2018, the company expanded its scope of assessment to cover 13 environmental impact categories, including global warming, resource depletion, and ozone depletion, thereby controlling environmental risks during product design from the early stage.

1995
Introduced Life Cycle Assessment (LCA)

2002
Life Cycle Assessments for major product categories and third-party validation (TVs, refrigerators, washing machines, air conditioners, monitors, etc.)

2009
Carbon emissions calculated and disclosed for major product categories

2011
Established a Life Cycle Inventory database and third-party validation

2016
Mandatory life cycle assessment during the development phase of major product categories, Development of a simplified LCA tool

2018
Improved the functionality of the simplified LCA tool (expanded evaluation across 13 impact categories, including global warming)

2018–Present
Conducted LCAs for major product categories (TVs, refrigerators, washing machines, air conditioners, monitors, etc.) and obtained eco-friendly certifications based on product LCAs (Carbon Trust, International EPD, UL certification, etc.)

Voluntary Substitution of Hazardous Substances for Risk Management

As part of its hazardous substance risk management system, LG Electronics has been continuously substituting hazardous substances during the product development process to identify and control materials that could pose risks to human health or the environment. The company strictly prohibits the use of regulated substances, as mandated by international regulations such as RoHS and REACH, and continues to drive technological advancements and component improvements to facilitate the substitution of hazardous substances. In particular, LG Electronics evaluates the potential for substituting high-risk substances such as polyvinyl chloride resin (PVC) and brominated flame retardants (BFRs) through safety and reliability testing. The company is also strengthening efforts to minimize the use of toxic substances and to identify and improve the use of biocidal substances throughout the supply chain. Through these activities, LG Electronics effectively manages hazardous substance risks across the entire product lifecycle from design to production.

2010
Complete elimination of PVC and BFRs in all mobile phone products

2011
Voluntary substitution of hazardous substances such as phthalates and beryllium

2012
Voluntary substitution of hazardous substances including antimony trioxide
Replacement of PVC in internal cables of UHD OLED TVs

2013
Development and application of PVC-free noise reduction parts (skirt lower) to refrigerator

2015
Complete removal of HBCD, a type of brominated flame retardant, from both products and packaging materials

Chemical Substance Risk Management for Suppliers

Since 2005, LG Electronics has been operating the Green Program Plus (GP Plus) for its suppliers, providing ongoing support in technology and expertise to strengthen their eco-friendly competitiveness. Through this program, LG Electronics aims to establish robust green partnerships with suppliers, strengthen environmental management capabilities across the supply chain, and proactively respond to global environmental regulations. To systematically manage chemical substance risks among suppliers, the company runs a variety of programs. One key initiative is the annual training program for "hazardous substance measurement experts," which is designed to enhance measurement and management skills while continuously improving data reliability. This training targets both the personnel responsible for hazardous substance testing equipment at supplier sites and LG Electronics employees in charge of green partnerships, thereby strengthening regulatory compliance and environmental expertise.

Product Stewardship

Targets and Metrics

LG Electronics has established carbon reduction targets across the entire product lifecycle and is systematically implementing them to reduce emissions. In line with this commitment, the company sets detailed goals, continuously monitors progress, and regularly evaluates performance.

Environmental Certification Based on Life Cycle Assessment

In November 2022, LG Electronics' Objet Collection refrigerator became the first refrigerator produced by a global home appliance manufacturer to receive Norway's Environmental Product Declaration (EPD) certification. In September 2023, it went on to earn the International EPD certification as well. This high-efficiency refrigerator features a high-efficiency linear compressor and vacuum insulation panels, maximizing the efficiency of the refrigeration cycle to significantly reduce energy consumption.

For its OLED TVs, LG Electronics has earned the Carbon Footprint certification from the UK-based Carbon Trust for four consecutive years and has also received the "Resource Efficiency" certification from global certificate authority Intertek for two consecutive years.

These internationally recognized certifications, based on life cycle assessment, evaluate the environmental impact of a product, including carbon dioxide emissions, across its entire lifecycle, from production and distribution to use and disposal. Through the acquisition of these certifications, LG Electronics has objectively validated the environmental performance of its products.

Acquisition of Green Technology Certification

By 2024, LG Electronics had obtained a total of three Green Technology certifications across various product categories, including home appliances, TVs, and monitors. In addition, the company acquired eight "Green Technology Product Confirmation" certifications for the commercialization of products utilizing these certified technologies. By expanding the application of Green Technology certifications, granted by the Korean Ministry of Trade, Industry and Energy of the Republic of Korea, to a diverse range of products, such as TVs, air conditioners, and laptops, LG Electronics continues to demonstrate the environmental performance and sustainability of its offerings. The implementation of green technologies contributes to environmental benefits, including reduced greenhouse gas emissions, improved energy efficiency, decreased use of hazardous substances, and enhanced resource conservation. LG Electronics plans to continuously expand the scope of certified technologies and applicable products.

Carbon Emissions by Life Cycle Stage of Major Products

According to carbon emission measurements conducted in 2024 on selected models across major product categories, the use stage accounted for the highest proportion of carbon emissions, followed by the pre-manufacturing stage.

In response, LG Electronics is focusing on the development of high-efficiency products and solutions designed to reduce carbon emissions during the product use stage. Additionally, the company is developing technologies that maximize the use of recycled plastics to enhance resource efficiency, and new packaging technology that incorporates eco-friendly components.

Carbon Emissions by Life Cycle Stage Across Product Categories[1)]

Stage	Unit	Pre-manufacturing	Manufacturing	Transportation	Usage	Disposal
Refrigerator	%	18.8	0.9	0.5	79.2	0.5
Washing Machine		39.0	0.02	1.0	59.4	0.6
Air Conditioner		35.6		0.7	62.1	1.6
TV		41.9	0.1	0.2	57.1	0.7
Monitor		47.9	0.2	0.1	51.3	0.6

Based on 2024 carbon emissions data for selected models in each product category.

2030 Product Stewardship Goal

To reduce carbon emissions during the product usage stage, LG Electronics aims to achieve a 20% reduction in carbon emissions per unit by 2030, compared to 2020 levels, across all models in seven major product categories. To meet this target, the company is actively implementing carbon reduction and energy efficiency initiatives for refrigerators, washing machines, monitors, TVs, dryers, and both commercial and residential air conditioners. LG Electronics became the first Korean home appliance manufacturer to receive approval from the global Science Based Targets initiative (SBTi) for its reduction targets specifically addressing carbon emissions generated during product usage.

1. Reducing Carbon Emissions

- Promote environmental improvements through product lightweighting, resource conservation, and enhanced energy efficiency.
- Reduce carbon emissions during the usage stage by developing and selling energy-efficient products.
- Expand the launch of products equipped with high-efficiency energy technologies.

2. Improving Power Consumption

- Establish and implement product line-specific targets based on the "Technology Road Map (TRM)."
- Comply with global energy regulations, including Energy-related Products (ErP), and establish internal energy-related goals and detailed strategies.

Product Stewardship

Targets and Metrics

Current Status of Substitution of Hazardous Substance

LG Electronics is actively advancing the transition to eco-friendly materials to reduce hazardous substances, while maintaining product performance and quality. To this end, the company is gradually replacing materials with high environmental risks, such as PVC and BFRs, with sustainable alternatives.

OLED/Ultra HDTV	• In 2013, PVC-free internal cables were applied. • Mercury-free display panels have been applied.
Laptop	• Since 2013, PVC/BFRs-free laptops have been released (excluding FPCB, CARE, PCB, battery, adapter, keyboard, cables, touchpad, thermal module, cable connectors, mouse, and power cords).
Monitor	• In 2011, PVC-free LCD modules were applied. • In 2013, BFRs-free LCD modules were applied. • In 2019, brominated/ chlorinated flame retardants in the external plastics of standard monitors were replaced.

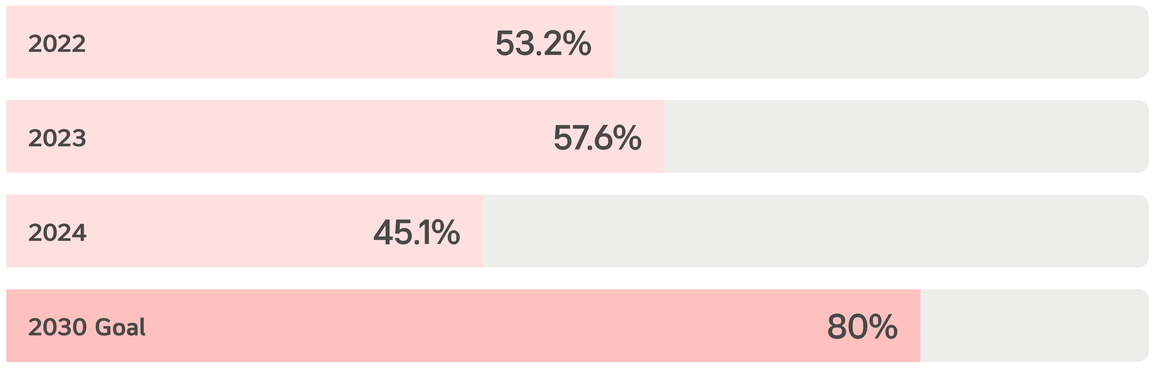
Eco-Index Evaluation

Since 2011, LG Electronics has operated its own metric, the Eco-Index, to assess product eco-friendliness. The Eco-Index categorizes products into three levels of eco-design: Green 1 Star, 2 Star, and 3 Star, with standards continuously updated to reflect environmental policies and regulatory trends. LG Electronics is focused on increasing the proportion of products rated Green 3 Star and plans to have 80% of all products achieve the Green 3 Star level by 2030.

Eco-Index Evaluation Criteria

Category/Grade	Green 1 Star	Green 2 Star	Green 3 Star
Human	Compliance with hazardous substance regulations	Voluntary proactive substitution of hazardous substances	
Energy	Compliance with energy standards	Achievement of market-average efficiency	Securing competitive advantage through high efficiency
Resource	Compliance with recycling regulations	Design for improved resource efficiency	
Innovation	Implementation of proactive initiatives for eco-friendly products (third-party certification, development of advanced technologies, etc.)		

Proportion of Products with Green 3 Star



*Based on number of advanced projects

Site Operations

Strategy

LG Electronics has established strategic directions and systematically manages issues related to pollutants, hazardous substances, and water resources that may arise at its sites. Through company-wide management, LG Electronics aims to minimize environmental risks across the entire organization and establish a solid foundation for sustainable business operations.

Green Company

LG Electronics has established an environmental management system based on Green Company certification to minimize environmental impacts across its site operations. The Changwon Smart Park 1 and 2 sites, along with the Gumi Future Park 1 site, have maintained their Green Company certifications[1], while the Pyeongtaek Digital Park and Magok LG Science Park newly obtained certification in 2023, promoting eco-friendly management practices company-wide. Notably, LG Science Park was recognized for tangible achievements, including energy savings, pollutant reduction, and a 97% waste recycling rate, and received the top prize in the "Outstanding Green Company" category hosted by the Ministry of Environment in 2024. This award exemplifies external recognition of LG Electronics' environment-centered site operations. Moving forward, LG Electronics will continue to strengthen its operational strategy based on eco-friendly site management.

1) Green Company Certification: A program led by the Ministry of Environment that certifies business sites of companies contributing to environmental improvement through significant reduction of pollutants, resource and energy savings, enhancement of product environmental performance, and establishment of environmental management systems.

Air/Water Pollutant

Pollutant Management Strategy

LG Electronics manages air and water pollutants emitted from its sites at levels below 70% of the legally mandated emission concentration standards. To achieve this, optimized pollutant reduction systems are operated at each site according to the characteristics of chemical substances and raw materials used. Since 2022, IoT and predictive anomaly detection systems have been implemented for air pollution prevention facilities to monitor their operational status in advance and conduct real-time monitoring of air pollutants. Additionally, potential risk assessments of discharged wastewater are conducted to detect the presence of non-regulated pollutants with potential hazards, minimizing environmental impacts on local communities.

Hazardous Chemicals

Chemical Hazard Assessment and Regulatory Compliance Strategy

LG Electronics has established and operates a company-wide risk assessment framework and response strategy to proactively address the strengthening of chemical regulations both domestically and internationally. We regularly monitor legal requirements and regulatory trends across countries, conduct early-stage reviews of potential chemical regulation conflicts during product design, and evaluate and decide on the application of substitute materials when necessary.

Furthermore, before introducing new substances or modifying processes, we conduct risk assessments to identify potential hazards and evaluate associated risks, thereby establishing appropriate corrective actions. Through these efforts, we proactively mitigate potential hazards and risks, minimizing chemical-related risks within our operations.

Additionally, we provide training and guidance to suppliers to enhance their chemical regulatory compliance capabilities throughout the supply chain. Through this integrated management strategy, LG Electronics enhances product safety and eco-design standards while responding agilely to the evolving global chemical regulatory environment.

Implementation Details by Strategy

Strategy Categories	Details
Regulatory Analysis	• Review chemical regulations and develop response measures • Conduct hazardous chemical removal and substitution activities in accordance with internal management standards (annually) • Monitor global chemical regulatory trends
Production Quality	• Review chemical components used during the production stage
Supply Chain Management	• Establish hazardous substance management standards for suppliers and collect chemical usage information across the supply chain • Comply with chemical handling standards and operate facilities • Prepare and maintain MSDS and ingredient specifications
Operations	• Operate chemical information management systems • Conduct prior review of newly handled chemicals • Strengthen management of hazardous chemicals and RBA-controlled substances
R&D	• Assess hazards of materials used in research and development

Site Operations

Strategy

Water Resource Management

Water Resource Management Strategy

LG Electronics actively advances its sustainable water resource management strategy by participating in initiatives that promote river purification and water restoration. To this end, the company systematically monitors intake, consumption, and discharge volumes at each business site and implements reduction activities to enhance water use efficiency while strengthening collaboration with local communities. In addition, LG Electronics strategically reviews the assessment of water-related risks and impacts by considering whether each site is located in areas of water stress or water risk and by evaluating water usage data and associated risk factors.

Business Agreement for Addressing the Water Crisis

LG Electronics has entered into a "Business Agreement for Addressing Climate Change and Water Crisis" with the Ministry of Environment, advancing a sustainable water management strategy based on a public-private cooperation framework. This strategy centers on the concept of "Water Positive," aiming to return more water to nature than the amount the company consumes. To achieve this, LG Electronics has established concrete action plans, including reducing water use, reusing graywater and wastewater, improving watershed water quality, and securing additional water resources. Through these efforts, LG Electronics plays a leading role in raising public awareness of water-related issues and promoting a culture of responsible corporate water stewardship.

Four Key Focuses of the Business Agreement for Addressing Climate Change and Water Crisis

01 Raising awareness of water-related risks stemming from climate change and strengthening joint response efforts

02 Identifying and promoting collaborative initiatives for sustainable water management, such as securing water resources and improving water quality within watersheds

03 Providing policy support, including incentives and R&D, to discover and disseminate exemplary water management practices

04 Actively engaging in global water-related initiatives, including Water Positive



Ceremony for 2024 Business Agreement for Addressing Climate Change and Water Crisis

Risk Management

LG Electronics has established dedicated management systems for air pollutants, hazardous substances, and water resources to effectively address related risks. Based on these systems, the company takes proactive measures through structured processes that monitor, identify, assess key risks, and derive improvement plans focused on prevention.

Air/Water Pollutant

Monitoring of Air Pollutants Through the Establishment and Operation of Research Center for Atmospheric Research

LG Electronics has established and operates Research Center for Atmospheric Research to manage air pollutants emitted from its business sites in a more precise and systematic manner. The center continuously monitors air pollutants generated at all domestic sites and enhances the company's management framework through scientific analysis and research based on measurement data.

Experts in environmental analysis are ensuring the reliability of air pollutant measurements while simultaneously conducting continuous research and technology development. As a result, the scope of measurable air pollutants is gradually expanding from 35 substances.

LG Electronics' air pollutant monitoring system has been certified by the National Institute of Environmental Research under the Ministry of Environment as meeting the standards for "proficient in air quality testing and field evaluation." This certification validates the company's capabilities in accurately measuring and managing air pollutants. LG Electronics will continue to take a proactive and voluntary approach to atmospheric environment management, reinforcing its commitment to environmentally responsible business practices.

Establishment of Key Sampling and Analytical Equipment at the Research Center for Atmospheric Research

Category	Key Equipment
Sampling Equipment	Particulate/gaseous samplers, on-site gas analyzers, etc.
Analytical Equipment	ICP, TD-GC/MS, HPLC, IC, UV, etc.
Pretreatment Equipment	Ultrapure water production system, microwave hydrolysis, etc.

Site Operations

Risk Management

Hazardous Chemicals

Chemical Substance Risk Management

LG Electronics systematically manages the entire lifecycle of chemical substances by implementing the LG Chemical Management System (LGCMS) across all domestic business sites, in accordance with the Act on the Registration and Evaluation of Chemical Substances, the Chemicals Control Act, and global chemical regulations such as the EU REACH[1)].

To mitigate risks associated with chemical substances, LG Electronics operates an integrated management process that encompasses substance identification, regulatory review, usage reduction, and emergency response. In principle, the use of hazardous chemicals and substances subject to RBA management is strictly restricted. In cases where the use of such substances is unavoidable, a prior approval process is required, during which the hazards and risks associated with their use are assessed. Use is permitted only upon approval from a specialized department, and usage records are compiled monthly and reported to the responsible executive. An annual review is also conducted to assess substitution potential and elimination strategies, driving continuous improvement efforts.

Furthermore, LG Electronics closely monitors the latest regulatory trends in chemical substance management to respond swiftly to legal changes and manages the use of regulated substances across the supply chain. Through these measures, the company aims to proactively eliminate risks associated with chemical substances in product design and production quality, thereby fostering a safe and responsible manufacturing environment.

Identification and Monitoring of Chemical Substance	• Regular measurement of all chemical substances used at business sites, with a focus on key substances such as hazardous chemicals and RBA-regulated substances • Establishment of a monitoring system for the use and handling of key chemical substances
Management of Regulatory Compliance	• Identification of environmental laws and regulations related to chemical substances, including emission limits • Regular audits and reporting on compliance with applicable regulations
Application of Reduction Technologies	• Process improvements to minimize the use of chemical substances • Implementation of optimal chemical treatment technologies, methods, and processes • Regular inspection and maintenance of treatment facilities
Emergency Response System	• Establishment of response procedures for chemical leaks and emergencies • Regular emergency response trainings • Development of a rapid response and reporting system in the event of an accident
Monitoring and Improvement	• Internal evaluation based on analysis of chemical substance usage, with the establishment of monitoring systems, improvement goals, and plans • Verification of effectiveness of improvement through continuous monitoring
Communication with Stakeholders	• Transparent disclosure of chemical substance management status and performance • Regular communication with local communities, government agencies, NGOs, and other stakeholders • Operation of procedures for receiving and addressing public complaints

1) EU REACH: European Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals

Chemical Substance Management Process

Preliminary Screening

- All chemical substances used for production and R&D across domestic and international business sites
- Prior acquisition of chemical substance information, including Material Safety Data Sheets (MSDS) and LoC
- Preliminary review by specialized departments on regulatory compliance by country and the hazards/risks of substances

Procurement and Receiving

- Only chemical substances that have passed the preliminary screening process are permitted for receiving
- Receiving allowed only after verifying appropriate storage and usage locations

Usage Management

- All products in use are managed with chemical product labeling
- Designation of chemical substance managers and training for relevant personnel
- Operation and management of chemical handling facilities in compliance with legal requirements

Disposal Management

- Periodic inventory checks of chemical products to verify current status and dispose of unused products
- Disposal in accordance with national waste management regulations

Inspection and Management of Chemical Handling Facilities

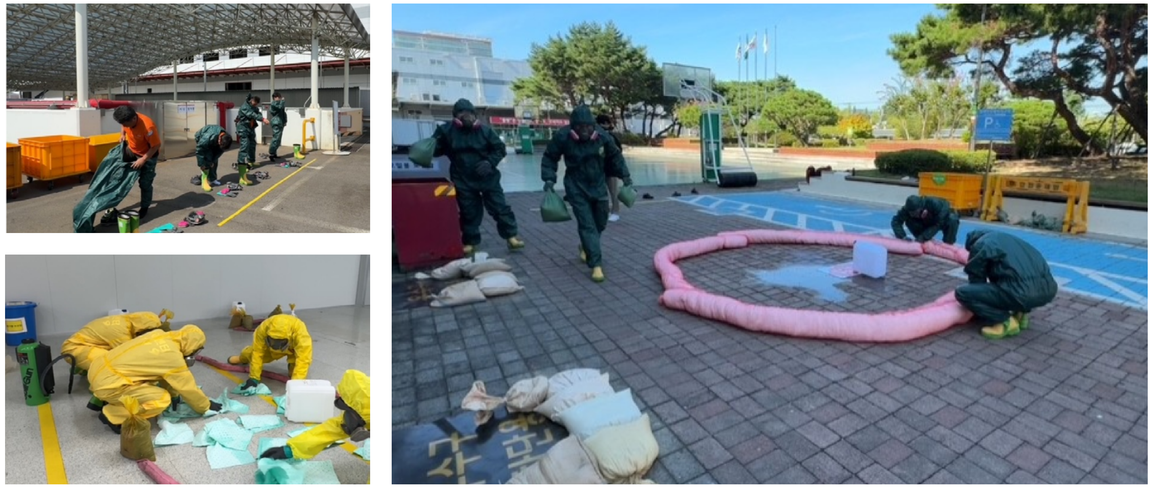
LG Electronics complies with regulations for the storage, use, and disposal of chemical substances, prioritizing on-site management across all global manufacturing facilities to prevent accidents. The company has established systems for the early detection of chemical leaks and emergency alarm protocols to respond immediately to emergencies. Designated chemical substance managers and the operation of hazardous chemical substance registers ensure systematic management in accordance with relevant national regulations.

Site Operations

Risk Management

Chemical Accident Response Training

LG Electronics has developed crisis response scenarios and provides training to employees on corresponding procedures to minimize risks associated with chemical accidents. Regular drills are conducted based on simulated scenarios such as chemical leaks and human casualties. Since 2024, the scope of training has been expanded to include both domestic and international sites, strengthening the company's global response capabilities. In addition, both online and offline training sessions are provided on evacuation procedures and safety protocols to ensure employees can respond swiftly and appropriately in the event of an accident.



Chemical Accident Response Training

Chemical Substance Handling Training

From procurement to storage, use, and disposal, LG Electronics provides systematic safety training that covers the entire lifecycle of chemical substances. Employees are trained on the hazards and risks associated with chemical substances, as well as the precautions to take during handling. Appropriate emergency protective equipment is provided based on the properties of each substance, and instructions on proper usage are included.

To further enhance the structure and effectiveness of training, LG Electronics signed a Memorandum of Understanding (MOU) with the Ministry of Environment's Chemical Safety Agency in 2024 to strengthen chemical accident response capabilities. As part of this initiative, immersive virtual reality (VR) training content was introduced. Through this program, employees can simulate real-world industrial scenarios such as laboratory accidents and toxic gas leaks, enabling them to build practical response capabilities.

The training program was first implemented at the Changwon Smart Park and LG Science Park in Magok, and is being gradually expanded to major business sites including the Pyeongtaek Digital Park, centered around on-site safety experience centers. The goal is to heighten employee awareness of safety risks and strengthen proactive prevention capabilities.

Water Resource Management

Water Resource Risk Assessment and Monitoring

LG Electronics effectively manages water resources by building a comprehensive water inventory, assessing various water-related risks, including source depletion, quality degradation, increased usage, and monitoring water consumption at production sites. Through the implementation of a Zero Liquid Discharge (ZLD) system in the Magok site, used water is recycled for landscaping or industrial purposes. Additionally, dedicated wastewater treatment and recycling systems have been established and are currently in operation. To ensure water resource stability, we have developed contingency plans that include securing emergency water reserves, enabling the facility to operate for at least two days in the event of a water supply disruption.

Effluent Monitoring

LG Electronics continuously monitors the quality of effluent discharged from its facilities, maintaining pollutant levels at 70% or less of the legally mandated water quality regulations, a threshold more stringent than regulatory requirements. In particular, at sites where there is a risk of water pollutants being discharged outside the facility—potentially leading to social issues or entering water systems used as drinking water sources—LG Electronics conducts annual assessments of the potential risks associated with effluent to proactively manage such risks.

Site Operations

Targets and Metrics

LG Electronics continuously monitors key metrics related to resource usage throughout its facility operations and manages performance based on these indicators. These metrics are utilized as management checkpoints to improve facility operations, thereby maximizing the efficiency of resource management.

Air/Water Pollutant

Awards on Environmental Pollutant Analysis in 2024

To objectively validate the analytical reliability of its Research Center for Atmospheric Research, LG Electronics has participated annually since 2022 in the international air pollutant proficiency testing program organized by the Environmental Resource Associates (ERA), a U.S.-based organization. For three consecutive years, the company has received a "Pass" rating and was subsequently certified as a "Laboratory of Excellence."

ERA is an internationally accredited proficiency testing provider, recognized by the United States Environmental Protection Agency (EPA) and the International Organization for Standardization (ISO/IEC). It evaluates the analytical capabilities, accuracy, and reliability of test results across various categories of environmental pollutants, including air, water, and soil. The "Laboratory of Excellence" certification is awarded only to institutions that meet the "Satisfactory" criteria in all evaluation categories.

LG Electronics received "Satisfactory" ratings across all 16 air pollutant categories, including heavy metals (e.g., copper, zinc, lead, nickel, cadmium, chromium), volatile organic compounds (e.g., benzene, ethylbenzene, styrene), hydrogen chloride, and fluorine. This recognition demonstrates the company's world-class analytical capabilities in air pollutant monitoring. LG Electronics plans to further strengthen its monitoring of air pollutant emissions at each facility, leveraging this analytical expertise and internationally recognized credibility.


Laboratory of Excellence

LG Electronics Environment Team

This laboratory has been recognized by ERA as a Laboratory of Excellence for achieving 100% acceptable data in the

July 2022 AE ERA Proficiency Testing Round 61

which included 102 participating laboratories. This achievement is a demonstration of the superior quality of this laboratory in evaluation of the analyte(s) listed below.

Hydrogen Chloride, Copper, Zinc, Styrene, Cadmium, Lead, Benzene, Chromium, Nickel, Ethylbenzene

ERA A Waters Company

Craig Huff, Senior Technical Manager


Laboratory of Excellence

LG Electronics Environment Team

This laboratory has been recognized by ERA as a Laboratory of Excellence for achieving 100% acceptable data in the

July 2023 AE ERA Proficiency Testing Round 65

which included 113 participating laboratories. This achievement is a demonstration of the superior quality of this laboratory in evaluation of the analyte(s) listed below.

Formaldehyde, Copper, Acrylonitrile, Styrene, Hydrogen Chloride, Lead, Benzene, Cadmium, Nickel, Ethylbenzene, Chromium, Zinc, Methylene chloride

ERA A Waters Company

Craig Huff, Senior Technical Manager


Laboratory of Excellence

LG Electronics Environment Team

This laboratory has been recognized by ERA as a Laboratory of Excellence for achieving 100% acceptable data in the

July 2024 AE ERA Proficiency Testing Round 69

which included 133 participating laboratories. This achievement is a demonstration of the superior quality of this laboratory in evaluation of the analyte(s) listed below.

Formaldehyde, Chromium, Zinc, Methylene chloride, Hydrogen Chloride, Copper, Acrylonitrile, Styrene, Hydrogen Fluoride, Lead, Benzene, Tetrachloroethylene, Cadmium, Nickel, Ethylbenzene, Trichloroethylene

ERA A Waters Company

Craig Huff, Senior Technical Manager

Hazardous Chemicals

Achievements in Hazardous Chemical Substance Training

LG Electronics operates tailored training programs to strengthen its chemical substance management capabilities. Training is provided not only to employees who handle hazardous chemicals but also to all staff across business sites, with 4,682 employees completing the program. In particular, focused training is delivered to all employees at sites with hazardous chemical business licenses.

2024 Performance of Chemical Substance Training

Training Title	Scope	Unit	Total
Hazardous Chemicals	Inspectors		10
	Handlers		53
Worker Training on Hazardous Chemical Substance	All employees at sites with hazardous chemical licenses		4,571
LG Academy	Introduction to Safety and Environment	Persons	17
	Advanced Safety		18
	Development of Risk Assessment Leader		9
	ESG Management Practices		4
Total		-	**4,682**

Water Resource Management

Achievements in Water Resource Reduction

LG Electronics is implementing a variety of initiatives to improve water use efficiency, including the use of gray water, reuse of condensate, and recycling of water used for washing machine leak tests. In particular, the reuse of water from washing machine leak tests is expected to reduce annual water consumption by approximately 40,000 tons, equivalent to 4% of total water use. At the Changwon Smart Park 2 facility, a water reduction of 34,044 tons per year was achieved. This initiative has been extended to the Vietnam production subsidiary, where an annual reduction of 8,500 tons is expected. Additionally, at the Magok Science Park, the use of gray water resulted in an annual water savings of 69,078 tons (39% reduction in total water consumption).

Site Operations

Targets and Metrics

2024 Water Withdrawal[1)]

Category	Water Withdrawal (1,000 tons)	Proportion (%)
Groundwater	843	12.9
Municipal Water	5,648	86.6
Other	33	0.5
Total	**6,524**	**100**

1) 2024 Target: 7.2 million tons (8% reduction compared to 2022)

ESG Data [Water Resource (Water Withdrawal)]

Domestic Wastewater Discharge Status

Business Sites	Secondary Treatment Plant	Discharged Area
Yangjae R&D Center	Tancheon Water Reuse Center	Tancheon
Magok Science Park	Seonam Water Reuse Center	Han River
Gumi Future Park	Gumi Sewage Treatment Plant	Gwangamcheon River
Changwon Smart Park	Deokdong Sewage Treatment Plant	Jinhae Bay

ESG Data [Water Resource Discharge Status]

Social



AT A GLANCE

A corporation's role extends beyond profit generation; it must grow together with society and take responsibility for the sustainability of the broader community. In line with this, LG Electronics is committed to proactively fulfilling its role in creating a fair working environment, fostering a culture of diversity and inclusion, and engaging in mutual growth with local communities. Furthermore, LG Electronics strives to ensure that all stakeholders benefit meaningfully from its business operations, thereby contributing to the qualitative development of society through sustainable management.

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Employees Human Rights Management

Governance

LG Electronics has established a systematic operational foundation to implement human rights management. Through collaboration among a board committee, a dedicated organization, and relevant departments, the company identifies and manages human rights issues. Based on this framework, LG Electronics continues to enhance its capabilities to prevent and respond to human rights risks and pursues responsible management to protect the human rights of its employees and stakeholders.

Human Rights Management Operational System

LG Electronics regards respect for human rights as a core value of corporate management and has established a systematic governance structure to effectively implement it. Based on the philosophy of "People-oriented Management," the company establishes short- and mid-to-long-term action plans and systematically implements them across the organization.

The ESG Committee, a specialized committee under the Board of Directors, is responsible for reviewing, deliberating, and resolving significant human rights-related issues, including labor, human rights, and health and safety, as well as the company's overall sustainability management activities. Before the Board's decisions, the ESG Council conducts preliminary reviews of major agenda items. Composed of top-level executives, the ESG Council closely manages the key action plans and their current status of implementation.

Strategic response and practical improvements related to human rights risks are overseen by the Enterprise Risk Management Committee, which convenes semiannually under the leadership of the Chief Risk Officer (CRO), the company's top risk executive. The Enterprise Risk Management Committee identifies major sustainability-related risks, including those related to human rights, and operates a control and response system focused on key risks.

LG Electronics has established a robust operational system that enables relevant departments to consistently carry out activities spanning human rights strategy development, policy implementation, and improvement. Through this system, the company continuously enhances the execution competency and effectiveness of its human rights management.

Roles and Responsibilities of Key Departments Related to Employees

ESG Strategy Division

- Establishment of mid- to long-term goals for overall sustainability management, including human rights, and monitoring of implementation
- Operation of the ESG Committee and ESG Council
- Operation of human rights due diligence programs based on RBA requirements as the department in charge of RBA compliance
- Support for production sites to prepare for customer-requested audits

Labor Management Division

- Establishment and institutionalization of human rights policies
- Operation of human rights protection processes
- Identification and improvement of human rights impacts
- Human rights due diligence at a business site level
- Support for labor-management consultations and communication, etc.
- Operation of psychological counseling center

Safety and Environment Center

- Establishment of safety, health, and environmental standards at business sites and support for implementation by on-site departments
- Operation of health care centers

Ethics Bureau

- Operation of sexual harassment prevention center
- Establishment of internal reporting channels and independent investigation systems

IR Division

- Disclosure and communication of human rights information to investors

Compliance Office

- Integrated management of global human rights regulations
- Prevention of human rights risks and legal compliance support

Employees Human Rights Management

Strategy

LG Electronics considers the protection of human rights a core element of its human rights management strategy and has established and adheres to various human rights management and labor policies that incorporate human rights principles. In addition, the company promotes human rights advancement activities based on continuous communication with a wide range of stakeholders, including employees, suppliers, local communities, customers, governments, and investors.

Commitment to Respect for Human Rights

LG Electronics is deeply aware that all stakeholders, including employees, workers from business partners, local residents, and consumers, possess human dignity and value, and have the right to pursue happiness. Accordingly, we respect international human rights standards such as the Universal Declaration of Human Rights, the ILO Core Conventions, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child. We also faithfully comply with relevant laws and regulations in all countries and regions where we conduct business. In cases where local laws conflict with international standards, we apply the standard that is more favorable to workers.

LG Electronics regards the protection of human dignity as a core value in its corporate activities and implements this principle throughout the entire organization. To this end, we have established company-wide policies to prevent human rights violations among all our employees and employees of suppliers, and we regularly monitor their implementation. Furthermore, to prevent any negative human rights impacts across the entire value chain, including customers, services, distribution, logistics, and local communities, we require all partner companies to comply with standards related to the prevention of human rights violations.

As a Regular Member of the Responsible Business Alliance (RBA), a global coalition dedicated to promoting corporate social responsibility, we go beyond merely supporting the RBA Code of Conduct. We regularly conduct systematic implementation activities, including internal human rights due diligence, assessments of suppliers, training, and corrective actions. In addition, we are a participant in the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative, and we integrate its Ten Principles, including those related to human rights, into all aspects of our business operations.

Based on our management philosophies, "Customer-Value Creation" and "People-Oriented Management", we are committed to fulfilling our responsibility to respect and protect the human rights of all stakeholders. Moreover, we will continue to strive to prevent human rights violations affecting stakeholders in advance through our business activities, and to promptly resolve and prevent the recurrence of any impacts that may have already occurred.

Principle of Human Rights

In June 2024, LG Electronics established its "Principle of Human Rights" by integrating internal human rights management policies, and publicly announced it after the review by the ESG Council. This principle applies not only to our employees and suppliers but also to all stakeholders including customers, local communities, governments, and investors. It provides comprehensive guidance and practical standards for human rights management.

In accordance with the UN Guiding Principles on Business and Human Rights (UNGPs), LG Electronics specifically incorporates key issues identified through human rights impact assessments, including self-assessments, third-party audits and on-site audits, grievance handling, and stakeholder engagement. The company is committed to preventing and remedying potential human rights violations arising from its business activities, and has formalized its stakeholder engagement and human rights governance systems.

Based on this principle, LG Electronics aims to internalize a culture of respect for human rights through company-wide training and capacity-building, and to realize "a Better Life for All" by transparently disclosing key implementation outcomes to the public.

Revision of the Global Labor Policy

Since first establishing its Global Labor Policy in 2010, LG Electronics has continuously updated the policy to reflect revisions to global human rights standards and the RBA Code of Conduct. The updated "Global Labor Policy 6.0," revised in April 2024, was approved by the Chief Human Resources Officer (CHO) and distributed company-wide. It includes new provisions such as "prohibition of all forms of forced labor," "equal pay for equal work," "reasonable accommodation for disabilities," and "the right to form lawful worker representations."

The policy also clearly states the principle of complying with labor-related laws and regulations in each country and region, and applies consistent standards across global worksites regarding statutory working hours, overtime, rest periods, and holidays. Through these efforts, LG Electronics continues to protect labor rights and conduct responsible business activities in all regions where its global operations are located.

LG Electronics Global Labor Policy

01	02	03	04	05	06	07
Respect for Human Dignity/ Fair Treatment/ Non-Harassment	Working Hours	Wages and Benefits	Prohibition of Child Labor	Prohibition of Forced Labor	Freedom of Association and Collective Bargaining	Compliance with Labor-Related Laws and Regulations

Employees Human Rights Management

Strategy

Human Rights Management Policies

To recognize the value of respecting human rights, LG Electronics has established a human rights policy and is implementing these company-wide. These policies are formulated to reflect international human rights standards and industry norms, including the UN Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights, the ILO Core Conventions, and the RBA Code of Conduct, and these function as practical guidance for protecting human rights of key stakeholders, including employees. Additionally, LG Electronics enhances employee understanding and promotes practical implementation of human rights through training and awareness-raising activities targeted at employees. These policies are regularly updated to incorporate the latest international human rights standards and stakeholder expectations, with all revisions being transparently disclosed to the public.

LG Electronics Human Rights Management Policies

Policy	Scope	Content
Human Rights Principles	All internal and external stakeholders	All stakeholders, including LG Electronics employees, suppliers, local communities, and consumers, possess human dignity and value, and have the right to pursue happiness. The Human Rights Principles, established by integrating existing human rights-related policies, respect relevant international standards and mandate compliance with the laws and regulations of the countries and regions where LG Electronics operates. In cases where local laws conflict with international standards, the more stringent standard is applied. The principles also cover key areas of human rights impact identified through human rights impact assessments, as well as remedy and grievance handling and human rights governance.
Global Labor Policy and Guidelines	Employees, Suppliers, and Stakeholders	All employees and related personnel of LG Electronics possess human dignity and value, and have the right to pursue happiness concerning their labor. LG Electronics complies with labor and human rights standards established by international organizations, such as the UN and the ILO, and upholds the protection of human dignity as a fundamental value in its business operations, regardless of age or gender. LG Electronics adheres to labor-related laws and regulations in each country and region, and is committed to ensuring employment stability and fair wages for employees from both social and economic perspectives, while striving to maintain a safe and supportive work environment. Furthermore, LG Electronics states that these standards are basic obligations for all suppliers doing business with the company, and represent values that must be shared with all stakeholders.
Safety and Health Management, Environmental Management Policy	Employees	LG Electronics prioritizes the safety and health of its employees, customers, and local community members. The company strives to create a safe and healthy workplace by taking a leading role in the field of occupational health and safety and through its commitment to continuous improvement. Additionally, LG Electronics considers the environment a critical element of its business operations. The company is committed to preserving the global environment and promoting sustainable social development, as well as improving the quality of life for stakeholders, by minimizing resource use, operating eco-friendly processes, developing environmentally conscious products, and optimizing energy efficiency.
Code of Ethics	Employees	LG Electronics shares the management philosophy of “Customer-Value Creation” and “People-Oriented Management,” promoting autonomous management based on freedom and responsibility, in line with the spirit of its Management Charter. The company respects the principles of a free market economy that encourages fair and open competition, and seeks mutual benefit with all stakeholders based on trust and cooperation. To this end, LG Electronics has established a Code of Ethics as a standard for proper behavior and sound value judgment for all employees and is committed to its faithful implementation.
Code of Conduct	Employees	Through transparent and responsible business practices, LG Electronics aims to strengthen both employee capabilities and corporate competitiveness, thereby creating greater value for all stakeholders, including customers, employees, and shareholders. Accordingly, LG Electronics employees worldwide pledge to comply with local laws and regulations, engage in fair competition, and conduct business in accordance with the company’s global standards.
Diversity and Inclusion Policy	Employees	LG Electronics believes that a corporate culture that respects the diverse experiences and backgrounds of individuals fosters flexible thinking, cultivates insight, and empowers employees to fully demonstrate their talents. The company supports the diverse preferences and choices of all employees and does not tolerate discrimination based on such differences. At LG Electronics, everyone is expected to recognize and respect each other’s differences and to work as their authentic selves. In our culture of diversity and inclusion, every employee can contribute creative and innovative solutions by bringing a variety of perspectives to the table.
AI Ethics Principles	Employees	In response to growing ethical concerns surrounding artificial intelligence, LG Electronics has contributed to the establishment of AI Ethics Principles by participating in the LG AI Ethics Committee and its working groups, which focus on the ethical development and use of AI. These principles serve as a standard for appropriate behavior and sound value judgment that all LG employees involved in AI development and utilization must comply with, helping to ensure AI reliability and prevent ethical issues in advance. The LG AI Ethics Principles are built upon five core values: Human Dignity, Fairness, Safety, Accountability, and Transparency.

Employees Human Rights Management

Risk Management

LG Electronics has established a comprehensive system to prevent and respond to human rights violation risks across all areas of its business. To this end, the company regularly assesses the human rights conditions within its business sites and promptly takes corrective actions and follow-up measures where improvements are needed. Furthermore, by strengthening protection for victims and communication with stakeholders, LG Electronics aims to prevent recurrence and derive practical solutions through root cause analysis.

Human Rights Impact Assessment

Human Rights Due Diligence Process

LG Electronics conducts human rights due diligence on all domestic and overseas production sites, as well as on its suppliers, to identify and assess actual and potential human rights risks that may arise from its business activities. Each year, the company conducts self-assessments and on-site audits to identify both actual and potential human rights risks, and takes appropriate measures to address these issues. If adverse impacts are identified during the due diligence process, LG Electronics not only takes preventive steps but also establishes effective improvement plans and measures to prevent recurrence. Particularly for repeated or serious issues, the company escalates the matter to internal decision-making bodies, such as the ESG council, to develop company-wide countermeasures and improvement goals, which are then systematically managed through monitoring of effectiveness.

Step 01	Step 02	Step 03	Step 04	Step 05	Step 06
Definition of Human Rights Impact Factors and Planning	Identification of Human Rights Impacts	Human Rights Impact Assessment	Establishment and Implementation of Mitigation Measures	Monitoring and Follow-up Management	Communication with Stakeholders
• Define the factors that may lead to human rights impacts • Set the scope and targets of the assessment - LG Electronics: All domestic and overseas production sites Business Sites - Supply chain: Tier 1 suppliers (being expanded to Tier 2 and Tier 3), and companies in the supply chain of cobalt and 4 major minerals - Local communities[1)] - Customers[2)]	• Identify impacts through self-assessment based on the RBA Code of Conduct • Conduct on-site audits based on RBA VAP (Validated Assessment Program) audit standards - In-depth checklists by department - On-site inspection surveys - Interviews with responsible personnel and on-site workers	• Prioritize identified human rights impacts • Major human rights issues identified in 2024: - Forced labor - Child labor - Working hours - Wages and benefits - Non-discrimination/Non-harassment - Freedom of association and collective bargaining	• Establish mitigation and preventive measures at production sites and company-wide - Production sites (LG Electronics and suppliers): Analyze root causes of identified negative human rights impacts and implement measures to prevent recurrence - Company-wide (LG Electronics and suppliers): If repetitive or serious human rights issues are identified, establish remedial action expanded across the company	• Conduct additional on-site audits • Conduct document-based reviews to verify evidence of improvement • Monitor KPIs • Report progress through relevant working groups and councils	• Publish the Sustainability Report • Disclose information on the company website • Hold stakeholder roundtables

1) For local communities, the focus is on preventing negative impacts through compliance with relevant laws, and local communities' feedback is gathered via roundtables when significant changes or issues arise at business sites.
2) In terms of customers, efforts are made to proactively prevent negative impacts across the entire consumer experience and continuously improve service accessibility, enabling diverse users to use products without inconvenience.

Employees Human Rights Management

Risk Management

Human Rights Self-Assessment and On-Site Audits at Production Sites

As a full member of the Responsible Business Alliance (RBA), LG Electronics conducts regular human rights due diligence at its domestic and overseas production sites, as well as with suppliers, in accordance with the procedures outlined in the UN Guiding Principles on Business and Human Rights (UNGPs). Through this process, the company aims to proactively identify potential human rights violations across its business operations and minimize any potential negative impacts.

Human rights issues are identified based on cases reported through various channels, including third-party on-site audits conducted in accordance with RBA standards, customer-requested audits, internal self-assessments, anonymous reports, and labor-management councils. The identified issues are systematically evaluated and analyzed, categorized and managed according to risk level, and, when necessary, immediate corrective actions are established and implemented.

2024 Human Rights Self-Assessments and On-Site Audits at Production Sites

Scope	30 domestic and overseas production sites, Tier 1 suppliers
Method	Self-assessments and on-site audits (total of 21 cases[1]: 7 audits based on RBA standards[2], 14 audits based on customer standards)
Results	1) Self-assessments: 8 sites classified as low-risk, 22 sites classified as moderate-risk, 0 sites classified as high-risk 2) On-site audits[3]: Non-compliance cases decreased by 3.4% compared to the previous year

1) Of the 21 cases, 19 were customer-requested audits and 2 were commissioned to third-party professional agencies for internal assessment purposes
2) Third-party on-site audits (VAP) accounted for 5 cases, and 2 audits followed the CMA standards based on the VAP framework
3) Based on customer requested audits: 33 cases in 2023, 19 cases in 2024

Starting in 2024, LG Electronics has applied the standard self-assessment tool "Risk SAQ (Self-Assessment Questionnaire)," with the newly introduced RBA Code of Conduct 8.0, to all production sites during self-assessments. This enabled more comprehensive and objective evaluations by incorporating a wider range of assessment factors such as geographic characteristics and inherent risks, compared to previous assessment methods.

Category	Original SAQ	Risk SAQ
Assessment Method	• Scores calculated based on submitted answers	• Integrated assessment tool designed to reflect various inherent risk factors
Scoring	• Same score given for identical answers regardless of geographical location or business environment	• Scores calculated by incorporating risks according to business environments such as human rights-vulnerable countries
Number of Questions	• About 350	• About 160 (covering labor, health and safety, environment, ethics, security, etc.)
Other Features	-	• Capable of rapidly identifying potential risks • Capable of separately identifying forced labor

2024 Self-Assessment Results by Risk Area and Region at Production Sites

Category	Overall	Labor & Human Rights	Health & Safety	Environment	Ethics	Forced Labor	Number of Sites
Americas	○	◑	◑	◑	○	◑	5
Asia	◑	◑	◑	◑	◑	◑	6
Europe/CIS	◑	◑	◑	◑	○	●	3
China	◑	○	◑	◑	◑	◑	8
Middle East & Africa	◑	◑	◑	◑	○	◑	3
South Korea	◑	◑	●	◑	◑	●	5
Total	◑	◑	◑	◑	◑	◑	30

○ Low-risk ◑ Moderate-risk ● High-risk

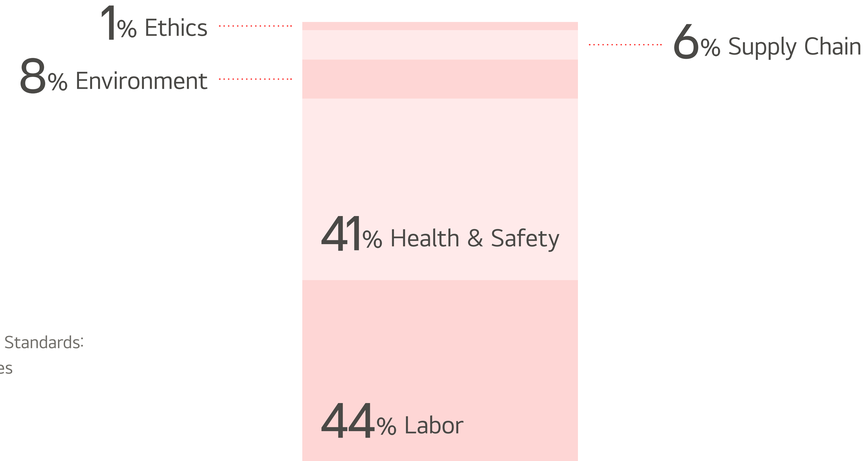
No major labor violations were identified. However, in certain high-risk sites located in countries with a high proportion of foreign workers and temporary employees, potential risks of forced labor were identified. In response, LG Electronics is reinforcing its risk management system by conducting a full-scale investigation of in-house suppliers[1] operating in the affected sites, establishing inspection guidelines, and implementing regular on-site inspections on an annual basis.

1) In-house suppliers are not directly employed by LG Electronics, but are workers affiliated with external service providers. They primarily support the company's daily operations by performing tasks such as security, cafeteria services, cleaning, and landscaping.

Employees Human Rights Management

Risk Management

2024 Third-Party On-Site Audits Requested by Customers (Total: 19 cases) - Nonconformity Results



*Applicable Audit Standards:
- Costco: 10 cases
- RBA: 5 cases
- RESA: 3 cases
- SMETA: 1 case

Category	Item	Proportion	Mid-to Long-Term Key Improvement Tasks
Labor	Working Hours	22%	• Strengthen and comply with working hour management standards • Reduce proportion of dispatch workers (China) • Conduct regular audits of in-house suppliers
	Prohibition of Forced Labor	6%	
	Wages/ Benefits	6%	
Health & Safety	Occupational Health & Safety	15%	• Manage licenses and permits • Conduct risk assessment for maternal protection • Conduct regular inspections of emergency exits and evacuation routes • Conduct nighttime evacuation drills
	Emergency Preparedness	12%	
	Equipment Safety	7%	
Supply Chain	Supplier Management	5%	-

Assessment Results by Key Impact

LG Electronics conducts human rights impact assessments for its domestic and overseas production sites, as well as for its suppliers. Through these assessments, the company systematically identifies the level of human rights risk and key areas of vulnerability for each site. For items emphasized in international standards, the company carries out indicator-based and case-based analyses.

Forced Labor

LG Electronics strictly prohibits all forms of forced labor and fully complies with the relevant ILO international conventions and the RBA Code of Conduct. Forced labor is a representative violation of fundamental human rights, considered a serious offense in most countries. Some nations have even implemented strong measures, including import bans on products associated with forced labor.

The Company places particular focus on managing risks that may arise within lower-tier supply chains and among vulnerable groups such as migrant foreign workers in developing countries. To prevent violations such as the absence or non-issuance of employment contracts, demands for recruitment fees, or the imposition of penalties upon resignation, the company continuously strengthens on-site inspections and supply chain monitoring.

On-site inspections are conducted based on RBA audit requirements and local labor laws, with a strong focus on identifying risks related to forced and child labor. These inspections include not only document reviews but also face-to-face interviews with workers for a more in-depth evaluation.

Beginning in 2025, the company plans to conduct regular on-site inspections at its overseas production subsidiaries for all in-house suppliers at least once a year. In parallel, the company is working to enhance the inspection capabilities of responsible personnel and to advance its monitoring systems.

LG Electronics plans to continuously refine its internal guidelines to proactively identify and prevent risks related to forced labor, including recruitment fees, while considering the specific labor environment and migrant worker employment practices. These risks will continue to be managed through regular audits and enhancement efforts.

2024 Forced Labor Inspection (Including Third-Party On-Site Audit)

To proactively prevent forced labor risks among its suppliers, LG Electronics conducted reviews of documents related to employment contracts and recruitment procedures and worker interviews, focusing on high-risk areas such as temporary staffing, security, cafeteria services, and cleaning.

As a result of these inspections, several areas for improvement were identified at in-house suppliers of certain overseas subsidiaries. Corrective actions and institutional improvements were implemented in accordance with relevant laws and regulations for the following cases:

- In relation to dormitory use, some cases showed unclear refund procedures regarding security deposits. LG Electronics worked with suppliers to clarify refund policies and eliminate unreasonable cost burdens.
- In relation to health checkup fees during recruitment, some employees were found to have paid for their own health checkups. In response, the company established direct contracts with designated medical institutions to eliminate any cost burden on employees.
- All penalty clauses and unfair restrictive terms in employment contracts were removed.
- In cases where documents were missing, immediate corrective actions were taken in consultation with the relevant suppliers. LG Electronics will continue to strengthen inspections and monitoring to prevent forced labor and plans to take ongoing corrective actions for any issues identified.

Employees Human Rights Management

Risk Management

2024 On-Site Forced Labor Assessment and Management of On-Site Suppliers at Manufacturing Subsidiaries

To prevent risks of forced labor across its global supply chain and protect workers' rights, LG Electronics conducted an investigation and improvement activities targeting suppliers located within 24 production subsidiaries as of 2024.

The survey was carried out using a range of methods, including document reviews (such as Codes of Conduct agreements), on-site inspections, and interviews, to verify contracts with suppliers, compliance with the Code of Conduct, and overall working conditions.

- The scope of the inspection covered a total of 246 suppliers and 22,681 workers (16,252 male and 6,419 female), among whom 1,907 were foreign migrant workers. Key countries included Poland, Thailand, Saudi Arabia, and Russia.
- Pre-contract due diligence between subsidiaries and suppliers is now being formalized. Through this survey, the company successfully conducted a full audit and signed Code of Conduct agreements with all 246 suppliers.
- In addition, to establish a foundation for joint improvement with suppliers, the company developed and distributed inspection guidelines and checklists. Pilot inspections were also conducted, covering 109 suppliers.

Child Labor

LG Electronics recognizes child labor as a serious human rights violation that deprives children of the opportunity to receive basic education and applies a zero-tolerance policy toward all forms of legally prohibited child labor. Accordingly, the company strictly complies with the legal minimum employment age in all countries and regions, and prevents child employment in advance by verifying identity and age through official documents and a dual verification process during recruitment.

If any instance of child labor is identified, the individual is immediately removed from work duties, and measures are taken to ensure their access to compulsory education, along with transitional support to help stabilize their livelihood.

In addition, for youth workers under the age of 18, the company prohibits night shifts, overtime work, and hazardous tasks. Furthermore, the employment of student trainees and interns is not regarded as a means of supplementing labor but as part of an educational process, supported through customized training and evaluation systems to help achieve learning objectives.

2024 Inspection on Child Labor (Including the Third-Party On-Site Audits)

To proactively prevent child labor risks, LG Electronics conducts regular inspections and verification activities regarding child employment at all company sites and among its suppliers.

In 2024, the company conducted thorough checks for the occurrence of child labor by reviewing government-issued official documents and conducting on-site due diligence in parallel. As a result:

- Zero cases of workers under the legal minimum employment age were identified.
- No non-compliance cases were found in a total of 21 on-site audits.

Working Hours

LG Electronics supports employees in maintaining their health and achieving a work-life balance, and operates a proactive management system to mitigate risks associated with working hours, ensuring productivity and safety.

All working hours are accurately recorded and managed through an attendance management system, and various systems such as flexible work arrangements are utilized to foster an efficient work culture. All overtime work is based on prior agreement with the employee and must be voluntary in principle. In cases where overtime is unavoidable, LG Electronics continues to minimize unnecessary overtime through strict management, including verification of legitimate reasons and a prior approval process.

2024 Inspection on Working Hours (Included in the Third-Party On-Site Audits)

LG Electronics conducts regular inspections of its domestic and overseas production sites, as well as Tier-1 suppliers, to prevent working hour risks and ensure a healthy and productive work environment.
In 2024, in response to customer requests, inspections were carried out including third-party on-site audits, and the results and key issues were shared with the Enterprise Risk Management Committee.
The audits identified cases at certain suppliers where working hours exceeded RBA standards. These findings are being used as an opportunity to revise management standards, considering job characteristics in production, planning, and logistics, as well as local circumstances.
Accordingly:

- For instances of excessive overtime, root cause analysis and improvement plans were established to strengthen monthly monitoring systems.
- Prior approval and working hour limitation standards were revised by division, enabling both headquarters and on-site managers to jointly manage working hour risks.
- In addition, based on due diligence findings regarding unregulated work and production activities before and after regular shift hours, morning meetings and production preparation times were institutionalized to clarify management standards.

Employees Human Rights Management

Risk Management

Wages and Benefits

LG Electronics pays employees at or above the statutory minimum wage in each country and region to ensure income stability and enhance motivation. In addition, the company operates according to standards to ensure livelihood security and fair compensation for its workers.

Based on the principle of "equal pay for work of equal value," LG Electronics prohibits wage discrimination on unreasonable grounds, such as gender, age, or place of origin. All employees are fairly covered by statutory social insurance and legally mandated benefit systems as required by local laws.

Beyond statutory programs, LG Electronics provides a wide range of additional welfare benefits to support the stable lives of employees and their families. These include group accident insurance, comprehensive health checkups, housing and livelihood stabilization loans, and financial support for children's education. These programs are reviewed and improved regularly to strengthen the social safety net.

In response to the growing importance of living wage as a global ESG issue, LG Electronics regularly participates in the RBA Living Wage Taskforce to stay informed of the latest international trends and cases. The company is currently reviewing the development of internal standards that reflect the laws, economic conditions, and social expectations of domestic and overseas business sites, referencing the RBA Living Wage Guidelines scheduled for publication in 2025.

2024 Inspection on Wages and Benefits (Included in the Third-Party On-Site Audits)

LG Electronics conducted inspections to assess the transparency of wage payments and the adequacy of benefits at its domestic and overseas production sites, as well as with suppliers.

The inspection focused on verifying consistency between the terms stated in employment contracts and actual payment records, application of social security systems, and whether payslips were provided. Appropriate measures were taken based on local laws and RBA standards for each issue identified.

As a result of the inspection, the following findings were identified at some suppliers, and follow-up actions were implemented accordingly:

- At certain suppliers in China, cases of unpaid social insurance for contract workers were identified. In response, social insurance coverage was provided for the affected workers, and their employment contracts were revised in accordance with applicable laws and contractual standards.
- In cases where discrepancies were found between the wage terms stated in employment contracts and the actual amounts paid, corrective actions were taken to ensure transparency in the pay structure by revising the wage structure and adjusting the payment details.
- For suppliers that failed to provide payslips adequately, the obligation to issue payslips was re-emphasized through retraining, and the requirement was included as a monitoring item in the regular inspection system to strengthen measures against recurrence.

Non-Discrimination/Non-Harassment/Humane Treatment

LG Electronics respects all stakeholders and strives to create a mentally and physically safe working environment by implementing both preventive measures and institutional systems to ensure that inhumane treatment or harassment does not occur.

We manage our practices to ensure that no employee is subjected to discrimination or disadvantage in areas such as wages or promotion for reasons unrelated to their competence or job performance. The grounds for non-discrimination cover both innate and acquired diversity, including but not limited to gender, race, color, sexual orientation, gender identity, ethnic/national origin, disability, pregnancy, marital status, religion, political opinion, union membership, social origin, history of HIV/AIDS, and personal beliefs. Additionally, LG Electronics actively considers and implements necessary measures to accommodate the religious practices of stakeholders and the needs of persons with disabilities.

Furthermore, to ensure that employees work in a safe and respectful environment, the company established the "Sexual Harassment Prevention Center" in August 2023. The center undertakes comprehensive responses including raising awareness on sexual harassment, conducting preventive activities, handling grievance counseling and reporting, and implementing prompt investigations and recovery-focused follow-up measures in the event of an incident.

2024 Inspection on Non-Discrimination/Non-Harassment/Humane Treatment (Including the Third-Party On-Site Audits)

LG Electronics conducts regular monitoring of domestic and overseas production sites and suppliers to examine potential discriminatory factors in recruitment and promotion processes, and any inhumane treatment within the working environment.

This inspection focused on identifying incidents of inhumane behavior such as violence, gender-based harassment, sexual harassment, sexual abuse, corporal punishment, verbal abuse, and personal information disclosure, and assessed the implementation of preventive measures and institutional improvements in line with international standards and the RBA Code of Conduct.

As a result of the inspection, the following issues were identified at some suppliers, and immediate corrective actions were taken along with revisions to standards to strengthen worker protection:

- A question regarding pregnancy status was found in the recruitment medical examination documentation, but it was confirmed that the item had not been implemented in practice. The item was subsequently removed, and the relevant guidelines were reinforced through re-training.
- Some suppliers were found to have included an age restriction (18 to 50 years old) in their hiring criteria. This was considered a discriminatory element, and the age criterion was removed from checklists. A comprehensive review of all HR documents was conducted.
- In addition, some entities had insufficient internal procedures for handling requests and providing accommodations for workers with disabilities. As a corrective action, procedures were revised to establish a system for improving accessibility and conducting prior reviews.

Employees Human Rights Management

Risk Management

Freedom of Association and Collective Bargaining

LG Electronics complies with labor-related laws and regulations in each country and region and guarantees the freedom of association, including the right to conclude collective agreements and hold peaceful assemblies. In addition, management standards are established to prevent any disadvantages based on union membership, activities, or formation. All workers have the right to voluntarily form or join labor unions or associations, and the right not to join such organizations is equally respected.

To enhance the working environment and gather feedback, LG Electronics has institutionalized open communication based on mutual respect between workers and management. Even in countries where freedom of association is legally restricted, the company allows the formation of workers' councils within the scope of local laws and supports practical communication.

LG Electronics strives to go beyond adversarial labor-management relations and establish an advanced labor relations culture based on cooperation, realizing social responsibility and shared values.

2024 Inspection on Freedom of Association and Collective Bargaining (Included in the Third-Party On-Site Audits)

LG Electronics conducts inspections of domestic and overseas suppliers to ensure that workers' rights to freedom of association and collective bargaining are substantively guaranteed at the workplace. This inspection was conducted through third-party audits and document reviews focusing on whether collective agreements were concluded and distributed in accordance with local laws, whether the rights stipulated in the agreements aligned with actual working conditions, and the documentation of relevant clauses.

As a result of the inspection, the following issues were identified at some suppliers, and corrective actions were immediately taken to improve systems and apply them in practice:

- In cases where collective agreement documents were not distributed to workers after conclusion, training on relevant laws was provided and the document distribution procedure was revised.
- Where discrepancies existed between the probation period in the employment contract (e.g., 3 months) and the provision in the collective agreement (30 days), all contracts and agreements were revised to reflect the higher standard, and a unified standard was applied to the standard contract form.
- During the 2024 wage negotiations, the lack of specificity in maternity protection provisions (e.g., paternity leave, spousal childbirth leave) was identified. As a result, detailed provisions under maternity protection were expanded and supplemented with guidelines that enhance worker convenience and practical effectiveness.
- In response to concerns over potential deterioration of working conditions for some reinstated union members, the reinstatement criteria for full-time union officials were reviewed and improved to ensure no disadvantages upon return. Additionally, anti-discrimination provisions related to union activities were incorporated into the company-wide guidelines.

Key Responses and Follow-Up Actions by Impact

For identified human rights risks, immediate on-site actions and system improvements were implemented. For issues that raised concerns of recurrence or structural problems, the matters were escalated to key decision-making bodies, such as the ESG Council, and improvements are being promoted through a company-wide follow-up management system. In addition, high-risk business sites and areas with a high need for improvement are reflected in internal KPIs and risk management processes, enabling ongoing monitoring and follow-up inspections to be conducted in parallel.

Responses to Major Human Rights Impacts

Major Human Rights Impact	Department in Charge	Vulnerable Stakeholders	Related Human Rights Due Diligence and Major Improvement Activities	
			Due Diligence	Major Improvement Activities
Forced Labor	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Full refund of confirmed self-paid fees • Providing copy of employment contract • Conducting total inspection on status of in-house suppliers and formalized a pre-contract due diligence process and mandated the inclusion of a forced labor prohibition clause in all supplier contracts.
Child Labor	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Improvement of age verification process ※ No children found at business sites
Working Hours	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Monthly investigation on attendance record (LG Electronics) • Self-assessment • On-site inspection (internal, third-party, client)	• Establishing and monitoring management goals by division • Introducing multi-skilled workers and overtime-free days • Pre-warning system for excessive working hours • Conducting morning meetings during operating hours
Wages and Benefits	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Identifying and improving unpaid social insurance cases • Improving and issuing payslip format • Abolishing/minimizing morning meetings before working hours • Clarifying equal pay for equal work requirements (in labor policy, etc.)
Non-Discrimination/ Non-Harassment/ Humane Treatment	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Operating Sexual Harassment Prevention Center (South Korea) • Strengthening guidance on internal grievance channels

Employees Human Rights Management

Risk Management

Major Human Rights Impact	Department in Charge	Vulnerable Stakeholders	Related Human Rights Due Diligence and Major Improvement Activities	
			Due Diligence	Major Improvement Activities
Freedom of Association and Collective Bargaining	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Operating company-wide labor-management council at business site level (South Korea) • Regularly communicating and cooperating with representative bargaining union and minority unions (South Korea) • Establishing/operating labor-management council (Indonesia R&D Center)
Health & Safety	• Safety and Environment Center • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client) • Regular/special inspections on safety and environment at all business sites • Fire safety inspections (suppliers)	• Strengthening emergency exit and evacuation drills • Strengthening management of related permits • Strengthening maternity protection system
Environment	• Safety and Environment Center • Shared Growth Department	Employees Workers from suppliers Local communities	• Self-assessment • On-site inspection (internal, third-party, client)	• Establishing supplier GHG inventory system • Joining RE100 (100% renewable energy transition by 2050)
Responsible Sourcing of Minerals	• Customer Quality Lab • Procurement departments by division	Workers from suppliers Local communities	• Conflict mineral management system • RMAP certification audit	• Excluding uncertified smelters from supply chain • Publishing annual due diligence report
Personal Information Security	• Information Security Department	Employees Workers from suppliers Consumers	• Personal information impact assessments and penetration testing	• Establishing/revising personal information management policies (strengthening personal information security, conducting audit and evaluation)

Advancing the Human Rights Risk Management System for Continuous Improvement

LG Electronics is continuously enhancing its company-wide institutional reforms and risk management systems based on the results of human rights impact assessments. For cases identified through actual on-site inspections and worker interviews, a structured response process has been established, covering preventive measures, effective corrective actions, and prevention of recurrence.

For example, regarding issues related to working hours and overtime, the principles of voluntary participation and the ability to refuse without disadvantage were re-emphasized. For high-risk items such as fire safety and chemical handling, preventive activities are conducted in parallel with strengthened on-site inspections. For non-compliance identified during on-site audits, plans for improvement are established at the business site level, and the completion of corrective actions within the designated timeline is regularly checked. In 2024, the Enterprise Risk Management Committee selected seven key vulnerable items as mid- to long-term improvement plans and managed their current status of implementation at the KPI level.

Additionally, starting in 2024, LG Electronics expanded the scope of its human rights due diligence and impact assessments to include all internal production sites and the entire network of suppliers. To establish an integrated human rights risk management system aligned with international standards, the company participated in the UNGC's "Business and Human Rights Accelerator" program. Through this initiative, LG Electronics is analyzing risks from a macro perspective and continuously identifying effective improvement plans.

Mid- to Long-Term Improvement Tasks and Current Status of Improvement Selected by the Enterprise Risk Management Committee in 2024

Improvement Tasks	Current Status of Improvement
3 Tasks (Risk assessment related to maternity protection, Emergency Exits and Evacuation Routes, Nighttime Evacuation Drills)	As of November 2024, the three tasks that have been mostly completed have been converted into routine tasks.
Non-compliance related to working hours	Decreased by 33% compared to 2023.
Non-compliance related to emergency exits	Decreased by 52% compared to 2023.

Participation in the Business and Human Rights Accelerator Program (2024)

In 2024, LG Electronics participated in the UN Global Compact (UNGC) "Business & Human Rights Accelerator" program and, with guidance from SHIFT, conducted a human rights impact assessment based on the UN Guiding Principles on Business and Human Rights (UNGPs). This assessment was conducted to identify the priority of human rights risks and enhance preemptive response capabilities for various stakeholders, including employees, workers from the supply chain, local communities, and consumers.

As a result of the investigation, no serious human rights violations requiring immediate action were identified. However, based on cases collected through grievance channels, whistleblower reports, and on-site inspections, a total of 26 areas for improvement were derived. Among them, 15 major risks were designated as the priority subject to management, and improvements to related systems and procedures are currently underway.

By participating in this program, LG Electronics is enhancing the credibility of its evaluation framework and strengthening its risk analysis capabilities from the perspective of external experts. The company plans to implement more systematic risk management and sustainable improvements through human rights due diligence based on international standards.

Employees Human Rights Management

Risk Management

Remediation and Grievance Handling

Remediation and Follow-up Measures for Victims

LG Electronics operates a follow-up action system to ensure recovery for victims and prevent recurrence in cases where negative impacts arise from human rights violations. When a human rights violation is confirmed through internal or external human rights due diligence, the company promptly verifies the facts, prepares appropriate remedies for the situation, and concurrently implements institutional improvements by analyzing the root cause to prevent recurrence of the same issue.

These measures apply not only to LG Electronics employees but also to workers belonging to suppliers. In cases where human rights violations are confirmed, the company requests remedial actions from the supplier to ensure recovery or compensation for the victim and, when necessary, provides support such as training and consulting.

Operation of Grievance Channels and Enhanced Accessibility for Reporting

LG Electronics operates various grievance mechanisms to ensure that all stakeholders can freely raise human rights-related concerns.

At major hubs, including Korea, practical responses to workplace grievances are provided through the Grievance Handling Committee, the Sexual Harassment Prevention Center, the Junior Board, and the Psychological Counseling Center. At overseas business sites, locally suitable channels such as one-on-one interviews, Voice of Employee (VOE) boxes, and online QR code reporting systems are in operation.

LG Group's shared ethics reporting website (ethics.lg.co.kr) has expanded its language support beyond Korean, English, and Chinese to include European languages, thereby enhancing global accessibility. Whistleblowers are protected under a strict confidentiality principle. Personnel responsible for handling reports are strictly designated through confidentiality agreements, and in the event of any disadvantage to the whistleblower, restoration and protective measures are implemented. Additionally, the company provides regular training to enhance members' awareness of and accessibility to grievance handling process, while promoting channels to increase practical usage.

Current Status of Domestic/Overseas Grievance Mechanism

Domestic	Grievance Handling Committee
	Junior Board
	Sexual Harassment Prevention Center
	Psychological Counseling Center
Overseas	One-on-one Interviews
	Monthly Manager Meeting on Labor Relations
	Voice of Employee (VOE)
	Grievance Handling Application

Employees Human Rights Management

Risk Management

Grievance Handling Process

Grievance Handling Committee

- A standing organization established in accordance with the act on the promotion of employees' participation and cooperation, operated by selecting one grievance committee member each from labor and management within the labor-management council
- Matters that are difficult to judge solely by the grievance handling committee member must be submitted to the labor-management council for discussion and resolution

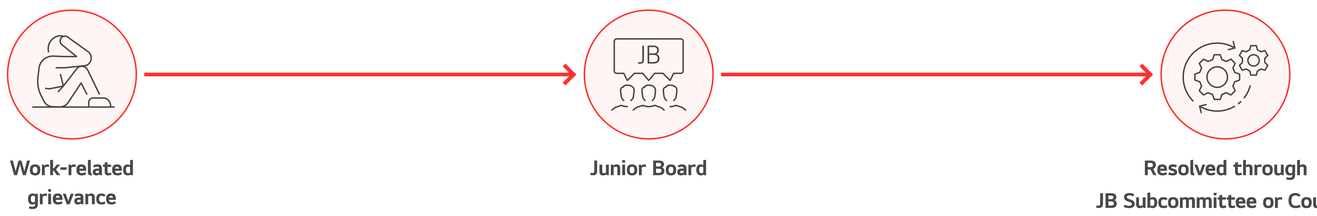
*Target: All employees



Junior Board

- A consultative body representing office workers, operating a grievance resolution process through eight Junior Boards established company-wide
- The overall procedure from grievance collection, handling, to result sharing is separately managed according to each Junior Board's operating standards

*Target: Office workers



Sexual Harassment Prevention Center

- A body that handles sexual harassment grievances and reports, investigations, follow-up actions, and preventive activities
- Operated as a virtual organization in collaboration with related departments (Labor Management, Ethics Bureau, Legal Affairs, Psychological Counseling Center, etc.)

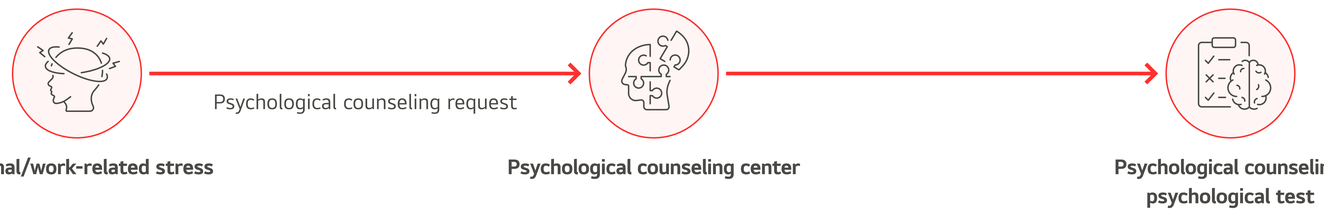
*Target: All employees



Psychological Counseling Center

- Provides support through psychological counseling when grievances arise due to personal or work-related stress (counseling available via in-person, video call, phone call, email, and SNS).
- A total of 12 counseling centers are operated at Twin Towers, Pyeongtaek, Magok, Seocho, Gumi, Changwon 1, Changwon 2, Customer Value Innovation Division, Seoul Station Building, Incheon, and Yangjae.

*Target: All employees



Employees Human Rights Management

Risk Management

Operation of the Labor Management Council (Domestic)

LG Electronics strives to foster mutual trust and respect between management and workers to create shared value and enhance cooperation. As a key communication channel for this purpose, LG Electronics operates the "Labor Relations Council," a labor-management council based on the "ACT ON THE PROMOTION OF EMPLOYEES' PARTICIPATION AND COOPERATION."

The Labor Relations Council is composed of worker representatives elected through direct voting by all employees and management representatives and strives to promote the shared interests of labor relations. Through regular quarterly meetings, the Council shares the company's key business status and operational plans, and conducts constructive and practical discussions on various issues, including the working environment, welfare benefits, safety and health, and process improvements.

The business performance and operational plans discussed in the Council are transparently shared with worker representatives every quarter. Agreed improvements to the working environment are communicated to all employees. To enhance communication and participation, all changes and improvement activities are posted on internal bulletin boards for at least one week.

Current Status of Resolved Matters Related to Working Conditions by Labor-Management Council

Category	Unit	2024
Business plans and performance	Cases	4
Welfare enhancement		4
Maternity protection / Work-life balance		2
HR and labor systems		5
New technology / Process improvement		1
Production planning		1
Other resolved grievance		1
Total		**18**

Social Responsibility of the Labor Union

The LG Electronics labor union contributes to enhancing corporate sustainability by protecting the rights and interests of its employees, fostering a sound labor-management culture, and fulfilling its social responsibilities.

In particular, through Union Social Responsibility (USR) activities, the union participates in various social contribution initiatives, including support for the underprivileged both domestically and internationally, disaster relief efforts, and public cooperation. These activities help build trust with internal and external stakeholders and substantially contribute to mitigating social risks.

Additionally, based on its special consultative status with the United Nations Economic and Social Council (UN ECOSOC), the LG Electronics labor union shares outstanding USR practices with the international community and takes a leading role in promoting a responsible labor culture. These activities help strengthen the foundation of trust between labor and management, serving a positive role as part of ESG efforts that prevent human rights and labor-related risks in the long term.

Status of Domestic Labor Relations (as of the end of 2024)

Labor Union Members	Consecutive Period of Wage and Collective Bargaining without Strikes
9,317 members (26.0% of all domestic employees)	36 years

Employees Human Rights Management

Risk Management

Operation of the Psychological Counseling Centers (Domestic)

LG Electronics operates counseling centers at 12 domestic business sites to actively support work-life balance and the psychological well-being of employees. Professional counseling psychologists with expertise[1)] in counseling and consulting are in each counseling center, offering customized counseling programs that reflect the demographic composition, job characteristics, and organizational culture of each site.

As of August 2024, the psychological counseling centers at the Changwon 1 and Changwon 2 business sites, which were previously operated through outsourcing, have been converted to an internal operation model. This transition has enabled the provision of more tailored counseling services aligned with the specific characteristics of each business site and organizational culture. As a result, the number of individual counseling cases increased from 5,803 in 2023 to 6,233 in 2024, demonstrating the positive impact of the internal operation model.

Additionally, the company regularly reviews the operation of the psychological counseling center through the Counseling Center Council and monthly video meetings, continuously striving to enhance consistency and quality of counseling services. The counseling program encompasses not only individual psychological issues but also team programs that address interpersonal relationships, communication, and stress management at the organizational level, as well as leadership consulting services. These efforts contribute to organizational health and improved productivity. Family-oriented programs are also offered to support employees' psychological stability, job immersion, and job satisfaction.

1) For the Counseling Centers at Pyeongtaek Digital Park, Magok Science Park, and the Customer Value Innovation Division, two counseling psychologists are assigned. For the remaining business sites, one professional is assigned to each.

Operation of LG Electronics Psychological Counseling Center

LG Electronics operates psychological counseling centers at 12 business sites in three formats

In-house Model-Full-Time On-site (8 sites)

Twin Towers | Seocho | Gumi | Pyeongtaek | Science Park | Gasan | Changwon 1 | Changwon 2

Mixed/Adjusted Model-Full-time (1 site)
(In-house model+3rd party management)

Customer Value Innovation Office

In-house Model-Part-time (3 sites)
(Support from full-time psychological counseling centers)

Incheon | Seoul Station Building | Yangjae

Main Programs of the Psychological Counseling Centers

① Individual Counseling (face-to-face and online [video, email, phone]) for the psychological well-being of employees and their families

② Programs for Families: Psychological assessment events for employees and their families, delivered face-to-face and online (email, video)

③ Team Programs for Organizational Vitalization: Topics include mutual understanding, stress management, and organizational communication (face-to-face and video)

④ Caring Program for Expatriates and Families:
- Monthly letter for expatriates and their families
- Monthly letter for the adaptation of returning expatriates and their families
- Pre-departure adaptation training for expatriates
- Accompanying family program to support family adaptation before dispatch
- One-on-one psychological caring program for expatriates (psychological assessment interpretation counseling for leadership development and counseling center networking)

⑤ Part-time Activities of the "Sexual Harassment Prevention Center" Installed in the Jeong-Do Management Center:
- Counseling and recovery programs for victims, organization leaders to support recovery of sexual harassment victims
- Psychological care for victims, perpetrators, and whistleblowers in various reporting incidents beyond sexual harassment

⑥ Annual Psychological Caring Program for In-House Aviation Personnel (Helicopter Team, Private Jet Team)

Employees Human Rights Management

Targets and Metrics

LG Electronics sets key indicators such as human rights training, human rights impact assessments, and resolution of grievances as part of its human rights management objectives, and manages annual performance accordingly.

Management Goals by Key Human Rights Impact

Objective	Details	Metric	Unit	Performance		
				2022	2023	2024
Expanding human rights training hours	Expand training hours for employees on human rights policies and procedures	Human rights training hours	Hours	1,264	2,041	45,494[1)]
Conducting human rights impact assessments	Conduct human rights reviews and impact assessments at all global production sites	Implementation rate of human rights impact assessments	%	100	100	100

1) As of 2024, position-specific training has been discontinued and company-wide human rights training has been implemented for all employees (25,481 domestic and 20,013 overseas participants)

① Expanding human rights training hours: LG Electronics regularly provides training on human rights policies and procedures to raise employee awareness of human rights management, and continues to expand training hours to further strengthen its human rights efforts.
② Conducting human rights impact assessments: LG Electronics conducts regular human rights reviews and impact assessments at all global production sites to identify and assess issues in key human rights impact areas, such as forced labor and child labor, in advance, minimizing any potential negative impact.

Future Goals Related to Key Human Rights Impacts

Key Human Rights Impact	Future Goals
Forced Labor	• Expand the scope of on-site inspections to include in-house suppliers at all overseas production subsidiaries. • Publish guidelines that are tailored to labor conditions and the characteristics of migrant worker employment to prevent forced labor issues.
Child Labor	• If child labor is identified, immediately remove the child from work, support completing mandatory education, and implement measures to prevent loss of income.
Working Hours	• Systematically manage regular/overtime working hours and rest periods in accordance with labor regulations. • Promote flexible working arrangements to enhance employee productivity and ensure work-life balance.
Wages and Benefits	• Continuously review and improve welfare benefit systems to reflect employee needs.
Living Wage	• Review case studies related to living wage through participation in the RBA Living Wage Taskforce. • Conduct internal review referencing the RBA Living Wage Guidelines scheduled for publication in 2025.
Non-Discrimination/ Non-Harassment/Humane Treatment	• Actively review and implement various additional measures to prevent discrimination during the recruitment process.
Freedom of Association and Collective Bargaining	• Ensure workers' freedom to voluntarily form associations by distributing collective bargaining documents in accordance with national and regional laws.

Operation of the Junior Board System (Domestic only)

LG Electronics operates the "Junior Board" system to reflect employee feedback in management and to promptly resolve grievances. By providing feedback on all suggestions, the company strengthens internal communication and builds a system to identify and resolve potential issues early. For grievance-related suggestions, those deemed significant based on impact scope and urgency are selected, and 100% of these key issues are addressed each year.

Junior Board Grievance Handling Performance

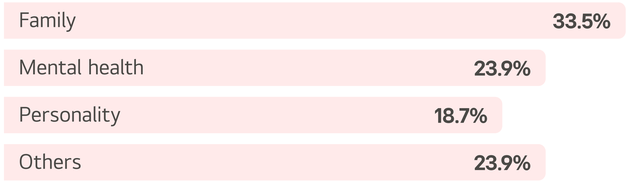
Objective	Details	Metric	Unit	Performance		
				2022	2023	2024
Achieve 100% resolution of Junior Board grievance cases	Achieve 100% resolution for grievances submitted to the Junior Board	Junior Board grievance resolution rate	%	100	100	100

To uphold the principles of human dignity and the prohibition of discrimination and harassment, LG Electronics ensures that grievances submitted through the Junior Board are addressed without delay. LG Electronics will continue its efforts to achieve and maintain a 100% resolution rate for Junior Board grievance cases.

Current Status of Usage of Company-wide Psychological Counseling Center and Goals for Expansion (Domestic only)

In 2024, LG Electronics conducted a total of 6,233 individual counseling sessions, covering a range of topics such as family issues (33.5%), mental health (23.9%), and personality-related concerns (18.7%). Rather than tracking the number of users, the company uses the number of cases and program sessions as key indicators, reflecting actual counseling demand and organizational support capacity.

In addition to in-person sessions, a variety of counseling channels, including video, email, phone, and social media, are offered to enhance user convenience. Particularly, video counseling enables employees and their family members who are working remotely or residing overseas to receive counseling without time or location constraints. Group programs and training sessions have also been introduced to expand participation opportunities. LG Electronics plans to further strengthen psychological support by expanding customized programs based on site and employee needs, improving access, and enhancing early response capabilities to psychological risks.



*Psychological counseling data from January to July for outsourced sites Changwon 1 and 2 are excluded (data cannot be calculated due to different classification and measurement methods). Starting in August 2024, As of August 2024, the counseling service at Changwon 1 and 2 have been incorporated into the in-house counseling system and are now included in the consolidated data.

Employees Human Rights Management

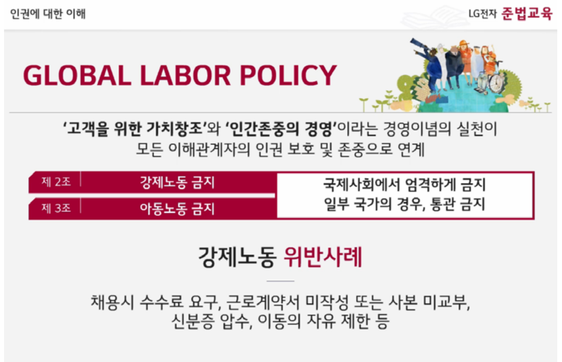
Targets and Metrics

Current Status of Training for Human Rights Manager and Goals for Expansion

LG Electronics established its Global Labor Policy in 2010, based on the RBA Code of Conduct, and has been providing regular training to personnel at production sites to implement this policy. In 2024, the training scope was expanded to include all global employees. The training covered international standards such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, while also explaining the company's labor policy, including the prohibition of forced labor, to enhance employees' understanding of human rights management.

Following 2023, real-time online training sessions were conducted again in 2024 across regions including Korea, China, Mexico, Asia, and the Americas. The sessions were divided into two courses, Labor & Ethics and Safety/Health & Environment, each lasting three hours. A total of 72 personnel from production sites and 108 personnel from in-house suppliers participated in the training. Delivered in four languages, the training went beyond simply presenting audit requirements by incorporating real-life examples and auditor-led sessions to deepen practical understanding.

Additionally, in March 2024, LG Electronics introduced training through the RBA Academy, an online education platform provided by the RBA, to strengthen personnel's expertise and understanding of international standards. The platform covers a wide range of topics, including forced labor and working hours, and is available in multiple languages to enhance accessibility for global employees. In 2024, 118 personnel completed 1,224 courses through the platform. LG Electronics plans to adopt the RBA Academy as a core training channel and expand participation to include personnel from in-house supplier as well.



Understanding Human Rights



RBA E-learning Academy

Training Status (2024)

Training Program	Target Participants	Key Content	
Understanding Human Rights	All employees (45,494 completed - 25,481 domestic, 20,013 overseas)	Introduction to the UN Guiding Principles on Business and Human Rights (UNGPs) Company-wide human rights policies Labor policy and prohibition of forced labor Reporting mechanisms for human rights violations	
RBA Academy	All personnel at production sites (118 people)	1,224 courses completed (average of 10.4 per person)	
		[Common, Mandatory] Introduction to the RBA, RBA risk assessment procedures, RBA VAP audit, RBA Corrective Action Plan (CAP), RBA Code of Conduct - Management Systems	[HR Personnel, Mandatory] RBA Code of Conduct - Labor, RBA Code of Conduct - Ethics, Prohibition of forced labor, Working hours
		[HR Personnel, Optional] Recruitment procedures, RBA right to refuse overtime voluntarily	[ESH Personnel, Mandatory] RBA Code of Conduct - Health & Safety, RBA Code of Conduct - Environment, Health & safety management systems, Environmental protection
		[ESH Personnel, Optional] Emergency response	
Introduction to Key ESG Audit Programs and Corrective Action Plan	All production site labor/ ethics managers (62 in-house, 10 in-house supplier)	Key audit requirements under RBA 8.0 Common non-conformities in RBA audits Key audit requirements from Costco Common non-conformities in Costco audits How to develop a CAP (Corrective Action Plan) How to conduct internal audits	
	All production site safety/ environment managers (95 in-house, 13 in-house supplier)	Key audit requirements under RBA 8.0 Common non-conformities in RBA audits Key audit requirements from Costco Common non-conformities in Costco audits How to develop a CAP (Corrective Action Plan)	

Employees Organizational and HR Management

Governance

Organizational Culture and Human Resources Management

LG Electronics continuously enhances the flexibility of its work methods and organizational operation systems to respond to the rapidly changing business environment. At the same time, the company operates a variety of talent development programs to enable each employee to fully demonstrate their expertise. Through these efforts, LG Electronics strengthens a performance-oriented culture across the organization while promoting sustainable growth through the strategic management of human resources.

HR System and Organizational Culture Framework Based on LG Way

LG Electronics operates a systematic HR governance framework based on performance-oriented principles, grounded in LG Way, the management philosophy of the group. The performance culture emphasized in the LG Way encourages employees to set challenging goals and continuously strive for results. It also focuses evaluating both short- and long-term performance and competencies, and providing appropriate rewards accordingly.

Fair and Transparent Evaluation and Compensation System

LG Electronics has established a performance-based compensation system and continues to operate it.

- Ongoing performance management
- 360-degree evaluation system
- Rating review committee
- Evaluation appeals process

Talent Development and Innovative Promotion System

To foster a horizontal and creative organizational culture, LG Electronics operates a three-tier hierarchy system focused on roles, competencies, and performance. This system diverges from the traditional hierarchical structure and promotes a flexible organizational culture based on autonomy and accountability.

- Selective promotion system
- Development programs
- Job credit system
- Protection against promotion disadvantages for maternity protected employees

Advanced Welfare Programs for Work-Life Balance

LG Electronics respects its employees' autonomy and decision-making authority, and operates various programs to support a work-life balance.

- Flexible work arrangements
- Remote work system
- Summer vacation and recommended leave programs

Family-friendly Work Environment

To support the harmony between work and family, LG Electronics operates family-friendly policies that exceed legal standards.

- Expanded parental leave and maternity leave
- Reduced working hours during child-rearing periods
- On-site childcare facilities
- Maternity protection programs tailored to each stage of life

Diversity and Inclusion

LG Electronics respects the diversity of its employees and continually strives to build an inclusive organizational culture free from discrimination and harassment.

- Establishment of anti-discrimination and anti-harassment systems
- Dedicated recruitment briefings for women's universities in Korea
- Expanded recruitment programs for persons with disabilities

Fair and Transparent Evaluation and Compensation System

LG Electronics supports the mutual growth of individuals and the organization through a transparent and fair performance management governance system based on performance-based compensation system. At the beginning of each year, individual goals are set, and performance is systematically managed through agile communication, including ongoing feedback and one-on-one meetings between leaders and team members - and at least one formal feedback session per year. This approach provides employees with opportunities to discuss their performance and development, while fostering a culture of mutual growth and trust between the organization and its members.

A performance rating review committee, led by the responsible executive and including organizational leaders and the HR department, is convened to deliberate on evaluation outcomes. Employees are guaranteed the right to appeal, request feedback sessions, and consult with HR regarding their evaluation results. Based on this performance management system, LG Electronics will continue to enhance a fair and transparent performance evaluation culture.

- **Goal Setting and Ongoing Management:** Leaders establish organizational goals and share them with team members to help individuals align their personal objectives with those of the organization. This approach enhances employees' understanding of their work and its importance, while also ensuring that organizational performance translates into individual success. Based on the goals set, employees regularly review their progress and exchange feedback through scheduled and ad-hoc meetings. This ongoing discussion supports performance improvement and provides necessary assistance. In particular, employees engage in at least on regular one-on-one meeting per month, in addition to occasional check-ins, to continuously monitor progress and receive feedback, thereby driving performance growth and support.
- **Multi-faceted Evaluation and Feedback:** The year-end performance evaluation is conducted in a multi-faceted manner to ensure objectivity and incorporate diverse perspectives. In addition to the leader's evaluation, the following feedback mechanisms are comprehensively reflected:
  - 360-degree Multi-dimensional Feedback: For leadership-level employees, feedback is collected once a year from diverse stakeholders, including supervisors, peers, and subordinates, regarding their leadership competencies.
  - Peer Feedback: General employees may voluntarily engage in peer feedback to offer and receive peer advice on collaboration practices and development needs.

2024 Scope and Schedule of Major Evaluations

Category	Personnel Subject to Evaluation	Schedule
Performance Evaluation Job Competency Evaluation	All employees	Once a year (October-November)
Leadership Evaluation	Organizational leaders	Once a year (September)
Peer Evaluation	All employees (excluding organizational leaders)	Once a year (September)

Employees Organizational and HR Management

Governance

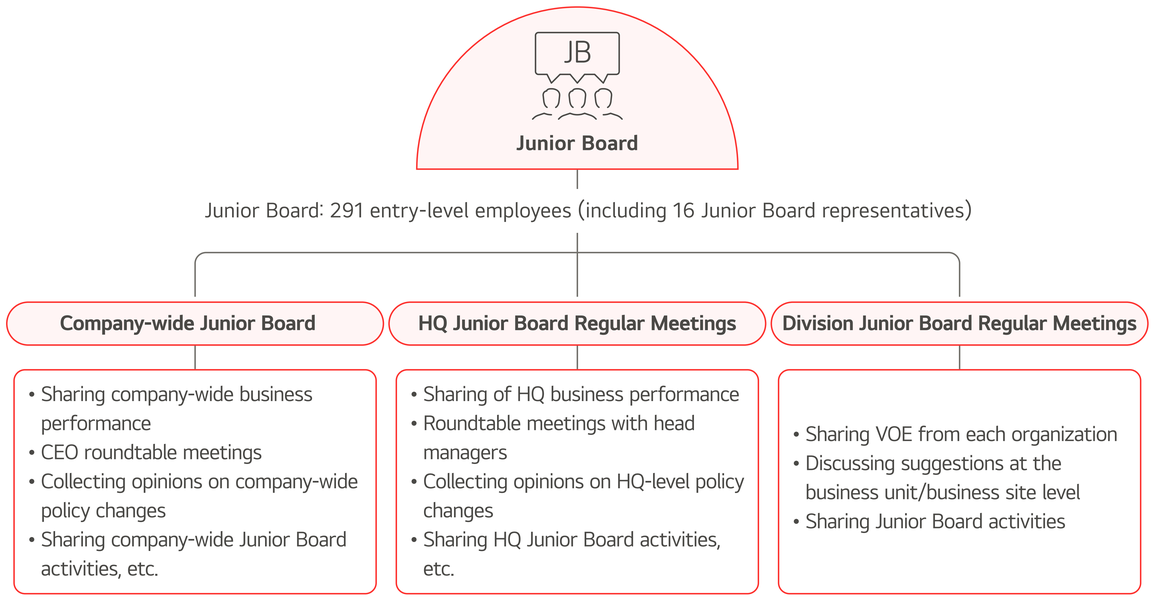
Communication with Employees

Governance System Based on Communication with Stakeholders

LG Electronics operates a company-wide communication Junior Board to strengthen internal communication and effectively reflect employees' voices in management. The Junior Board serves as a communication channel where employees from various ranks and roles voluntarily participate to propose ideas on organizational operations and share them directly with management. By incorporating employees' experiences and insights into management, LG Electronics fosters a participatory organizational culture based on trust and empathy.

Furthermore, the company has established a structured communication system by organically linking Junior Boards at the division and department levels with the company-wide Junior Board Council. This forms a communication structure based on employee engagement. Such a communication framework also promotes active employee participation from an ESG perspective, laying the foundation for a sustainable management culture within the organization.

Additionally, LG Electronics offers a range of programs that encourage voluntary employee participation in non-work activities. Through internal donation systems and external volunteer activities, the company contributes to fulfilling its social responsibilities. These activities also function as communication channels that enhance employee engagement while reinforcing the organization's commitment to social responsibility.



Communication System Between Management and Employees

To enhance management transparency and foster a horizontal organizational culture, LG Electronics maintains various channels that strengthen communication between management and employees. Key communication channels include the CEO F.U.N Talk, CFO's Business Performance Briefing, and communication programs led by each division and business unit head. These channels provide a structure for actively listening to and incorporating organizational feedback.

Through these platforms, management shares key business performance updates, strategic directions, and mid- to long-term visions with employees, fostering transparency through open Q&A sessions and feedback. This communication system positions employees not as passive recipients but as partners in management, thereby laying the foundation for rational and efficient decision-making.

Moreover, this communication structure has a positive impact on overall trust and engagement within the organization, contributing to a corporate culture that fosters employee commitment and voluntary collaboration.

Key Communication Programs	Communication Topics and Methods
CEO F.U.N. Talk	A program where the CEO shares the company's direction for change and strategy, along with his thoughts on a wide range of topics such as business, leadership, and corporate culture. Employees' feedback and suggestions are actively gathered and reflected in management.
CFO Business Performance Briefing	A program where quarterly business performance and results are shared in detail across the company, business divisions, and regions. The CFO personally responds to employees' questions and suggestions, and provides analysis on changes in the business environment.
Head Manager/Division Head-led Communication	In alignment with company-wide communication programs, each business division holds sessions to exchange opinions with employees on specific topics, share internal updates, and gather employee concerns, which the respective Head Managers or Division Heads lead. • HS: HS Town Hall Meeting • MS: Head Manager New HumirockLive Talk • VS: VS Townhall Meeting • ES: ESsential Talk • Korea Sales & Marketing Company: Joy Concert • CTO: All Hands Meeting • Production Engineering Research Institute: DoDream Talk Concert • Customer Value Innovation Division: CS ONE Talk

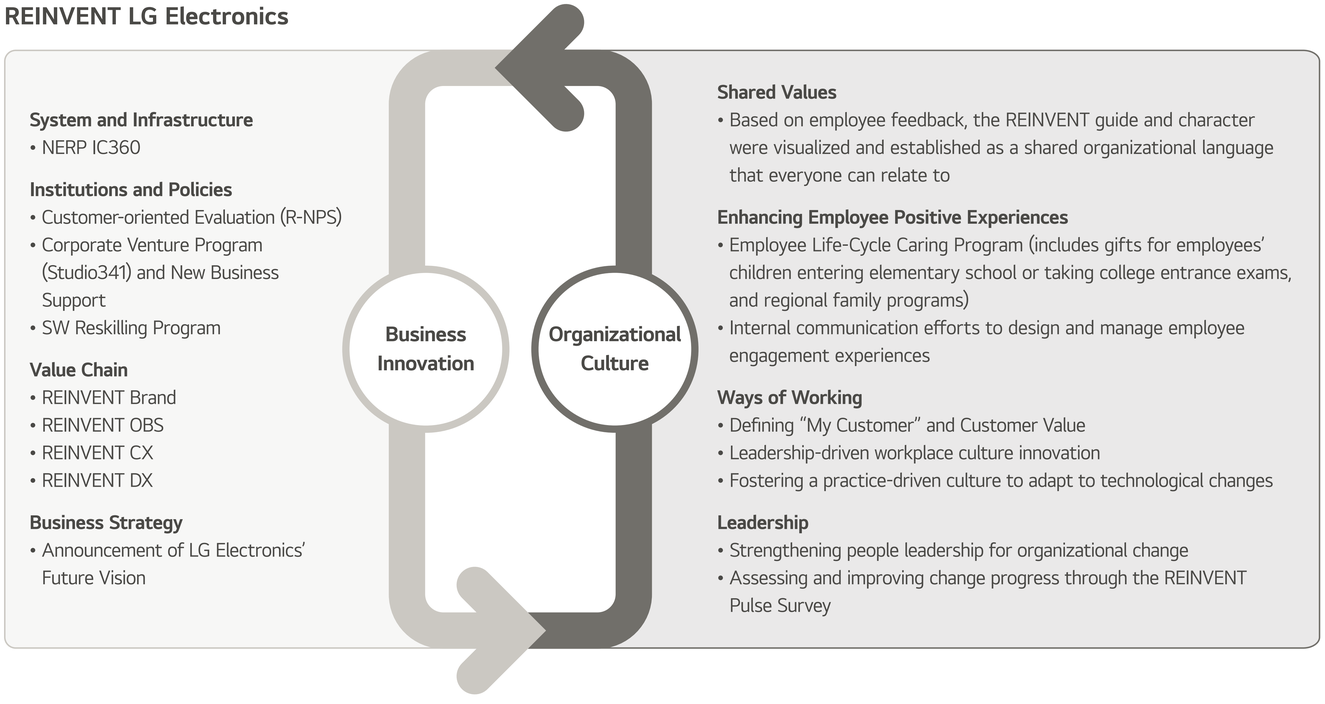
Employees Organizational and HR Management

Strategy

Based on a participation-driven value system, LG Electronics is committed to continuously pursuing "Innovation for a Better Life" that all employees can relate to and realize together. To this end, the company is strengthening the foundation for sustainable growth by fostering a healthy organizational culture centered on diversity, inclusion, and the experience and development of its employees.

Organizational Culture and Human Resources Management

REINVENT LG Electronics



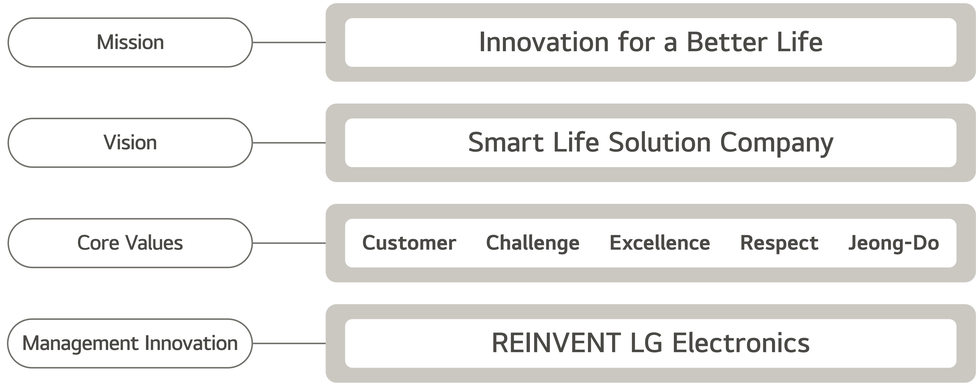
LG Electronics is driving the "REINVENT LG Electronics" initiative to build an organizational culture where each employee's passion and capabilities can be fully realized. This initiative goes beyond a mere slogan, serving as a practical code of conduct that reflects employees' dreams and aspirations. It serves as a core foundation for fostering a positive employee experience and driving sustainable growth momentum for the company.

Launched company-wide through "REINVENT Day" in 2022, REINVENT LG Electronics was established by gathering input from employees at all levels. Based on a bottom-up approach, it aims to foster a culture of innovation that employees can relate to and voluntarily put into practice. Through this initiative, LG Electronics is boldly improving inefficient work practices and outdated systems within the organization. It is evolving into a platform that drives continuous change and innovation, setting a new standard for cultivating a healthy and productive workplace culture.

Employee-Driven Organizational Culture

LG Electronics strives to create differentiated customer value based on five core values: Customer, Challenge, Excellence, Respect, and Jeong-Do. These core values go beyond being mere principles. They represent LG Electronics' direction, shaped through the broad participation of its employees.

The core values serve as the foundation for establishing LG Electronics' vision and driving sustainable growth. They have become the primary decision-making criteria that all employees prioritize in their daily work. The company's future vision and growth direction were developed based on input from approximately 3,500 employees, demonstrating that employees play an active and leading role in shaping the organization's strategy.



Mission	Vision	Core Values
The reason we exist	The ultimate self that we are committed to creating	The principles and standards we trust and follow
We create innovations to make a better life for individual customers, and pledge to provide "Innovation for a better life."	A look at what we will achieve if we strive with a strong commitment. LG Electronics has a blueprint to be reborn as "Smart Life Solution Company."	A principle essential to achieving our vision and mission. A value to be used as a standard for the judgment of our work.

Employees Organizational and HR Management

Strategy

Promoting Diversity and Inclusion

LG Electronics is systematically building an organizational culture based on Diversity, Equity, and Inclusion (DEI) as a core strategy for sustainable growth. This approach aims to establish a structural foundation that transforms employee diversity into a competitive advantage, while also enhancing adaptability in global markets and strengthening creative problem-solving capabilities within the organization.

As part of its DEI strategy, LG Electronics continues to implement structural improvements to expand the recruitment, career development, and leadership opportunities for female talents. The company is diversifying entry pathways for female candidates during the hiring process and expanding its mid-to-long-term pipeline of female leaders through career development programs and tailored leadership training. In addition, to fulfill its social responsibility in employing people with disabilities, LG Electronics is creating an inclusive employment environment by operating dedicated recruitment channels and standardized business sites.

From the perspective of organizational culture, LG Electronics is simultaneously conducting Awareness-raising initiatives focused on eliminating unconscious bias and fostering inclusive communication. Through DEI-related training programs and mandatory courses for leaders, the company aims to promote company-wide awareness and ensure execution competency of its strategies. In addition, LG Electronics is establishing DEI indicators aligned with global standards and setting quantitative targets, such as the proportion of female managers and employment rate of persons with disabilities, to regularly monitor and improve the level of diversity and inclusion within the company.

LG Electronics plans to further advance its DEI (Diversity, Equity & Inclusion) standards to meet global expectations and strengthen its sustainability management system based on DEI. Through these efforts, the company aims to foster stakeholder trust and cultivate an environment where all members of the organization can achieve both growth and performance.

Risk Management

LG Electronics values the growth of its employees and continuously strengthens organizational capabilities to respond flexibly to the rapidly changing technological and industrial landscape. In addition, by prioritizing work-life balance and diversity and inclusion as core values, the company works to prevent and manage organizational culture risks, such as discrimination and harassment, thereby establishing a foundation for sustainable organizational growth.

Organizational Culture and Human Resources Management

Managing Organizational Culture Risks through the LG Way Employee Survey

LG Electronics conducts regular LG Way surveys targeting all employees to assess trends in organizational culture and employee perceptions, thereby identifying potential risks in advance. The survey is part of a risk management process designed to monitor and proactively address key organizational culture risk factors, including communication, trust, and engagement, within the organization.

In 2024, the survey was conducted with 25,462 office employees and 8,067 production employees in Korea. The results are provided to each leader as an analytical report, enabling them to assess the health of their organization. Based on these results, leaders transparently share the findings with their teams and follow up with discussions and actions aimed at improving organizational culture and mitigating risks.

In addition, LG Electronics derives core values and practical guidelines for improving organizational culture based on the survey results, thereby strengthening company-wide execution competency. In particular, to address key issues and risk factors within the organization more systematically, identified through continuous survey feedback, LG Electronics has established the A.C.E. leadership behavior principles as a practical framework for organizational culture improvement.

These leadership principles are applied as part of a strategy to enhance risk prevention and organizational resilience, enabling the company to proactively prevent risk factors, and respond quickly and effectively when risk situations arise. LG Electronics plans to further strengthen this data-driven feedback loop and enhance its organizational culture risk management system through regular monitoring and follow-up actions.

A.C.E. Leadership Behavior Principles

A	C	E
Aim for Clarity	**Conduct with Agility**	**Excellence in Process**
Set measurable goals and deliver outcomes to provide clear direction.	Establish priorities based on importance and execute with agility to focus on delivering results.	Take initiative in defining roles, analyze every step thoroughly, and execute collaboratively throughout the entire process.

Employees Organizational and HR Management

Risk Management

Respect for Employee Diversity and Prohibition of Discrimination and Harassment

LG Electronics upholds diversity and inclusion as core values and is committed to preventing and managing organizational culture risks arising from discrimination or harassment. The company implements the following policies and initiatives to foster an inclusive organizational culture. Through these efforts, the company aims to build an environment in which all employees respect and support each individual's unique backgrounds and perspectives, where creative and innovative ideas can be freely expressed and every employee is treated with respect regardless of background, gender, age, nationality, or disability status.

Application of Zero-Tolerance Policy

- Strict prohibition of all forms of discrimination, based on gender, age, race, disability, sexual orientation, educational background, and other factors, across all areas of employment, including recruitment, promotion, evaluation, and compensation
- Application of a zero-tolerance policy to all acts of workplace harassment, including verbal, physical, and visual harassment

Regular anti-discrimination training provided for all employees

- Emphasis on the importance of mutual respect to raise awareness of relevant laws and internal policies
- Operation of a reporting and protection system for discrimination and harassment
- Operation of formal reporting and resolution procedures to allow victims to safely raise concerns and get protection
- Operation of confidential reporting channels, such as the ethics hotline and online whistleblower system
- Implementation of fair and prompt handling of reports, along with measures to protect the identity of whistleblowers
- Investigation of reported cases and strict disciplinary actions in accordance with internal regulations
- Establishment of measures to prevent recurrence
- Training to prevent similar incidents in the future

Operation of the 1:1 Caring Program

LG Electronics operates a structured, role-based growth system that supports both organizational growth and individual development. This system helps employees find meaning in their work, take initiative in delivering results, and proactively drive performance. To this end, the company has established standard career development maps for each function leader and expert track, and has im-plemented C-D-P(Career-Development-Planning) plans. Every February, during the goal-setting period, employees submit their career development requests, which are then refined into specific goals through agreement with their leaders. Progress is reviewed semi-annually with leaders to ensure continuous support toward achieving the planned goals, thereby managing HR-related risks.

Counseling	Planning	Training-Job	Staffing
1:1 meetings with supervisors	Creation of personalized career development plans	Mandatory group training, job-specific training, and degree programs (domestic/overseas)	Promotions and job appointments

1on1 Communication Program (Domestic only)

To prevent risks such as weakened leadership influence, stagnation in employee growth, and decline in trust and to effectively support organizational adaptation, LG Electronics conducts regular 1on1 meetings to facilitate meaningful conversations between lead-ers and team members. Team leaders hold 1on1 meetings as needed throughout the year, which go beyond simple work reporting. These meetings are led by members, who set the discussion topics and encourage open communication. Through this process, employees are able to share concerns and fundamental questions about organizational operations that are often difficult to address in daily work, enabling in-depth communication to explore solutions together. Such dialogue helps identi-fy organizational risks in advance, allowing for a prompt response and improvement. This, in turn, enhances employee engagement, deepen understanding of the organization, and contribute to building a healthy organizational culture.

01 Communication to Strengthen People Leadership Influence

- Leaders communicate individually with team members and help to exert influence within the organization and build positive relationships.

02 Support for Employee Growth and Adaptation

- Clarifies employees' vision and roles, laying the foundation for their growth within the organization.

03 Strengthening Interconnection Within the Organization

- Enhances connections between employees and leaders, promoting interaction and collaboration, and reinforcing a sense of belonging within the organization.

Employees Organizational and HR Management

Risk Management

Operation of the Talent Development Programs

LG Electronics regards talent development as a core management strategy to drive continuous growth. To this end, the company operates development programs for a wide range of employees, from team leaders to executives, to foster Great Leaders who can lead organizational change and employee growth, thereby preventing risks such as leadership gaps and lack of organizational capability. In addition, LG Electronics has segmented its training areas based on employees' positions and roles, and has introduced a variety of learning methods, such as coaching and mentoring to pass on the experience and wisdom of senior employees, and voluntary learning communities and networking activities that foster knowledge sharing and collective growth among peers. Through these efforts, the company systematically develops key talent and places well-prepared individuals in the right positions, thereby helping to prevent risks related to talent shortages and role mismatches.

Furthermore, LG Electronics is actively operating the following programs with a focus on strengthening organizational capabilities.

Key Programs	Topics and Format
Biz. Insight Upgrade for Executives	• Development and implementation of leadership programs for executives to lead organizational innovation • Customized, in-depth sessions focused on business-related technologies • Expanded humanities and arts seminars to broaden insights
Leadership Upgrade for Organizational Leaders	• Learning experiences to strengthen people leadership capabilities for all division/team leaders • Mental care support for leaders to help build high-performing organizations
Upgrade of Employees' Work Capabilities and Skills	• Reskilling/Upskilling programs to respond to changes in the business portfolio • Expanded job training and continuous learning (CP transition, self-directed learning)
Upgrade of Onboarding Experience for New Employees	• Improved experience of "Welcome, Connection, Growth" through a structured one-year onboarding journey • Enhanced positive experiences for employees through onboarding
Upgrade of Overseas Subsidiary Capabilities	• Promotion of leadership behavior changes throughout the full expatriate journey • Enhanced people management capabilities of overseas leaders • Standardization of onboarding processes for employees at overseas subsidiaries

Operation of the Job Credit System to Strengthen Job Competency

LG Electronics operates a job credit system to prevent HR management risks by enabling employees to consistently develop job competencies in line with their career development plans. Employees can complete a variety of job-related courses within the company's standardized education framework and receive credits, which can be reflected in promotions, role appointments, and other personnel decisions. This system supports employees in completing both mandatory and elective courses, enabling continuous skill development tailored to their individual career development plans, thereby minimizing the risk of insufficient job competencies.

Company-wide Expansion of Reskilling/Upskilling Programs

LG Electronics is continuously expanding its reskilling (job retraining) and upskilling (capability enhancement) programs to proactively respond to rapid digital transformation and changes in the industrial landscape, such as the growing adoption of artificial intelligence (AI) and the restructuring of industries around eco-friendly technologies. These programs focus not only on driving business performance and enhancing employment stability, but also on helping employees build competitiveness and achieve continuous growth in future core technology areas such as AI and eco-friendly technologies.

Through these initiatives, the company is effectively developing key talent internally, thereby establishing a virtuous cycle that simultaneously strengthens business continuity and future competitiveness. LG Electronics will continue to prioritize employee growth as a core value and enhance organizational capabilities to flexibly respond to the rapidly changing technological and industrial landscape.



SW Reskilling Program



D2C Reskilling Program

Employees Organizational and HR Management

Risk Management

"STUDIO341" to Foster In-House Venture

LG Electronics is simultaneously pursuing the discovery of innovative business models diversification of business model through its in-house venture incubation program, "STUDIO341." On March 20, 2024, five teams were finally selected through a demo day and secured a total of KRW 1.25 billion in joint seed investment from LG Electronics and Bluepoint Partners. These teams have been actively launching their businesses since July.

In addition to the initial co-founders selected during the early stages, external experts have been newly brought on board to further advance business development and strengthen risk management. Furthermore, the teams are actively participating in various support programs operated by government agencies and private organizations to secure operating funds and generate tangible results. Although it typically takes about two years to be selected for the Tech Incubator Program for Startup (TIPS) run by the Ministry of SMEs and Startups, four of the STUDIO341 teams were selected within just four months of spinning off and have secured KRW 2 billion in government funding.

Additionally, the teams have been selected for various other programs, including the Preliminary Startup Package (total KRW 470 million), which has successfully secured stable initial operating funds. This funding acquisition helps minimize early-stage business operation risks and contributes to establishing a more stable foundation during the Proof of Concept (PoC) phase.

From the perspective of business, each team has been validating the marketability of their products and solutions by conducting joint PoC projects with corporate clients since their spin-off and has achieved visible results, including signing supply agreements with multiple customers and partners. In 2025, the focus will shift to enhancing solutions and mass-producing products to expand the customer base. Additionally, the teams plan to attract further funding through a Pre-A round and increase their company valuations. Through these efforts, LG Electronics aims not only to create new business opportunities through in-house ventures but also to diversify business risks and establish a stable foundation for sustainable growth.

Introduction to STUDIO341 Season 1 Spin-off Team

Sinsungo	Cold chain solution with individual cooling capabilities
FoundObjet	Recycled plastic material commerce platform
X-UP	Golf course management and turf repair robot solution based on heatmap analysis
Maskit	Performance ticketing, customer management, and marketing solution
Cucumbers	Food pickup platform focused on college commercial areas (Currently pivoting to a dementia patient diagnosis/management solution for hospitals)



STUDIO341

Operation of the Life Planning Support Program

LG Electronics operates the "Bravo My Life (BML)" program to help employees design a stable and proactive post-retirement life. This program focuses on supporting life planning with various post-retirement paths in mind, including reemployment and entrepreneurship. Upon enrollment, employees are allowed to reduce their working hours to balance current work with retirement preparation.

In addition to offering opportunities for self-development during reduced working hours, the program offers financial support for both personal activities and training programs to help employees make practical preparations for their later years. Through this program, LG Electronics is establishing a structured foundation that enables employees to plan their career transitions and prepare proactively for life after retirement.

Operation of the Culture/ Liberal Arts Lectures for Employees

LG Electronics actively supports not only the development of employees' job-related competencies but also the cultivation of cultural literacy and the expansion of creative thinking to enhance employee engagement. To this end, the company regularly invites experts, leaders, and renowned figures from various sectors of society to share insights and experiences on a wide range of topics through a lecture program. Through initiatives such as "Knowledge Concert," "Culture Talk," "Culture Week," and "CULTURE DAY," employees are exposed to the latest trends and new perspectives, allowing them to grow into talent equipped with more flexible and profound thinking skills grounded in humanistic insight and creative inspiration.



Culture Week

Employees Organizational and HR Management

Risk Management

Advanced Welfare Programs for Work-Life Balance

Creating a Flexible and Efficient Work Environment

LG Electronics designs its work environment based on employee autonomy and accountability, thereby managing an efficient workplace within the organization. To support both increased focus on work and a better work-life balance, the company offers flexible work arrangements, remote work options, and various working models.

- Flexible Work Hours: Employees are encouraged to manage their time independently by adjusting their working hours outside of core time, which helps reduce stress and mitigate the risk of work overload.
- Remote Work System: Depending on job characteristics and individual circumstances, LG Electronics operates a remote work system, including work-from-home options, to ensure business continuity even during emergencies such as a pandemic by establishing a structured and responsive framework.
- Various Work Models: By offering flexible work arrangements that go beyond legal requirements, such as reduced working hours during childcare periods and part-time positions, the company reflects employees' personal situations and helps reduce the risk of turnover.
- Right to Rest: Through summer vacations, year-round recommended leave, and annual leave promotion policies, LG Electronics ensures ample opportunities for rest and rejuvenation, thereby enhancing work performance and enabling long-term risk management.

Support for Employee Health Promotion and Stress Management

LG Electronics operates health promotion and stress management programs from a systematic risk management perspective, recognizing that employees' physical and mental well-being is directly linked to the organization's sustainable performance. These programs aim to proactively identify risks arising from work-related stress and to strengthen psychological and physical stability, thereby simultaneously reducing organizational risks and enhancing productivity.

- Workplace stress management: To help alleviate job-related stress and personal challenges, LG Electronics provides professional psychological counseling services through its Employee Assistance Program (EAP). The company also operates mental health programs such as meditation and stress relief training to support employees' psychological well-being.
- Sport & health initiatives: The company promotes employee health and fosters a vibrant organizational culture through various health and sports-related initiatives, including fitness centers at major business sites, support for in-house sports clubs, health promotion campaigns, and wellness seminars.

Based on these health promotion and stress management programs, LG Electronics continues to strengthen the foundation for sustainable organizational growth by proactively preventing and managing employees' physical and mental health risks. LG Electronics plans to continuously assess the effectiveness and impact of its welfare programs and further advance them from a risk management perspective.

Creating a Family-friendly Work Environment

LG Electronics operates family-friendly welfare programs to help employees maintain a healthy work-life balance and sustain their careers with stability, thereby proactively preventing organizational attrition risks and career interruption. These programs go beyond simply offering welfare benefits, they function as a strategic risk management system that prevents career gaps and enhances employee engagement.

To ensure the health and stability of employees during pregnancy and childbirth, LG Electronics provides reduced working hours for pregnant employees, maternity leave, and paternity leave. After childbirth, the company offers up to two years of parental leave, exceeding the legal requirement, and reduced working hours during the childcare period to minimize the risk of career break. This approach ensures continuity in job responsibilities upon return to work, preventing employee turnover and establishing a long-term talent retention system.

In addition, LG Electronics operates a wide range of welfare programs based on the understanding that family health and financial stability are directly linked to employee engagement. These programs include medical expense support for family members, education subsidies for children, and entrance gifts for children starting school. Furthermore, through family invitation events and family participation programs, the company enables employees and their families to share in the organization's vision and culture, strengthening emotional bonds and fostering a lasting sense of belonging to the organization.

LG Electronics will continue to improve systems and promote a family-friendly organizational culture that supports work-life balance, accelerating the transition to a sustainable workplace.

Employees Organizational and HR Management

Targets and Metrics

LG Electronics systematically manages DEI-related performance and sets quantitative goals while monitoring key indicators through a DEI organizational culture that promotes diversity, equity, and inclusion, ensuring that everyone is recognized as a member, feels a sense of belonging, and can develop their potential.

Organizational Culture and Human Resources Management

Establishing Diversity, Equity, and Inclusion (DEI) Goals

LG Electronics has set quantitative goals to increase the global female employee ratio to 25.5% and the domestic employment rate of persons with disabilities to 3.5% by 2030. To achieve these targets, LG Electronics continues efforts to expand recruitment and improve organizational culture. As of 2024, the female employee ratio was 22.1% and the employment rate of persons with disabilities was 2.6%. The company plans to further strengthen an inclusive organizational culture through various recruitment and development programs.

New Female Hires at LG Electronics

Classification	Unit	2022		2023		2024	
		Female	Total	Female	Total	Female	Total
Regular Employees	Persons	5,891	17,442	4,940	14,659	3,703	12,344
Non-Regular Employees		639	2,623	301	1,746	329	1,612

Ratio of Female Employees and Managers at LG Electronics

Classification	Unit	2022		2023		2024	
		Employees	Managers	Employees	Managers	Employees	Managers
Male	%	78.2	88.8	78.0	88.1	77.9	87.8
Female		21.8	11.2	22.0	11.9	22.1	12.2

Employment Rate of Persons with Disabilities at LG Electronics (Domestic only)

Category	Unit	2022	2023	2024
Total	%	2.4	2.5	2.6
Male		2.3	2.4	2.4
Female		2.7	3.0	3.0

Employees Safety and Health

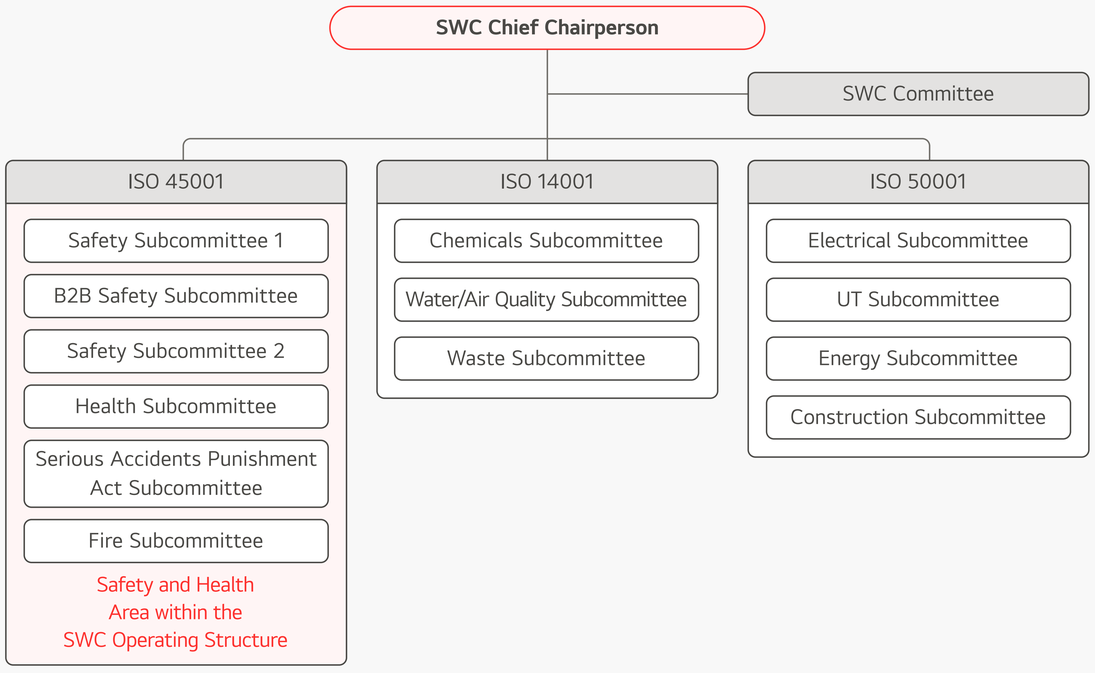
Governance

LG Electronics has established a clear accountability system and a structured governance framework to ensure a safe and healthy workplace. Under the leadership of top management, a company-wide safety and health management system is in operation, with ongoing improvements aimed at strengthening management capabilities.

Establishment of the Integrated SHEE (Safety, Health, Environment, Energy) Management System

LG Electronics operates the SHEE standards system, based on its safety and health management policy and company-wide management regulations. The company continuously monitors global safety regulatory trends and legislative updates and incorporates newly enacted or revised standards into its system following review and analysis by the Smart Working Committee. The committee includes representatives from each subcommittee, General, Fire, Safety, Health, Chemicals, Water/Air Quality, Waste, Electrical/Construction, and Energy/UT, and enacts and revises safety manuals under the supervision of the Chief Safety and Environment Officer. In 2024, the committee enacted 60 manuals and revised 100 manuals and 84 standards. In addition, LG Electronics mandates ISO 45001 certification for safety and health management at all business sites to ensure compliance with global safety and health standards.

Smart Working Committee (SWC) Operating Structure



Safety and Health Area within the SWC Operating Structure

Board Reporting on Safety and Health Issues and Plans

In accordance with the revised Occupational Safety and Health Act, the CEO of LG Electronics has been required, since January 2021, to establish the company's annual safety and health plan and report it to the Board of Directors for approval. As part of this process, the company reports to the Board on its safety and health management policy, the structure, staffing, and roles of its safety and health organization, budget allocation, facility status, performance from the previous year, and plans for the following year. Through these regular reports to the Board, LG Electronics ensures company-wide risk management capabilities.

Operational Status of Company-wide Safety and Health Reporting System

Category	Frequency	Subject
Board Reporting on Safety and Health	Annually	Regular reporting of key safety and health matters to the Board of Directors
Occupational Safety and Health Committee	Quarterly	Deliberation and resolution of important matters concerning the safety and health of workers
Executive Council on Safety and Health	Monthly	Deliberation and resolution by executives on important matters of the Safety and Environment Center

Roles and Responsibilities by Safety and Health Subcommittee

Each subcommittee operates in accordance with the legal requirements and work scope for which it is responsible. Through this structure, LG Electronics systematically monitors compliance with legal obligations and effectively promotes risk prevention activities tailored to the specific characteristics of each subcommittee.

Safety and Health-Related Subcommittees	Scope of Work
Safety Subcommittee 1	Occupational Safety and Health Act, Nuclear Safety Act, Serious Accidents Punishment Act
Safety Subcommittee 2	Occupational Safety and Health Act, Industrial Accident Compensation Insurance Act, Act on the Establishment of Safe Laboratory Environment
Serious Accidents Punishment Act	Serious Accidents Punishment Act
B2B Safety Subcommittee	Occupational Safety and Health Act, Framework Act on the Construction Industry, Serious Accidents Punishment Act
Health Subcommittee	Occupational Safety and Health Act, Medical Service Act, National Health Promotion Act, Infectious Disease Control and Prevention Act
Fire Subcommittee	Framework Act on Firefighting Services, Firefighting System Installation Business Act, Act on the Safety Control of Hazardous Substances, Act on Installation and Management of Firefighting Systems

Evaluation of Performance and Remuneration for Management

LG Electronics incorporates occupational safety and health indicators into the performance evaluations of executives and management, underscoring their accountability for non-financial factors. Key performance indicators include serious accidents, major industrial accidents, number and details of regulatory violations, lost-time injury rate, and accident prevention activities. Accordingly, the responsible organization systematically manages these key performance metrics through the establishment of the Safety and Environment Center's goal-setting framework, which supports the management of safety and health accidents, regulatory compliance, and preventive measures.

Employees Safety and Health

Strategy

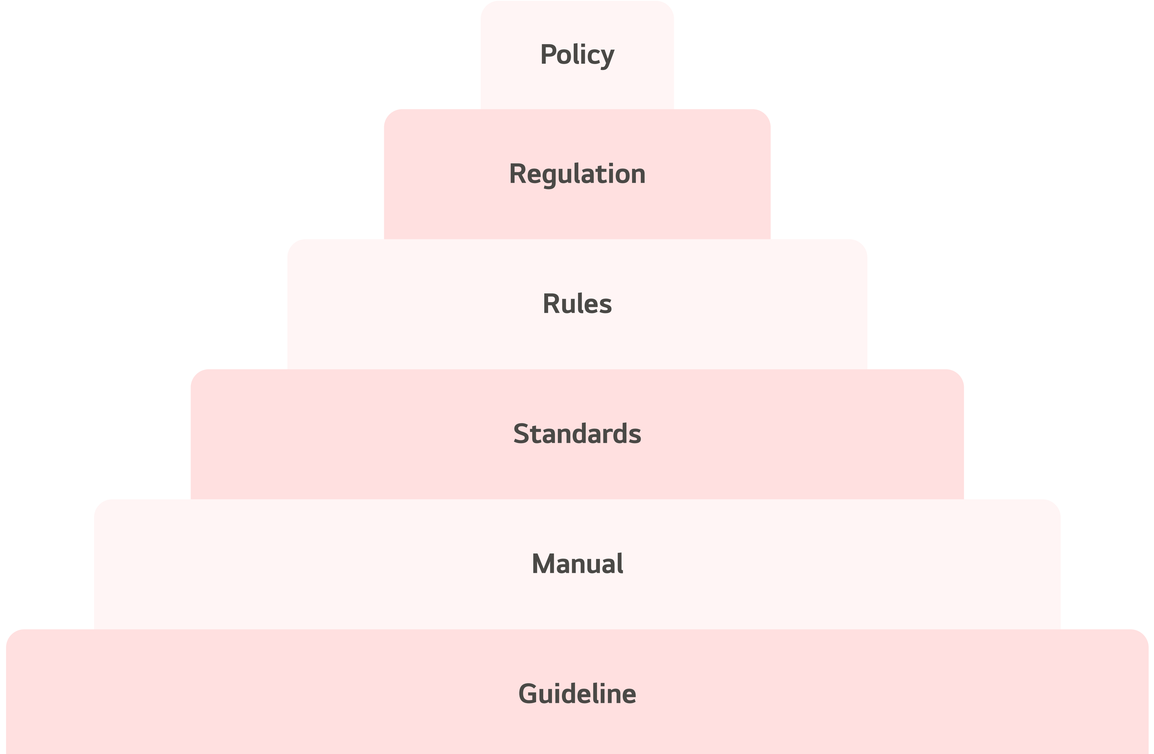
LG Electronics has established and announced its "Safety and Health Management Policy," affirming its commitment to prioritizing the safety and health of all stakeholders, including employees and suppliers, as a top management concern, and to fulfilling its responsibilities to create safe and health workplaces. This policy applies to all global business sites, all employees, and all stakeholders across the value chain, including suppliers, and is approved annually by the Board of Directors. The policy also recognizes safety and health as a core corporate value. It explicitly states the company's commitment to providing the necessary personnel and budgetary support to achieve the goal of "zero serious accidents" at all business sites.

Safety and Health Management Policy

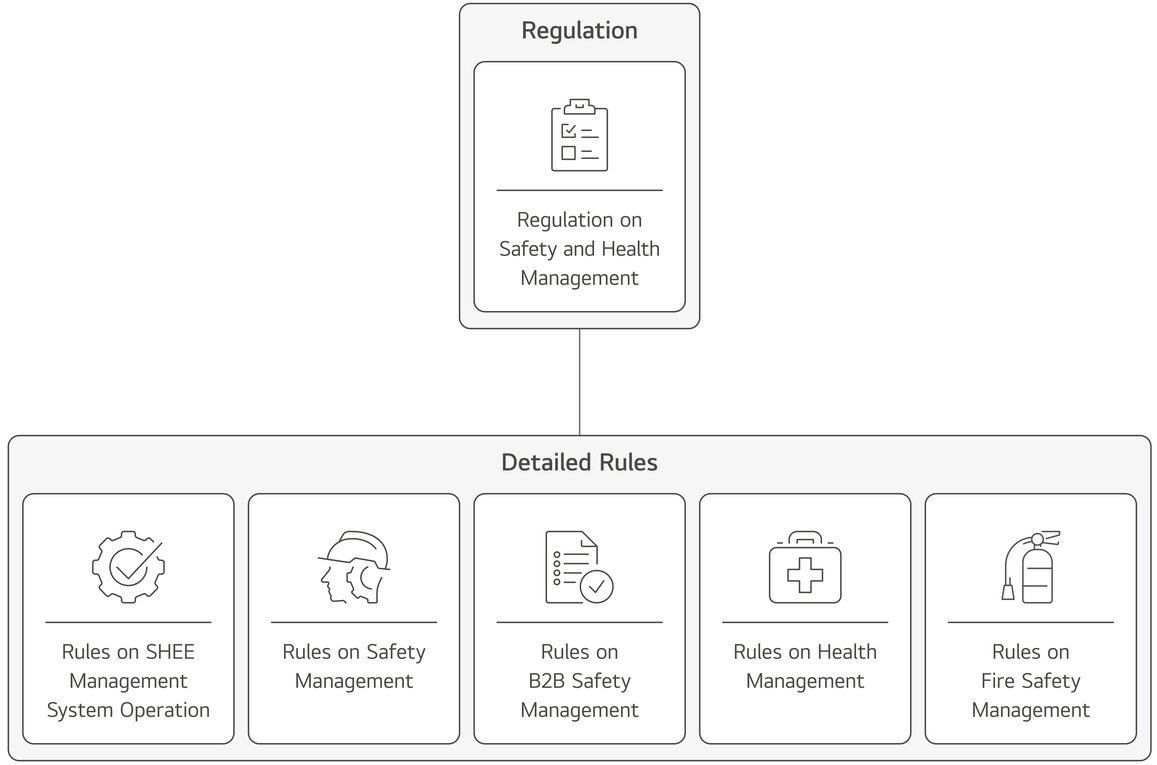
LG Electronics' safety and health management regulations are structured around the operational rules of the management system and include specific rules on safety management, B2B safety management, health management, and fire safety management. These are systematically managed in accordance with the subordinate standards under each rule. All safety and health-related laws, regulations, and procedures are deliberated and resolved through the Occupational Safety and Health Committee. In addition, LG Electronics is committed to fostering a company-wide safety culture by transparently providing safety-related information to all employees and stakeholders to whom the regulations apply, and by proactively addressing hazardous and harmful risk factors.

Safety and Health Management Policy

SHEE Integrated Standard Framework



Detailed Rules under LG Electronics' Safety and Health Regulations



Employees Safety and Health

Strategy

Establishing a Safety Culture Within the Organization

LG Electronics is committed to fostering a culture of safety throughout the organization by conducting monthly “Safety Talk” during management meetings for each business division to discuss key safety and environmental issues, and by reinforcing safety leadership through quarterly “Safety Walks” led by the management.

In addition, the company has established company-wide safety and health codes of conduct and displays promotional materials aligned with guidelines from the Ministry of Employment and Labor. These efforts aim to enhance employees’ awareness of safety and health, improve access to workplace medical services and health promotion programs, and continuously foster a safe and healthy corporate culture.

Support on Employee Health Promotion (Domestic)

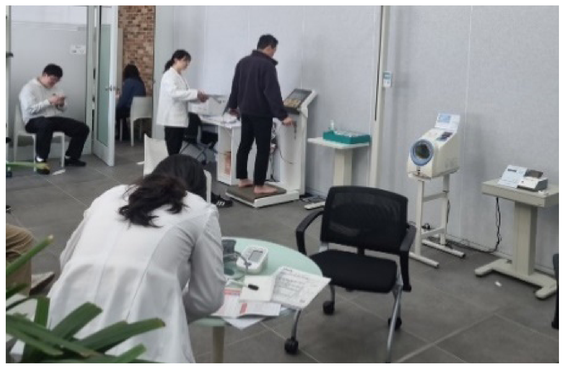
LG Electronics has established a strategic health management framework to promote employee well-being and foster a healthy organizational culture. As part of a company-wide health management strategy, the company provides regular health check-ups and one-on-one health caring services, while also developing personalized health plans for high-risk groups.

To encourage voluntary participation in health management, LG Electronics operates a support system that subsidizes health-related expenses upon submission of individual health management plans. This system is part of a preventive policy designed to promote disease prevention and early detection.

In addition, the company operates on-site clinics, health care centers, and psychological counseling centers to provide integrated physical and mental health services. A variety of health promotion programs, including smoking cessation, management of metabolic syndrome, and weight control, are also offered to systematically manage employee health risks.

LG Electronics further supports employee access to health-related information by promoting company-wide health guidelines and programs based on the recommendations of the Ministry of Employment and Labor. Through these efforts, the company is embedding a culture of proactive health management across the organization. By adopting this strategic approach, LG Electronics is committed to safeguarding employee health and creating a sustainable work environment.





Employee Health Promotion Program

Risk Management

LG Electronics has established a systematic emergency response process for safety and environmental crises and maintains a prompt response system for accidents that may occur at domestic and international business sites. To this end, the company has standardized its company-wide crisis response process to enable immediate action and swift recovery in the event of a crisis. This response framework helps minimize the impact of safety and environmental risks, contributing to the strengthening of the company’s overall safety management capabilities.

Operation of the Integrated SHEE Evaluation System

LG Electronics has established an integrated SHEE evaluation system to systematize company-wide safety and health risk management, promoting the establishment of a company-wide safety culture based on this framework. The integrated SHEE evaluation system identifies potential hazards in advance through a safety and environmental diagnostic checklist applied across domestic and international business sites. Each site derives improvement tasks based on the findings and continuously monitors the implementation process. Additionally, LG Electronics conducts regular inspections using an ISO 45001-based safety and health management system, which reviews accident prevention activities, the achievement of safety goals, and compliance with relevant regulations. This enables systematic management of the company’s overall safety management performance.

This management system operates in integration with the SHEE integrated IT system, which standardizes the management structure across headquarters, business divisions, and overseas subsidiaries. The integrated IT system enables a prompt response to risks by centrally managing compliance with safety and health regulations, controlling risk factors, and monitoring work processes. Moreover, it facilitates immediate corrective actions for identified risks and continuously enhances the level of management, thereby contributing to the minimization of safety risks.

Through this integrated management system, LG Electronics enhances the effectiveness of accident prevention and risk management while further solidifying a company-wide culture of safety and health.

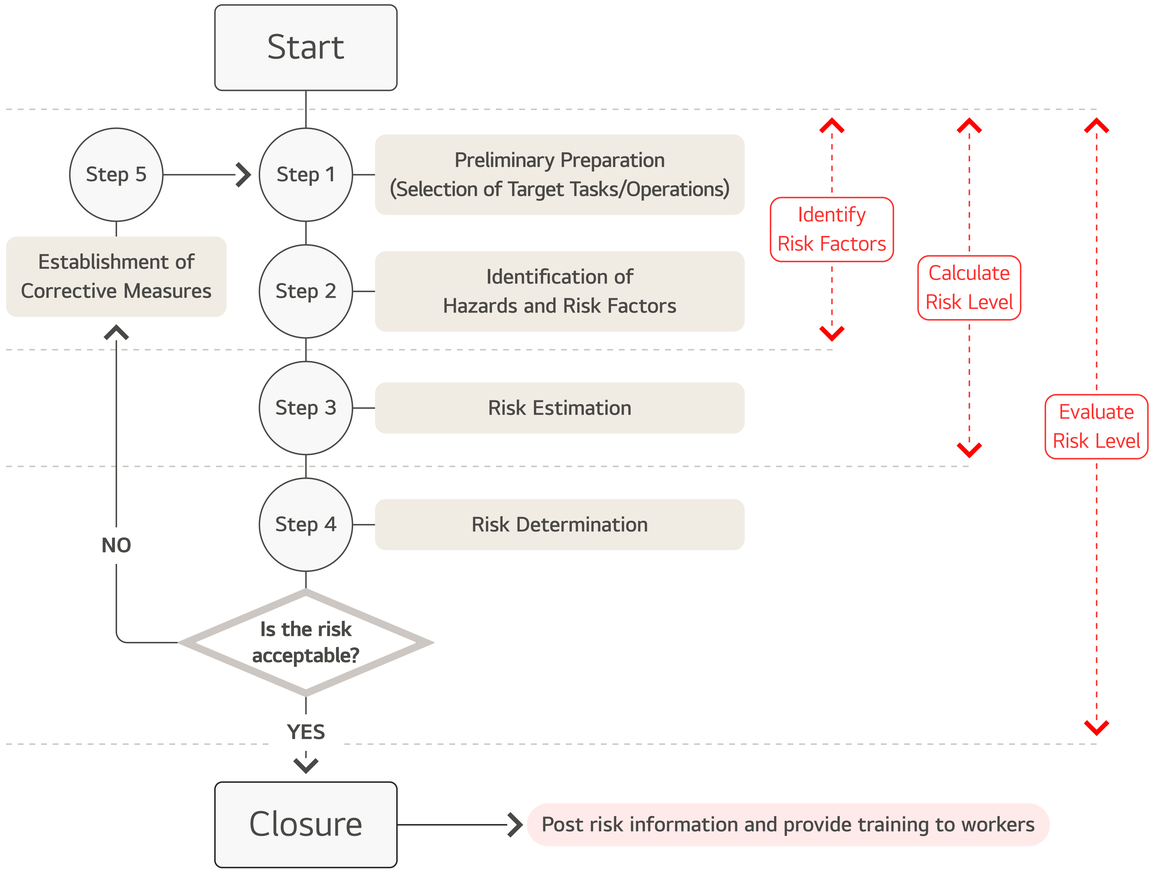
Employees Safety and Health

Risk Management

Identification of Potential Hazards and Corrective Actions

LG Electronics proactively identifies potential hazards in business sites through risk assessments. Regular evaluations are conducted across all business sites to detect hazardous and risk factors. Based on the results, the risks are categorized by level of severity and prioritized accordingly. When a risk factor is classified as high-risk, a detailed corrective action plan is established. Upon implementing corrective measures, a quantitative evaluation is conducted to assess the effectiveness of the improvements, based on frequency and severity. In 2024, LG Electronics identified a potential risk of injury from falling objects during a robot drop test. As a corrective measure, a safety fence was installed around the drop test equipment. The result of an effectiveness evaluation showed that the risk score was reduced from 8 to 4.

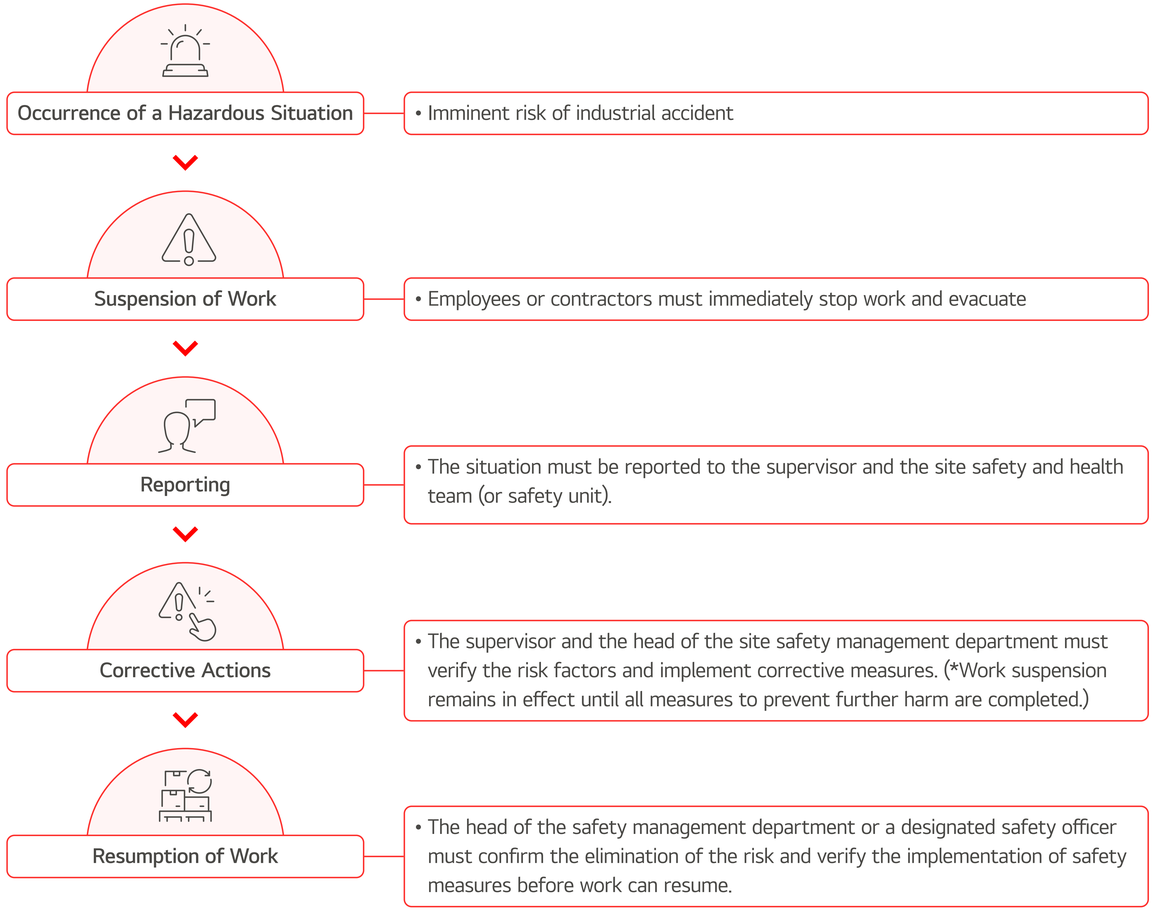
Process for Identifying Potential Hazards and Conducting Risk Assessment



Right to Stop Work

LG Electronics has established a process that allows all employees and suppliers to stop work and evacuate in the event of an imminent danger that could lead to an industrial accident, in accordance with the rights granted under the Occupational Safety and Health Act. This process is designed to protect personnel from hazardous situations that may arise during operations, tasks, or the use of equipment.

In particular, when a hazardous risk factor is identified, work stoppage is enforced immediately, and a Stop Work Order is visibly posted at the site. Once the Stop Work Order is issued, a strict protocol is followed in which the Chief Safety/Health Officer verifies that the risk has been resolved. Work may only resume after official approval is granted. This process enhances on-site safety and contributes to establishing a company-wide safety culture.



Employees Safety and Health

Risk Management

Safety Accident Reporting Process

LG Electronics has established measures to promptly respond to accidents and prevent recurrence based on its standardized accident reporting manual. In the event of an injury or illness, an initial report and information report are submitted. In collaboration with the site's Safety and Environment Department, the company investigates the details and root causes of the accident. Based on these findings, the company develops plans to improve safety and prevent accidents, and issues a Safety Alert, which is shared with employees across both domestic and international sites. After the improvements, the accident closure is reported through the Safety and Environment IT system.

Internal Safety and Health Accident Reporting Process

Initial Report	Information Report	Accident Investigation and Measures to Prevent Recurrence	Accident Closing Report
Initial Report • Quick communication of the situation • Conduct emergency response	• Constitute the crisis response committee • Identify the accident type	• Analyze the root cause • Establish measures to prevent recurrence	• Review the response system • Report final result

Meeting on Accident Cause Analysis and Measures to Prevent Recurrence

LG Electronics ensures workplace safety by promptly responding to safety incidents and establishing preventive measures based on its accident reporting manual, thereby preventing similar incidents from occurring at other sites. Furthermore, the company conducts a meeting, where the root causes and preventive measures are shared company-wide beyond the affected site. For all incidents resulting in one or more lost work days, a thorough root cause analysis is conducted, and countermeasures are implemented to prevent similar or more severe incidents. These findings are shared with employees both domestically and internationally. Additionally, LG Electronics treats both internal and external incidents as learning opportunities, conducting in-depth analyses of root causes and horizontally deploying preventive measures to ensure such tragedies are not repeated.

The meetings are held on the second and fourth Wednesdays of each month. (In 2024: 24 meetings conducted)

Safety Together

LG Electronics operates a "One-on-One Safety Hotline" channel that allows employees of LG Electronics and suppliers, and customers to immediately report urgent hazards or unsafe working conditions anytime, anywhere, or to propose improvements. All reports are handled with a quick response and resolution in principle. To encourage greater participation, rewards are provided based on the level of contribution to accident prevention.

Safety and Health Training for Employees

To strengthen employees' capabilities in safety and health, LG Electronics provides structured training programs based on the College of Safety and Environment (LG Academy) curriculum. These programs cover key areas including safety, health, fire safety, environment, and ESG. The training is offered in progressive stages, from foundational courses on safety, environment, and ESG principles to advanced programs that enhance professional expertise. Risk assessment training is also conducted for site leaders and safety and health professionals, further reinforcing employees' safety and health competencies.

Introduction (Level 1)	Practical (Level 2)	Advanced (Level 3)	Expert/Leader (Level 4/5)
• Introduction to Safety and Environment • Introduction to Corporate Disaster Management	• Advanced Safety • Advanced Health • Advanced Fire Safety • Advanced Environment • ESG Management Practice	• Risk Assessment Leader Training • Global Auditor Training (NEBOSH)	• Safety Leadership

In addition, since 2018, LG Electronics has operated the "Safety-On" Safety Experience Center, which offers immersive training using VR, AR, and industrial robots. The training covers real-life scenarios such as fire response, equipment safety, and CPR. The center is designed as an experiential space equipped with 28 safety training equipment. To enhance accessibility, online training is also available, allowing employees to participate from anywhere and at any time. This hybrid approach further strengthens the company-wide safety risk management capabilities.



Fire Suppression Training

Employees Safety and Health

Risk Management

Activities to Develop Crisis Response Capability

LG Electronics has identified eight major risk categories: serious industrial accidents, fire accidents, hazardous or flammable gas leaks, infectious diseases, chemical spills, emissions of air and water pollutants, utility supply disruptions and power outages, and natural disasters. To strengthen on-site response capabilities and execution competency, the company continuously updates its crisis response manuals and scenarios. Annual evacuation drills are conducted for all employees, and performance evaluations of disaster prevention centers at domestic sites are held, with awards granted to top-performing teams to enhance overall crisis response capacity. Company-wide training is also provided to enhance employees' first aid and CPR skills, with 17,156 participants having completed the training as of 2024. In addition, tabletop exercises and comprehensive crisis response drills are conducted biannually, based on established manuals, to assess and reinforce the practical effectiveness of the company's emergency response system.







Crisis Response Capability Development Training

Targets and Metrics

LG Electronics establishes concrete goals related to safety and health and conducts systematic implementation and performance management. In addition, the company continues to strengthen a field-oriented safety culture through training for all employees and a preventive, proactive approach.

Short-to-Mid-Term SHEE Goals

LG Electronics sets and systematically manages short- to mid-term SHEE (Safety, Health, Environment, and Energy) goals, while closely monitoring performance.

Goals	Achievements	Plan	
		Short-term	Mid-term
	2024	2025	~2027
Achieve zero serious industrial accidents	0 accidents	0 accidents	0 accidents
Maintain an incident rate at least 30% below the industry average	At or below 30%	At or below 30%	At or below 30%
Achieve zero serious environmental/chemical accidents	0 accidents	0 accidents	0 accidents
Develop a new platform for the SHEE Portal	Systematization of serious accident inspection items	Development of a new web-based platform	① Enhancement of accessibility and convenience ② Expansion to overseas subsidiaries

Current Status of Safety and Health Training

In accordance with the Occupational Safety and Health Act, LG Electronics provides mandatory safety and health training to both workers and supervisors. Regular training is conducted semiannually for all employees, while specialized training is provided to supervisors and workers engaged in high-risk tasks, such as crane operations, to continuously reinforce safety awareness. Additional training is also conducted for newly hired employees and for those whose job responsibilities have changed.

Training Type	Training upon Hiring	Regular Training	Training upon Change in Job Scope	Special Training	Managerial and Supervisory Training	Total
Number of Trainees	2,167 persons	31,326 persons	889 persons	1,803 persons	1,760 persons	**37,945 persons**

Employees Safety and Health

Targets and Metrics

Other Occupational Safety and Health Achievements and Activities

2024 Safety and Health Performance

Category	Achievements in 2024
Management and Improvement to Reduce Occupational Safety and Health Risks	Held a company-wide Safety and Environment Best Practice (BP) Sharing Session, featuring presentations of 10 group cases, 10 individual cases, and 2 field department cases.
	Conducted monthly regular consultation meetings with in-house suppliers and construction contractors.
	Identified and rewarded 158 improvement proposals and 36 near-miss reports to encourage proactive participation.
Empowerment	Conducted monthly virtual training sessions for safety and environment personnel at overseas manufacturing subsidiaries.
	Provided intensive training four times a month for safety and environment leaders at subsidiaries where safety incidents occurred.

Other Occupational Safety and Health Activities

- Strengthened the safety management system by promoting the right to stop work and operating the Safety-Police observation program at worksites.
- Established a dedicated safety management organization for B2B new business product installation sites to oversee and support accident prevention activities.
- Promoted employee participation to enhance safety/environmental accident prevention efforts.
- Performed employee-led S-Bank activities to identify potential hazards, report near-miss incidents, and propose improvements within worksites.
- In the event of safety incidents at subsidiaries, reviewed accident occurrences, established and monitored improvement measures, and responded to related issues.
- Conducted monthly theme-based inspections, legal compliance checks, and crisis response training at all production subsidiaries, followed by corrective actions for non-conformities.
- Provided diagnostics, training, standards, and integrated IT system support to strengthen the autonomous safety management capabilities of overseas production subsidiaries.

Supply Chain

Governance

LG Electronics is committed to building a sustainable supply chain that encompasses ESG risk response, supplier capability enhancement, and responsible sourcing of resources. Additionally, we have established a systematic management framework to enhance transparency and accountability throughout the supply chain, enabling us to respond proactively to key issues.

Supply Chain Decision-Making Structure

The ESG Council of LG Electronics, chaired by the CSO, regularly reviews supplier ESG risk management plans and performance. To address the increasing legislative requirements for ESG management and due diligence across global supply chains, the ESG Council monitors and reports on quarterly supply chain management activities and improvement outcomes, including initiatives for shared growth. Supplier ESG issues and key matters are reviewed and decided through structured deliberation and resolution processes, while decisions on new registrations and financial support are made through the Supplier Review Committee.

Category	Operation Frequency	Key Agenda
ESG Council	Quarterly	• Deliberation and resolution on supplier ESG risk management and follow-up action plans
Supplier Review Council	Monthly	• Review of new supplier registration • Review of supplier financial support

Responsibilities and Roles of Key Departments

Global Operation Center (Shared Growth Division)	Customer Quality Research Lab
• Establishes supplier human rights management standards and operates audit programs • Conducts capability-building activities for procurement managers and supplier executives/personnel • Operates supplier ESG management support programs	• Manages human rights issues in procurement processes - Oversees traceability of conflict minerals (tin, tungsten, tantalum, gold) and cobalt included in products, and manages RMAP certification • Manages hazardous substances contained in products

Strategy

LG Electronics establishes strategies for mutual growth with suppliers and set forth guiding principles to address key issues such as conflict minerals, while continuously strengthening our execution competency for responsible supply chain management. We also collaborate with diverse stakeholders across the supply chain to uphold our ethical responsibilities and shared values, continually refining our supply chain management practices to align with global standards.

Supply Chain ESG Policy

To build a sustainable supply chain, LG Electronics integrates ESG factors across all procurement practices and strengthens transparency and accountability throughout the supply chain by complying with internal policies and external requirements.

Supply Chain Management Policy

LG Electronics has established a supply chain management policy to build a responsible and environmentally friendly supply chain, supporting suppliers not only in enhancing their business competitiveness but also in strengthening their capabilities in labor rights, environmental protection, and occupational health and safety.

01 As the importance of human rights and environmental issues increases and legal and institutional regulations surrounding the supply chain become more stringent, LG Electronics is committed to ensuring that all workers within the supply chain operate in a safe and respectful environment. As a member of the RBA, we require our suppliers to comply with the RBA Code of Conduct and manage the supply chain to meet international ESG standards, including customer requirements. In particular, ESG performance is reflected as a key metric in the selection of new suppliers and the evaluation of existing ones, with preference given to suppliers demonstrating strong ESG performance.

02 Recognizing that ESG management across the supply chain is directly linked to business continuity, we operate a transparent and structured management system through close collaboration among relevant departments. In addition, to ensure the effective implementation of supply chain ESG programs, we provide regular training to internal stakeholders, including procurement manager, on related standards, processes, and roles, thereby strengthening expertise and execution competency.

03 ESG risks[1)] arising within the supply chain can have a significant impact on corporate reputation and business operations. Accordingly, LG Electronics voluntarily adheres to the most stringent standards among domestic and international regulations, the RBA Code of Conduct, and customer requirements, and goes beyond common societal norms to proactively identify, assess, manage, and respond to ESG risks[1)]. We continuously review and improve internal processes to ensure that our procurement practices, including pricing, delivery policies, and sourcing strategies, do not conflict with compliance to the Supplier Code of Conduct or the achievement of ESG objectives.

04 Prompt and effective responses to ESG risks[1)] within the supply chain are essential to resolving issues. To this end, all organizations foster a culture of transparent communication regarding risk occurrences, take immediate corrective action on identified risks, and strive to eliminate root causes.

05 Through company-wide commitment and effort, we continuously improve and mitigate ESG risks[1)] within the supply chain. In particular, for major non-compliances that are repeatedly identified, we establish and implement measures to prevent recurrence through root cause analysis. Suppliers who fall below ESG assessment criteria are given the opportunity to improve. However, if they fail to meet the minimum requirements within the designated period or lack the willingness to improve, new business may be restricted, or existing business relationships may be terminated.

1) ESG Risk: Potential risks in the areas of labor/human rights, health and safety, environment, and ethics, among other risks that may arise

Supply Chain

Strategy

Standards for Respecting Human Rights of Suppliers

Policy	Scope	Content
Human Rights Principles	All internal and external stakeholders	All stakeholders, including LG Electronics employees, employees of suppliers, local communities, and consumers, have human dignity and worth, and the right to pursue happiness. The Human Rights Principles, developed by integrating the existing human rights policies, respect relevant international standards, and the laws and regulations of the countries and regions in which we operate. Furthermore, in the event of a conflict between local laws and international standards, we will apply the stricter one. The Principles also address key human rights impacts through human rights impact assessment, remedy, grievance handling and human rights governance.
Global Labor Policy and Guidelines	Employees, Suppliers, and Stakeholders	All employees of LG Electronics possess human dignity and the right to pursue happiness through their work. LG Electronics complies with the human rights and labor standards of international organizations such as the UN and ILO, and guarantees workers' right to human dignity regardless of gender or age as a fundamental value of its business operations. LG Electronics complies with the labor relations laws and regulations of each country and region in which we operate and strives to ensure job security and proper wages for employees while making efforts to maintain a good work environment. In addition, LG Electronics states that this is a basic obligation which all business partners of LG Electronics must comply with, and a value that must be shared with all its stakeholders.
Supplier Code of Conduct and Guidelines	Suppliers	LG Electronics has developed and distributed the Code of Conduct and Guidelines for Suppliers to ensure that its suppliers build a safe work environment, respect the human rights of their employees as well as fulfill their environmental responsibilities and conducting businesses ethically. This Code of Conduct is based on the Responsible Business Alliance (RBA) Code of Conduct. LG Electronics requests its suppliers to conduct self-assessments to check their compliance, based on which LG Electronics visits the business sites of suppliers and continuously requests for remediation of non-conformities.
Conflict Minerals Policy	Suppliers	As a responsible company that respects human rights and the environment, LG Electronics is concerned about human rights violations in association with minerals mined, traded, processed and exported in the Democratic Republic of the Congo and nearby countries. It upholds the principle of not using tin, tantalum, tungsten or gold which provide benefits or financial support for armed groups in the Democratic Republic of the Congo and nearby countries in our products. Furthermore, suppliers are asked to provide proof of origin and other relevant information for cobalt as well as conflict minerals, and to ensure that they do not have business with smelters under international sanctions.

Supplier Code of Conduct

As a member of the Responsible Business Alliance (RBA), LG Electronics has established and operates a Supplier Code of Conduct based on the RBA Code of Conduct. This code is continuously updated to reflect international standards and revisions to the RBA Code. It is transparently disclosed to external stakeholders through the LG Electronics website and the supplier portal, and it is explicitly stipulated in supplier contracts. The Supplier Code of Conduct outlines fundamental principles that all suppliers must comply with, covering ethics, environment, labor and human rights, health and safety, and management systems. The 5th edition of the code, revised in May 2024, incorporates the latest RBA Code of Conduct 8.0, introducing new provisions that prohibit all forms of forced labor, ensure equal pay for equal work, guarantee the right to form legitimate worker organizations, and manage biodiversity and deforestation.

All suppliers under contract with LG Electronics are required to comply with this Code of Conduct and are responsible for ensuring its application throughout their supply chain (including subcontractors and lower-tier suppliers). To this end, suppliers must implement procedures such as supply chain due diligence, employee training, internal or external audits, corrective action implementation, and tracking and reporting compliance with contractual terms. Suppliers are also required to mandate compliance with the Code of Conduct among their subcontractors and continuously monitor their adherence.

If a supplier refuses to address non-compliance issues, LG Electronics reserves the right to terminate the business relationship. In addition, suppliers must take this Code of Conduct into account in their management decision-making and business operations and actively cooperate with ESG risk assessments and due diligence conducted by LG Electronics or third-party organizations.

LG Electronics Supplier Code of Conduct (Korean)

LG Electronics Supplier Code of Conduct (English)

LG Electronics Supplier Portal

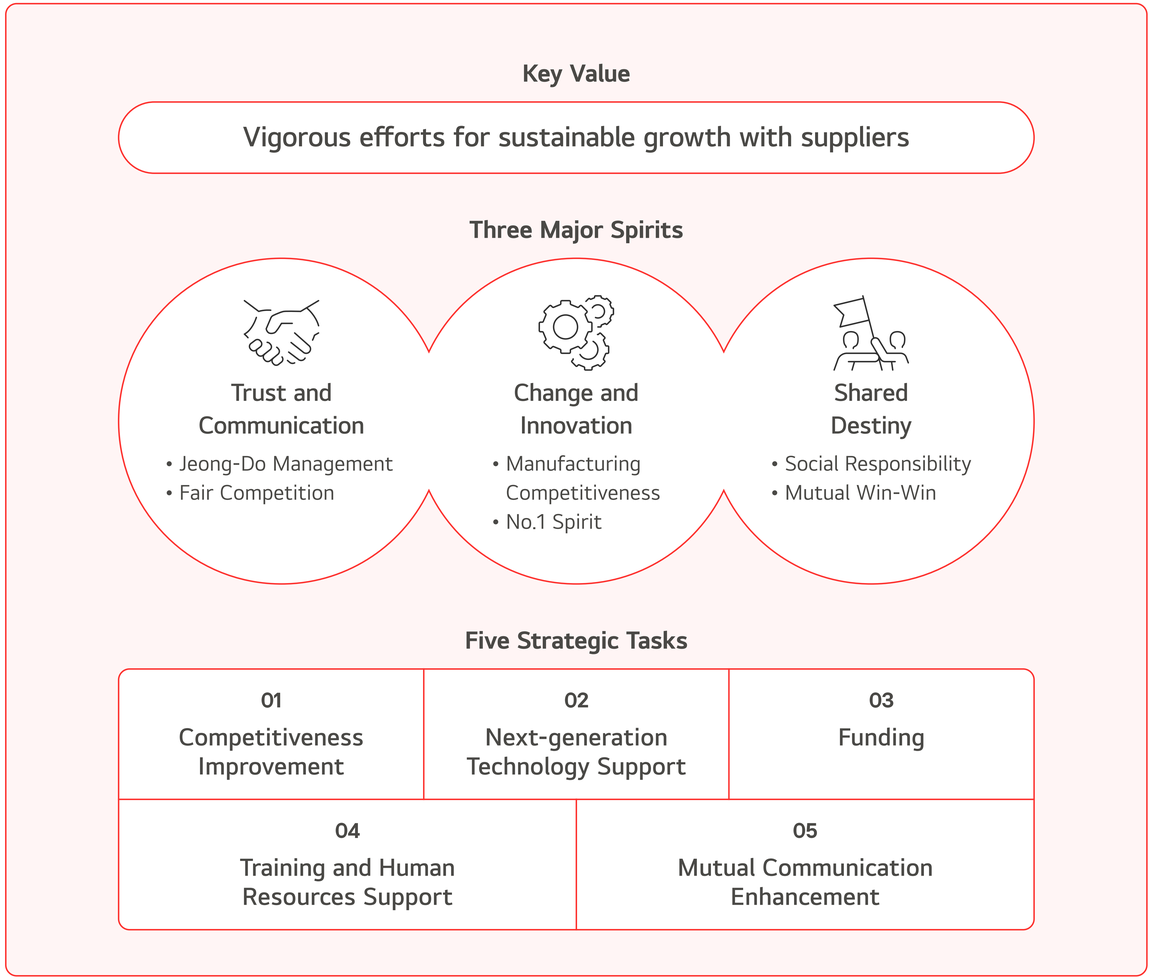
Supply Chain

Strategy

Supplier Shared Growth

Supplier Shared Growth Strategy

Based on the value of "Vigorous efforts for sustainable growth with suppliers," LG Electronics has established three core principles and five strategic tasks for shared growth. These are actively shared with suppliers and serve as the guiding framework for mutual cooperation activities.



The five strategic tasks for shared growth with suppliers are as follows:

01 To enhance manufacturing competitiveness, LG Electronics dispatches experts by field to provide consulting services. By sharing its expertise in automation and informatization infrastructure built into its production lines in areas, such as smart factories, quality and productivity, and basic field competency (FI-11), LG Electronics supports suppliers in improving overall productivity, increasing revenue, and creating new jobs. In addition, to help suppliers establish and strengthen their ESG systems, LG Electronics supports the cost of ESG assessments and consulting services conducted by reputable external certification bodies.

02 To help suppliers secure next-generation technologies, LG Electronics offers a range of technical support services. We support suppliers in developing components utilizing LG Electronics' proprietary technologies and methods. In cases involving joint technology development, such as injection molding and robotic automated component extraction technologies, LG Electronics dispatches technical personnel to help SMEs strengthen their technological capabilities. Furthermore, we provide guidance and consulting to help suppliers participate in government support programs for small and medium-sized enterprises offered by the Ministry of Trade, Industry and Energy, and the Ministry of SMEs and Startups. To protect core technologies, we operate a technology escrow system. Since 2013, LG Electronics has fully covered the associated costs for this program. Since 2022, we have also been hosting advanced technology seminars in collaboration with government agencies, such as the Korea Intellectual Property Strategy Agency (KISTA), to introduce promising technologies and research outcomes from universities and public research institutions. Through this initiative, we aim to support suppliers in enhancing their technological capabilities, facilitating technology transfer, and promoting commercialization.

03 LG Electronics supports the financial stability of suppliers through a range of funding programs. To help suppliers enhance productivity and quality, expand their facilities, enter overseas markets, and develop new technologies, we have been providing interest-free funding of KRW 37.5 billion annually since 2004. In addition, since 2010, LG Electronics has partnered with financial institutions to establish shared growth funds, offering low-interest loans to suppliers. In 2023, we jointly launched an ESG fund with banking partners to provide additional financial support to suppliers in need of funding for implementing carbon neutrality, ESG management, and delivering social value. We also operate a shared payment system to facilitate fair and reliable payment transactions among suppliers. This ensures that payments made to Tier 1 suppliers are safely and reliably distributed to Tier 2 and Tier 3 suppliers.

04 To enhance the human resource competitiveness of suppliers, LG Electronics operates a range of education and recruitment support programs. We have established the Shared Growth Academy within the LG Electronics Learning Center, offering free job training for supplier employees. In cooperation with universities in the Changwon region, we have also developed training programs that allow supplier employees to participate more flexibly and develop their capabilities. To assist supplier recruitment, we operate an LG Electronics Supplier Recruitment Channel on JobKorea and actively utilize the online recruitment platform "i-ONE JOB," run in collaboration with the Industrial Bank of Korea.

05 To strengthen communication for shared growth, LG Electronics operates various systems. The Supplier Portal features a Partnership Proposal System and a Voice of Supplier (VOS) system, enabling real-time communication. Additionally, we operate a separate Shared Growth Portal System to facilitate continuous exchange of opinions with suppliers and share relevant information.

Supply Chain

Strategy

Support for Supplier ESG Management

LG Electronics is advancing a strategic approach to support ESG management among its suppliers, planning to promote their sustainable growth and enhance their competitiveness. In 2025, the company expanded its tailored support by introducing smart factory solutions, focusing on improving supplier productivity and strengthening manufacturing competitiveness. This initiative is grounded in expertise and know-how in automation and production accumulated over a long period, with a focus on enabling suppliers to internalize DX-based quality management systems and productivity enhancement practices.

LG Electronics also conducts in-depth analyses of each supplier's specific needs and provides field-oriented solutions, thereby fostering an environment where suppliers can optimize manufacturing processes while embedding ESG management practices. Through these efforts, LG Electronics aims not only to enhance supplier competitiveness but also to strategically elevate ESG management standards across its entire supply chain.

Direct Funding

- Interest-free direct funding totaling about KRW 37.5 billion, KRW 193.4 billion in shared growth fund support, and KRW 34.9 billion in ESG fund support (as of 2024)

Technology Support (in partnership with government)

- Expansion of beneficiary suppliers in the ESG domain by operating a dedicated team for government programs
- Expanded support scope from quality/productivity in 2022 to ESG in 2023

ESG Management Support

- Support for third-party ESG audits of domestic and overseas suppliers
- Reduction of high-risk supplier ratio through ESG self-assessments and on-site inspections

Support for Carbon Emissions Management Capabilities

- Completed system implementation to enhance data reliability in supplier carbon emissions monitoring
- Advanced emissions data through supplier data analysis

Support for Training and Benchmarking

- Strengthened supplier ESG competency through ethics policy education
- Education programs provided for both domestic and overseas suppliers

Incentive System

- Operation of incentive programs based on regular supplier evaluations (e.g., increased order volume, provision of preferred right to development)

Current Status of ESG Management Support for Suppliers

Category	Item	Unit	2023	2024	2025 (Forecast)
Financial Support	Interest-free Direct Financing	KRW 100 million	375	375	375
	Shared Growth Fund		1,968	1,934	2,000
	ESG Fund		135	349	600
Total			**2,478**	**2,658**	**2,975**

Category		Item	Unit	2023	2024	2025 (Forecast)
ESG Competency Support	ESG Management	ESG Self-assessment	Companies	1,266	1,236	1,200
		Third-party Audit Support		50	72	71
	Carbon Emissions Management Capability	Carbon Emissions Investigation		637	644	650
	Training Support (Fire/Safety)	Offline Training		194	267	226

Conflict Minerals

Conflict Minerals Management Strategy

LG Electronics is committed to avoiding the use of minerals mined from conflict-affected areas or those that are associated with labor rights violations or environmental degradation. We adhere to responsible mineral-related policies and standards, and operate a global conflict minerals management organization to ensure the responsible sourcing and procurement of minerals.

This global conflict minerals management organization implements various measures to verify the effective operation of our responsible minerals sourcing program. These include analyzing external trends such as customer requests, regulatory compliance, use of RMI tools, international forums, and demands from NGOs and the media. Through our conflict minerals management system, we manage and improve supplier updates and smelter information when inaccuracies or uncertainties are identified. We also conduct internal reporting and support procedures to enhance the effectiveness of the conflict minerals program, address customer requests, and mitigate conflict mineral risks. In addition, as a member of the Responsible Minerals Initiative (RMI)[1], LG Electronics participates in working groups and promotes smelter engagement, mineral information disclosures, and conflict mineral due diligence. The company also contributes to origin verification and audit support efforts.

Furthermore, LG Electronics maintains external communication through its website and dedicated email address (conflict-mineral@lge.com).

1) Responsible Minerals Initiative (RMI): Provides member companies with regular updates on global smelter mineral usage and hosts forums to share best practices for addressing conflict mineral issues.

Supply Chain

Risk Management

LG Electronics has established and operates a comprehensive risk management framework to systematically identify and manage ESG risks across its supply chain. We have developed a proactive response system that incorporates supplier self-assessments, on-site audits, and conflict mineral risk evaluations, thereby enhancing the sustainability of our supply chain.

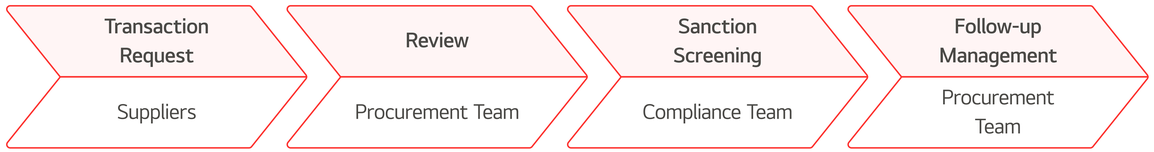
Supply Chain ESG Management

New Supplier Registration Review Process[1)]

LG Electronics registers new suppliers only when they meet the company's ESG assessment criteria. The process begins with verification of compliance with the Supplier Code of Conduct and international trade regulations. A comprehensive evaluation of potential suppliers is then conducted based on the TQRDCME (100%)[2)] framework. Certain sub-items of the evaluation reflect the characteristics of components by product line, and the Management (M) category is weighted according to the supplier's compliance with ESG requirements.

Following registration, an annual evaluation is conducted. Based on the results, incentives such as increased order volume and development priority are provided to encourage suppliers to continuously develop and maintain their ESG capabilities.

1) Review is conducted only for component suppliers to be registered in the company's system
2) TQRDCME (100%): Technology (10%), Quality (30%), Responsiveness/Delivery (10%), Cost (30%), Management (20%/including ESG assessment), Environment



Scope of Supply Chain Management

LG Electronics aims to maintain a sustainable business ecosystem by minimizing ESG risks related to labor and human rights, health and safety, the environment, ethics, and management systems throughout its supply chain, while enhancing its resilience. To this end, in December 2023, LG Electronics established supply chain ESG risk management standards, which define the company's responsibilities, authorities, and operational procedures in managing ESG risks. These standards apply not only to LG Electronics' domestic and overseas production sites, but also to component suppliers and outsourcing suppliers. In addition, LG Electronics has established and operates a supply chain management system that includes human rights due diligence based on the RBA Code of Conduct and the UN Guiding Principles on Business and Human Rights (UNGPs).

Supply Chain Management Process

LG Electronics operates a systematic supply chain management process, from selecting suppliers to regular on-site inspections. Since 2020, the company has conducted annual supplier self-assessments through its internally developed management system. Suppliers assessed as high-risk based on the results undergo on-site audits and corrective actions. In addition, LG Electronics proactively identifies potential human rights risks through supplier human rights due diligence, thereby preventing possible human rights violations in advance. When negative impacts are identified, the company supports corrective actions to prevent recurrence. Furthermore, LG Electronics conducts specialized on-site safety and environmental inspections for production sites, and carries out annual on-site inspections focused on fire safety for suppliers. Beginning in 2022, the company also initiated greenhouse gas emissions surveys targeting major suppliers, thereby strengthening environmental risk management.

01. Target Selection

LG Electronics selects domestic and overseas business sites, key Tier 1 component suppliers, and outsourcing companies as companies that require ESG risk management.

02. Self-Assessment

Self-assessment surveys are conducted based on the RBA Code of Conduct.
The questionnaires either use items provided by the RBA as-is or are developed by the management department, considering the specific characteristics of each target site.

03. On-Site Audit

On-site audits are conducted at business sites identified as high-risk through the self-assessment results, or at sites deemed to require an audit based on business needs. Audits are carried out by external experts or the company employees who have completed appropriate training programs.

04. Corrective Actions

Corrective action plans are established and implemented for identified ESG risks.

05. Monitoring and Evaluation of Corrective Actions

The effectiveness of corrective actions is verified, and relevant education is provided.

Supply Chain

Risk Management

STEP 01 | Target Selection

As of 2023, LG Electronics had a total of 2,341 suppliers based on purchasing records. For the 2024 ESG self-assessment, 1,283 suppliers were selected, excluding those with annual purchases under KRW 100 million, agencies, non-manufacturing companies, and service suppliers. Of these, 1,236 suppliers completed the self-assessment. A total of 228 suppliers were classified as core Tier 1 suppliers, selected based on a comprehensive evaluation of transaction volume (top 70% or above), proportional significance, ESG management status, and business relevance. This group includes suppliers of key components related to future technologies or those requiring focused management due to the nature of the supplied parts.

*Suppliers subject to assessment: Suppliers, excluding those with purchase amounts less than KRW 100 million, as well as agencies, non-manufacturing companies, and service providers.

STEP 02 | Self-Assessment (Document Review)

LG Electronics conducts an annual self-assessment that covers key areas, including labor and human rights, health and safety, environment, ethics, and management systems. The assessment is based on the RBA and Supplier Code of Conduct and is implemented through a dedicated self-assessment system. In 2023, the scope of self-assessment was expanded to include select Tier 3 suppliers. As of 2024, a total of 1,236 Tier 1 suppliers, 195 Tier 2 suppliers, and 12 Tier 3 suppliers completed the self-assessment. Based on the 2024 self-assessment results, 14 Tier 1 suppliers (1.1%) were identified as high-risk and were subsequently subject to on-site inspections.

2024 Supplier Self-Assessment Results by Region

Unit: Number of Suppliers

Region	High-risk	Moderate-risk	Low-risk	Total
South Korea	4	106	228	338
China	3	62	333	398
Asia	3	99	244	346
Americas	1	27	58	86
Europe/CIS	3	10	31	44
Middle East & Africa	0	15	9	24
전체	**14**	**319**	**903**	**1,236**

ESG Data [Supplier ESG Management]

STEP 03 | On-Site Inspection

Based on the 2024 self-assessment results, on-site inspections were conducted for 14 suppliers classified as high-risk (4 domestic and 10 overseas suppliers). All suppliers improved their risk ratings to moderate or lower following the inspection. The key documents reviewed during the on-site inspection are as follows:

Key Documents Reviewed During On-Site Inspections

Labor & Human Rights	Employment rules or internal regulations, employment contracts, attendance records, payslips, employee roster, wage payment registers, etc.
Health & Safety	Legal permits for safety equipment, Job hazard assessments, emergency response and training plans, evacuation training records, PPE (Personal Protective Equipment) distribution logs, Fire prevention and safety equipment maintenance records, etc.
Environment	Workplace environment monitoring reports, Hazardous materials inventory (inbound/outbound), Regulatory permits related to wastewater/air pollution, etc.
Other	Employee training records (e.g., safety and health training, sexual harassment prevention), Internal and external audit records, etc.

Apart from this, LG Electronics selected the top 100 suppliers with the highest carbon emissions and conducted on-site consulting to help raise the overall standard of ESG practices across its supply chain.

STEP 04 | Third-Party Audit

To enhance objectivity in ESG risk evaluation and strengthen supplier management capabilities, LG Electronics conducts annual on-site audits (rotated every three years per company) for core suppliers in collaboration with external experts. Initial audits are conducted in accordance with the RBA Validated Assessment Program (VAP) standards through accredited third-party institutions. Identified non-conformities are addressed through immediate corrective actions, and the implementation of the corrective actions is verified via closure audits.

In 2024, a total of 72 suppliers, including 19 domestic and 53 overseas suppliers across Asia and Europe, underwent third-party on-site audits (audit agency: SGS). All suppliers that scored 80 or higher out of 100 were issued certifications, achieving a 100% certification rate (72 suppliers). LG Electronics plans to expand third-party audits to all overseas operations to further strengthen ESG risk management.

Supply Chain

Risk Management

Third-Party Audit Status

Category		Scope	Score (Average)	
			Initial Audit	Closure Audit
Domestic		19	64	89
Overseas	China	26	72	87
	Southeast Asia	14	80	90
	Europe	4	96	98
	Latin America	9	74	88
	Subtotal	53	76	89
Total		**72**	**73**	**89**

STEP 05 | Monitoring of Corrective Actions

LG Electronics requires corrective actions for all non-conformities identified during third-party on-site audits. Closure audits are conducted approximately three months later to check if improvements are implemented on-site. In particular, serious non-conformities related to labor and human rights are subject to immediate remediation. If not corrected, the company may terminate its business relationship with the supplier.

Human Rights Due Diligence for Suppliers

Category	Key Inspection Areas	2024 Major Improvements
Labor & Human Rights	Employment contracts, work rules, internal regulations, employee registers	Improvement of issues related to recruitment fees and non-refundable policies, non-compliance with statutory holidays, employment of young workers, and encouragement of annual leave usage
Health & Safety	Safety equipment permits, maintenance records, worker medical examination records, identification of processes requiring personal protective equipment (PPE) and placement of PPE signage, fire evacuation drill records, etc.	Fire alarm systems and fire protection equipment, implementation of risk assessments, availability of personal protective equipment, formation of emergency response teams, designation and training of first aid personnel completed.
Environment	Hazardous materials logs, legal compliance records	MSDS postings, hazardous substance management ledgers, documentation of proper storage and disposal methods for hazardous chemicals and waste.
Other	Ethics policy, employee training, internal control systems, etc.	Anti-corruption policy, intellectual property policy, establishment of personal information protection policy.

Supply Chain

Risk Management

Self-Assessment

Target Selection	① Production sites: All 30 domestic and overseas production sites of the company ② Component suppliers: Suppliers with annual purchase volume exceeding KRW 100 million in the previous year ③ Outsourcing suppliers: Outsourcing suppliers who have business relationship with LG Electronics
Dispatch of Official Request Letter	• Dispatch of official request letter for self-assessment (1 month prior to the self-assessment)
Self-Assessment	• Monitoring of progress and encouragement of participation during the self-assessment period
Analyzing and Sharing Results	• Analysis and sharing of self-assessment results with the designated sites and send requests for corrective action plans if necessary
On-Site Audit Target Selection	• On-site audits selected for high-risk sites (score of 65 or below) based on self-assessment results
On-Site Audit Target Notification	• Dispatch of on-site audit notification letter

On-Site Audit Process

Audit Scheduling	• Establishment of the on-site audit plan considering self-assessment results and business impact • Setting the target sites and audit schedule
Opening Meeting	• Presentation of the audit scope and overview • Introduction of the target sites
Document Review	• Review of the adequacy and appropriateness of maintained documents
Interviews (Workers/ Management)	• Recommended number of interviewees: Square root of the total number of employees at the site (e.g., 10 interviewees for 100 employees) • Interview Subjects: A diverse range of workers reflecting the working environment (e.g., day and night shifts, office and production staff, contract workers, internal suppliers) • Interview Method: Group or individual interview
Site Inspection	• Inspection of the site (production processes and facilities) • Areas of Review: Fire and emergency equipment, machine safeguarding and maintenance, emergency response systems, personal protective equipment, first aid kits, hazardous material storage and handling, waste management, hygiene and safety of employee cafeterias and dormitories, and any unreasonable restrictions on freedom of movement or other worker rights
Closing Meeting	• Presentation and discussion of audit findings (including agreement on identified nonconformities)
Issuing Final Report	• Compilation and sharing of identified nonconformities • Request for corrective action plans to address the issues

Corrective Action Process

Immediate Corrective Actions	• Immediate review and implementation of preventive or mitigating actions in response to any critical nonconformities identified during the on-site audit
Development of Corrective Measures	• Identification of corrective measures for violations or nonconformities found during the on-site audit • Determination of the root cause through root cause analysis • Establishment of a corrective action plan that includes measures to address the identified nonconformities as well as preventive measures to avoid recurrence
Approval	• Review and approval of the corrective action plan by the management department or an external professional organization to ensure appropriateness
Implementation of Corrective Actions	• Execution of corrective actions in accordance with the established plan • Upon completion of corrective actions, an update must be made using the prescribed format to document resolution details (including completion date, summary of actions taken, and supporting evidence)
Verification of Effectiveness	• Post-implementation verification to confirm that the corrective actions were carried out properly and in accordance with the plan and procedures
Closure	• Conclusion of the full ESG risk assessment cycle, from self-assessment and on-site audit to the completion of corrective actions

Supply Chain

Risk Management

Establishment and Operation of Supplier Grievance System

LG Electronics operates a comprehensive management system to proactively identify and address human rights and ethical risks associated with suppliers. Since 2022, the company has conducted regular surveys targeting suppliers to assess potential risk factors that may arise during business transactions. Key grievances identified through this process are monitored at the corporate level to ensure a prompt response system is in place.

Beginning in 2023, LG Electronics has strengthened preventive measures against misconduct and conflicts of interest by providing ESG training videos based on the RBA framework to suppliers. In addition, supplier-related risks are continuously monitored through the company's whistleblowing channel, the "Jeong-Do Management Cyber Reporting System."

Starting in 2024, LG Electronics introduced the PU-SRM system to manage survey responses more systematically and to enhance the process of identifying and addressing transactional risks with suppliers based on survey findings. Through these efforts, LG Electronics aims to prevent supplier risks and build trust-based partnerships through ongoing risk monitoring.

Supplier Carbon Emissions Management

LG Electronics is strengthening its supplier carbon emissions management system to proactively identify and control climate change risks across the supply chain. In 2024, the company collaborated with the Korea Productivity Center to provide carbon reduction consulting to 15 key suppliers. This initiative enhanced risk management capabilities across the entire process from data analysis and measurement to diagnostics, task identification, and target setting. Through this effort, LG Electronics established a foundation that enables suppliers to systematically manage carbon emission risks and implement voluntary reduction measures.

Since 2022, LG Electronics has conducted carbon emissions surveys targeting suppliers that account for the top 90% of its total purchase value, and currently collects carbon emissions data covering approximately 84% of its total purchase value. While the initial assessment conducted in 2021 was carried out manually and faced limitations in data reliability and management, the adoption of an IT system for carbon emissions monitoring and management in 2023 has ensured greater accuracy and consistency. Starting in 2024, LG Electronics is using this system to re-examine emissions data from 2021 to 2023 and to strengthen its risk monitoring framework.

Additionally, the company operates a financial support program to help mitigate carbon reduction risks within supplier operations. It actively promotes energy efficiency, carbon reduction technologies, and the transition to renewable energy. Through these initiatives, LG Electronics aims to strengthen risk mitigation capabilities throughout the supply chain in response to climate change risks.

Supplier Health and Safety Management

To support suppliers in strengthening their health and safety capabilities, LG Electronics provides on-site inspections, training, and consulting services. In 2024, LG Electronics conducted fire safety on-site inspections at 237 domestic suppliers to identify potential risk factors early and provided guidelines to enhance preventive measures. Starting in 2024, the scope of on-site inspections has been expanded to include overseas suppliers, and an IT system has been implemented to establish a company-wide monitoring framework.

In the first half of 2024, training on response measures for the Serious Accidents Punishment Act was provided to 267 suppliers. Additionally, the company selected 50 workplaces with fewer than 300 full-time employees and supported them through consulting services as part of a collaborative health and safety program aimed at promoting shared growth.

These efforts form part of LG Electronics' risk management strategy, which aims to systematically manage supplier health and safety risks, reduce incidents across the supply chain, and foster a safe and sustainable business environment.

Supplier ESG Management Training

LG Electronics conducts annual ESG management training for its suppliers to enhance awareness and strengthen the capacity to respond to evolving global regulations, such as the recently reinforced EU Corporate Sustainability Due Diligence Directive (CSDDD) and ESG disclosure requirements. The training focuses on key areas, including the reduction and management of greenhouse gas emissions, as well as the identification and response to risks related to human rights, safety, and the environment.

By offering training programs on ESG risk management and due diligence, and greenhouse gas reduction and management, LG Electronics supports the establishment of a sustainability framework across its supply chain. In 2024, the company conducted an "ESG Online Training" program for 1,283 suppliers. The training was provided in seven languages, enabling suppliers to build the capacity to proactively identify and address ESG risks.

Supply Chain

Risk Management

Conflict Minerals

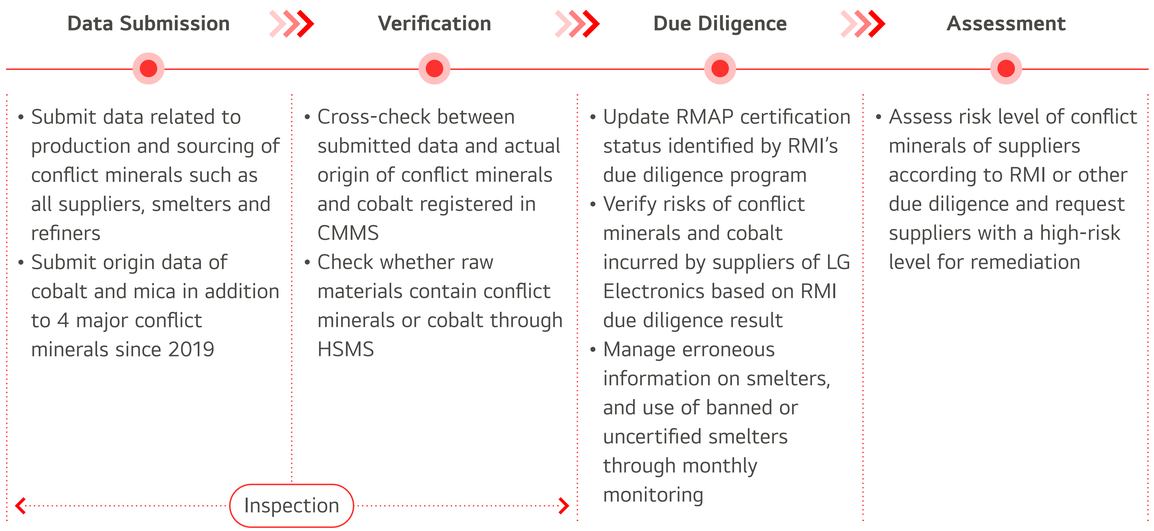
Conflict Minerals Management Procedure

LG Electronics has established internal management standards to operate the required systems and processes for managing conflict minerals. These standards apply not only to all products developed, manufactured, sold, or supplied by LG Electronics, but also to products and raw materials developed, manufactured, or custom-ordered by suppliers. LG Electronics regularly reviews and updates its conflict minerals management standards and provides training on the updated requirements to employees and suppliers. In cases where raw materials supplied to LG Electronics contain conflict minerals, the company conducts due diligence in accordance with the OECD Guidance.

Conflict Minerals Assessment, Due Diligence, and Risk Evaluation

To avoid the use of unethical resources, such as conflict minerals, cobalt, and mica, LG Electronics conducts inspections and due diligence on its suppliers and raw materials, and regularly assesses the associated risk levels. Information on suppliers using conflict minerals is obtained through the RMI's RMAP due diligence results, Reasonable Country of Origin Sourcing Information (RCOI), and other publicly available data. The origin of conflict minerals is verified through the Hazardous Substances Management System and the Conflict Minerals Management System (CMMS). Through these assessments, key risk factors are identified, and appropriate actions are taken when a supplier is classified as high-risk. LG Electronics also requires responsible mineral sourcing certification from all smelters in the supply chain and continuously engages with suppliers and partner companies to encourage their participation in certification programs.

Risk Assessment Process for Conflict Minerals



Targets and Metrics

LG Electronics establishes specific targets to mitigate supplier risks and build a responsible supply chain, and systematically monitors implementation levels based on quantitative metrics.

Supply Chain ESG Management

Mid- to Long-Term Supplier Management Goals

To enhance the level of ESG risk management among suppliers, LG Electronics focuses on increasing the implementation rate of self-assessments and training programs. The company plans to maintain the number of suppliers completing self-assessments at 1,200 by 2025 and expand the number of core suppliers subject to assessments to 150. In addition, LG Electronics provides 100% support for the establishment and implementation of corrective action plans for high-risk and core suppliers, concentrating efforts on risk mitigation.

To manage supplier ESG risks, LG Electronics continues to improve the implementation rate of self-assessments and on-site audits, while maintaining the proportion of high-risk suppliers below 0.5%. In 2024, a total of 1,236 suppliers underwent ESG self-assessments. As a result, 1.1% were classified as high-risk, exceeding the target. This outcome reflects the company's enhanced ESG risk assessment framework and strengthened risk assessment criteria, as well as the stricter application of risk assessment criteria, which enabled a more rigorous identification of risk factors among certain suppliers. In 2025, LG Electronics plans to maintain the number of suppliers subject to self-assessment at 1,200. It will also strengthen pre-assessment guidance and training on assessment criteria to encourage improvements in suppliers' ESG performance, and maintain the proportion of high-risk suppliers at a stable level below 0.5%.

Unit: Number of Companies

Category	Detailed KPI	Achievements in 2024		2025 Expected Achievements	
		Self-assessment	Core suppliers	Self-assessment	Core suppliers
ESG Assessment	Number of suppliers with completed ESG assessment (%)	1,236(96%)	145(12%)	1,200	150
Empowerment	Number of suppliers participated in training (%)	638(50%)	106(17%)	700	150

Target

Maintain the proportion of high-risk findings from supplier self-assessments at or below 0.5%

Supply Chain

Targets and Metrics

Supplier Shared Growth

Achievements in ESG Training for Suppliers

LG Electronics provides ESG training for suppliers to strengthen ESG competencies within the supply chain and manages outcomes accordingly. In 2024, training was conducted for a total of 638 domestic and overseas suppliers, covering 672 employees. As a result, the ESG training completion rate among core suppliers increased from 16.4% in 2023 to 16.6% in 2024. LG Electronics plans to continue expanding its training programs to further enhance suppliers' capabilities in responding to ESG risks.

Achievements in ESG Competency Development Training for Suppliers

Supplier Shared Growth Capability Enhancement Program						
Category		Scope	Unit	2022	2023	2024
Improvement in ESG Competency	Number of Suppliers	Domestic/ Overseas	Companies	-	1,046	638
	Number of Employees from Supplier		Persons	-	1,046	672
	Number of Core Suppliers		Companies	-	172	106
	Core Supplier Participation Rate (%)		%	-	16.4	16.6

Conflict Minerals

100% Use of RMAP-Conformant Smelters

The Responsible Minerals Assurance Process (RMAP), overseen by the Responsible Minerals Initiative (RMI), is a due diligence and assurance initiative that certifies smelters that do not source conflict minerals. To ensure the responsible sourcing of minerals used in its products, LG Electronics monitors the origin of the four major conflict minerals—tantalum, tungsten, tin, and gold—across its suppliers and requires that all smelters in the supply chain be RMAP-conformant. Although the introduction of new components or changes in current status of smelter certification may result in the temporary use of non-conformant smelters, LG Electronics has set a target of 100% use of conformant smelters and conducts regular inspections and maintenance. Based on the RMI smelter database as of January 2024, LG Electronics identified non-conformant smelters that existed in the supply chain in 2023 and completed the removal of all such smelters by March 2024. Additionally, LG Electronics offers training to raise awareness about the importance of responsible mineral sourcing.

Based on the RMI smelter database as of January 2021, LG Electronics achieved 100% use of conformant smelters. By mineral type, the targets were achieved for tantalum and tungsten in 2019, for tin in 2020, and for gold in 2021. However, as certification status may vary annually due to market conditions and changes in the composition of the supply chain, LG Electronics conducts regular inspections and continuous management activities to ensure 100% use of certified smelters.

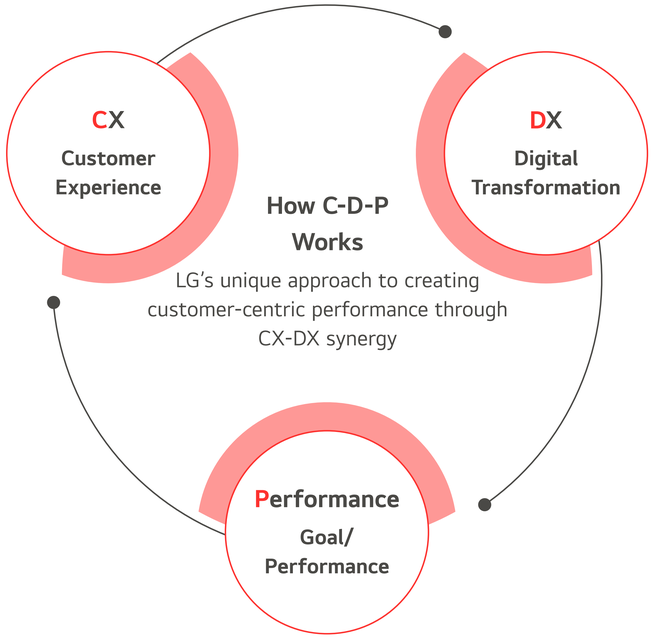
Customers

Governance

LG Electronics has established and operates a dedicated organization to systematically manage customer experience across all products and services. Through close collaboration with relevant departments and regular discussions, LG Electronics continuously pursues measures to enhance customer experience.

Operational Framework of Customer Accessibility

LG Electronics operates the CX (Customer Experience) Center, which reports directly to the headquarters, to ensure an integrated approach across the entire customer experience. The CX Center oversees customer experience innovation, product and service planning, and development of business model. The CX Center aims to accelerate the implementation of the C-D-P (Customer Data Platform)1) by convening the "C-D-P Acceleration Meeting," where company-wide CX-DX core initiatives are discussed. This meeting is held monthly in collaboration with the DX (Digital Transformation) Center under the Chief Strategy Office (CSO) division and is attended by key business leaders and executives. In 2024, a total of 10 regular meetings were held to discuss strategies for "Execution of C-D-P & Creating performance."



CX (Customer eXperience)
Define and derive innovative customer experiences based on data

Five company-wide focusing areas (3C, 2S): Connectivity, Caring, Customization, Servitization, Sustainability

DX (Digital Transformation)
Realize and enhance CX through AI and digital technologies

Performance
Establish and achieve customer value and business performance goals through measurable indicators

- Customer value indicators: Customer satisfaction (NPS), increase in loyal customers
- Business performance indicators: Revenue, operating profit, market share

1) C-D-P (Customer Data Platform): A platform that integrates and analyzes customer data collected from various channels to enhance customer experience and enable personalized services.

Strategy

LG Electronics presents a clear customer vision and direction across its products and services. By embedding a customer-centric strategy throughout the organization, the company strives to enhance the value of the customer experience and respond proactively to diverse needs.

Smart Life Solution Company
Connecting and expanding customer experiences across all spaces where life happens

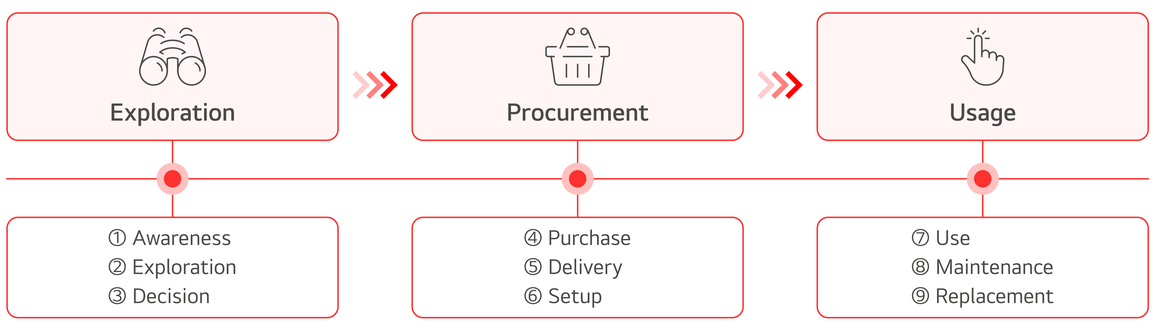
Business Areas	Home Solution	Commercial Solution	Mobility Solution	Virtual Space Solution
Innovative Approach	Maximize potential of existing businesses		Innovate business structures	
Customer Experience	Connectivity	Caring	Customization	Servitization	Sustainability
Future Inflection Points	Servitization	Digitalization	Electrification	

Customer Experience Journey (CEJ) and Touchpoint Management Strategy

In response to evolving customer needs shifting from product-centered to experience-centered, LG Electronics has segmented the Customer Experience Journey (CEJ) into nine distinct stages, providing differentiated experiences at each touchpoint. Offline stores have evolved beyond simple sales spaces to multifunctional venues for customer education, cultural activities, and community engagement. Pop-up stores offer direct brand experience through immersive storytelling. The ThinQ app enhances anticipation by providing delivery updates and product information. Personalized features, such as UP Appliances[1] and WebOS, ensure flexible responses to changing customer lifestyles during the usage stage.

1) UP Appliances: Enabling customers to access new features through software upgrades on already purchased products

LG Electronics Customer Experience Journey



Customers

Strategy

Quality Management

Quality Management System

LG Electronics has established and operates a Quality Management System (QMS) based on ISO 9001, providing consistent quality to its customers. Through regular audits by third-party organizations, the company maintains a globally recognized quality management system. Building on its company-wide quality management system, LG Electronics standardizes quality processes across global manufacturing subsidiaries and major business sites, while also enhancing connectivity and operational efficiency. In addition, the company operates a strategic framework that enables proactive risk prevention and prompt response throughout the entire product lifecycle from development to after-sales service, continuously enhancing quality competitiveness and strengthening customer trust.

Internal Audits and Continuous Improvement

To assess the effectiveness of the Quality Management System and identify opportunities for continuous improvement, LG Electronics conducts regular internal audits. These audits evaluate the conformity to quality standards, process efficiency, and execution fidelity across global production subsidiaries and business divisions. Audit results are reported to senior management, and any identified issues or areas for improvement lead to immediate corrective actions and system enhancements, thereby continuously advancing overall quality levels.

External Validation and Compliance with Standards

LG Electronics operates its Quality Management System in accordance with the international quality standard ISO 9001, striving to improve the quality of its products and services. The company also ensures objectivity and credibility of its system through regular audits conducted by reputable external certification bodies, thereby demonstrating its capabilities in global quality management.

Employee Training and Enhancing the Capability

LG Electronics provides systematic quality training to all relevant employees across the entire product lifecycle, including design, procurement, manufacturing, and service. The training focuses on reinforcing a clear understanding of quality policies, standardized processes, quality management tools, and individual roles and responsibilities. Through this training, employees recognize the importance of adhering to high-quality standards, enabling LG Electronics to embed a culture of quality awareness and strengthen its overall quality competitiveness.



Accessibility

Direction for Advancing Accessibility

LG Electronics operates its processes to systematically incorporate accessibility throughout the entire product and service lifecycle from planning and design to production, sales, and after-sales service, enabling all customers use its offerings without inconvenience. The company also gathers feedback from individuals with disabilities and subject-matter experts through its Accessibility Advisory Group to ensure that customer needs are thoroughly reflected in products and services. Additionally, LG Electronics operates an Accessibility Council, comprising departments such as Product Strategy, Development, Quality, and Service, to drive tangible improvements in accessibility.

Ethical Advertising

Principles of Ethical Marketing and Advertising

LG Electronics is committed to ethically promoting its products and services while striving to raise customer awareness of the social and environmental challenges faced by global and local communities. The company strives to build and maintain trust with its customers and stakeholders by communicating in an honest, transparent, and responsible manner.

Item	Detailed Principles and Descriptions
Accuracy and Transparency of Product Information	Provides accurate and balanced information about products and services that is not misleading, enabling customers to make informed and rational decisions.
Clear and Transparent Communication on Sustainability	Ensures transparency and accountability in sustainability-related communication, with claims that are clear and verifiable.
Diversity and Inclusion	Respects human dignity by honoring the identity and perspectives of all individuals without discrimination, and promotes diversity and inclusion.
Respect for Competitors' Products and Work	Avoids disparaging or providing false information about competitors' products or work, and upholds a fair competitive environment.
Efforts to Ensure Accessibility	Continuously enhance information delivery methods from an accessibility standpoint to ensure that everyone can easily recognize and understand it from an accessibility perspective.
Protection of Vulnerable Consumers	Exercises special care in marketing activities targeting potentially vulnerable consumers, such as children and the elderly, ensuring they are not unfairly exploited, supporting informed decision-making, and guaranteeing fair treatment.
Compliance with Laws and Practices	Complies with all applicable laws, practices, and social norms related to advertising and communication activities in each country.

Customers

Risk Management

LG Electronics has established and operates various assessment processes to proactively identify potential risks customers may encounter about its products and services. These assessments include detailed checkpoints at each stage, and the company remains committed to continuously preventing and responding to customer-related risks.

Customer Satisfaction

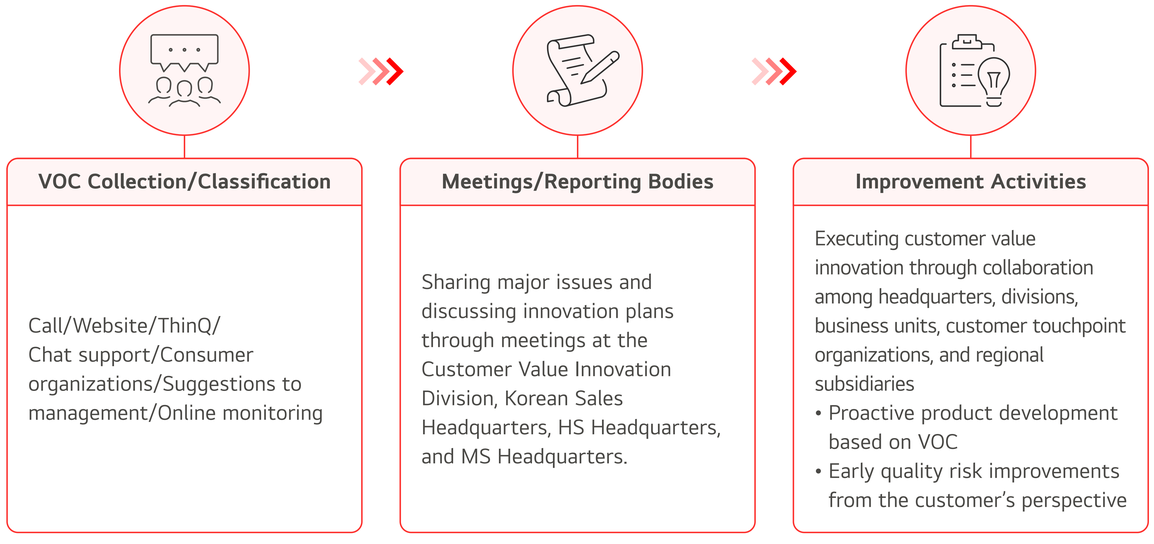
Customer Satisfaction Surveys

LG Electronics conducts regular customer satisfaction surveys targeting users of repair services to systematically manage and proactively address risks related to customer experience and service quality. The survey consists of questions such as, "How likely are you to recommend the service you experienced to someone close to you?" with responses measured on a scale from 0 (not at all willing to recommend) to 10 (highly willing to recommend). This metric serves as a key indicator that indirectly reflects the service quality as actually perceived by customers.

Based on the survey results, LG Electronics promptly implements improvement measures to address any identified shortcomings in customer experience and service. Furthermore, through a framework-based response process, the company identifies priority risk factors requiring management and drives continuous service quality improvement.

Customer Issue Management Process

To systematically collect and manage customer feedback, LG Electronics has established a customer issue management process that facilitates the innovation of customer value. Customer feedback and issues collected from online and offline channels, as well as external organizations, are shared through meetings or reporting bodies at each touchpoint (headquarters/business divisions/Korean sales headquarters/Customer Value Innovation Division/related companies) where innovative measures for changes are discussed. In addition, to prevent the spread of complaints and negative issues at each stage of the customer journey, LG Electronics enhances the customer experience through analysis and collaboration, and undertakes proactive product development and early quality risk mitigation activities.



Handling Customer Complaint and Utilizing Feedback

LG Electronics listens carefully to customer voices and actively reflects them in quality improvements. Complaints related to product defects or quality are received through various channels including customer support centers, online platforms, and service centers. These complaints are promptly investigated and addressed through a structured process. Root cause analyses are conducted to establish preventive measures, which are then applied to improve products and services. Additionally, recurring complaint types are regularly analyzed to prioritize improvements, and collaborative efforts with relevant departments are made to translate these improvements into tangible quality enhancements. This systematic approach ensures comprehensive management of quality-related risks.

Customers

Risk Management

2024 Global Technology Olympics for Service Quality Risk Response

To enhance technical and response quality at customer touchpoints and proactively prevent service risks, LG Electronics operates an annual "Technology and Service Olympics" by country. In 2024, 471 participants competed in the Korean preliminaries, with 90 advancing to the finals. The competition comprehensively evaluated repair and care capabilities as well as customer response skills across nine categories, including washing machines, TVs, and refrigerators. A new "Best Coach Award" was introduced to strengthen the capabilities of less experienced employees.

Regional Technology Olympics were also held in North America (New Jersey, USA), the Middle East (Dubai), and India (Noida), led by local subsidiaries. These competitions featured practical evaluations through various methods such as real-time response assessments via Smart App, ability to respond to frequently occurring field issues and theory, practical exercises, and interviews.

LG Electronics systematically assesses the technical and response proficiency of service managers and consultation staff, continuously enhancing risk response capabilities at customer touchpoints.






Technology Olympics

Quality Management

Proactive Defect Prevention and Control for Quality Assurance

LG Electronics places strong emphasis on proactive measures to identify and resolve potential product defects before delivery. From the early stages of new product development, the company implements a multi-phase verification process that includes rigorous quality reviews, reliability testing of parts, and pilot production and validation. Products that do not meet customer standards are not manufactured or distributed. Additionally, LG Electronics operates real-time quality monitoring and statistical control systems on its production lines to detect and promptly address any defects that may occur during the manufacturing process. These efforts are aimed at minimizing the risk of recalls and ensuring that only products of impeccable quality are delivered to customers.

Development of New Product	Production	Sales
• Quality reviews • Reliability testing of parts • Pilot production and validation	• Real-time quality monitoring • Defect detection through statistical control systems	• Minimize the likelihood of product defects, deliver, and sell products to customers

Advancement of Product Liability (PL) Risk Management and Safety Evaluation Framework

LG Electronics establishes safety design standards and conducts safety assessments during the testing and development stages to deliver differentiated product safety to customers. The company also operates a pre-certification system for parts that have a significant impact on product safety.

To detect not only actual product issues but also potential risks in advance, LG Electronics has developed an Early Sensing framework that enables proactive improvement activities before issues arise. In the event of a major quality issue caused by a product defect, the company establishes a dedicated "Crisis Response Task Force" to analyze root causes, implement corrective measures, and provide customer support as necessary.

For urgent and critical matters, an "Enterprise Emergency Response Committee" is convened to make prompt decisions regarding customer measures. Through this structured risk management and response activities, LG Electronics continues its fundamental efforts to prevent recurrence and protect the physical safety, property, and rights of its customers, thereby reinforcing customer trust in the company's products and services.

Strengthening Capabilities to Respond to Quality and Product Safety Risks

LG Electronics operates a structured framework for developing expert personnel who can effectively address risks related to the reliability and safety of its products and services. Through the "Quality College," the company offers position-specific training programs to both domestic and overseas employees, covering specialized areas such as Product Liability (PL), eco-friendliness, Six Sigma, and reliability. In 2023, LG Electronics launched advanced reliability and expert-track programs to further enhance field-level problem-solving capabilities.

The company has also strengthened credibility by acquiring official laboratory accreditations in areas including antibacterial, antifungal, antiviral testing, and drinking water quality. In parallel, LG Electronics is reinforcing its expertise by developing the internal hygiene-related specialists and recruiting external professionals. Furthermore, the company continues to enhance employee competency and expertise by acquiring internationally recognized certifications such as Certified Reliability Engineer (CRE[1)]), Certified Quality Engineer (CQE[2)]), and Certified Fire & Explosion Investigator (CFEI[3)]).

1) CRE: Certified Reliability Engineer
2) CQE: Certified Quality Engineer
3) CFEI: Certified Fire & Explosion Investigator

Customers

Risk Management

Accessibility

Accessibility Evaluation Framework

LG Electronics collects customer feedback through various channels to identify potential sources of inconvenience and reduce related risks. Tailored research efforts such as one-on-one interviews, focus interviews, and home visits, have been conducted with a wide range of customer groups, including individuals with visual, auditory, or physical impairments, as well as older adults and pregnant women. The feedback gathered through these efforts is actively reflected in the development of the Comfort Kit, an accessibility support accessory. Additionally, LG Electronics operates an accessibility advisory panel comprising accessibility experts and individuals with disabilities, actively driving improvements across its products and services. For instance, in 2024, in response to a voice of customer raised by wheelchair users regarding the "difficulty of accessing store accessibility information," the company took action by posting store accessibility details on its official website and major web portals.

Domestic	Overseas
• Operates an accessibility advisory panel, composed of individuals with disabilities, elderly users, and experts (affiliated with the Korea Blind Union, Korean Disabled Consumers Union, Korea Association of the Deaf, Korea Internet & Security Agency, Korea Association of Social Welfare Centers, Korea Education Center for Disabilities Awareness, Hanseo University, and Korea Nazarene University)	• Customer feedback collected by participating in CSUN AT 2025 • Conducted advisory meetings by inviting accessibility experts and individuals with disabilities (from organizations such as the Shepherd Center, National Center for Accessible Media (NCAM), American Council of the Blind (ACB), and the University of Maryland)

Raising Awareness and Disclosing Accessibility Information

LG Electronics actively promotes accessibility initiatives to prevent and manage customer discomfort and accessibility-related risks that may arise during the use of products and services.

In March 2025, LG Electronics became the first in the home appliance industry to participate in "CSUN AT 2025," the world's largest assistive technology conference, held in the United States. The company showcased products designed to support convenient usage for all customers, regardless of disabilities. At the event, LG Electronics presented a range of service solutions tailored to enhance ease of use for individuals with disabilities and senior customers, further strengthening engagement with its users.

Additionally, LG Electronics operates the "Easy Appliance Project" and "Appliance School One-Day Class," supporting customers of all genders, ages, and abilities in understanding and using home appliances more easily. These initiatives help narrow gaps in the customer experience and continuously minimize risks associated with using the products.

Best Companion Care Service

LG Electronics offers the "Best Companion Care Service" to assist customers who experience mobility challenges or have limited physical capabilities. This service offers personalized, one-on-one support from a dedicated manager, who guides and assists customers from the parking lot to the store exit, ensuring a convenient and comfortable in-store visit and consultation experience. This service is available not only to wheelchair users with physical disabilities but to any customers who have difficulty moving. On the day of the reservation, LG Electronics confirms any mobility difficulties and additional requests through prior contact to ensure the service runs smoothly. In 2024, 182 Best Companion Care Service appointments were received and provided, reinforcing accessibility for all customers to visit stores without discrimination.



Scene providing LG Best Companion Care Service

Digitalization of ARS Customer Service

LG Electronics has integrated representative customer service numbers, previously segmented into B2C, subscription, and relocation services, into a unified system that expands support for a wide range of customer inquiries. During air conditioner pre-inspection periods, customers are offered a self-booking service, allowing them to make reservations directly, thereby enhancing overall convenience. In addition, for senior customers, LG Electronics has introduced visual ARS with large font and slow speech features to strengthen accessibility.



Main Screen of Visual ARS



Main Screen of Senior Customer

Customers

Risk Management

Accessibility Features in Home Appliances (1)

Feature	Support Area	Product	Content
Audio Guide	Visual	All appliances (applicable to select products across major product lines; continuously expanding)	Announces button names or selected options when pressed, and provides voice guidance on functions or current status to help all customers operate appliances easily.
Voice Recognition	Visual/Physical	All appliances (applicable to select products across major product lines; continuously expanding)	It allows users to operate the product simply by speaking commands, making it easier and more convenient to use.
Braille	Visual	All appliances	Offers braille stickers compatible with all LG appliances. These include intuitive icons such as power, start, and Wi-Fi, along with numeric braille and guides. Customers can request free delivery via the LG Electronics Customer Service Center or the Korea Consumer Agency for the Disabled. Additionally, customers who purchase or use LG appliances at any LG Best Shop can receive the stickers on-site upon request. Attachment service is also provided upon request.
Braille	Visual	Bluetooth speaker	Braille markings are added to power and volume up/down buttons on the exterior of the product to assist visually impaired users.
Sound UX	Visual	All appliances (applicable to select products; continuously expanding)	Produces distinct sounds depending on button functions, enabling users to distinguish features audibly.
Auto Smart Drawer	Physical	Refrigerator (LG SIGNATURE only)	When the refrigerator door is opened, inner drawers automatically slide out, allowing users to retrieve items from deep inside without having to bend excessively.
Auto Smart Door	Physical	Refrigerator (LG SIGNATURE only)	The lower-right door opens automatically when a user places their foot near the bottom indicator. This feature enables user to use the appliance without using their hands.
Auto Lift	Physical	Refrigerator (LG SIGNATURE only)	When you press a button, the bottom drawer opens automatically, and its contents are raised to knee level, making it convenient for wheelchair users or those with limited hand mobility to use the appliance.
Smart Touch Door	Physical	Washing machine, dryer (LG SIGNATURE only), refrigerator (select convertible models)	Users can easily open the door by pressing the center-right area with minimal force.
Height boost storage box/ Mini Wash	Physical	Washing machine, dryer (select models)	Users can easily access to the drum and retrieve laundry by installing a heightened storage drawer or Mini Wash beneath a washer or dryer. - Cannot be installed independently; only under a washer or dryer. - Compatible with LG TROMM washers produced since 2008 (15–25kg, excluding F15*QT, F22*** models). - Can be installed beneath LG TROMM dryers (14/16/17/19kg/20kg).
Automatic Detergent Loading	Visual/Hearing/ Physical	Washing Machine	Automatically dispenses the required amount of detergent stored in the machine for each wash cycle, eliminating the need for manual detergent input each time.
Filter CleanBot	Visual/Physical	Air Conditioner	Automatically cleans fine dust filters, which are difficult to detach and wash manually.
Auto-Moving Buckets	Physical	Air conditioner (LG SIGNATURE products only)	When you place a foot near the unit, the humidifier bucket automatically moves forward, making it easier to fill or empty the water tank.

Customers

Risk Management

Accessibility Features in Home Appliances (2)

Feature	Support Area	Product	Content	Notes
Auto Moving Filter	Physical	Air conditioner (LG SIGNATURE only)	When you press a button, the filter located at the back or in a high position automatically slides out, allowing you to manage the filter easily.	
Auto-Door Open for Drying	Physical	Dishwasher	The door opens slightly after washing is complete, allowing steam to escape and dishes to dry naturally without user intervention.	
Heat Indicator	Hearing	Electric cooktop	The indicator lamp varies in length according to heat level, allowing users to visually check the usage status of induction.	
Reversible Door	Physical	Refrigerator (select convertible models), Styler, dryer (select 9kg models)	Users can select the direction of door opening (left or right) that is most convenient for their use. - Users can select the direction at time of order. Post-purchase changes available for a fee, depending on timing.	
Easy Handle (Shelf)	Physical	Dishwasher	Enables users to open the lower rack without bending deeply.	
Easy Ball	Visual/Physical	Washing machine, dryer	Users can attach it to the dial of a washer or dryer, making it easy to turn without having to grasp the dial, especially helpful for those who have difficulty with fine motor movements. The reference point on the dial allows visually impaired users to identify the current course.	LG Comfort Kit (sold separately)
Easy Handle	Physical	Washing machine, dryer	Users can attach it to the door, detergent drawer, or water tank, allowing users with limited strength or fine motor skills to open and close them easily using the back of the hand, wrist, or forearm.	
Easy Hanger	Physical	Styler	Users can hang clothes on the styler moving hanger while seated in a wheelchair. Individuals of shorter stature can use it comfortably.	
Easy Handle	Physical	Refrigerator	Users can easily open the door with minimal force or by using their elbows while holding items in both hands.	
Braille Silicone Cover	Visual/Physical	Air conditioner remote control	Embossed markings, protrusions, and braille on key buttons are provided, allowing visually impaired users to identify them. The silicone material also prevents slipping and reduces impact from drops, aiding users with limited hand mobility.	
Braille Silicone Pad	Visual	Induction	Braille, tactile markers, and perforations to the touch area are provided to help visually impaired users identify functions and locations.	
Braille Silicone Cover	Visual	Water purifier	Braille, tactile markers, pictograms, and perforations to the touch area are provided to help visually impaired users identify functions and locations.	
Color Sheet	Visual	Robot vacuum	A red-colored sheet designed to help low-vision users more easily identify the vacuum's location.	
Rotating Shelf	Physical	Refrigerator	A rotatable shelf that allows users to easily retrieve items stored deep within the refrigerator.	
Easy Handle	Physical	Tiiun mini	Designed to maximize convenience by allowing users with limited hand mobility to easily detach seed kits.	
Easy Tray	Physical/Visual	Microwave	A tray designed to safely and easily transfer hot food or dishes after using the microwave. Large side handles allow users with limited hand mobility to carry it securely, while the accompanying cover prevents contact with heated food or hot surfaces.	

Customers

Risk Management

Accessibility Features in TV Products

Feature	Support Area	Content
Audio Guidance	Visual	Offers the “Audio Guidance” feature, which provides voice prompts for menu names and TV operations. Users can adjust settings such as speech rate, volume, and pitch after enabling this feature.
Audio Guidance at First Use	Visual	Users can activate the “Audio Guidance” feature from the initial TV setup stage.
High Contrast Text	Visual	Enhances the contrast between bright and dark areas in TV menus to make text more readable.
High Visibility Focus	Visual	Highlights selected items more clearly when using the directional buttons of the remote control or pointer. This feature makes it easier to identify the focus location.
Grayscale Mode	Visual	Converts on-screen video and menu colors to grayscale tones, enhancing the clarity of boundaries based on color contrast.
Color Inversion	Visual	Reverses the background and text colors in TV menus to improve text readability.
Screen Magnifier	Visual	Zooms in on the entire screen. Users can exit the zoom mode or adjust magnification settings by pressing and holding the Home button on the remote control.
Audio Descriptions	Visual	Provides audio narration of on-screen content for the currently viewed TV program. (Available only for programs that support this feature.)
TV On/Off Sound Effects	Visual	Plays sound effects when turning the TV on or off, helping visually impaired users recognize the power status.
Tactile Dots on Remote Control	Visual	. Users can identify button positions through touch by applying Braille and tactile dots to key buttons on the remote control, such as Power, Accessibility, and Home.
Closed Captions	Hearing	Users can watch broadcasts with captions that describe dialogue, sound effects, and non-verbal elements. Users and move captions using the directional buttons on the remote control. (Available only for programs that support captions.)
Simultaneous Output to Hearing Aids and Internal Speakers	Hearing	Users with hearing loss can enjoy TV together with others by outputting sound separately to the TV speakers and Bluetooth devices.
Enlarged Sign Language Window	Hearing	Enlarges the sign language area on screen to help hearing-impaired viewers see it more clearly.
Accessibility Q Card	Comprehensive	Provides a comprehensive view of accessibility and easy-use features at a glance.
Accessibility Quick Settings	Comprehensive	Offers “Quick Settings” for easier configuration of accessibility features. Press and hold the Mute button for more than one second or click the Quick Settings icon in the menu to access simplified setup.
Chatbot	Comprehensive	Assists users in easily resolving issues encountered while using the TV.
Quick Help	Comprehensive	Assists users in easily resolving issues encountered while using the TV.
Learning the Remote Control	Comprehensive	Provides explanations of each remote control button. When used with Audio Guidance enabled, this helps visually impaired users learn how to use the remote control.
Slow Key Input	Comprehensive	Allows users to customize button input time for the remote control, making operation easier for those who find it difficult to press buttons quickly.
Tips (Feature Tour)	Comprehensive	Offers visual explanations of major menu functions and allows users to activate features directly from the guide.

Customers

Risk Management

Examples of Improved Accessibility Features of Products

Case example 1

LG Comfort Kit

LG Electronics has developed and launched the "LG Comfort Kit," which incorporates universal design principles to ensure that all customers can use home appliances more conveniently regardless of gender, age, or disability.

To date, a total of 14 types of LG Comfort Kits have been released. Key products include the "Easy Handle" for washers and dryers, the "Easy Ball" for dials, the "Easy Hanger" for the Styler, as well as remote control covers for air conditioners, induction silicone pads, water purifier silicone covers, and rotating refrigerator shelves. These products can be easily attached to or used with appliances, helping customers operate home electronics more conveniently, regardless of their physical conditions.

In collaboration with the National Rehabilitation Center and Seoul Rehabilitation Hospital, LG Electronics is continuously expanding its range of Comfort Kits. The company remains committed to enhancing product accessibility, enabling all customers to enjoy a more independent and unrestricted daily life.

Case example 2

webOS "Accessibility" Q Card

LG Electronics has enhanced the customer experience by expanding personalized services based on webOS in its 2024 LG Smart TVs. The newly added "Accessibility" Q Card on the TV home screen enables all customers to intuitively access the accessibility features.

These features include "Visual Support" and "Hearing Support," which help customers with visual or auditory challenges use the TV with ease. The "Motion Support" function assists with remote control operation, while "Learn Remote Control" offers step-by-step guidance.

Additionally, the "Feature Tour" allows users to explore various TV functions at a glance, and the "Shortcut" button provides quick access to desired features. Customers can also easily resolve usage issues through "Quick Help" and "Chat with Chatbot." These functions can be conveniently accessed by long-pressing the mute button on the remote control or by selecting the corresponding icon in the Quick Settings menu.

Examples of Improved Accessibility Features by Service Type

Service	Support Area	Service Touchpoints	Content
Best Companion Care Service	Total	Best Shop	When selecting the "Best Companion Care Service" during offline consultation reservations, dedicated managers provide one-on-one support from entry to exit for all customers experiencing physical discomfort.
Sign Language Guide	Hearing	Service Center	Sign language functionality is available at in-store service kiosks, allowing customers to receive guidance on service registration in sign language.
		Call Center	Sign language consultants are available at the call center to provide consultations on products and services in sign language.
ARS Consultation	Senior	Call Center	For registered senior customers, LG Electronics offers visual ARS with large fonts and slow speech features. Customers aged 85 or older are directly connected to a dedicated consultant.
	Visual	Call Center	Registered visually impaired customers are directly connected to a consultant without having to wait in the ARS queue.
Free On-Site Service	Visual/Hearing/ Physical	Service Center	For registered customers with disabilities who request on-site service, the visit fee is waived. (Repair and parts costs are not included.)
Family Feedback Program	Senior	Service Center	For service cases submitted by family members on behalf of senior customers, LG Electronics sends reassurance messages and provides detailed updates on the resolution process, allowing families to stay informed.

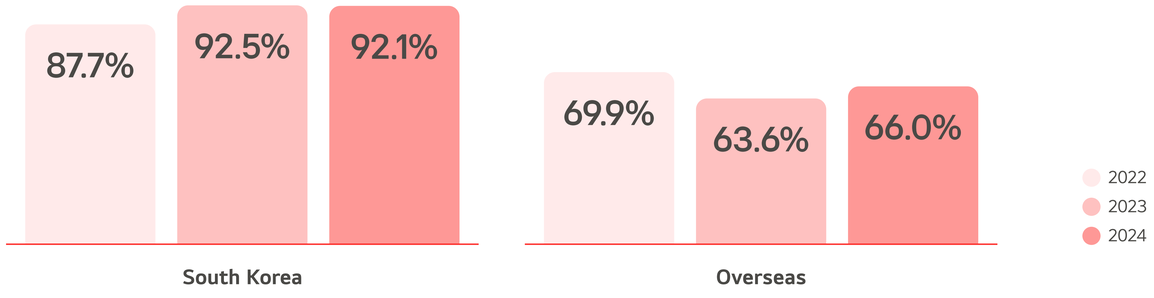
Customers

Targets and Metrics

LG Electronics establishes clear objectives to enhance the customer experience and systematically monitors the performance to manage the current status of implementation. Through this approach, LG Electronics continually improves the quality of the customer experience and ensures that areas identified for improvement result in tangible enhancements.

Customer Satisfaction

Global Customer Satisfaction Levels by Year



Establishment and Execution of the CS Future Vision

In 2024, LG Electronics outlined 26 specific initiatives as part of its CS future strategic direction to enhance AI-based personalized and specialized customer care. The company has been conducting regular assessments and activities to complete these initiatives by the first half of 2025. As a result, throughout 2024, LG Electronics actively pursued the adoption of customer-centric AI technologies and accelerated the digital transformation of customer services, completing a total of 14 initiatives. By completing the remaining 12 initiatives within the first half of 2025, the company aims to fully realize its CS future vision.

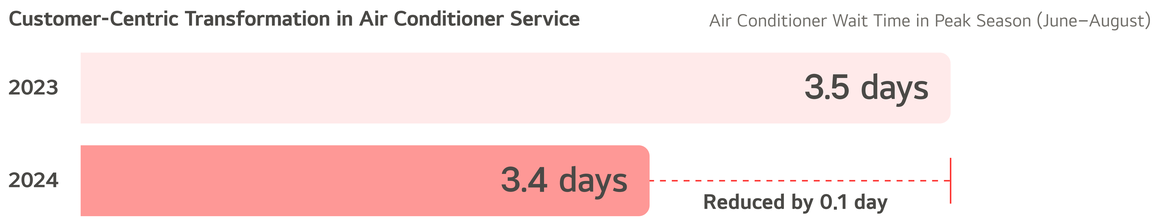
Current Status of Implementation in the Consultation and Repair Sectors

Consultation Sector	• Established an automated response framework by introducing voicebots, enabling quicker responses to customer inquiries. • Implemented a real-time monitoring system that analyzes customers' voices and spoken keywords to promptly identify issues occurring during consultations, immediately providing customer care. • Advancing digital transformation and refinement of its consultation processes by adopting automated STT (speech-to-text) solutions, AI-based response frameworks, and video-based consultations.
Repair Sector	• To provide customers with accurate information and resolve issues in a single interaction, service managers defined and systematically accumulated essential data throughout the entire repair journey. A corresponding system was built to enhance the efficiency and accuracy of repair processes. • To improve defect diagnosis and repair expertise and enhance customer-perceived professionalism, LG Electronics developed a DX-based repair support tool called the Diagnostic App.

Improvement in Air Conditioner Wait Times

Since 2023, LG Electronics has improved operational efficiency, including the integration of home appliance services, to address customer inconvenience caused by delayed air conditioner repairs during peak summer seasons. The company shifted from a first-come, first-served repair model to a differentiated approach that prioritizes customer inconvenience levels, strategically selects priority regions, and enhances response methods. Additionally, LG Electronics strengthened technical and service response training for service managers, conducted pre-season inspections, and secured 100% of key parts in advance. As a result of these measures, despite a 19% increase in air conditioner service requests in 2024 compared to 2023, the average customer wait time decreased from 3.5 days to 3.4 days.

Customer-Centric Transformation in Air Conditioner Service



Customer Service Awards in 2024

Country	Awarded Month	Awarding Organization	Content
South Korea	March	Korea Consumer Agency	2023 Commendation for Excellence in Resolving Consumer Complaints
	April	Institute for Industrial Policy Studies	(2024 Business Council Workshop to Resolve Consumer Complaints)
	May	Korea Management Association	2024 National Industry Award (Service Innovation sector)
	July	Korean Standards Association	Ranked No.1 in 2024 Service Quality Index (KS-SQI) for Home Appliances
	September	Korean Standards Association	Ranked No.1 in 2024 Call Center Quality Index (KS-CQI)
	November	Korean Standards Association	Out of 270 companies across 65 industries, received the highest evaluation score overall and ranked No.1 in the home appliance sector
United States	January	Consumer Reports	Ranked Top 1–3 in Key Categories for Best Washing Machines of the Year
Singapore	October	Singapore Retailers Association	Five employees of the Singapore branch received the Excellent Service Award
Russia	November	Federal Service for the Oversight of Consumer Protection and Welfare	Winner in Two Categories: Customer Service Sector / Consumer's Choice for Service Company of the Year

Customers

Targets and Metrics

Expanding the Infrastructure of Customer Care Service and Subscription Service

LG Electronics is transitioning beyond consultation-centered services to a comprehensive global Customer Care Service (CC&S) that supports the entire customer journey, from consultation to delivery/installation, maintenance, and repair. In 2024, the company established a structured framework for its subscription service infrastructure and operational processes, laying the groundwork to enhance the subscriber purchase experience. Dedicated subscription teams were established in Malaysia, Thailand, and Taiwan to unify customer touchpoints and operate an integrated subscription service framework covering consultation, delivery/installation, and maintenance. In addition, LG Electronics provides subscription-exclusive response content to enhance field consultants' expertise and improve consultation quality, while also establishing a customer-centric appointment process to ensure timely product delivery based on the customer's requested schedule. In 2025, the company plans to benchmark its Malaysian operation and expand the subscription service infrastructure to new markets, including India, Saudi Arabia, Singapore, and Hong Kong, taking into account each country's unique market environment.

Customer Accessibility

2030 Accessibility Goals

LG Electronics is committed to listening to the diverse voices of customers to ensure that all users, regardless of age or physical ability, can use its products without discrimination. By actively collecting feedback from a wide range of customers, including seniors, children, persons with disabilities, and those without, LG Electronics continues to develop more inclusive products and services. The company aims to incorporate accessibility features and universal design into key product lines by 2030 and to implement barrier-free services across all customer touchpoints, thereby delivering a genuine and inclusive customer experience.

KPI	2030 Targets
Application of accessibility features	Application of accessibility features in key product lines
Application of product-specific manuals	Application of product-specific manuals in key product lines

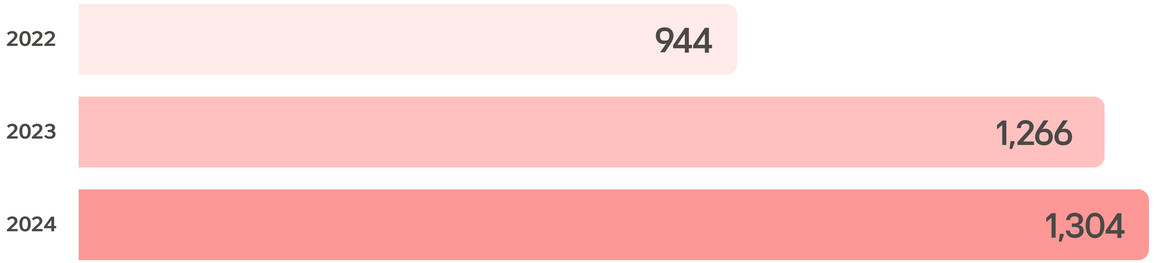
Current Status and Expansion Plans for Sign Language Consultation Services

LG Electronics aims to provide an inclusive customer experience, where all users can conveniently access services without any accessibility limitations. To support effective communication with customers who are deaf or hard of hearing, the company launched sign language consultation services in October 2021. As of 2024, two full-time sign language support representatives provide real-time consultation.

Initially introduced to facilitate interpretation between managers and hearing-impaired customers during on-site or in-store services, the service has since expanded to encompass all customer touchpoints, including installation, sales, and subscription, providing a more enhanced customer experience. Moreover, LG Electronics has extended this service beyond Korea by introducing it in the United States, with plans to expand coverage to the European region by the end of 2025.

Numberof Sign Language Consultation Services Provided per Year (Korea)

Unit: cases



Expansion of AI Voicebot Services

Recognizing the growing importance of professional consultation by human agents, LG Electronics introduced AI voicebot services by the end of December 2024 to quickly respond to simple inquiries and enhance customer access to support services. The AI voicebot identifies the customer's product and issue and categorizes the issue as either requiring professional consultation or suitable for simple guidance. Customers are immediately connected to a consultant if they need professional consultations. For simple inquiries, the voicebot provides tailored questions and answers, offering relevant content or dispatch services as needed. Initially launched for younger customers under the age of 45, the service is scheduled to be expanded in 2025 to include all customers, except seniors, enabling prompt support at the time customers want it.

Local Communities

Governance

LG Electronics is guided by the vision of "Better Life for All", and contributes to sustainability not only in local communities but also on a global scale. Each corporate entity operates its own social contribution team to actively promote a wide range of initiatives, thereby ensuring that each entity fulfills its social responsibilities.

Social Contribution Governance

LG Electronics has established social contribution teams within each corporate entity to enable the implementation of social contribution and corporate citizenship activities tailored to the needs of each country in which its global entities operate. The executive and team at the Korean headquarters responsible for social contribution set the overall strategic direction and share it across global entities, actively supporting the diverse social contribution initiatives carried out by each entity.

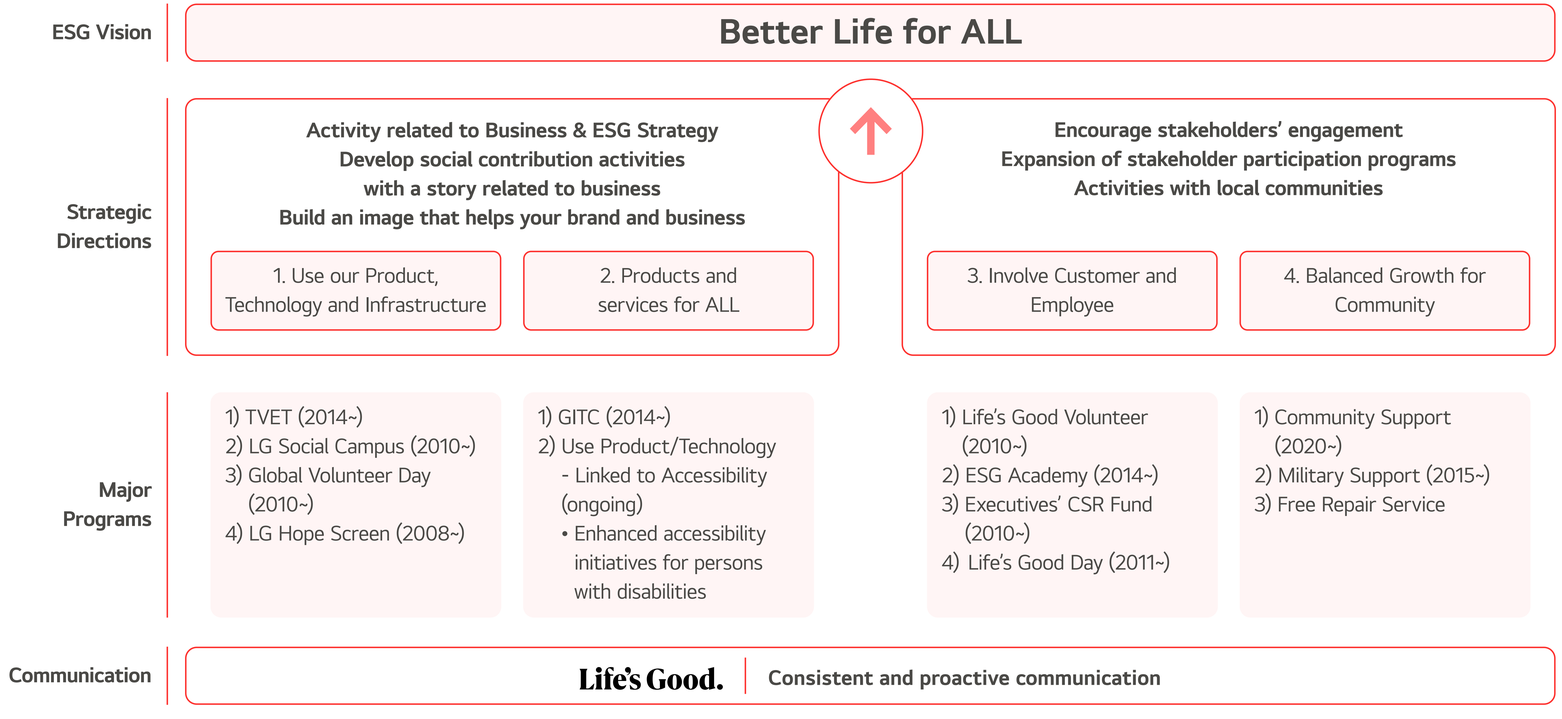
Strategy

LG Electronics has established a social contribution vision with the hope of improving the lives of all through its social contribution activities. Based on this vision, the company has defined four strategic directions for creating social value and operates various programs to achieve them. LG Electronics will carry out social contribution activities aligned with each strategy and encourage active stakeholder participation to realize its vision of "Better Life for All."

Social Contribution Vision

LG Electronics has established "Better Life for All" as its social contribution vision and continues to pursue social contribution activities that drive meaningful societal change. To this end, the company focuses its efforts on four strategic directions: creating environmental and social value through products and technology; utilizing products and services for the benefit of all; expanding participation of customers and employees; and pursuing mutual growth with local communities.

By leveraging its products, technologies, and infrastructure, LG Electronics contributes to solving social issues and promotes social value by offering inclusive products and services that can be conveniently used by all customers, including individuals with disabilities. Building on these efforts, LG Electronics carries out a wide range of social contribution activities across all aspects of its business operations. The company also operates programs that encourage voluntary participation from customers and employees, pursuing genuine, community-driven initiatives. Each business site addresses local community issues, while the headquarters focuses on solving global challenges together contributing to balanced growth across regions.



Local Communities

Targets and Metrics

To systematically manage participation in social contribution activities, LG Electronics has established a 2030 social contribution roadmap. The company manages key indicators related to social contribution participation, such as the cumulative number of beneficiaries, social contribution expenditures, and funds.

Goal for 2030 Cumulative Social Contribution Beneficiaries

LG Electronics has set cumulative beneficiary targets for each social contribution strategy based on the year 2017 and established a 2030 roadmap to achieve these goals.

Integration of business and ESG strategies			Stakeholder engagement		
• Contributing to solving social issues through LG Electronics' technologies and products			• Supporting stakeholders' growth and independence through partnerships • Promoting active participation of employees in diverse social contribution activities across all countries where the company operates		
Year	**Until 2024**	**2030 Target**	**Year**	**Until 2024**	**2030 Target**
Cumulative number of beneficiaries	136,806	300,000	Cumulative number of beneficiaries	4,985,732	8,000,000

Social Contribution Expenses and Fund

Since 2004, executives at LG Electronics have been voluntarily setting aside a portion of their monthly salaries to establish a fund dedicated to social contribution activities. Executives contribute 0.5% of their monthly salary, and since 2019, overseas-based executives have also joined the initiatives, with over 87% of all executives currently contributing to the Executive Social Contribution Fund.

Social Contribution Fund (Domestic)

Category	Unit	2022	2023	2024
Executive Social Contribution Fund	KRW million	380	390	390
Small Change Fund[1)]		231	225	200

1) For employees who have agreed, amounts less than KRW 1,000 are deducted from their base salary and accumulated for use in the social contribution fund since 1995.

Breakdown of Social Contribution Expenses

Category	Unit	2022	2023	2024
Investment to local communities[1)]	KRW 100 million	37	22	52
Donations[2)]		253	199	246
Commercial Initiatives[3)]		460	320	290

1) Expenses incurred for socially contributive activities from R&D budgets, such as scholarships.
2) Expenses incurred from donation accounts.
3) Expenses incurred for socially contributive activities from advertising budgets, such as sports or event sponsorships.

Activities

LG Electronics engages in a wide range of social contribution activities to fulfill its corporate social responsibilities and contribute to the sustainable development of local communities. Through various initiatives, including employee participation programs and activities in education, the environment, and support for people with disabilities, LG Electronics promotes coexistence with local communities based on their unique characteristics and needs.

Executive Social Contribution Funding Activities

LG Electronics operates a matching grant program, donating an amount equivalent to 50% of the contributions made by executives to the Executive Social Contribution Fund. The fund is used to support both domestic and international activities that align with the company's social value creation goals, following a biannual review by the Executive Committee for Social Contribution Fund, which consists of one chairperson and five members. In 2024, the fund supported various projects such as improving the residential and educational environments in the Ethiopian veterans' village, supporting the Global Vocational Training School, the LG Ambassador Challenge, and the Comfort Kit program for persons with disabilities.

Life's Good Employee Volunteer Group

Since 2010, LG Electronics has operated the "Life's Good Volunteer Corps," a program enables employees to independently plan and participate in volunteer activities. Each year, the company selects volunteer teams to support local community engagement by utilizing their skills in various ways, such as product inspections, free repairs, career mentoring, AI photo studio services, and care for abandoned dogs and cats. In 2024, a total of 75 teams comprising 716 members participated, achieving a cumulative 2,870 hours of volunteer service and reaching 77,176 beneficiaries.

Donation Menu

LG Electronics is promoting a culture that encourages everyone to actively participate in charitable giving through small acts of care in everyday life. To encourage employee participation in everyday giving, the company operates a "Donation Menu" every even-numbered month. When employees choose the "Donation Menu" instead of a regular meal, the cost savings from the reduced side dishes are collected as donations and used to support contribution activities. Launched in 2011, the program had attracted a total of 687,214 participants by 2024, with cumulative donations amount reaching approximately KRW 280 million.

Weekday Volunteer Leave Program

LG Electronics operates the "Weekday Volunteer Leave Program" to encourage employees' voluntary participation in community service activities. Under this program, employees who engage in volunteer work during regular weekday working hours are granted one day of paid leave per year. The program has been in continuous operation for 12 years since 2013.

Employees can use up to 8 hours of volunteer time per year, split into two separate sessions, allowing them to participate without time constraints. In 2024, 596 employees participated, contributing a total of 3,264 volunteer hours.

Local Communities

Activities

2024 Social Contribution Activities

TVET (Technical Vocational Education and Training)

LG Electronics operates vocational training schools in six countries, Ethiopia, India, Cambodia, Nepal, Guatemala, and Nicaragua, in collaboration with local governments, foundations, the Korea International Cooperation Agency (KOICA), and NGOs, to support youth self-reliance through technical education. These schools provide training in fields such as electricity, electronics, and ICT. In addition, they offer a range of support, including the provision of educational equipment and infrastructure, teacher capacity building, and scholarships. By fostering a virtuous cycle that leads to employment and independence, LG Electronics aims to contribute to the sustainable development of local communities. The LG-KOICA Vocational Training School, which has been operating in Ethiopia since 2014, has produced a total of 541 graduates as of 2024. Over 94% of the students obtained national certifications through official qualification exams, and all the graduates successfully found employment or started their businesses. LG Electronics plans to continue expanding the program to further strengthen the unique competitive advantages of the vocational training school and solidify the foundation for youth self-reliance in local communities.



LG-KOICA TVET Graduation Ceremony in Ethiopia

LG Hope Screen

LG Electronics provides free advertising for public interest campaigns led by UN and non-profit institutions through its outdoor digital billboards, "LG Hope Screen," installed in Times Square, New York, and Piccadilly Circus, London. In 2024, LG Electronics aired public service videos, including the UNEP (United Nations Environment Programme) environmental campaign and the FAO (Food and Agriculture Organization of the United Nations) campaign to end hunger. Through the "U.S. Campaign to Protect Endangered Species," LG Electronics brought the vivid images of animals facing extinction due to climate change using 3D content, raising awareness of the importance of biodiversity conservation and the urgency of addressing carbon emissions and global warming. Through the support of such public interest content, LG Electronics aims to foster greater public awareness of a wide range of social issues, including environmental and cultural concerns.



LG Hope Screen

Global IT Challenge for Youth with Disabilities

LG Electronics is carrying out various initiatives, including hosting the Global IT Challenge for Youth with Disabilities, to enhance digital accessibility for youth with disabilities and to support their further education, employment, and social participation. Launched in 2011, the Global IT Challenge for Youth with Disabilities is a global event for youth with disabilities that brings together participants across barriers of disability, region, culture, and nationality. To date, over 5,000 youth with various types of disabilities (physical, hearing, visual, developmental) from 40 countries have participated in six IT Paralympic events. In addition, LG Electronics hosts forums on enhancing the capabilities of persons with disabilities and expanding their social participation through IT, as part of its ongoing efforts to raise awareness among participating countries.



Global IT Challenge for Youth with Disabilities]

Creating the Pollinator Garden

On April 24, 2024, in celebration of Earth Day, LG Electronics opened a Pollinator Garden at its business site in Bergen County, New Jersey, USA, and obtained the Certified Wildlife Habitat certification from the National Wildlife Federation (NWF). The garden provides a stable habitat for pollinating insects, such as bees and butterflies, whose populations have declined due to climate change. This contributes to the preservation of biodiversity and the establishment of a sustainable ecosystem.

LG Electronics has invested $150,000 in supporting conservation of biodiversity and environmental education and is conducting a variety of activities to raise awareness of endangered species and promote the importance of environmental education in the local community, including running educational programs focused on various endangered species.



Pollinator Garden Activity

LG Social Campus: Support for Environmentally Conscious Social Economy Enterprises

Since 2011, LG Electronics has been operating the "LG Social Campus" to support the growth of eco-friendly social economy enterprises through a multifaceted approach. The platform provides integrated support to strengthen business capabilities, including financial assistance, workspace, business development programs, and talent training. Additionally, LG Electronics' labor union visits sites directly with technical experts to enhance productivity through customized consulting services. As of 2024, LG Electronics has supported 186 companies with a total KRW 11.9 billion, contributing to the sustainable growth of environmentally friendly social economy enterprises. In recognition of these efforts, the company was selected as an outstanding enterprise for promoting public-private cooperation in social enterprises at the 2024 Social Enterprise Day event in November, and received the Minister of Employment and Labor Award.

LG Global Ambassador Challenge

Since 2017, starting in Bangladesh, LG Electronics has been running a community competition program to address local issues. The program invites proposals from customers and residents worldwide to tackle community challenges. In particular, it supports participants appointed as "LG Ambassadors" in carrying out community problem-solving activities. LG Electronics is implementing locally tailored social contribution activities to address issues within local communities. To date, a total of 79 projects have been completed across 8 countries, helping solve community issues.

Local Communities

Activities

LG Electronics Global Volunteer Day

LG Electronics continues its efforts to create a sustainable future through environmental protection activities that involve employees at its global business sites. Since 2010, LG Electronics has designated June 5, World Environment Day, as "LG Electronics Global Volunteer Day" and has carried out a variety of environmental protection activities in collaboration with the labor union. In 2024, on the occasion of the 12th Global Volunteer Day, volunteer activities were held at 42 business sites worldwide. In particular, a campaign to collect used electronics was conducted in collaboration with customers in South Korea, raising awareness of the resource circulation system and laying the groundwork for establishing sustainable infrastructure.



LG Electronics Volunteer Day



Volunteer Group Activities

ESG Academy for College Students

Since 2014, LG Electronics has operated "Love Genie," a social contribution-themed extracurricular program for college students. In 2021, the program was revamped to focus on ESG topics and has since continued under the name "ESG Student Academy." The program aims to enhance students' understanding of ESG and to nurture future professionals in related fields. Selected participants receive systematic ESG education and mentoring, and plan and carry out activities across the three pillars of Environment, Social, and Governance. To date, approximately 300 students have completed the program, and LG Electronics will continue its efforts to expand ESG awareness among university students.



ESG Student Academy

Community and Military Support (One Company-One Village / One Company-One Unit)

LG Electronics has established partnerships to promote mutual growth with rural communities. Through regular labor exchanges, the company helps revitalize local communities and pursues shared growth. Additionally, LG Electronics carries out practical support activities, including remodeling communal village facilities, donating home appliances, purchasing local specialty products, and providing them to community welfare facilities and vulnerable groups. The company also supports education in rural areas by providing laptops to first-year college students, and plans to continue long-term cooperation with local communities. Since 2015, the company has also maintained a partnership with the Biho military unit to express gratitude for the dedication of Korea's armed forces. The company provides annual financial support and essential supplies while actively engaging in cooperative activities and exchanges.

Free Repair Service

LG Electronics actively participates in disaster relief and recovery efforts by setting up mobile service centers in disaster-stricken areas affected by earthquakes or floods, and other natural disasters. These centers provide free inspections and repairs of household appliances for affected families. In 2024, LG Electronics participated in recovery efforts and support activities for flood-affected communities in the North Gyeongbuk, Jeonbuk, and Chungnam provinces, which were severely impacted by heavy rainfall.

In addition, LG Electronics operates the "LG Go! 高! (High!) Care Service," a social contribution program that prevents electrical safety accident and provides appliance inspections for welfare facilities and customers living in remote or mountainous regions who are particularly vulnerable during extreme weather conditions. Through this initiative, LG Electronics supports various underserved communities and strives to fulfill its social responsibilities as a corporate citizen.



On-site service providing free inspection and repair of home appliances in flood-affected areas



LG Go! High! Care Service

Local Communities

Activities

Smart Green Movement

LG Electronics' Spanish subsidiary is actively promoting the "Smart Green Movement" in collaboration with various partners to help address local environmental issues and create a sustainable future. This initiative focuses on three core areas to restore healthy ecosystems and preserve biodiversity within local communities: restoration of terrestrial ecosystems (Trees), promotion of biodiversity (Bees), and protection of marine ecosystems (Seas).

Smart Green Trees (Forest Restoration)

Since 2017, LG Electronics has carried out forest restoration activities in various regions across Spain and Portugal, including Guadalajara, Madrid, Barcelona, Malaga, and Maia, Portugal. To restore terrestrial ecosystems in response to deforestation and desertification issues in Spain, the initiative sets a long-term goal of planting 47 million trees annually, equivalent to the population of Spain (about 47 million people). To achieve this goal, LG Electronics implements forest restoration campaigns through direct tree planting and the "seed bomb" method, which involves sowing balls made of soil, compost, and seeds.



"Smart Green Trees" Forest Restoration Campaign by LG Electronics Spain

Smart Green Bees (Restoring Bee Population)

To enhance biodiversity, LG Electronics has been promoting a project since 2023 aimed at increasing the population of bees, essential for plant pollination, with a particular focus on the "Iberian honeybee," a native species of Spain. The long-term goal is to increase the bee population by approximately 47 million. Within just one year of launching the initiative, the project achieved an increase of about 3.5 million bees.

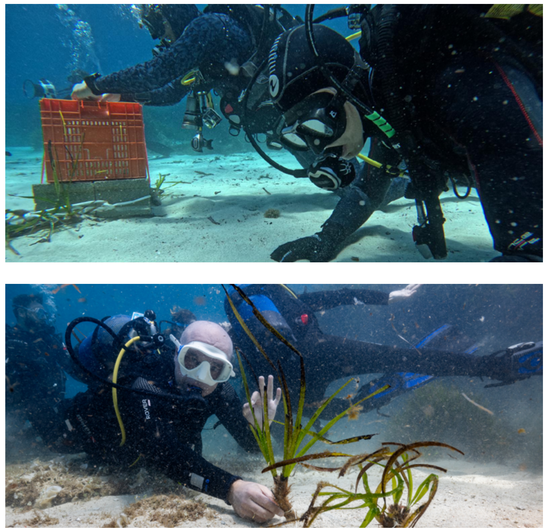


"Smart Green Bees" Campaign to Support Plant Reproduction and Growth

Smart Green Seas (Marine Ecosystem Restoration)

In addition to addressing land-based issues, LG Electronics is actively responding to marine environmental challenges by promoting a project aimed at restoring marine ecosystems and protecting the habitats of marine flora and fauna. As part of this initiative, the company is working on the restoration of Posidonia oceanica[1], a type of marine vegetation known for its effective carbon dioxide absorption. To plant a total of 30,000 Posidonia oceanica by 2025, LG Electronics has been collaborating with the Velmari Association since 2024. Together, they have restored about 600 m^2 of seagrass meadows and successfully planted 15,000 Posidonia plants.

1) The "Posidonia oceanica" meadows found in Spain's Balearic Islands are considered one of the most powerful natural carbon sinks. Originating from ancient times, this marine plant has a carbon absorption capacity 15 times greater than that of the Amazon rainforest per unit area.



"Smart Green Seas" Campaign for Marine Ecosystem Restoration

Governance



AT A GLANCE

LG Electronics is committed to establishing a transparent governance structure that promotes responsible corporate behavior for sustainable management and enhances corporate value by securing the trust of global stakeholders.

By promoting responsible management centered on the Board of Directors equipped with expertise, independence, and transparency, the company protects shareholder rights and supports the continued growth of LG Electronics.

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Corporate Governance

Governance

LG Electronics clearly defines the roles of the Board and its committees, strengthening oversight of key sustainability issues. Based on this governance, it is building a company-wide sustainability management system.

Composition of Board of Directors

LG Electronics ensures sound governance through a Board of Directors composed mainly of independent members, appointed via a transparent process. With diverse expertise, the Board oversees key decisions and monitors management to support responsible business operations.

Composition of Board of Directors

Name	Category	Gender	Age	Position	Total Tenure (months)	Term Expiration Predicted Date	Area of Expertise	Key Career Background
William (Joo Wan) Cho	Executive Director	Male	62	Chair of the Management Committee, Member of the ESG Committee	40	March 26, 2027	Business Management	CEO, LG Electronics Inc.
Chang Tae Kim	Executive Director	Male	58	Member of the Related-Party Transactions Committee, Member of the Management Committee	14	March 26, 2027	Finance	CFO, LG Electronics Inc.
Bong Seok Kwon	Non-Executive Director	Male	61	Member of the Independent Director Candidate Recommendation Committee	60	March 28, 2028	Business Management	Vice Chairman, LG Corp.
Soo Jin Kang	Independent Director	Female	54	Chair of the Related-Party Transactions Committee, Member of the Independent Director Candidate Recommendation Committee, Member of the ESG Committee, Member of the Audit Committee	50	March 26, 2027	Law (Lawyer)	Former Prosecutor, Seoul/Suwon Seongnam/Daejeon District Office Current Professor, School of Law, Korea University
Choong Yeul Yoo	Independent Director	Male	54	Chair of the Audit Committee, Member of the ESG Committee, Member of the Related-Party Transactions Committee	38	March 28, 2028	Accounting, Audit	Professor, School of Business, KAIST
Seung Woo Seo	Independent Director	Male	60	Chair of the ESG Committee, Member of the Audit Committee, Member of the Related-Party Transactions Committee	26	March 25, 2026	Electric Vehicle Expertise	Professor, Department of Electrical and Computer Engineering, Seoul National University
Sung Choon Kang	Independent Director	Male	55	Chair of the Independent Director Candidate Recommendation Committee, Member of the Audit Committee, Member of the ESG Committee	2	March 28, 2028	Human Resources	Professor, School of Business, Seoul National University

BSM: Board Skills Matrix

In accordance with its Guidelines on Board Expertise and Diversity, LG Electronics assesses directors' qualifications in key areas to ensure a diverse and well-structured board.

Board Skills Matrix

Category	William (Joo Wan) Cho	Chang Tae Kim	Bong Seok Kwon	Soo Jin Kang	Choong Yeul You	Seung Woo Seo	Sung Choon Kang	Percentage
Leadership	●	●	●			●	●	71%
CEO Experience	●		●					29%
CFO Experience		●						14%
Management/ Accounting	●	●	●		●		●	71%
R&D	●		●			●		43%
Law		●		●				29%
Year Appointed	2022	2024	2020	2021	2022	2023	2025	-
Independence				●	●	●	●	57%

Responsibilities of Board of Directors

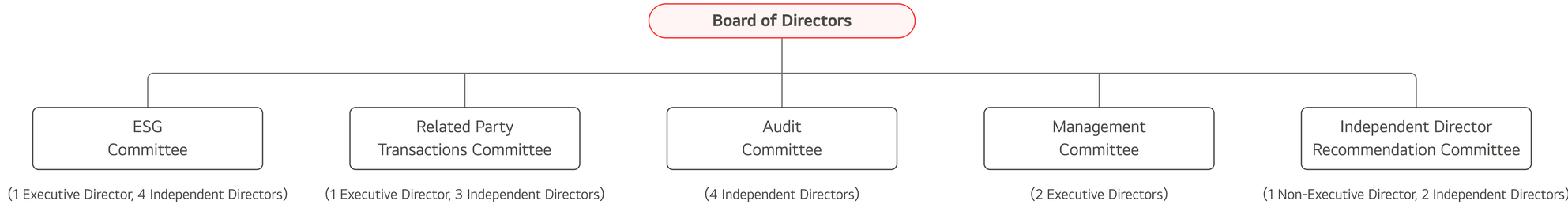
In accordance with applicable laws and the Articles of Incorporation, the Board of Directors of LG Electronics performs the following roles and responsibilities:

- Establishing and Overseeing Management Strategy: The Board sets the company's long-term vision and goals, formulates necessary strategies, and supervises management's execution.
- Maximizing Shareholder Value: The Board promotes transparent, fair management to maximize shareholder value and ensure sustainable growth.
- Upholding Ethics and Social Responsibility: The Board fosters ethical practices and fulfills social responsibilities to support sustainable business.
- Risk Management: The Board identifies potential risks and establishes systems to safeguard corporate value.
- Fair M&A Review and Shareholder Protection: In line with laws, the Board fairly evaluates M&A proposals and works to protect shareholder interests.

Corporate Governance

Governance

Committees Under the Board of Directors



As of the end of March 2025

Category	Role & Activities	Position	Name	Category	Gender	Concurrent Roles
ESG Committee	• Achieve long-term, sustainable growth by strengthening ESG management • Establish fundamental policies and strategies for ESG management • Set mid- to long-term ESG goals • Discuss agenda items such as carbon emissions and management of environmentally harmful substances, eco-friendly product development, work environment, and fair trade	Chair	Seung Woo Seo	Independent Director	Male	◆, ■
		Member	Soo Jin Kang	Independent Director	Female	◇, ◆, ■
		Member	Choong Yeul Yoo	Independent Director	Male	◆, ■
		Member	Sung Choon Kang	Independent Director	Male	◇, ◆
		Member	William (Joo Wan) Cho	Executive Director	Male	□
Related Party Transactions Committee	• Strengthen internal controls over related-party transactions to enhance transaction fairness and corporate governance transparency • Approve matters related to related-party transactions	Chair	Soo Jin Kang	Independent Director	Female	◇, ◆, △
		Member	Chang Tae Kim	Executive Director	Male	□
		Member	Choong Yeul Yoo	Independent Director	Male	◆, △
		Member	Seung Woo Seo	Independent Director	Male	◆, △
Audit Committee	• Conduct audits of company operations and accounting • Review and provide opinions on matters that may affect the independence of external auditors • Hold authority over the selection, change, and dismissal of external auditors • Ensure independence by consisting entirely of independent directors and secure expertise by including accounting/financial experts	Chair	Choong Yeul Yoo	Independent Director	Male	■, △
		Member	Soo Jin Kang	Independent Director	Female	◇, ■, △
		Member	Seung Woo Seo	Independent Director	Male	■, △
		Member	Sung Choon Kang	Independent Director	Male	◇, △
Management Committee	• Deliberate and decide on routine management matters that do not require collective decisions by the entire Board • Notify all directors of Management Committee resolutions and enable the Board to re-deliberate on matters resolved by the Committee to maintain Board-level control	Chair	William (Joo Wan) Cho	Executive Director	Male	△
		Member	Chang Tae Kim	Executive Director	Male	■
Independent Director Candidate Recommendation Committee	• Recommend candidates for new independent directors • Screen independent director candidates according to the Commercial Act, related laws, and the committee's regulations • Ensure fairness and independence by having a majority of independent directors	Chair	Sung Choon Kang	Independent Director	Male	◆, △
		Member	Bong Seok Kwon	Non-Executive Director	Male	None
		Member	Soo Jin Kang	Independent Director	Female	◆, ■, △

◇ Independent Director Candidate Recommendation Committee | ◆ Audit Committee | □ Management Committee | ■ Related Party Transactions Committee | △ ESG Committee

Corporate Governance

Governance

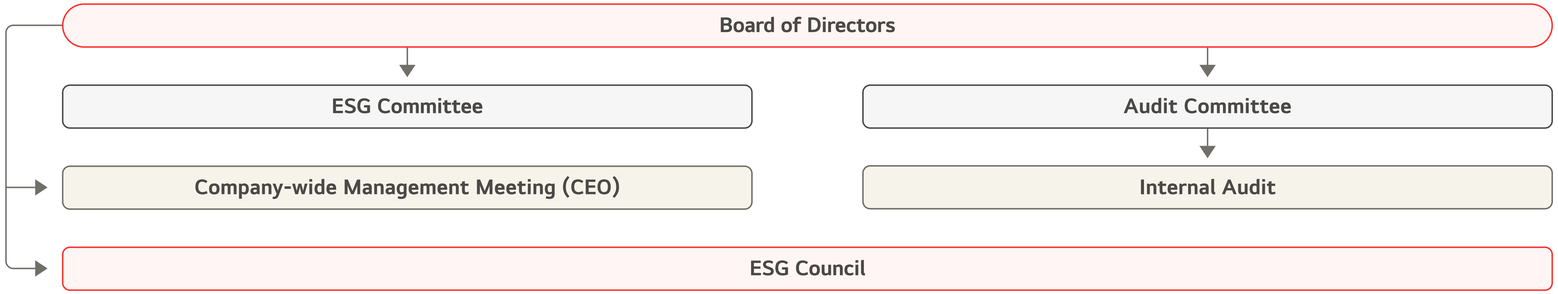
Sustainability Management Governance System

LG Electronics operates a structured sustainability management framework centered around the ESG Committee under the Board of Directors, the company-wide Management Council, and an ESG Council led by the Chief Strategy Officer (CSO), to effectively drive sustainable growth.

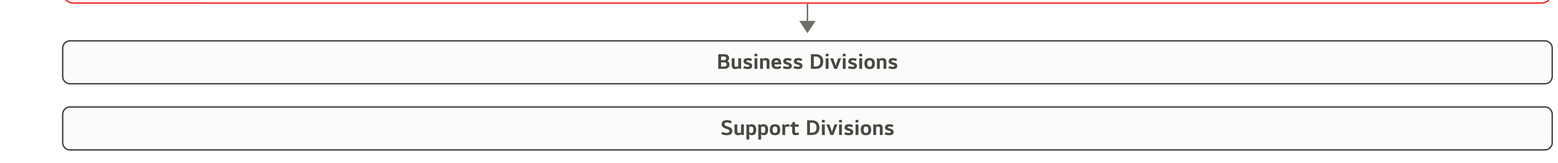
The ESG Committee is an organization under the Board of Directors, established to strengthen ESG management across Environment(E), Social(S), and Governance(G), and to achieve long-term, sustainable growth. It consists of one executive director, including the CEO, and four independent directors. The committee is responsible for deliberating, resolving, and overseeing fundamental ESG policies and strategies, setting mid- to long-term goals, reviewing key implementation plans and performance, and responding to significant ESG-related risks. Regular meetings are held twice a year, with additional meetings convened as needed. The committee also serves as an advisory body in the execution of ESG strategies.

An ESG Council, led by the CSO and aligned with company-wide management meetings, is held quarterly. It comprises heads of key functional divisions such as business strategy, environment, HR, procurement, and R&D. This council monitors the implementation status of ESG strategic initiatives, identifies areas for improvement, and reports key discussion points to the ESG Committee, facilitating Board-level discussions and strategic decision-making.

In addition, LG Electronics established a Carbon Neutrality Task Force in 2024 to strengthen its climate response capabilities and enhance the execution of ESG strategic tasks, thereby driving meaningful results across all areas of ESG management. Based on this governance structure, LG Electronics continues to build a virtuous cycle of effective ESG performance and risk response throughout its operations.



Category		Decision-Support Council	Leading Department
Environment	Climate Change	ESG Council	ESG Strategy Division_Carbon Neutrality Task Force
	Business Site Operations	Smart Working Committee (SWC)	Safety and Environment Center
	Resource Circulation	Smart Working Committee (SWC)	Product Compliance Office, Safety and Environment Center
	Product Responsibility	ESG Council	Product Compliance Office
Social	Labor / Human Rights	Labor Relations Council	Labor Relations Department, ESG Strategy Division
	Health & Safety	Smart Working Committee (SWC)	Safety and Environment Center, Shared Growth Department
	HR Management	HQ/Division HR Meetings HR Functional Councils	HR Division, Talent Acquisition
	Human Capital		HR Department, Talent Development Department
	Organizational Culture		Talent Development Department
	Supply Chain Management	Supplier Review Council	Shared Growth Department/Global Operation Center
	Customer Management	Customer Value Innovation Division CS O.N.E Talk	CS Strategy Department, Quality Management Center
	Local Communities	ESG Council	Procurement Strategy Department, External Affairs Department
Governance	Ethics/Compliance	Compliance Committee	Jeong-Do Management Center, Compliance Office
	Information Security	Information Security/Personal Information Protection Commission (Security/Privacy Committee)	Information Protection Department, SW Security Development Office
	Risk Management	Risk Management Committee	CRO, Jeong-Do Management Center
	Corporate Governance/BOD		Compliance Office



Corporate Governance

Governance

Agenda Items from ESG Committee and Council

In 2024, the ESG Committee convened a total of three times to deliberate, report on, and resolve 10 agenda items related to the development and implementation review of the ESG management strategy.

ESG Committee Meeting Dates and Reported Agenda Items

Meeting	Date	Category	Agenda Title
1st	March 26, 2024	Reporting	Report on Open Shareholders' Meeting Operations
		Reporting	Report on 2024 ESG Management Strategy
		Approval	Approval of New Shareholder Return Policy
2nd	June 27, 2024	Reporting	Report on 2024 1H ESG Management Performance
		Reporting	Report on the Publication of the 2023-2024 Sustainability Report
		Reporting	Report on Current Status of Company-wide Compliance Risk Management and Improvement Plan
		Approval	Approval of Company-wide Environmental Policy and Materiality Assessment
3rd	November 19, 2024	Reporting	Report on 2024 ESG Performance and 2025 Plan
		Reporting	Report on Current Status of Carbon Emissions Trading Project and Future Plans
		Reporting	Report on Current Status of Company-wide Compliance Risk Management and Improvement Plan

The ESG Council held regular quarterly meetings to review the progress and key improvements of ESG strategic initiatives. The discussions covered topics such as monitoring the status of carbon neutrality initiatives, addressing human rights risks in the supply chain, and enhancing internal collaboration systems around key ESG issues.

ESG Council Meeting Dates and Discussion Topics

Meeting	Date	Discussion Topics
1st	April 2, 2024	Establishment of strategic direction to secure market competitiveness through ESG management
		Review of current status of ESG task implementation and operation of new tasks in the H&A HQ
		Sharing of response plans for major 2024 ESG ratings
2nd	June 26, 2024	Review of current ESG rating status and risk factors
		Review of human rights impact assessment implementation and response framework
		Review of implementation status of company-wide eco-friendly packaging roadmap
		Report on ESG communication strategy and guidelines
3rd	September 30, 2024	Review of carbon credits securing strategy and implementation plan
		Sharing of accessibility initiatives to enhance customer experience
		Establishment of response plans for major ESG ratings (EcoVadis)

Convening of the Board of Directors

In accordance with Article 35 of the Articles of Incorporation and Article 9 of the Board of Directors Regulations, LG Electronics grants the authority to convene the Board of Directors to the Chairperson of the Board or a director designated by the Board. All directors must be notified of the meeting's date, time, location, and agenda at least 12 hours in advance. If necessary, any director may request a meeting by submitting an agenda item and the reason for the request to the authorized convener. If the authorized convener fails to convene the Board without just cause, the requesting director is granted the authority to convene the meeting directly.

Board Resolutions

According to Article 36 of the Articles of Incorporation and Article 12 of the Board of Directors Regulations, the requirements for adopting resolutions by the Board are clearly defined. Generally, Board resolutions require the attendance of a majority of Directors and the approval of a majority of those present. In cases where specific laws stipulate otherwise, such provisions take precedence. To ensure fairness, any Director who has a conflict of interest related to a particular agenda item is prohibited from exercising voting rights on that matter.

Additionally, in accordance with Article 391 of the Commercial Act and Article 12 of the Board Regulations, all Directors may participate in Board meetings through means of communication that allows simultaneous two-way audio transmission. Participation via such methods is recognized as having the same effect as in-person meeting.

Corporate Governance

Strategy

LG Electronics is reinforcing its sustainable governance structure by establishing a Board of Directors that is grounded in independence, expertise, and diversity, while faithfully implementing shareholder return policies. The company remains committed to enhancing responsible governance and management transparency through systematic oversight.

Board of Directors

Board Appointment

When appointing directors, LG Electronics goes through nomination of candidates, deliberation, resolution by the Board of Directors, and approval by the General Meeting of Shareholders. At the shareholders' meeting, directors are elected through a yes-or-no voting method in accordance with Article 382 of the Korean Commercial Act. The term of office for directors is set at a maximum of three years, as specified in Article 29 of the Articles of Incorporation. Reappointment is permitted under the Commercial Act, allowing directors to serve for up to six years if re-elected.

Appointing the Chairperson of the Board

To enhance the independence and transparency of the Board, LG Electronics operates a separate chairperson system from the CEO. Currently, the Chairperson of the Board is a non-executive director. In accordance with the Board regulations, the Chairperson is elected from among the executive directors, non-executive directors, or independent directors. The Chairperson leads the deliberation and resolution of key corporate matters, including shareholder meeting approvals, financial statement approvals, amendments to the Articles of Incorporation, and capital raising.

Nomination and Appointment of Independent Directors

For independent directors, candidates are nominated and reviewed through the Independent Director Candidate Recommendation Committee. The committee recommends and evaluates candidates based on the eligibility criteria outlined in the Commercial Act and other applicable regulations. To ensure independence, the committee does not include any executive directors as members.

2024-2025 Activities to Support Expertise of the Independent Directors

As of the end of March 2025

Category	Date	Purpose and Details
CES2024 Visit	January 5-10, 2024	• Improve understanding of the company's business • Gain insights into the latest global industry trends
Independent Director Workshop	August 29-30, 2024	• Improve understanding of the company's business and operating environment through business strategy sessions and external lectures
Overseas Business Site Visit	February 3-7, 2025	• Improve understanding of overseas sales operations • Review the current status of technology development and production activities at overseas R&D and production subsidiaries • Strengthen insights into the Asian region through briefings on local operations

Board Independence

To ensure the independence of the Board, LG Electronics rigorously reviews the qualifications of candidates based on internally established independence guidelines and appoints them as independent directors only when these criteria are fully met. In addition, the majority of the Board is composed of independent directors, providing institutional assurance of its independence. By separating the roles of CEO and Chairperson of the Board, LG Electronics further strengthens the Board's oversight over management.

This structure serves as a foundation for the Board to fulfill its role in promoting balanced oversight of executive decision-making, thereby supporting the company's long-term sustainability and enhancing shareholder value.

LG Electronics 「Guidelines on Independent Director's Independence」

LG Electronics Inc. (hereinafter referred to as "LG Electronics") ensures that a majority of its Board is composed of independent directors and continues to develop systems to safeguard the independence of independent directors. LG Electronics complies with the requirements related to independent director independence as stipulated in the Commercial Act and other relevant laws, and maintains a Board in which more than half of the members are independent directors. The Board actively reviews and reinforces the independence of both director candidates and incumbent directors, based on these requirements.

Go to the Full Text of 「Guidelines on Independent Directors' Independence」

Board Diversity and Expertise

To ensure the expertise and diversity of the Board, LG Electronics appoints directors with a broad range of competencies across gender, age, experience, background, and field, thereby reflecting the diverse perspectives of stakeholders, including shareholders and customers. Newly elected independent directors receive orientation on the current status and operating procedures of the Board to support their smooth integration into the organization. They are also encouraged to serve on at least three board committees to fully leverage their expertise. Additionally, LG Electronics offers a range of programs to strengthen directors' professional capabilities, including training on accounting oversight trends for Audit Committee members, ensuring that independent directors can perform their duties with the highest level of professionalism across the Board and its committees.

LG Electronics 「Guidelines on the Expertise and Diversity of the Board of Directors」

The Board of Directors of LG Electronics Inc. (hereinafter referred to as "LG Electronics") consists of directors who possess strong capabilities across a broad range of fields to ensure sound and rational decision-making. The company strives to ensure that the Board is equipped to consider diverse stakeholder perspectives and make informed decisions on matters of strategic importance to the company.

Go to the Full Text of 「Guidelines on the Expertise and Diversity of the Board of Directors」

Corporate Governance

Strategy

Shareholders

Establishment of Shareholder Return Policy Including Dividends

LG Electronics has established and operates a shareholder return policy to enhance shareholder value. This policy is formulated within the scope of distributable earnings, taking into account future strategic investments, the company's financial structure, and the overall business environment. Shareholders are informed at least once a year through filings on the Electronic Disclosure System (DART) and postings on the company's website in both Korean and English. Starting in 2024 and for the following three fiscal years (FY2024-FY2026), LG Electronics is committed to returning at least 25% of its consolidated net income to shareholders annually and paying a minimum annual dividend of KRW 1,000 per common share. Dividends will be distributed twice a year to ensure that all shareholders receive a fair and appropriate return and reinforce their rights.

Convening of the Shareholders' Meeting

LG Electronics convenes an annual shareholders' meeting within three months of the end of each fiscal year to ensure shareholders' voting rights and enhance transparency in management. Extraordinary general meetings are also held when necessary. To promote informed voting and encourage active participation and expression of opinions, a notice of convocation is issued four weeks in advance. This notice provides shareholders with details on the meeting's date, location, and agenda. The company also participates in the Korea Listed Companies Association's voluntary program for dispersing meeting dates and implements measures such as electronic voting and proxy solicitation. Additionally, to facilitate shareholder proposals, LG Electronics provides clear procedural guidance on its website. If a proposal is submitted, it is promptly reported to the Board of Directors, and the item is considered for inclusion during the Board meeting at which the shareholders' meeting is convened. The IR Planning Team is designated as the responsible department for handling shareholder proposal rights.

Risk Management

From the perspective of corporate governance, LG Electronics conducts regular evaluations of the Board of Directors and independent directors to assess the effectiveness of Board operations. By systematically monitoring the validity and efficiency of its governance practices, the company ensures a well-managed governance structure and remains committed to continuously strengthening it.

Board Efficiency

LG Electronics holds preliminary briefing sessions composed solely of independent directors prior to board meetings, enabling them to thoroughly review agenda items and make informed decisions. During these sessions, executives present each agenda item to the independent directors in person and conduct a Q&A to ensure comprehensive pre-review of the matters to be discussed. The opinions generated during the meeting process are reflected in the board agenda and contribute to enhancing the quality of decision-making. In addition, to support independent directors' full and effective participation, LG Electronics has established a dedicated Board Secretariat. This office provides continuous support to ensure that independent directors can perform their duties efficiently. By delivering tailored assistance and resources needed for agenda review and decision-making, the Board Secretariat plays a key role in enhancing both the quality of deliberations and the overall efficiency of Board operations.

Pre-Board Briefing Session Status As of the end of December 2024

Category	Unit	2024
Number of Pre-Board Briefing Sessions Held	Cases	9
Attendance Rate of Independent Directors (including virtual participation)	%	97.2

Evaluation of the Appropriateness of Board Operations

LG Electronics ensures the validity and effectiveness of its board operations through regular evaluations of both the board as a whole and individual independent directors. The results of these evaluations, based on the individual performance of independent directors, are used as a key reference for the Independent Director Candidate Recommendation Committee when assessing professionalism, competency, and qualifications for reappointment. These results also serve as foundational data for strengthening board capabilities and improving overall operations. The evaluation incorporates both quantitative and qualitative criteria, focusing on objective indicators, such as expertise, board meeting attendance, and contributions to board activities, in order to ensure fairness.

The results of the evaluation, along with the overall status of the board operation, are disclosed annually through the corporate governance report. This transparent disclosure continuously reinforces the board's accountability and strengthens the transparency of its operations.

Corporate Governance

Targets and Metrics

To enhance the operational efficiency of its corporate governance, LG Electronics establishes specific goals related to the Board of Directors and continuously monitors performance to strengthen the integrity and effectiveness of board operations.

2024 Board Overview

In accordance with the Board regulations, LG Electronics holds regular Board meetings once every quarter, and additional meetings are convened as necessary. To enhance governance effectiveness, the company has established an annual target of 100% board member attendance. In 2024, nine Board meetings were held, achieving a 100% attendance rate.

Operational Status

Unit	Board Meetings	Items Approved	Items Reported
Cases	9	27	19

Attendance

Unit	Average Attendance Rate	Executive Directors' Attendance Rate	Independent Directors' Attendance Rate	Minimum Attendance Rate
%	100	100	100	100

Category	Name	Attendance Rate	Notes
Executive Director	William (Joo Wan) Cho	9/9	
	Chang Tae Kim	7/7	Appointed on March 26, 2024
Non-Executive Director	Bong Seok Kwon	9/9	
Independent Director	Sang Koo Lee	9/9	
	Soo Jin Kang	9/9	
	Choong Yeul Yoo	9/9	
	Seung Woo Seo	9/9	

Board Remuneration

LG Electronics transparently discloses the standards and criteria used to determine the remuneration of its board members. The compensation for independent directors and non-executive directors is determined based on internal standards set by the Board, taking into account their responsibilities, roles, and level of engagement. Individual remuneration details are disclosed in the company's annual business report. Remuneration of directors is executed through a resolution of the Board, within the limits approved at the annual shareholders' meeting, and reflects the company's business performance and other relevant factors.

Category	Unit	Salary	Bonus	Total	Average per person
CEO William (Joo Wan) Cho	KRW million	1,562	1,430	2,992	-
Vice President, Chang Tae Kim		554	-	554	-
Independent Director				408	102

Evaluation of Executive Performance and Remuneration System

LG Electronics evaluates the performance of executives over up to three years, based on both quantitative and qualitative metrics. The company also transparently discloses the standards and methodology used to calculate remuneration of the executives based on these evaluations. The remuneration of the executives is determined within the budget approved at the shareholders' meeting, reflecting the executive's position and responsibilities in accordance with Board standards. For bonuses, payments range from 0% to 150% of the base compensation, based on a comprehensive evaluation that considers both quantitative and qualitative metrics, in accordance with the company's executive remuneration policy.

Category	Executive Performance Indicators
Quantitative Metrics	Revenue, operating profit, etc.
Qualitative Metrics	Cash flow, liquidity, product, risk, etc.

Jeong-Do Management/Compliance Management

Governance

LG Electronics upholds the highest standards of ethics and compliance in all business activities, based on the LG Way corporate philosophy. The Board of Directors and top management closely oversee the establishment and operation of the company's ethical and compliance management systems to ensure transparent and fair corporate governance. These principles are thoroughly internalized throughout the organization. Moreover, the company's Code of Ethics and Code of Conduct serve as clear guidelines for correct behavior and sound value judgment that all employees must follow. Through this, LG Electronics aims to mitigate potential risks and solidify its trust with stakeholders.

Organizational Structure and Responsibility Framework

LG Electronics operates dedicated organizations with functional expertise to effectively implement the principles of Jeong-Do Management and Compliance Management.

- The Jeong-Do Management Center, a CEO-direct reporting organization, is responsible for establishing and operating ethics management policies based on the LG Way. Its key roles include company-wide dissemination of the Code of Ethics, implementation of differentiated training programs tailored to roles and responsibilities, investigation and follow-up of Code violations, and leading activities to enhance employees' ethical awareness and embed a culture of Jeong-Do (righteous) management.
- The Compliance Office, directly overseen by the CEO, is responsible for overseeing the establishment, operation, monitoring, and enhancement of the company-wide compliance framework. Its core functions encompass identifying legal obligations, assessing risks, monitoring performance adherence, verifying the effectiveness of training program implementations, and managing documentation and reporting systems. The office is structured with specialized teams: Legal Planning Team, Compliance Support Team and Compliance Investigation Team. Together, these teams significantly bolster the organization's comprehensive compliance capabilities.
- The Fair Trade Team, operating under the External Relations Division, conducts education, inspection, and management activities in accordance with the Monopoly Regulation and Fair Trade Act of Korea. These efforts aim to prevent unfair subcontracting practices, prohibit misleading advertisements, eliminate collusion, and deter unfair trade practices.

These organizations work in close coordination, sharing information and collaborating to comprehensively manage risks related to ethics, compliance, and fair trade. They support all employees in conducting their work with a high level of ethical awareness and a strong commitment to compliance.



Code of Ethics and Code of Conduct Framework

LG Electronics has established and operates a Code of Ethics and a Code of Conduct to ensure that employees carry out their duties in accordance with ethical standards.

The Code of Ethics, based on the philosophy of Jeong-Do Management, emphasizes the core values of "integrity," "fair treatment," and "competition through competence." It is overseen by the Jeong-Do Management Center and is applied consistently across all business sites worldwide. Since its enactment in 1994, the Code has been continuously revised in response to changes in the business environment and the times, serving as a standard for employee behavior in various ethical decision-making situations.

The Code of Conduct, overseen by the Compliance Office, outlines essential principles of legal compliance that all employees must follow in their global operations. It covers critical areas such as anti-corruption measures, adherence to fair trade practices, protection of human rights, and maintaining information security. To ensure these principles are effectively applied in daily work, the Code is supported by specific behavioral guidelines and practical, case-based training programs.

And LG Electronics has established and implemented the "Anti-Bribery and Anti-Corruption Regulations." to guide employees in making ethical decisions and conducting themselves responsibly, thereby fostering a culture of integrity within the organization.

Operation of the Compliance Committee

LG Electronics maintains a comprehensive Compliance Committee to effectively manage and enhance compliance throughout the organization. The corporate-level Committee includes top executives and representatives from critical departments. It focuses on monitoring global legal, regulatory, and sanction trends, developing strategic action plans, and ensuring alignment with overarching compliance strategies.

At the business unit level, each unit has its own Committee, comprising organizational leaders, management staff, compliance manager, and frontline employees. These committees assess risk management practices, pinpoint areas for enhancement, and implement customized compliance measures tailored to their specific needs. This dual-level approach ensures consistent and robust risk management practices across all departments. By establishing foundational compliance policies and strategies, these committees also ensure regular reporting of significant compliance issues to both the ESG Committee and the Board of Directors. This structured reporting mechanism supports the company's overall commitment to integrity and the effective operation of its compliance control system.

Jeong-Do Management/Compliance Management

Governance

Standards and Certification of Compliance Management

LG Electronics has established the "Compliance Control Standards," internal regulations designed to ensure systematic compliance across all levels of the organization. These standards were adopted by the Board of Directors in accordance with Article 40 of the Enforcement Decree of the Commercial Act, serving as the foundational principles for compliance management. They provide a comprehensive framework for internal control that applies to every employee, promoting a culture of fairness and transparency in business operations.

Additionally, LG Electronics has obtained ISO 37301 certification for all its domestic business sites, an international standard that outlines requirements for effective compliance management systems. This certification highlights the company's dedication to maintaining a strong compliance framework. To ensure ongoing effectiveness, regular follow-up audits are conducted, verifying that the system is properly designed, implemented, and operated, thus objectively demonstrating the reliability and effectiveness of LG Electronics' global compliance practices.

Operation of Reporting System and Whistleblower Protection Framework

LG Electronics has established and operates a company-wide reporting system to detect and address ethics and compliance violations at an early stage and handle them fairly. The system is overseen by the Ethics Bureau, which reports directly to the CEO. Reports received through the system are handled in collaboration with relevant departments, depending on the nature of the issue. In cases where legal risks are identified, investigations and necessary actions are taken in coordination with the Compliance Office. In the case of critical matters, reports may be submitted to the ESG Committee or the Board of Directors as needed. Follow-up actions and corrective measures related to the outcomes are also systematically managed.

The reporting system is operated in multiple languages to ensure accessibility not only for employees but also for external stakeholders. Reports can be submitted through various channels, including the Jeong-Do Management Hotline, email, and telephone. All reports are managed under strict confidentiality procedures, and the whistleblower's identity is thoroughly protected throughout the entire process—from receipt and investigation to resolution. Furthermore, the system is managed within an independent information security framework to ensure reliability and transparency. This helps prevent potential risks both inside and outside the organization and fosters an environment where all members can safely and freely raise concerns.

In addition, regular training programs are conducted on the reporting system. Code of Ethics and Code of Conduct training is included in the mandatory courses for new hires and employees, tailored to their job level. These programs offer guidance on utilizing reporting channels, whistleblower protection policies, and case-based response methods, thereby promoting a culture of reporting.

LG Electronics also operates a dedicated counseling center and a chatbot-based FAQ system to help employees easily access and utilize the information needed for ethical decision-making. Counseling is available both online and offline, and anonymous inquiry and real-time automated response features are provided to enhance accessibility and convenience for members, allowing them to make inquiries without feeling pressured.

Strategy

LG Electronics is taking a strategic approach to internalizing ethics and compliance management into its overall organizational culture and enhancing execution competency. To this end, the company has established a systematic operational foundation centered around dedicated organizations for each area of ethics, compliance, and fair trade. Going beyond just establishing policy, LG Electronics conducts integrated management activities that encompass prevention, education, monitoring, and reward, to proactively identify and mitigate risks.

Jeong-Do Management Philosophy and Its Practical Strategy

LG Electronics embraces Jeong-Do Management as a core philosophy of corporate management and applies it as the standard for all decision-making and behavior. Based on this philosophy, the Jeong-Do Management Center leads company-wide implementation of the Code of Ethics, grounded in the principles of "integrity," "fair treatment," and "fair competition through competence."

Systematic policies, training, and diagnostic frameworks are in place to ensure that ethical judgment and behavior become embedded in the organizational culture, with a strong focus on preventive measures to avoid the occurrence of risks. Also, in the event of a violation, investigations, follow-up actions, and post-monitoring are conducted to enhance the effectiveness and execution competency of ethical management.

Compliance Strategy

LG Electronics operates an early risk detection and proactive response system for systematic compliance management, led by the Compliance Office. Compliance Managers are stationed at both domestic and international sites to enhance autonomous implementation on-site. Responsibilities across organizational units are clarified using key performance indicators (KPIs) such as risk prevention activities, training completion rates, and violation occurrences. In the medium to long term, LG aims to bolster its response to domestic and global compliance risks by advancing its risk detection systems, refining its global regulatory compliance framework, and strengthening a performance-based evaluation system focused on execution capabilities.

Enhancing Employee Awareness and Internalizing an Ethical Culture

LG Electronics is strengthening training and communication activities for employees to internalize a company-wide culture of ethics and compliance. Customized training programs are conducted at least once a year, tailored to job roles and positions. The completion of training is linked to a pledge of commitment, fostering a sense of voluntary compliance. Additionally, campaigns utilizing diverse content, such as newsletters, webtoons, and short-form videos, are employed to spark interest and encourage employee participation. These efforts lay the groundwork for translating ethical awareness into everyday practice.

Activities to Establish a Culture of Fair Trade

LG Electronics manages key risks related to fair trade, including unfair trade practices, advertising and labeling, subcontracting, and collusion, in accordance with major domestic laws and regulations. In accordance with the Compliance Program (CP), the company regularly conducts pre-assessments, training, and improvement activities. It also operates a system for managing data requests and contracts to establish fair trade practices with suppliers. Through these efforts, LG Electronics works to prevent legal risks in advance and strengthen a culture of fair trade.

Jeong-Do Management/Compliance Management

Risk Management

LG Electronics systematically manages business risks related to ethics, compliance, and fair trade, striving to minimize the likelihood of risk exposure through a proactive, prevention-focused response system. To this end, the company identifies potential risks that may arise in each area of ethics, compliance, and fair trade, and implements response measures including pre-assessments, inspections, training, and improvement activities.

Assessment of Jeong-Do Management and Prevention of Ethical Risks

The Jeong-Do Management Center conducts regular management assessments and preventive diagnostics for business divisions and subsidiaries, both domestic and overseas, to proactively prevent company-wide ethical risks. Assessment items include compliance with the Code of Ethics, conflict of interest management, and the effectiveness of internal control systems. These assessments are managed through a systematic process that goes beyond identifying violations to analyzing the root causes and implementing corrective actions. The results are shared with relevant departments, leading to institutional enhancements and improvements. Through this approach, LG Electronics continuously strengthens its company-wide capabilities in responding to ethical risks.

Compliance Program

LG Electronics operates a program to effectively and systematically manage compliance risks. This process is structured across all stages, from proactive identification of legal and regulatory changes to training, monitoring, reporting, and follow-up management, and also addressing both risk prevention and measures to prevent recurrence. Additionally, regular reports on risk assessment results are submitted to top decision-making bodies, including the Board of Directors and the ESG Committee, thereby strengthening the company-wide management system.

Compliance Risk Management Process

Identification/ Assessment
- Research on legal and regulatory trends
- Monitoring of major violations and enforcement trends
- Detection of new risks and management of the risk pool
- Evaluation of risk management maturity

Improvement
- Online/offline compliance training
- Improvement of business policies and processes
- Provision of compliance advice and consulting
- Response to stakeholder requirements

Monitoring
- Investigation of compliance and diagnosis
- Monitoring risk prevention activities
- Operation of key compliance performance indicators
- Employee self-assessments

Reporting
- Board of Directors and ESG Committee
- Compliance Committee
- Public disclosures

Follow-up Management
- Training to prevent recurrence
- Monitoring recurrence prevention through compliance indicator management

LG Electronics is enhancing its compliance checks of relevant regulations and policies to proactively address company-wide anti-corruption risks. All employees are required to voluntarily assess their involvement in misconduct, such as bribery, annually and reaffirm their commitment to ethical conduct through a compliance pledge. Each business site regularly evaluates the likelihood and impact of corruption risks, and conducts tailored improvement activities based on the evaluation results. These efforts help establish an organizational culture that aligns with international ethical standards and enhance resilience against risks in the global business environment.

Compliance Check in 2024

Month	Activity
January 2024	Check of consumer misunderstanding risk related to funeral service bundled products
June 2024	On-site inspection of check and labeling risks at overseas sales subsidiaries
	On-site check of fair trade risks in the European region
August 2024	Check of risk related to reuse of returned products
November 2024	Check of compliance with safety and environmental regulations at production subsidiaries
	Check and support for establishing compliance management systems at new production subsidiaries

Jeong-Do Management/Compliance Management

Risk Management

Inspection of Fair Trade Risk and Management Process

LG Electronics operates risk management process, "risk selection → assessment → development of management plan → implementation of improvements," to systematically manage domestic and international fair trade risks. Key inspection areas include subcontracting transactions, collusion, advertising and labeling, and protection of technical data. Inspection items and frequencies are flexibly adjusted in response to amendments in relevant laws and changes in the business environment to ensure the effectiveness of risk response.

In addition, through the Fair Trade Compliance Program (CP), LG Electronics conducts employee training by business unit, internal inspections, legal reviews, and follow-up improvement activities in parallel to strengthen its capabilities in preventing and responding to risks. Risks, such as unfair trade practices, misleading advertising, and violations of the Fair Transactions in Subcontracting Act, are managed throughout the entire process, from pre-review to post-monitoring, under an internal control system. The results of regular inspections are reported to the risk management department and executive management, and additional response measures are established when necessary.

Risk Selection	Risk Assessment	Risk Management Planning	Implementation of Risk Improvements
• Unfair trade practices and misleading advertising • Unfair subcontracting practices • Collusive behavior	• Detection of fair trade violations • Identification of key risk factors • Assessment of violations by area	• Compilation of risk assessment results • Selection of key risks • Development of risk management plans	• Causal analysis of violations • Derivation of improvement plans and prioritization • Implementation and monitoring of improvement activities

Fair Trade Risk Inspection and Management

Risk Improvement and Management

Monitoring
- Ongoing monitoring and unannounced inspections
- Business process improvements

Raising employee awareness
- Employee training
- Sending fair trade newsletter

Provision of guidelines
- Establishment and revision of company standards
- Introduction of IT systems

Enhancing Awareness of Enterprise Risk and Self-Assessment

LG Electronics has established the enhancement of employees' risk sensitivity and the promotion of a culture of voluntary compliance as strategic priorities, and operates an integrated company-wide system for training and inspections.

The Jeong-Do Management Center and the Compliance Office provide ethics and compliance training tailored to job functions and positions for all domestic and overseas employees at least once a year. The Fair Trade Team separately conducts role-specific training focused on fair trade risks for relevant personnel. Training is conducted both online and offline, focusing on practical, job-related topics such as the Code of Ethics, Code of Conduct, anti-corruption, fair trade, sexual harassment prevention, and personal information protection. After completing the training, employees submit a pledge of commitment to reinforce their voluntary dedication to compliance.

In addition, LG Electronics conducts an annual compliance self-assessment survey. This survey is based on the Code of Conduct and internal policies, covering a wide range of risk areas, including bribery, collusion, discrimination, internal transactions, and false advertising. In 2024, 45,494 employees participated in the survey, representing 94.1% of the global workforce. The results are utilized in various organizational management activities, such as analyzing risk awareness levels by department, improving training plans, and identifying key areas for inspection.

Enhancing Organization-wide Compliance Response Capabilities (Compliance Advisory)

LG Electronics is strengthening its field-level support and advisory system to enhance the organization's capacity to respond to compliance risks. The Compliance Office monitors domestic and international laws and enforcement trends, providing compliance advisory services and practical guidelines to business units. This enables each organization to independently identify and respond to risks. A legal advisory system supports the Board of Directors and executive management in making business-critical decisions, while customized guidance based on country-specific regulatory requirements enhances execution competency across global business sites.

Jeong-Do Management/Compliance Management

Targets and Metrics

To enhance the effectiveness of ethics and compliance management and systematically monitor its implementation, LG Electronics has established key performance indicators (KPIs) for each area and conducts company-wide evaluations. Key indicators include training completion rate, self-assessment participation rate, number of reports filed, and implementation inspection rate. These indicators enable a quantitative evaluation of ethics and compliance activities, the identification of areas requiring improvement, and the development of effective management measures.

Current Status of Completion of Jeong-Do Management Training

LG Electronics recognizes Jeong-Do Management as an essential requirement for corporate survival and continuously conducts company-wide training to embed it throughout the organization. Through these efforts, Jeong-Do Management is being established as part of the organizational culture, and all employees are systematically guided to practice ethical management.

Yearly Participants Completed Jeong-Do Management Training

Category	Unit	2022	2023	2024
Online	Persons	36,070	37,304	26,936
Offline		4,605	10,231	28,907
Total		40,675	47,535	55,843

Current Status of Training on Preventing Workplace Bullying/Sexual Harassment[1)]

Category	Unit	2022	2023	2024
Participants	Persons	9,574	7,586	7,261

1) Refers to participants who completed internally conducted training on preventing workplace bullying/sexual harassment in addition to legally mandated courses.

ESG Data [Jeong-Do Management Online and Offline Training Completion Status]

As of 2024, the total number of participants who completed online and offline ethics and Jeong-Do Management training reached 55,843, representing an increase of about 17.5% compared to the previous year. Training programs, previously limited to certain functional roles, have been expanded and formalized across all job functions. Additionally, ethics training for overseas subsidiaries has been strengthened, establishing a more systematic foundation for ethical management education.

The training on preventing workplace bullying and sexual harassment has also been scaled up company-wide, establishing an ethical organizational culture through continuous monitoring of the progress and improvement efforts.

Setting and Management of Compliance Indicator

LG Electronics has set its mid- to long-term compliance goals with a focus on enhancing corporate transparency, developing an early risk detection system, and bolstering on-site execution capabilities. To meet these objectives, the company is expanding its corporate-wide compliance programs, ensuring adherence to both domestic and international regulations, and proactively addressing potential issues. To quantitatively track progress, LG Electronics has established key performance indicators (KPIs) such as the compliance training completion rate, the participation rate in self-assessments, and the frequency of Compliance Committee. These KPIs help in systematically managing and monitoring the effectiveness of their compliance initiatives.

Implementation Plan

- Enhancing the company-wide compliance program
- Strengthening monitoring and response to internal and external laws and regulations
- Conducting proactive monitoring of compliance issues and reinforcing corporate compliance check
- Supporting on-site self-management activities and providing customized consulting

Mid- to Long-term Goals

- Enhancing corporate transparency and credibility
- Establishing an early risk sensing and proactive response system
- Advancing risk management level
- Building an on-site oriented, active management system

Risk Management

Governance

LG Electronics recognizes the importance of proactively identifying, assessing, and managing risks in a rapidly changing global business environment, viewing it as a key element of sustainable growth and enhanced corporate value. Based on an Enterprise Risk Management (ERM) framework, we systematically manage risks across all areas, including financial, operational, strategic, reputational, and ESG (Environmental, Social, and Governance) factors. We continually enhance our risk management system to ensure agile and effective responses to shifts in the external environment.

Risk Governance

LG Electronics operates its risk management system based on clearly defined roles and responsibilities, securing company-wide responsiveness and execution competency through close collaboration with the internal audit organization. The Board of Directors oversees the overall framework, working with the internal audit team to evaluate the effectiveness and appropriateness of operations. The Chief Executive Officer (CEO), as the ultimate authority over enterprise risk management, leads strategic implementation and delegates responsibilities to the Chief Risk Officer (CRO).

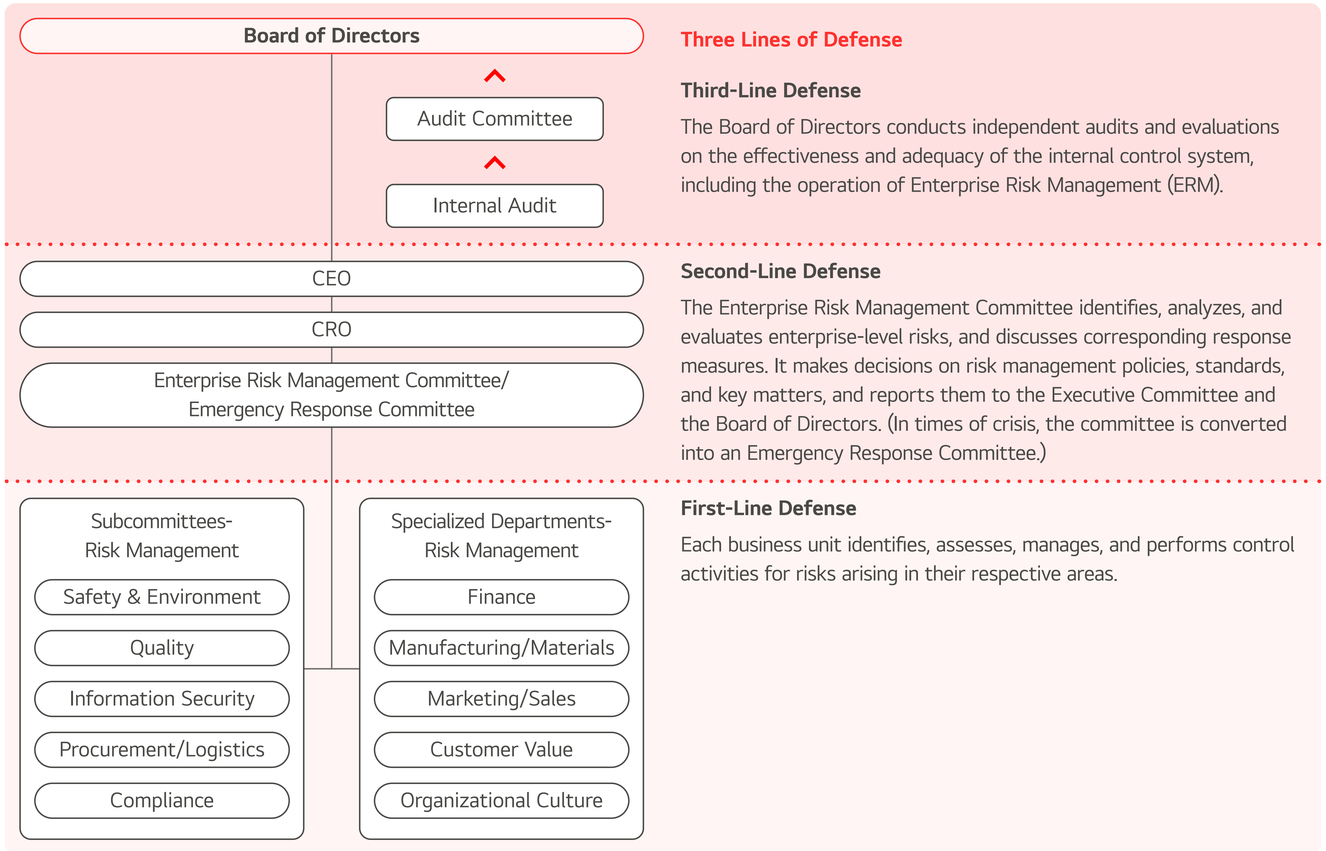
From risk identification and assessment to mitigation efforts, the CRO oversees the entire process and convenes the Enterprise Risk Management Committee semiannually to review key enterprise risks and corresponding response strategies. The Enterprise Risk Management Committee operates a practical risk response system through subcommittees linked to each specialized department and ensures a consistent direction in risk management through a top-down and bottom-up communication structure. Meanwhile, the internal audit organization, operating independently of both management and business units, conducts inspections and validations of the risk management framework to ensure objectivity and reliability.

LG Electronics' risk management system is built upon the Three Lines of Defense model: the first line consists of business units responsible for identifying and managing risks; the second line includes functions that support and coordinate risk oversight; and the third line is the internal audit function, which provides independent review and assurance.

In addition, to ensure rapid recovery of critical functions and services and maintain business continuity in the event of unforeseen crises, LG Electronics operates a Business Continuity Management System based on ISO 22301 at key business sites. This system strengthens the company's crisis response capabilities through regular scenario-based drills and reviews of response plans. Furthermore, the Risk Management department develops mitigation measures based on the assessment of key risks and regularly monitors the implementation of these actions to evaluate the effectiveness of the company's risk management efforts.

In times of crisis, LG Electronics utilizes the Crisis Management Information System (CMIS) to rapidly disseminate information regarding incidents and emergencies occurring at domestic and international business sites. This system provides efficient response through real-time collaboration among relevant departments and personnel. In the event of a critical emergency, the company escalates its Enterprise Risk Management Committee into an Emergency Response Committee to respond to the crisis by making swift and integrated decisions.

Risk Management Organization Chart



* Safety and health risks fall under the final responsibility and decision-making authority of the Chief Safety and Environment Officer.

Functions of the Enterprise Risk Management Committee

Enterprise Risk Management Committee (Company-Wide Integrated Management of Key Risks)

- Establishes crisis management policies
- Approves key risks
- Reviews mitigation measures
- Supports implementation from a company-wide perspective

Top Down ⇕ **Bottom Up**

CRO Priority Management Subcommittee and Risk Management by Specialized Department

- Identifies and assesses risks
- Develops and implements mitigation plans
- Establishes crisis response manuals

Risk Management

Strategy

At LG Electronics, we establish our risk response direction in alignment with our overall corporate strategy, strategically integrating various risks, including those related to Environment, Social, and Governance (ESG). Enterprise risk management begins with the systematic identification of key risks that could have a significant impact on brand value, and corporate reputation. This process involves both quantitative and qualitative assessments, as well as expert interviews. Key risks, including product quality, regulatory violations, and information security, are proactively managed through established monitoring and prevention systems.

In addition, we have made the proactive management of emerging risks, which are risks growing rapidly in significance, a strategic priority. We are focused on building a mid- to long-term, structural risk management framework to address highly uncertain and far-reaching emerging risks such as the rapid advancement of AI technologies, tightening global supply chain regulations, cybersecurity threats, and climate change.

The identified risk analysis results are reflected as key considerations in the formulation of business strategies. LG Electronics plans to expand its related management framework to ensure it is organically linked to the development of its ESG strategy and setting the priority of future investments.

Key Risk Selection Process

To proactively address enterprise-level risks, LG Electronics identifies and evaluates key risks based on both quantitative and qualitative assessments, and establishes corresponding management plans.

The process begins with a quantitative evaluation of risks across the organization, based on likelihood and impact, to derive a preliminary list of key risks. Next, qualitative assessments are conducted through in-depth interviews with relevant business units and subject matter experts. When necessary, risk categories are supplemented by consulting with related departments.

Risk Selection

Preliminary list of key risks is initially selected through quantitative assessment based on frequency and impact.

Risk Evaluation

Key risks are updated through qualitative evaluation via in-depth interviews with specialized and related departments.

Risk Management Planning

The Jeong-Do Management Center and the Risk Management Center take the lead in strengthening and refining key risk response scenarios through past case analysis and internal diagnostics.

Key Risk

In 2022, LG Electronics identified a total of 12 key risks across five categories by analyzing past cases and consulting with specialized departments in each area to proactively identify and respond to potential risks that could arise across the business. These risks are factors that could significantly impact brand value and corporate reputation. To manage them systematically, we have designated dedicated risk management teams, established monitoring scenarios for each major risk, and implemented internal protocols that enable proactive responses to foreseeable threats.

This framework has been fully implemented since 2023 and conducts ongoing monitoring of key risks. Additionally, LG Electronics continually enhances its inspection scenarios and operational systems by incorporating improvements identified during operations.

Quality	Inadequate Review of Design Changes and Failure Modes	Risk of reliability issues due to omissions in reviewing changes (parts, structure) during new model development and insufficient verification of related failure modes.
	Risk of Failure Despite Passing Reliability Tests	Risk of reliability issues caused by test conditions, methods, or evaluations that do not reflect actual usage environments.
	Insufficient Final Inspection	Risk of defective products not being detected during mass production and being shipped to market.
	Poor Component Development	Risk of unqualified components entering mass production due to missing tests or errors in test conditions/judgments during the parts approval process.
	Violation of Specification	Risk of violations related to product manufacturing and sales, such as shipments without required certifications, oversight in reviewing energy-related changes, or non-compliance with hazardous substance regulations.
Procurement	Protecting the Supplier Technology	Risk arising from unauthorized use, or theft of supplier technologies.
Marketing/ Sales	Violation of Overseas Advertising Laws	Risk of regulatory penalties, lawsuits, or customer claims due to false/exaggerated, misleading, unfair comparative, or defamatory labeling and advertising of products and services (at overseas subsidiaries).
	Violation of Monopoly Regulation and Fair Trade Act	Risk of non-compliance of Monopoly Regulation and Fair Trade Act due to resale price maintenance, abuse of dominant market position, collusion, or other unfair trade practices.
	Violation of Domestic Advertising Laws	Risk of regulatory penalties, lawsuits, or customer claims due to false/exaggerated, misleading, unfair comparative, or defamatory labeling and advertising of products and services (at domestic subsidiaries).
Finance	Embezzlement of Funds	Risk of employee embezzlement due to weak internal controls, such as violations of the SOD rule or failure to follow standards for account registration/modification.
Information Security	Leakage of Marketing Customer Data	Risk of customers' personal information leakage collected through marketing activities (e.g., promotions, CRM).
	Leakage of Service Customer Data	Risk of customers' personal information leakage acquired during service center (in-house/ASC) or call center operations.

Risk Management

Strategy

Emerging Risks

LG Electronics closely monitors the rapidly changing external environment and its impact on overall business operations. From a mid- to long-term perspective, we operate a structured response system to identify and manage emerging risks.

The advancement of AI technologies, tightening of global supply chain regulations, climate change, and cybersecurity threats are potential risks that could lead to unexpected business disruptions or reputational damage. To proactively address these issues, we identify key emerging risks through external trend analysis, expert interviews, and scenario-based assessments, and regularly review their potential impacts.

LG Electronics views these emerging risks as critical factors that can influence future strategies, investment decisions, and the planning of products and services. In response, we continually advance our enterprise risk management framework, not only to mitigate threats but also to uncover new opportunities.

Category	Advancements in General Artificial Intelligence (AI)	Global Supply Chain and Regulatory Changes
Description	The rapid development of generative AI technologies presents new business opportunities, while also introducing a range of risks including data security, ethical dilemmas, and the spread of misinformation. AI technologies are increasingly being integrated not only into company-wide business processes but also into customer-facing services and product functionalities, driving a growing need for regulatory oversight and operational controls.	Amid recent global trends toward stricter ESG regulations and the expansion of mandatory supply chain due diligence, companies are under increasing pressure to take responsibility for human rights, environmental, and ethical risks across their supply chains, and to manage and disclose related data with greater precision. This shift is particularly evident in Europe, where legal obligations are tightening, broadening risk exposure beyond direct suppliers to the entire indirect supply chain.
Potential Impacts	• Risk of incidents, ethical controversies, and organizational confusion over accountability in the event of AI technology misuse • Legal and reputational risks stemming from copyright infringement, plagiarism, and trust issues related to generative AI content • Potential expansion of regulatory coverage by major countries, including the EU AI Act (scheduled to take effect in 2025) • Potential of diminished judgment due to the overreliance on automation within the organization and increased exposure to data bias	• Potential of legal and business disadvantages from noncompliance with global supply chain due diligence laws, such as the CSDDD and forced labor bans • Heightened operational risks, including limited diversification of business partners, supplier contract terminations, and delivery delays • Growing indirect risks due to varying ESG capabilities among small and local suppliers • Increasing demands for data submission related to supply chain risks and enhanced audit traceability requirements
Response Strategy	• Operate company-wide AI usage guidelines and implement pre-review procedures for the development of AI-based services and products • Form an AI Alliance and operate a dedicated team for AI risk assessment • Deploy AI safety tools and run in-house verification processes for AI services • Strengthen monitoring systems and enhance global regulatory analysis to address requirements from laws such as the EU AI Act	• Build an ESG evaluation system and risk rating framework to support supply chain due diligence • Integrate human rights and environmental risk checks into company-wide supply chain assessments and analyze results • Operate compliance checklists for key ESG-related supply chain regulations such as the CSDDD, EU Battery Regulation, and DPP • Provide feedback and improvement support to suppliers based on sustainability evaluation outcomes • Prepare internal systems and documentation protocols to ensure consistency in supply chain risk management documentation

Risk Management

Risk Management

LG Electronics establishes optimal response strategies for identified risks through the Enterprise Risk Management framework based on systematic analysis and prioritization. These risk management activities are carried out in close collaboration with functional departments to ensure execution competency. Enterprise-level risk mitigation and improvement efforts are regularly reviewed, and their outcomes are periodically evaluated to embed a sustainable risk management culture across the organization. Through this approach, risk management is not merely reactive but is seamlessly integrated into the company's overall strategic decision-making processes.

Risk Management Process

LG Electronics systematically manages a wide range of risks, including financial, operational, ESG, and compliance, through its Enterprise Risk Management (ERM) framework. In accordance with the ERM process, company-wide risks are identified and assessed, prioritized based on their likelihood and potential impact, and addressed by developing and implementing appropriate response strategies. These risk management activities are regularly reviewed and monitored through a reporting structure that connects to the Board of Directors and executive leadership. Risk response capabilities are continuously enhanced through internal audits and the integration of training programs.

Risk Identification, Analysis, and Assessment

Enterprise risks are identified on a regular annual basis, as well as through business environment analyses and internal operational reviews, as needed. Identified risks are analyzed and assessed using a matrix based on their likelihood of occurrence and potential business impact. They are prioritized to ensure they are managed within an acceptable level of risk.

Risk Response and Mitigation

Based on the assessment results, high-priority risks are designated as critical risks and are addressed by developing and implementing targeted mitigation and improvement tasks. In 2024, special focus is placed on managing key risks related to ESG, such as climate change, health and safety, human rights, and supply chain, alongside financial, compliance, and strategic business risks.

Monitoring and Reporting

Risk mitigation and improvement tasks are continuously monitored by evaluating their effectiveness in reducing risk levels. The outcomes of key risk mitigation activities are reported to the Enterprise Risk Management Committee where the outcomes are continuously monitored and decisions are made.

Audit of the Risk Management Process

The effectiveness and appropriateness of the risk management process are independently reviewed and assessed through internal audits.

Embedding a Risk-Aware Culture

We are committed to enhancing risk awareness and strengthening capabilities across all employees.
- Activities to enhance understanding of risk management for both Board members and employees
- A risk review stage included in the new product and service development process
- Reflecting key risk management outcomes in performance evaluation metrics for relevant departments and employees

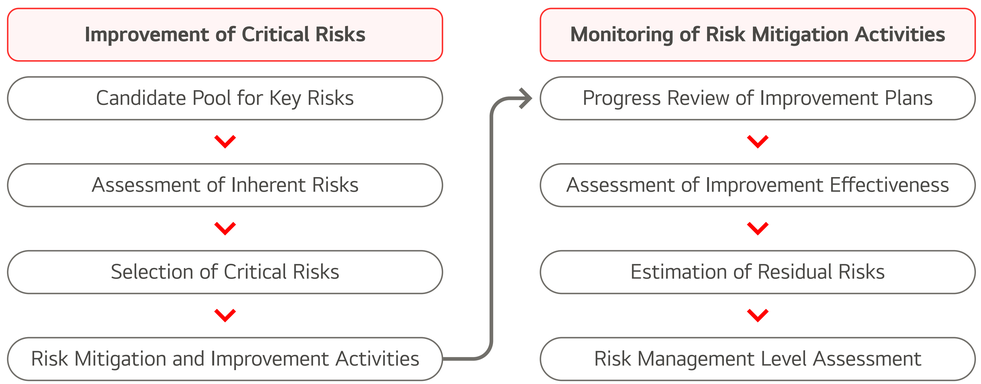
Enterprise risks are further examined through environmental analyses and by gathering input from business units. Identified risks are assessed both quantitatively and qualitatively using a matrix based on likelihood and impact. Accordingly, priorities for risk response are established.

High-priority risks are designated as critical risks and are addressed by mitigating risk and developing and implementing improvement tasks. Key risks, including ESG-related issues, are managed under the leadership of the CRO in collaboration with functional teams to ensure execution competency. The status of these response efforts is regularly reported to the Enterprise Risk Management Committee.

In addition, risk awareness is promoted throughout the organization via company-wide training, incorporation of feedback on key risks, and communication throughout the company. These efforts help embed a proactive risk management culture across all levels of the organization.

Risk Mitigation and Improvement Activities

LG Electronics is actively pursuing initiatives to reduce and prevent key risks in advance, such as enhancing the reliability risk assessment system, strengthening safety management in product installation/construction and service operations, and conducting proactive reviews of personal information risks. These efforts are driven by systematic mitigation and improvement activities for risks identified by each organization, with a focus on key management divisions, such as Quality, Information Security, Procurement, and Logistics. Through risk assessments, high-risk items are identified and designated as critical risks. Specific corrective actions are then established, and after implementation, the current status and effectiveness of these measures are evaluated. In addition, LG Electronics continues to drive ongoing improvements by conducting follow-up inspections and management level diagnostics to address any residual risks that may remain after the initial improvement actions.



Information Security

Governance

LG Electronics has established and operates a governance framework based on clear roles and responsibilities, a structured policy framework, and oversight by top management, continuously strengthening information security and privacy protection.

Information Security and Privacy Protection Responsibilities and Leadership Framework

LG Electronics has established clear responsibilities and a leadership framework centered around the Chief Information Security Officer (CISO) to enhance the level of information security and privacy protection. The CISO concurrently serves as the Chief Privacy Officer (CPO), overseeing the development and implementation of company-wide information security strategies. The Chief Risk Officer (CRO), as the chair of the Information Security Committee, regularly reports key security issues and policies to the Board of Directors and the Audit Committee. This process enhances management's awareness of security risks and reinforces strategic responses. In addition, through the ESG Committee within the Board of Directors, LG Electronics regularly reviews whether information security is being managed consistently with the company's strategic direction, thereby continuously reviewing and improving the effectiveness of the information security framework.

Information Security and Privacy Protection Organization Operational Framework

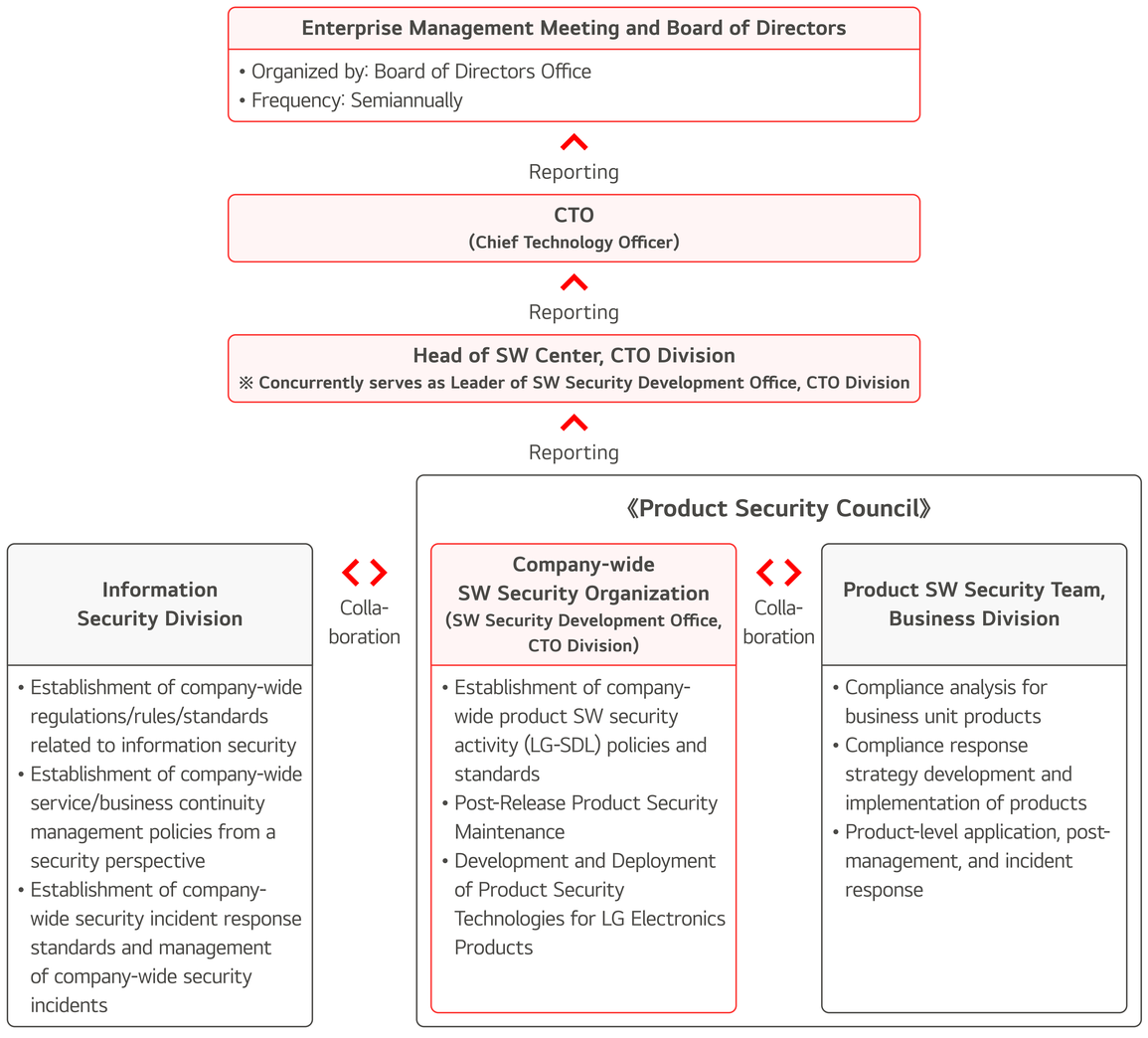
LG Electronics' information security organization comprises 14 teams, located across both headquarters and business sites. These teams systematically perform key operational functions, including security breach response, global regulatory compliance, regular security inspections, and the establishment of internal management plans for the privacy protection. The working-level organization discusses major policies and issues related to information security and privacy protection through the Practical Affairs Council of Information Security, and escalates matters to the Information Security Committee when necessary. This process enables swift company-wide decision-making and enhances cross-organizational collaboration in response to security risks.

Furthermore, dedicated information security personnel hold professional certifications such as CISSP, CISA, CPPG, ISO 27001, and ISMS-P auditor qualifications. LG Electronics also includes information security competency development as part of employees' individual KPIs to support continuous skill development.

Enterprise Management Meeting and Board of Directors	• Organized by: Board of Directors Office • Frequency: Semiannually
↑ Reporting	
Enterprise Information Security Committee	• Organized by: CRO (Coordinator: Information Security Manager) • Frequency: Semiannually • Participants: Key Executives
↕	
Enterprise Practical Affairs Council of Information Security	• Organized by: Information Security Division • Frequency: Quarterly (or ad hoc, if necessary) • Participants: Manager/Leader (R&D, IT, Legal and other key departments)

Product Security Organization and Operational Framework

To strengthen company-wide product security management, LG Electronics has established a dedicated organization under the Software Center and implements systematic and unified product security activities. This organization is responsible for establishing product security policies, developing security technologies, and applying them to products. The current status of product security governance and key issues are discussed through the Product Security Council and are regularly reported to the Management Committee.



Information Security

Strategy

Identification of Risks and Opportunities

LG Electronics proactively responds to changes in the external environment, such as stricter regulations, advanced cyber threats, and growing sensitivity around customer data. Key information security risks are identified and evaluated based on their potential impact and likelihood, and reflected in response strategies.

Internal/External	Type	Risk/Opportunity	Expected Impact on the Company	Anticipated Timeframe
External	Regulations	Risk	Exposure to fines and penalties from strengthened global information security regulations	Short and Mid-Term
			Higher security costs from new and segmented data/cybersecurity regulations	Short and Mid-Term
			Strengthened imposition of penalties for personal information breaches	Short, Mid, and Long-Term
	External Attacks	Risk	Increased security costs due to evolving cyber threats	Short, Mid, and Long-Term
			Increased exposure to data breaches in the era of cloud infrastructure	Mid and Long-Term
			Emerging threats due to DX era, technological advances and diversification	Short, Mid, and Long-Term
Internal	Company	Opportunity	Greater customer satisfaction through IoT and platform diversification	Mid and Long-Term
			Activation of information system construction in cloud environments	Mid and Long-Term
			Expansion and acceleration of CX/DX initiatives and data-driven projects	Mid and Long-Term
	Group	Opportunity	Promotion of integrated data analysis and utilization across affiliates	Short, Mid, and Long-Term
		Risk	Decline in trust due to breaches of affiliate customer privacy information	Mid and Long-Term

Business Model and Value Chain	Current Impact	Anticipated Impact
Product Development (R&D)	• Increased risk of leakage of R&D materials and patent information • Increased risk of product design information leaks through hacking • Increased vulnerabilities due to growing product connectivity	• Delays in new product development timelines and increase in losses in R&D investments • Decline in competitiveness and market share
Production and Supply Chain	• Increased risk of manufacturing system hacking • Increased risk of critical data leakage through manufacturing and logistics system hacking	• Product shipment delays and revenue losses due to system hacking • Decline in competitiveness due to leakage of manufacturing technologies
Marketing and Customer Management	• Increased risk of personal information breaches from customer CRM system hacking • Greater need for data protection due to expanded online marketing and IoT usage	• Decline in corporate trust due to customer personal information breaches • Penalties for non-compliance with regulation
After-sales and Customer Service	• Increased risk of hacking during remote diagnostics and updates of smart appliances • Potential leakage of customer databases • Growing threat of unauthorized leakage of voice/video data from products	• Invasion and misuse of personal privacy due to customer information breaches • Costs associated with customer compensation and legal liabilities

Information Security and Privacy Protection Strategy

LG Electronics treats information security and privacy as strategic issues across the entire value chain. A company-wide security strategy is applied to all stages—from product planning to customer support. Recognizing risks across IT, physical security, supply chain, and privacy, LG prioritizes business-specific responses. Privacy is managed through a compliance system that ensures legal processing and customer rights, such as access, correction, and deletion.

Touchpoints Channels

Products/Devices | Apps/Web/Services | Business Systems

(Sales) – (Marketing) – (Customer Service) – (System Operations)

Assets to Be Protected

Product | Manufacturing Process | Personal Information | Trade Secrets

(Planning) – (Development) – (Production) – (Personal Information/Data Protection/Management)

Management Approach

② Technical Security → ③ Physical Security → ④ Privacy Protection Compliance

① Administrative Security

Areas of Protection

Business sites/Overseas subsidiaries (Production/Sales/R&D) **/Service centers/ Retail stores/Subsidiaries/Suppliers**

① Administrative Security	② Technical Security	③ Physical Security	④ Privacy Protection Compliance
Info security system operation	Defense against hacking & malware	Physical security system operation	Privacy management system operation
Asset identification & management	Data leak prevention	Equipment checks & anomaly response	Personal data mapping & control
Incident response setup	Security policies & solutions	Security zones & access control	Risk impact assessment & safeguards
Employee training & awareness	Risk assessment & remediation	CCTV & critical facility management	Data subject rights & regulatory response

Information Security

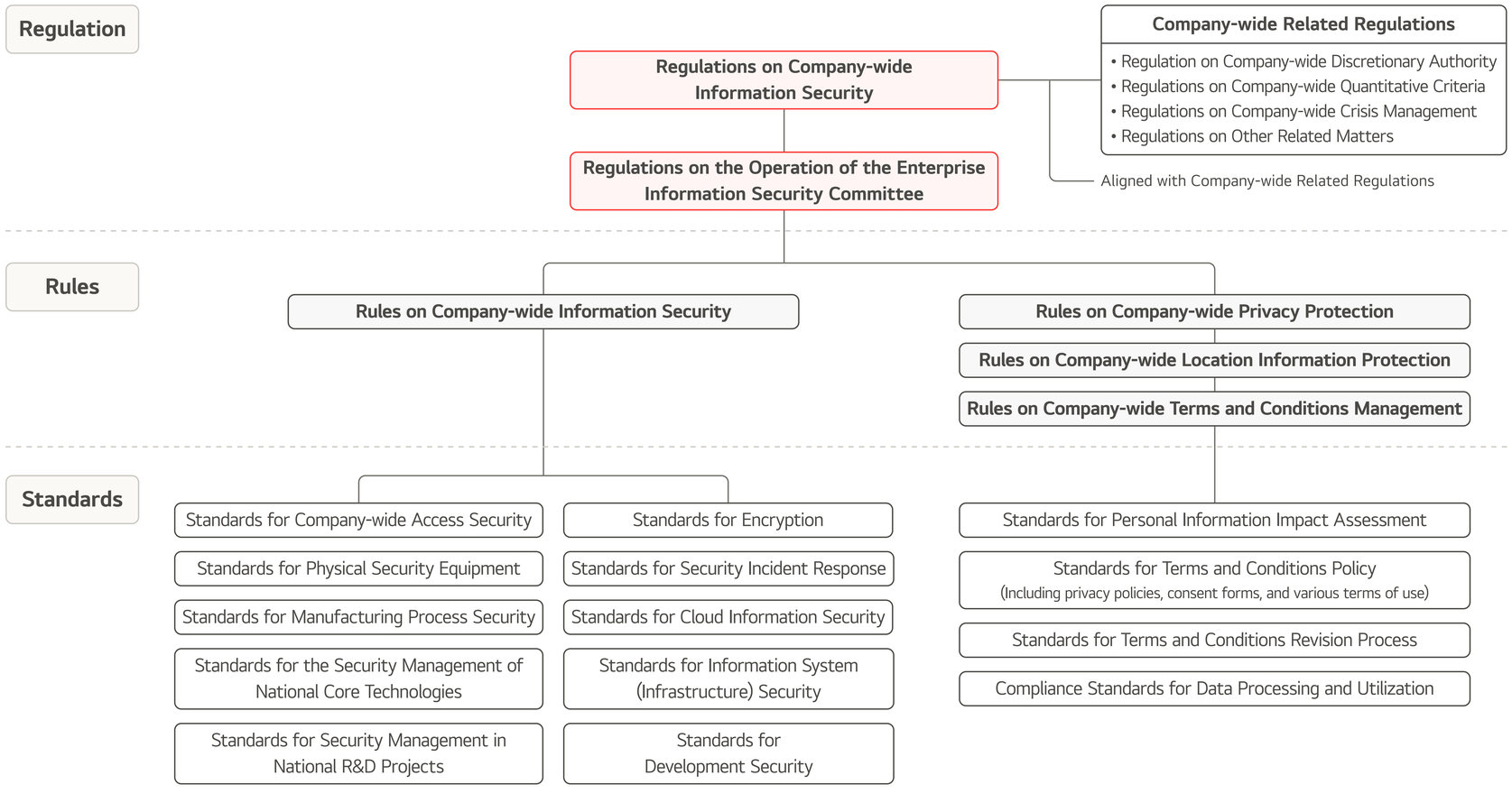
Strategy

Management System and Standards of Information Security and Privacy Protection

LG Electronics operates an information security and privacy protection management system that complies with international standards (e.g., ISO) and applicable domestic and international laws and regulations. The company defines confidentiality, integrity, and availability as the core values of information security.

To realize these values, LG Electronics has established a company-wide policy framework that integrates technical security, physical security, administrative security, and privacy protection. This framework consists of 20 policy documents (2 regulations, 4 rules, and 14 standards), which are reviewed at least annually and shared with all employees through the company-wide standard management system. The company also analyzes information security and privacy protection laws and regulations in both domestic and international regions, and incorporates them into internal policies by institutionalizing them in accordance with the company's specific circumstances. All relevant policies are continuously developed and revised, and are reflected in the company-wide standard management system to ensure that the latest legal and institutional changes are promptly applied to internal standards.

To enhance employees' awareness of information security, detailed standards and guidelines are developed and distributed, thereby supporting a better understanding and compliance with policies on information security and privacy protection.



Operational Policy of Product Security

LG Electronics continuously establishes and improves its product security policies. Through this effort, LG Electronics has instituted a consistent company-wide product security scheme from the early stages of product development and has established an operational policy for product security through a standardized secure development process.

At the organizational level, LG Electronics is strengthening its security management system through collaboration between the company-wide dedicated product software security team and product security teams within each business division. Additionally, LG Electronics is establishing an effective collaborative structure for product security management throughout quality, regulatory, legal, and procurement departments. Product development teams design secure product by following security activity guideline and evaluation criteria.

To further advance its security incident response framework, LG Electronics operates the LG Product Security Response Team (LG PSRT), enhancing swift and systematic responses through defined security event classification criteria and incident response procedures. LG Electronics also operates a bug bounty program to identify security vulnerabilities early by leveraging external experts, and has established a program to remediate such vulnerabilities effectively.

Even after launching the product, LG Electronics continuously provides the up-to-date security patches through security maintenance activities to proactively identify and control product security risks, thereby solidifying its comprehensive security framework.

Information Security

Strategy

Product Security Management System

Policy	LG Electronics Product Security Standard	LG Electronics Product Security Guideline
	LG Electronics Product Security Evaluation	Supplier Security Management Policy
Organization	Product Software Security Teams (Company/Division)	Regulatory, Legal, and Procurement Teams
	Product Development Teams	Quality Assurance Teams
Education	Security Awareness Training	Secure Coding Training
	Cybersecurity Engineering Training	Product Security Technique Training
Security Incident Response	Product Security Incident Response Process (LG PSRT)	Product Security Event Classification Criteria
	Security Updates	Bug Bounty Program (LG Bug Bounty)

Global Security Regulations	[United States] IoT Cyber Trust Mark[1], NIST Cybersecurity Framework[2], NIST IR 8259[3] [Europe] EU Cyber Resilience Act[4], EU RED Delegated Act[5], UK PSTI Act and Regulations[6], ETSI EN 303 645[7] [For Automotive Electronic Products] UNECE UNR. 155 CSMS[8], ISO/SAE 21434[9]

1) US Cyber Trust Mark Program: An IoT labeling program expected to be implemented by the U.S. government in 2025.
2) NIST Cybersecurity Framework: A cybersecurity improvement framework developed by the U.S. National Institute of Standards and Technology (NIST).
3) NIST IR 8425: A cybersecurity standard for IoT products established by NIST.
4) EU Cyber Resilience Act: A regulation, expected to take effect in 2026, that imposes baseline cybersecurity requirements on all products with digital elements within the EU.
5) EU RED Delegated Act: A mandatory security regulation, effective from August 2025 in the EU, requiring protection of networks, privacy, and monetary transactions for wireless devices.
6) UK PSTI Act and Regulations: A product cybersecurity regulation applicable to network devices, in effect in the UK since April 2024.
7) ETSI EN 303 645: A security requirement standard for IoT products developed by the European Telecommunications Standards Institute (ETSI).
8) UNECE UNR. 155 CSMS: A regulation mandating cybersecurity engineering activities for manufacturers and suppliers, enforced in UNECE member countries.
9) ISO/SAE 21434: A vehicle cybersecurity engineering standard jointly developed by International Organization for Standardization (ISO) and Society of Automotive Engineers (SAE).

Risk Management

LG Electronics recognizes information security and privacy protection risks as core risks directly linked to corporate sustainability. The company operates a prevention-oriented information security risk management system and continually verifies its operational adequacy through regular inspections, including internal audits, and external certifications. Furthermore, to strengthen its security risk management, LG Electronics provides information security training and operates incident response and recurrence prevention processes, along with a comprehensive security risk management system.

Information Security and Privacy Protection System Certification

LG Electronics demonstrates the reliability of its company-wide information security management system by obtaining a broad range of certifications, including ISO 27001 (Information Security Management System), ISO 27701 (Privacy Protection Management System), ISO 27018 (Cloud Privacy Protection), ISMS (Information Security Management System), and TISAX (European Certification for Automotive Information Security), to verify the effectiveness of its information security management system and manage risks systematically.

These certification systems are continuously maintained and verified through annual surveillance and renewal audits, enabling LG Electronics to objectively substantiate the consistency and effectiveness of its information security management system. Each certification not only offers objective credibility to stakeholders but also serves as a clear benchmark for the organization's information security maturity level.


LRQA

Certificate of Approval

This is to certify that the Management System of

LG Electronics Inc.

128, Yeoui-daero, Yeongdeungpo-gu, Yeongdeungpo-gu, Seoul 07336, Republic of Korea

has been approved by LRQA to the following standards:

ISO/IEC 27001:2022 as extended by ISO/IEC 27701:2019

Approval number(s): ISO/IEC 27001 = 00048777

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

The scope of this approval is applicable to:

ISO/IEC 27701:2019
PIMS in role as a "PII Controller" on sales and marketing, design, research and development and production of LGE business. In accordance with the statement of applicability version 2.2.

S-Hyoung Lee

General Manager, Korea

Issued by: LRQA Limited

ISO 27001 Certificate


LRQA

Certificate of Approval

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ISO/IEC 27001:2022

Approval number(s): ISO/IEC 27001 = 00048777

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

The scope of this approval is applicable to:

ISO/IEC 27001:2022
The Information Security Management System in all activities providing sales and marketing, design, research and development and production of LGE business. In accordance with SoA v2.0 including ISO/IEC 27018:2019 and ISO/IEC 27701:2019 controls.

S-Hyoung Lee

General Manager, Korea

Issued by: LRQA Limited

ISO 27701 Certificate


정보보호 관리체계

인증서

1. 인 증 번 호 : ISMS-RISA-2020-014
2. 법 제 : 인터넷진흥원 (주)
3. 대 표 자 : 조주완, 배경훈
4. 인 증 범 위 : 대외 B2C, B2B 서비스 운영(인사 관리 업은 정책 인프라 제외)

※인증범위확인 : 정보보호 관리체계 인증(ISO/IEC 27001) 명함 (2.4 정책 조항 / 2.12 자체옵과)

5. 유 효 기 간 : 2023.01.29 ~ 2026.01.28
6. 정보보호관리체계 적용보고서 : 정보보호관리체계 적용보고서(v2.0)

「정보통신망 이용촉진 및 정보보호 등에 관한 법률」 제47조제1항, 같은 법 시행령 제47조에 따라 위와 같이 정보보호 관리체계를 인증합니다.

2023년 02월 15일

한국인터넷진흥원장

ISMS Certification

ISMS Certificate

Information Security

Risk Management

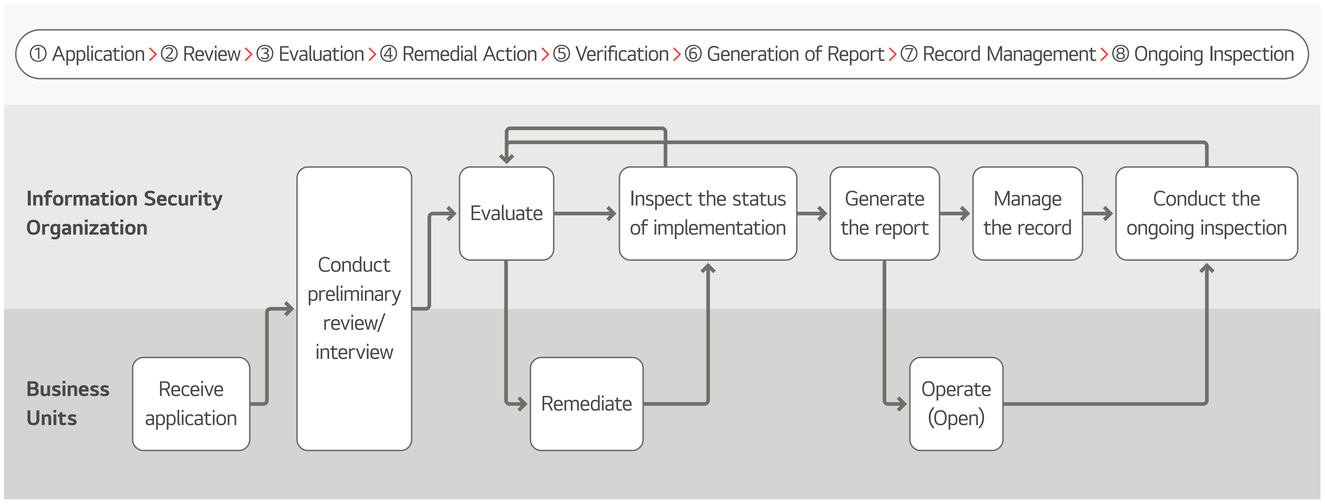
Risk Analysis and Assessment for Information Security and Privacy Protection

In the rapidly evolving digital environment, information security and privacy protection are among the key risks that LG Electronics must proactively address. Accordingly, the company conducts regular scenario-based risk assessments to prevent a wide range of risks, including system failures, external attacks, insider threats, and third-party risks, thereby ensuring the security of personal information processing and the legality of data utilization.

To anticipate various threat scenarios and respond effectively, LG Electronics operates a comprehensive "Information Security and Privacy Protection Inspection and Evaluation Framework," which enables inspection and assessment of the impact of information and personal data processing. This framework is designed and operated to be closely aligned with the business processes of each division, allowing it to be effectively applied to those processes.

In addition, the company continually strives to establish a secure management system that ensures the safety of information and personal data processing, and guarantees legal compliance in data usage. To this end, LG Electronics preliminary inspects vulnerabilities and risks through "Security Vulnerability Diagnosis and Penetration Testing (ISAC)", "Cloud Security Impact Assessment", "Data Protection Impact Assessment (DPIA)", "Privacy Policy and Consent Form (Terms) Revision Process", and "Data Utilization Legality Assessment", ensuring that appropriate protective measures are implemented.

Identified vulnerabilities are rigorously tracked and managed through the implementation and verification of protective actions. Assessment results and corrective actions are horizontally deployed to prevent recurrence of similar cases. Furthermore, this management system is operated in alignment with external certification audits such as ISMS and ISO, ensuring that these practices are reflected in certification preparation and execution processes.



Security Vulnerability Diagnosis and Penetration Testing (ISAC)

LG Electronics conducts security vulnerability diagnosis and penetration testing at least once a year through a third-party inspection method (ISAC) for various security targets including products, cloud services, applications, and new systems, prior to the commencement of information system development. The primary objective of these diagnosis is to proactively eliminate security vulnerabilities that could be exploited in real-world attacks. High-risk items identified in the diagnosis results are designated as critical risks through risk assessment and are managed systematically within the framework.

Cloud Security Impact Assessment

When planning or developing systems that utilize external cloud platforms, LG Electronics conducts a preliminary cloud security impact assessment for any system that includes external cloud components. The purpose of this assessment is to identify data that is transmitted or stored externally and to verify the security configurations of the cloud platform, ensuring that the company's data is processed in a secure environment.

Data Protection Impact Assessment (DPIA)

LG Electronics performs a Data Protection Impact Assessment (DPIA) during the planning stage of services that process personal information across products, systems, and applications. This assessment is conducted in cases of major functional changes or the establishment of new services. The purpose of this evaluation is to identify potential vulnerabilities in personal information processing prior to service launch and to implement appropriate protective measures to prevent risk.

The DPIA is conducted based on a checklist and includes a comprehensive analysis of information elements and data flows throughout the full lifecycle of personal information processing, covering collection, storage, use, provision, transfer, cross-border transmission, and disposal. It also inspects the level of technical and administrative protective measures. In addition, LG Electronics ensures objectivity in the evaluation process by engaging third-party firms to conduct independent audits (DPIAC) using a third-party audit approach.

Data Utilization Legality Assessment

LG Electronics targets the use case planning stage and the personal information processing request stage, including data extraction, and proactively assesses whether the data processing activities related to service usage and personal information are conducted based on lawful grounds. The objective of the assessment is to review the legitimacy of data processing across specific stages, such as storage, extraction, combination, analysis, integration, and execution of targeted marketing, to prevent unlawful data usage.

LG Electronics thoroughly analyzes the sources and flows of service usage and personal data, evaluating whether the processing activities are conducted within a clear legal basis and defined purpose, thereby establishing a responsible data utilization framework.

Information Security

Risk Management

Privacy Policy and Consent Form (Terms) Revision Process

LG Electronics ensures that personal information is processed transparently and lawfully throughout the entire lifecycle of its products, applications, and services by providing customers with legal documents such as the Privacy Policy and Consent to Collection and Use of Personal Information, and by obtaining consent. During the planning or modification of services, including products, applications, and systems, as well as during regular updates (quarterly) and individual terms revisions, LG Electronics conducts ongoing inspection to verify regulatory compliance at the time of service changes or new service launches. These procedures are operated systematically within a structured framework to prevent omissions and ensure proper notice.

LG Electronics complies with applicable laws such as the Personal Information Protection Act, the Act on Promotion of Information and Communication Network Utilization and Information Protection, and the Act on the Protection and Use of Location Information. To maintain its privacy policies and consent forms (terms) up to date, the company has established and operates a standardized revision procedure. In this process, factual details related to information processing are thoroughly reviewed, and any necessary updates are promptly reflected to ensure the legality and recency of personal information processing.

All consent forms are obtained through a prior consent (Opt-in) process before any data collection takes place. Additionally, LG Electronics provides an Opt-out procedure, allowing customers to withdraw their consent at any time. Optional items, such as consent to receive marketing communications or to share information with third parties, are configured to allow customers to choose whether to agree. Upon withdrawal of such consent, the company immediately blocks further communication, halts the relevant personal information processing activities, and ensures deletion of the data.

Protection of Corporate Information and Infrastructure

LG Electronics implements technical and administrative protective measures to protect corporate information assets, including internal information systems, cloud environments, and network infrastructure. In addition to fundamental security controls such as encryption of communication channels, access control, log monitoring, and a backup framework, the company employs a Data Loss Prevention (DLP) system to proactively block unauthorized external leakage of critical information.

Technical Measures	• Encryption of communication channels • Access control solutions • One-way encrypted storage	• Minimization of personal information output • Pre-release security review of products/systems/apps • Monitoring of access logs
Administrative Measures	• Limiting the number of personnel with access rights • Controlled access to data centers • Access rights management	• Security of information processing PCs • Recording of data collection grounds • Separation of servers handling personal information

Information Security Training and Awareness Enhancement

Information security training is operated not merely as an educational activity but as a core risk control component integrated into the company-wide information security management system. Mandatory training, held at least once a year for all employees and suppliers, is tailored based on job roles and access privileges. It is also linked with internal control and performance management systems to strengthen capabilities in risk prevention and response. Additionally, specialized training is provided based on levels of information access, targeting executive assistants, dispatched workers, individuals with security violations, and participants in national R&D projects or critical initiatives. This enhances awareness and compliance with information security policies and procedures.

For high-risk groups such as security violators, project participants, outsourced personnel, and suppliers, continuous education programs are conducted. A retraining program, linked to the company's security penalty system, is also implemented to reinforce awareness among both employees and external suppliers.

To prevent security vulnerabilities during the development process, LG Electronics provides security technology and secure coding training for software developers. For employees who directly handle personal information, the company offers a dedicated "Training for Personal Information Handler" program, which must be completed at least once a year. Furthermore, LG Electronics continuously operates cybersecurity training programs for developers to strengthen software security. This includes hosting the LG Hacking Competition and collaborating with KAIST and Carnegie Mellon University to cultivate security professionals and institutionalize company-wide security capabilities.

Scope	Category	Training Title	Frequency
Employees	All Employees	1. Mandatory Training on Company-wide Information Security	Annually
		2. Mandatory Training on Privacy Protection	Annually
		3. Security Training for New/Experienced Employees (including transferees from affiliates)	Annually
	Employees with Security Vulnerabilities[1]	4. Security Training for Executive Assistants/General Administrative Staff (Dispatched Workers)	Annually
		5. Training for Security Violators	Ongoing
		6. Security Training for Participants in National R&D Projects (National Core Technologies)	Annually
		7. Security Training for Key Project Participants	Annually
		8. Security Training for Personnel with Exceptional Security Privileges	Ongoing
	Security Managers[2]	9. Security Training for Organizational Leaders	Annually
		10. Security Training for Team Security Officers	Annually
	Personal Information Handlers	11. Training for Personal Information Handlers	Ongoing
	IT Operators and Business Practitioners	12. Security Training for IT Operators	Twice a year
Overseas Subsidiaries	Employees (Overseas)	14. Information Security / Training on Privacy Protection	Annually
Expatriates	Dispatched Expatriates	15. Basic Course for Dispatched Expatriates	Quarterly

1) Employees with Security Vulnerabilities: Individuals subject to penalties/warnings, executive assistants, suppliers, and those with exceptional access privileges.
2) Security Managers: New team leaders/executives, organizational leaders, information security officers, and dispatched expatriates.

Information Security

Risk Management

Security Breach Response and Recurrence Prevention Process

LG Electronics operates an incident response process to ensure rapid response and Business Continuity Management (BCM) during security breaches, covering the entire cycle from detection to recovery. Incidents are identified and reported within 2 hours, with root cause analysis and severity classification completed within 24 hours. Recovery and prevention measures are implemented in phases based on identified risks. This framework is reinforced through simulation training held at least once a year, with results reported to the CISO to improve company-wide responses.

Risk prevention is actively promoted through multiple layers of protective measures, including intrusion detection and prevention systems, cloud security policies, data loss prevention systems, and data utilization legality assessments. Major manufacturing processes follow security frameworks aligned with international standards to proactively mitigate operational risks. A Security Penalty system prevents repeated violations by applying escalating disciplinary measures based on cumulative scores.

Tailored training is provided to violators, high-risk roles, and suppliers to enhance human risk management. Confidential, real-time drills simulate threats to continuously assess response readiness. This integrated risk management system focuses on proactively identifying potential threats and minimizing financial and reputational losses through prompt response.

Security Incident Intake	Preliminary Security Incident Investigation	Incident Analysis and Response	Post-Incident Measures
Within 2 hrs of incident identification	Within 24 hrs of incident identification	Varies depending on the situation	Upon completion of incident handling
Prepare incident report	Confirm type and scope of damage Determine severity level of personal information breach Form response team	Customer support Collect log Analyze incident Recover damage	Development of recurrence prevention measures Prepare result report
Internal reporting and CMIS registration	Reporting to the CISO and notification to regulatory bodies	Interim reporting	Final reporting

*Within 24 hrs in the case of a security breach such as an external hacking attack
**Within 72 hrs in the case of a personal data breach or infringement incident

Key Activities	Content
Implementation of hacking detection and response solutions	Operation of intrusion detection/prevention solutions and optimization of integrated security analysis systems
Establishment of cloud information security framework	Management through cloud security policies and company-wide application of security solutions
Operation of data loss prevention solutions	Operation and continuous upgrading of data loss prevention solutions on PCs
Institutionalized operation of data compliance review framework	Institutionalized operation of data utilization legality assessment
Protection of manufacturing processes based on international standards	Revision of manufacturing security standards and operation of security systems

Product Security Risk Management

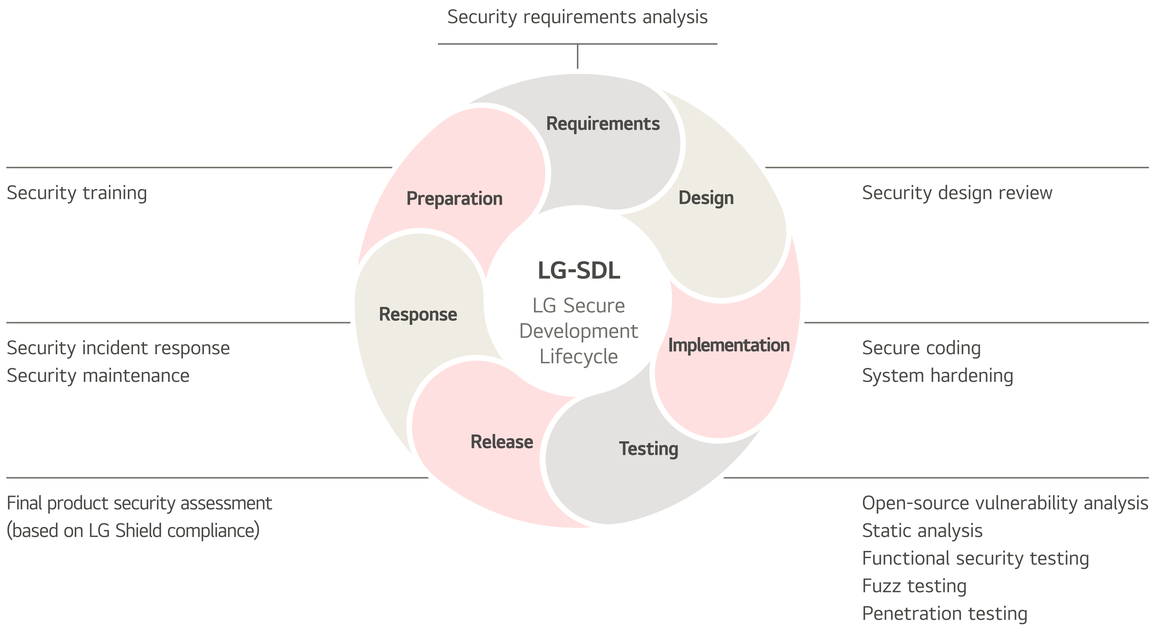
LG Electronics applies the "LG Secure Development Lifecycle (LG-SDL)" to systematically manage security risks throughout the entire product development lifecycle. LG-SDL is a process that embeds product security from the initial design phase and performs key security activities at each stage, including the definition of security requirements, threat modeling, code reviews, vulnerability remediation, and security testing. In particular, for products that include sensitive functionalities LG Electronics strengthens protective measures based on technology-specific threat scenarios.

Led by the LG Product Security Response Team (PSRT), the company has established security event classification and incident response procedures for immediate, structured responses. To identify potential security risks early, the company operates a bug bounty program that accepts and rewards externally reported vulnerabilities.

Post-release to the market, the company continuously monitors risks via security updates and patching, aligning product security requirements with global regulations such as ETSI EN 303 645 and customer requirements (e.g., TISAX). The company has LG cybersecurity laboratory which has been qualified to conduct IoT cybersecurity testing. Test reports from the Lab for IoT security standards (ETSI EN 303 645, ETSI TS 103 701) are recognized under the ILAC-MRA, ensuring equivalence to reports from accredited labs in the US, Europe, Japan, and elsewhere.

This comprehensive security risk management system enables LG Electronics to ensure ongoing security monitoring and response throughout the entire product development lifecycle, including post-release, thereby reinforcing the reliability of its product security.

Cybersecurity Measures for Enhanced Product Security	
LG PSRT	• A dedicated organization to improve product security quality and ensure prompt response to security issues. • Proactive incident prevention and security enhancement by commissioning vulnerability diagnosis to internal and external experts.
LG Bug Bounty	• A reward program for reporting security vulnerabilities. • Submission of software security vulnerabilities and payment of reward.
LG DevSecOps	• Real-time monitoring and feedback on development deliverables at each phase. • A system for continuously managing risks and compliances.



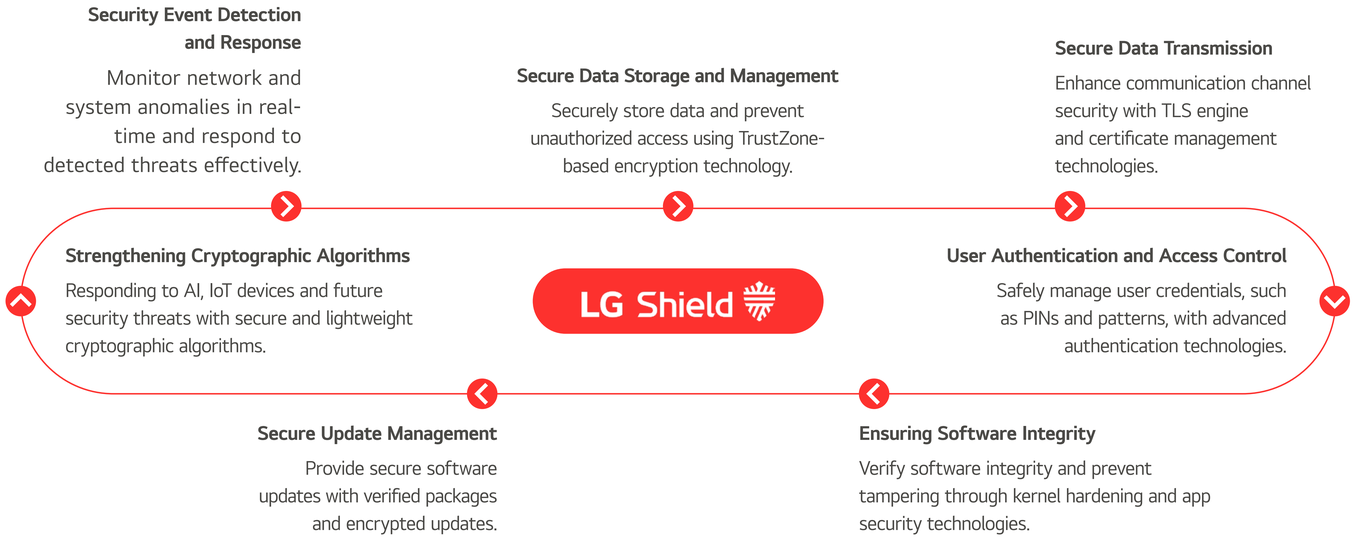
Information Security

Risk Management

Reinforcing the Product Security through LG Shield

LG Electronics operates a comprehensive product security scheme called LG Shield, which embeds security throughout its products and software. LG Shield enforces rigorous security practices across every stage of software development, delivering security solutions across seven key categories: secure data storage and transmission, user authentication, software integrity assurance, secure updates, robust encryption, and detection of security event.

In particular, LG Electronics applies advanced encryption technologies in response to the expansion of AI- and IoT-based products, while maintaining software stability and reliability through verified update packages. Even after product launch, continuous security patching and risk monitoring are conducted to proactively address threats. Furthermore, LG Shield aligns with global cybersecurity standards and regulations, including ETSI EN 303 645, NIST Cybersecurity Framework, ISO/SAE 21434, and UNECE UNR.155, thereby reinforcing international trust and compliance.



Supply Chain Security Risk Management

LG Electronics manages information security risks of suppliers by defining requirements from the pre-contract stage and verifying compliance through document reviews and on-site due diligence. After contract termination, risks related to key items such as personal data destruction are strictly controlled.

Suppliers developing product software must undergo a cybersecurity assessment at contract signing, which is a key factor in selection. To help suppliers meet global standards, LG Electronics provides a secure development guide and hosts annual security workshops covering secure coding, vulnerability analysis, and system hardening. These efforts enhance suppliers' security awareness and capabilities.

Targets and Metrics

Information Security and Privacy Protection – Objectives and Management of Performance

To enhance the effectiveness of its information security and privacy protection efforts, LG Electronics establishes specific objectives and incorporates them into the key performance indicators (KPIs) of its information security organization. Each objective's performance is monitored through quarterly reviews, and the results are used to set improvement challenges for the following year. In 2024, LG Electronics inspected its overall information security management system, focusing on five key objectives, and strengthened its management level. Identified risks are linked to action plans, and performance is managed based on target achievement rates.

Tasks	Details
Proactive Security Risk Management	Prevent data breaches and hacking by identifying and addressing security vulnerabilities and conducting pre-launch risk assessments for new products, apps, and systems.
Execution Rate of Enterprise Information Security Management System	Prevent security risks by establishing internal policies and responding to internal and external business requirements to maintain top-tier information security.
Remediation Rate of Security Vulnerabilities in Sales Subsidiaries	Support essential security activities and on-site inspections to identify security risks at sales subsidiaries and strengthen their capabilities to proactively prevent them.
Remediation Rate of Security Vulnerabilities in Service Centers/ Service Subsidiaries	Prevent customers' personal information breaches by improving security management systems at domestic and overseas service centers.
Implementation of Preemptive Inspection Activities for Critical Risks	Establish a preemptive inspection framework for critical risks, and proactively inspect and remediate security vulnerabilities related to marketing and customer service data to prevent data leakage incidents.
Compliance with Terms and Conditions Revision Process and Timely Reflection Rate	Identify company-wide changes in products/apps/services and information processing status to ensure compliance with regulatory/legal requirements and legality through complete revision/reflection of the terms and conditions.

Information Security Simulation Training and Response Framework

LG Electronics conducts simulation training at the company-wide and business site levels at least once a year to prevent information security incidents and enhance response capabilities, and regularly reviews implementation status. Training uses simulated scenarios based on actual incidents to verify response effectiveness. Based on the results, improvement measures are identified to strengthen the reliability and responsiveness of the information security framework.

Category	Objective	Details
① Prevention	Conduct simulation training across the company-wide and business sites.	Conduct at least one simulation training annually and evaluate response capabilities.
② Inspection	Inspect the response framework based on simulated scenarios.	Train using scenarios involving personal information breaches, ransomware infections, etc.
③ Improvement	Identify improvement measures.	Identify vulnerabilities based on training results and derive corresponding improvement measures.
④ Monitoring	Monitor and manage the status of implementation.	Monitor the status of implementation of improvement tasks.

Information Security

Information Security

Strengthening Information Security and Privacy Protection Management System

- Establish and execute the information security strategy led by the Chief Information Security Officer (CISO).
- Discuss key policies through the Practical Affairs Council and regularly report to the Board of Directors.

Information Security Risk Inspection

- Conduct security vulnerability diagnosis and penetration testing.
- Conduct security impact assessments for systems utilizing cloud platforms.
- Conduct data utilization legality assessments for data processing and usage.

Prevention of Information Security Risks

- Implement hacking detection and response solutions.
- Establish a cloud information security framework.
- Operate data loss prevention solutions.
- Protect manufacturing processes based on international standards.

Privacy Protection Measures

- Operate privacy policy and terms revision process to ensure the lawful collection and use of personal information.
- Conduct Data Protection Impact Assessments (DPIA) to inspect vulnerabilities in personal information processing.

Strengthening Product Security

- Operate a standardized secure development process (LG-SDL).
- Establish a systematic incident response framework led by the LG Product Security Response Team (LG PSRT)
- Reinforce the product security framework through LG Shield.

Enhancing Awareness of Information Security

- Provide online and offline education programs related to company-wide information security and privacy protection.
- Conduct training tailored based on access privileges and job roles.

Certification of Reliability of Information Security Management System

- International certifications acquired: ISO 27001, ISO 27018, ISO 27701, TISAX
- Domestic certification acquired: ISMS

ESG Data



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ESG Data

Economic

Creation and Distribution of Economic Value

Classification		Unit	2022	2023	2024
Local Communities (Total expenditure of social contribution)	Consolidated	KRW 100 million	238	259	310
Shareholder and Investors (Cash dividend per share (Ordinary shares, Perference shares)+Cost of Capital (Interest))	Consolidated		4,905	7,170	7,522

Government Subsidy Received

Classification	Unit	2022	2023	2024
Tax relief and tax credits	KRW 100 million	0	85	61

2024 Purchase Amount of Key Subsidiaries by Product

Classification		Unit	Total Purchase	Local Purchase
Korea		KRW 1 trillion	12.1	8.2
Nanjing New Technology	Monitor		0.9	0.5
Taizhou	Refrigerator		1.1	1.0
Nanjing Washing Machine	Washing Machine		1.0	0.9
Hai Phong	Washing Machine		2.4	1.0
Cibitung	TV		2.1	0.9
Tianjin	Air Conditioner		0.7	0.7
Noida	Refrigerator		1.4	0.8
Mlawa	TV		2.9	1.2
Other			9.6	3.9
Total			**34.2**	**19.1**

ESG Data

Economic

Purchase Amount by Region

Classification		Unit	2022	2023	2024
Direct purchase amount by region	Korea	KRW 1 trillion	10.6	10.3	10.8
	Asia		8.8	9.0	6.7
	China		5.1	5.2	9.5
	Americas		4.8	4.3	4.5
	Europe·CIS		2.8	2.2	2.4
	Middle East and Africa		0.2	0.2	0.2
Direct purchase CMDT[1] ratio	Display	%	29.4	26.3	25.9
	Mechanical parts		33.8	34.4	25.6
	Circuits		18.0	18.9	21.4
	Semi-conductors		9.1	10.2	10.6
	Raw material		6.7	6.3	12.0
	Other		3.0	3.8	4.6
Indirect purchase ratio by characteristics	Marketing		35.6	32.9	31.8
	General affairs purchase		24.7	24.8	23.4
	IT		20.1	22.4	27.7
	R&D		7.5	7.8	6.1
	Business travel (Airline/Hotel)		2.1	2.4	2.3
	Production		4.8	4.5	4.8
	Logistics		3.0	3.0	2.8
	Professional service		2.2	2.1	0.9
	Utility		0.0	0.1	0.2

1) CMDT: Commodity

Sales by Region and Share (2024)[1]

Classification	Unit	2022	2023	2024	2024 Share (%)
Korea	KRW 100 million	332,738	342,719	356,758	41%
North America		220,214	214,949	228,959	26%
Europe		119,977	121,293	136,229	16%
Middle East & Africa		152,286	143,666	155,336	18%
Total		**825,215**	**822,627**	**877,282**	**100%**

1) Data correction due to changes in data compilation standards: regional sales data from the business report

Global Base

Classification	Unit	As of March 2025
Korea	Business sites	11
North America		20
Latin America		17
China		14
Asia		26
Middle East and Africa		17
Europe		32
CIS		4
Total		**141**

Effective Tax Rate

Classification		Unit	2022	2023	2024
Earnings before tax	Separate	KRW 1 million	805,397	1,204,348	725,229
	Consolidated		2,350,674	1,871,154	955,081
Reported tax	Separate		(49,565)	200,252	(411,404)
	Consolidated		487,551	720,543	363,716
Effective tax rate	Separate	%	-[1]	17%	-[1]
	Consolidated		21%	39%	38%
Cash taxes paid	Separate	KRW 1 million	221,143	281,844	162,821
	Consolidated		1,150,755	1,014,686	980,016
Cash tax rate	Separate	%	-[1]	23%	-[1]
	Consolidated		49%	54%	103%

1) The effective tax rate and cash tax rate are not calculated because the loss is pre-tax.

ESG Data

Environmental

Energy Consumption

Classification			Unit	2022	2023	2024
Energy consumption		Fuel	MWh	530,342	479,022	465,970
		Steam		93,611	86,777	60,507
		Electricity		1,226,227	1,248,280	1,295,280
		Total		**1,850,180**	**1,814,079**	**1,821,757**
Energy consumption		Fuel	TJ	1,909	1,724	1,677
		Steam		337	312	218
		Electricity		4,414	4,494	4,663
		Total		**6,661**	**6,531**	**6,558**
Energy Intensity			TJ per KRW 100 billion	8.0	7.8	7.5
Non-renewable energy consumption target			MWh	1,752,197	1,689,251	1,628,566
Renewable energy consumption	EACs	Solar power		0	0	5,800
		Wind power		58,961	64,315	61,111
		Biomass		0	458	0
		Other		0	386	10,736
		Subtotal		**58,961**	**65,159**	**77,646**
	PPA	Solar power		4,840	12,534	42,117
		Wind power		0	10,000	25,250
		Other		31,946	33,576	36,258
		Subtotal		**36,786**	**56,110**	**103,625**
	Total self-generated renewable energy consumption	Solar power		4,336	5,141	4,962
		Subtotal		**4,336**	**5,141**	4,962
	Total			**100,083**	**126,410**	**186,233**
Renewable energy conversion rate			%	8.2	10.1	14.4

GHG Emissions (Scope 1, Scope 2)

Classification		Unit	2022	2023	2024
Direct GHG emissions (Scope 1)	Korea	tCO_2eq	109,942	74,773	77,452
	Overseas		155,307	134,174	147,811
Indirect GHG emissions (Scope 2)	Korea		224,496	217,159	225,984
	Overseas		437,816	448,125	455,329
Total GHG emissions (Scope 1+Scope 2)			**927,561**	**874,231**	**906,576**
GHG emissions (Scope 1+2) target	Korea+Overseas		1,053,000	923,000	919,600
GHG emissions intensity (per unit)	Korea+Overseas	tCO_2eq/USD million	1.12	1.06	1.03

GHG Emissions (Scope 3)[1)]

Classification	Unit	2022	2023	2024
Total	**tCO_2eq**	**63,837,944**	**69,161,568**	**72,759,601**

1) Detailed emissions by category within Scope 3 are provided in the 'TCFD Report' on page 25

ESG Data

Environmental

GHG Reduction Implementation Rate (Korea+Overseas)

Classification		Unit	2022	2023	2024
GHG reduction rate compared to base year (2017)		%	52	55	54
GHG reduction compared to base year (2017)	Scope 1+Scope	tCO_2eq	1,005,578	1,058,908	1,031,224
	Scope 1		839,245	895,547	879,231
	Scope 2		166,333	163,361	151,993
Reduction target compared to base year (2017)	Scope 1+Scope		880,139	1,010,139	1,017,800
	Scope 1		730,139	855,139	867,800
	Scope 2		150,000	155,000	150,000

Air Pollutant Emissions

Classification		Unit	2022	2023	2024
Nox (Nitrogen oxide)	Korea	Tons	15.9	10.1	9.8
	Overseas		24.0	18.0	16.0
	Total		**39.9**	**28.0**	**25.8**
Sox (Sulfur oxide)	Korea		0.4	0.7	0.3
	Overseas		6.0	5.6	13.0
	Total		**6.3**	**6.3**	**13.3**
VOCs (Volatile organic compound)	Korea		20.3	0.4	0.6
	Overseas		194.9	194.7	198.4
	Total		**215.2**	**195.1**	**199.0**
Dust	Korea		4.9	6.7	10.6
	Overseas		32.9	25.0	27.9
	Total		**37.8**	**31.8**	**38.5**

Waste Recycling Rate

Classification		Unit	2022	2023	2024
Total waste amount (Hazardous+General)	Korea	Tons	37,741	27,033	31,333
	Overseas		176,508	154,522	166,697
	Total		**214,249**	**181,554**	**198,030**
	Target	%	Maintaining a recycling rate above 95%		
Recycled waste amount (Hazardous+General)	Korea	Tons	36,694	26,636	30,975
	Overseas		165,854	146,727	161,940
	Total		**202,547**	**173,363**	**192,915**
Waste recycling rate	Korea	Tons	97.2	98.5	98.9
	Overseas		94.0	95.0	97.1
	Total		**94.5**	**95.5**	**97.4**

ESG Data

Environmental

Waste by Type and Disposal Method

Classification			Unit	2022	2023	2024
Hazardous waste disposal	Recycled	Korea	Tons	785	577	1,183
		Overseas		1,216	1,449	1,435
		Total		**2,001**	**2,026**	**2,618**
	Incinerated (General)	Korea		286	213	161
		Overseas		1,703	1,410	1,307
		Total		**1,989**	**1,623**	**1,468**
	Landfilled	Korea		15	9	4
		Overseas		262	151	75
		Total		**276**	**159**	**79**
General waste disposal	Recycled	Korea	Tons	35,909	26,058	29,792
		Overseas		164,638	145,278	160,505
		Total		**200,547**	**171,337**	**190,297**
	Incinerated (general)	Korea		499	76	26
		Overseas		3,104	1,465	328
		Total		**3,602**	**1,541**	**354**
	Landfilled	Korea		248	99	168
		Overseas		5,586	4,769	3,047
		Total		**5,834**	**4,868**	**3,214**

Recycled Plastic Usage Rate and Amount

Classification	Unit	2022	2023	2024
Recycled material usage rate	%	6.7	11.2	13.7
Recycled material usage	Tons	32,987	54,423	74,079

Critical Chemical Spill[1)]

Classification	Unit	2022	2023	2024
Number of spill	Case	0	0	0
Amount of spill	Tons	0	0	0

1) A fatality or serious injury resulting from the spread or spill/leakage of a chemical/untreated environmental pollutant outside the boundaries of a business site

Discharge of Chemical Substance and Use of Hazardous Chemical Substance

Classification	Unit	2022	2023	2024
Hazardous chemical substance usage	Tons	11,821	11,693	11,671
Chemical substance discharged		4	0	0

Water Resource (Water Withdrawal)

Classification		Unit	2022	2023	2024
Water withdrawal	Surface water	Korea+ Overseas	0.3	0.08	0
	Ground water		822	834	843
	Seawater		0	0	0
	Water supply		6,255	5,657	5,648
	Other		0	0	33
	Total		**7,078**	**6,491**	**6,524**
	Target		7,800	7,200	7,200

ESG Data

Environmental

Water Resource (Water Consumption)

Classification			Unit	2022	2023	2024
Water consumption	**Total**		1,000 Tons	**4,803**	**4,813**	**4,836**
Water recycling	Internal water recycling	Korea+ Overseas	1,000 Tons	397	325	313
	External water recycling			50	69	68
	Total			**447**	**394**	**381**

Water Resource Discharge Status

Classification			Unit	2022	2023	2024
Waste water discharge	Internal treatment facility	Korea	1,000 Tons	1,283	531	493
		Overseas		993	9	11
		Total		**2,275**	**540**	**504**
	External treatment facility	Korea		0	945	970
		Overseas		0	194	214
		Total		**0**	**1,138**	**1,184**
	Waste water discharge	Korea		1,283	1,476	1,463
		Overseas		993	202	225
		Total		**2,275**	**1,678**	**1,688**

Water Pollutant Management Status

Classification		Unit	2022	2023	2024
Waste water quality - COD[1)]	Korea	Tons	13	0	0
	Overseas		174	103	114
	Total		**187**	**103**	**114**
Waste water quality - SS	Korea		4	3	3
	Overseas		79	53	35
	Total		**83**	**56**	**38**
Waste water quality - T-N	Korea		13	3	4
	Overseas		29	31	23
	Total		**42**	**34**	**27**
Waste water quality - T-P	Korea		0	0	0
	Overseas		2	2	2
	Total		**2**	**2**	**2**
Waste water quality - TOC	Korea		0	5	5
	Overseas		0	0	0
	Total		**0**	**5**	**5**
Waste water quality - BOD	Korea		6	7	6
	Overseas		0	0	0
	Total		**6**	**7**	**6**

1) COD emissions from Korean business sites are counted as TOC emissions starting in 2023 according to the amended Water Environment Conservation Act.

Environment-Friendly Motor Vehicle[1)]

Classification	Unit	2022	2023	2024
Number of monetary sanctions	Vehicle	298	345	336
Financial value of fines		2,608	2,412	2,396
Percentage of Environment-Friendly Vehicles Owned	%	11.43	14.30	14.02

1) Electric vehicles + hybrid vehicles

ESG Data

Social

Self-Assessment based on RBA (Responsible Business Alliance)

Classification	Unit	2022	2023	2024
Number of business sites subject to self-assessment	Site	30	30	30
Number of low-risk business sites		17	24	8
Number of medium-risk business sites		13	6	22
Number of high-risk business sites		0	0	0
Average point of self-assessment of business sites	Point	81.5	90.0	76.7

Supplier ESG Management[1)]

Classification			Unit	2022	2023	2024
ESG self-diagnosis	Suppliers	Target	Company	1,325	1,330	1,283
		Completed		1,231	1,266	1,236
		Number of high-risk suppliers		8	12	14
		Percentage of high-risk suppliers	%	0.6	0.9	1.1
	Core suppliers	Total number of significant suppliers	Company	1,017	671	435
		Number of tier-2 and tier-3 significant suppliers		678	337	207
		Total number of high-risk suppliers		0	0	0
		Percentage of high-risk suppliers	%	0	0	0
ESG on-site diagnosis (by LG Electronics)	High-risk suppliers	Number of suppliers	Company	50	50	72
		Number of uncertified suppliers		5	2	0
		Certification rate	%	90	96	100

1) Correction of data due to a revision in the data reporting criteria

Free ESG Risk Management Specialization Training for Suppliers[1)]

Classification			Unit	2022	2023	2024
General management	Number of suppliers	Korea	Company	514	376	417
	Number of employees at suppliers		Person	2,168	1,889	2,156
ESG capability enhancement	Number of suppliers	Korea/Overseas	Company	0	1,046	638
	Number of employees at suppliers		Person	0	1,046	672
Fire/safety management	Number of suppliers	Korea	Company	289	194	267
	Number of employees at suppliers		Person	514	202	345
Total	Number of suppliers	Korea/Overseas	Company	803	1,616	1,322
	Number of employees at suppliers		Person	2,682	3,137	3,137

1) Correction of data due to a revision in the data reporting criteria

ESG Data

Social

Key Negative Social Impacts in the Supply Chain and Actions Taken

Classification		Unit	2022	2023	2024
Supplier assessment	Number of suppliers that have been assessed for social impact (suppliers that have conducted self-assessment by year)	Company	1,231	1,266	1,236
	Number of suppliers identified as having actual/potential negative social impact		8	12	14
	Percentage of suppliers discussed improvements in response to assessment results	%	100	100	100
	Number of suppliers with contracts terminated due to assessment results	Company	0	0	0
Corrective action	Number of suppliers supported with corrective action implementation plans		8	12	14
	Percentage of suppliers identified as having actual/potential negative social impacts who are supported with corrective action implementation plans	%	100	100	100
Percentage of new suppliers screened with social impact assessment			100	100	100

Financial Support for Suppliers

Classification		Unit	2022	2023	2024
Funding amount	Direct funding	KRW 100 million	325	375	375
	Win-win growth fund		1,751	1,968	1,934
	ESG fund		0	135	349
	Win-win payment system		72,532	72,877	75,464
	Subtotal		**74,608**	**75,355**	**78,122**
Supported companies	Direct funding	Company	34	45	36
	Win-win growth fund		152	127	124
	ESG fund		0	10	25
	Win-win payment system		1,538	1,533	1,585
	Subtotal		**1,724**	**1,715**	**1,770**

Fire and Safety Consulting for Suppliers

Classification	Unit	2022	2023	2024
Korea	Case	231	236	237
Overseas		0	0	0
Total		**231**	**236**	**237**

Suppliers Grievance Handling[1)]

Classification	Unit	2023	2024
Number of grievances handled	Case	4	4

1) Data aggregated since 2023

ESG Data

Social

Occupational Injury Occurrence

Classification		Unit	2022		2023		2024	
			LG Electronics	Suppliers[1]	LG Electronics	Suppliers[1]	LG Electronics	Suppliers[1]
LTIFR (Lost-Time Injuries Frequency Rate)[2]	Korea	Case/ Million hours worked	0.70	0.48	0.43	0.38	0.20	0.24
	Overseas		3.67	1.09	1.07	0.20	0.46	0.28
	Average		2.08	0.92	0.73	0.25	0.32	0.27
OIFR (Occupational Injuries Frequency Rate)[2]	Korea	Case/ Million hours worked	0	0	0	0	0	0
	Overseas		0	0	0	0	0	0
	Average		0	0	0	0	0	0
Lost time injuries	Korea	Case	46	8	30	6	15	4
	Overseas		208	50	64	9	26	12
	Total		**254**	**58**	**94**	**15**	**41**	**16**
Total Hours worked	Korea	Million hours	66	17	69	16	73	17
	Overseas		57	46	60	44	57	43
	Total		**122**	**63**	**129**	**60**	**130**	**60**
Number of accident	Injury	Case	249	58	94	15	40	16
	Infection		0	0	0	0	0	0
	Occupational disease		3	0	0	0	1	0
	Fire/ explosion		2	0	0	0	0	0
	Spill/leakage		0	0	0	0	0	0
	Legal violation		0	0	0	0	0	0
	Total		**254**	**58**	**94**	**15**	**41**	**16**

Classification		Unit	2022		2023		2024	
			LG Electronics	Suppliers[1]	LG Electronics	Suppliers[1]	LG Electronics	Suppliers[1]
Number of people in accidents (number of injuries)	Injury	Person	249	58	94	15	40	16
	Infection		0	0	0	0	0	0
	Occupational disease		3	0	0	0	1	0
	Fire/explosion		0	0	0	0	0	0
	Spill/leakage		0	0	0	0	0	0
	Legal violation		0	0	0	0	0	0
	Total		**252**	**58**	**94**	**15**	**41**	**16**
Number of people in accidents (number of fatalities)	Injury	Person	0	1	0	0	0	0
	Infection		0	0	0	0	0	0
	Occupational disease		0	0	0	0	0	0
	Fire/explosion		0	0	0	0	0	0
	Spill/leakage		0	0	0	0	0	0
	Legal violation		0	0	0	0	0	0
	Total		**0**	**1**	**0**	**0**	**0**	**0**

1) Excluding construction companies
2) Calculation method: Case/Million Hours worked

Employee Safety and Environment Training Status

Classification	Unit	2022	2023	2024
General training[1] hours	Hours	475,373	568,980	611,578
Special training[2] hours		4,214	3,144	28,848
Professional training[3] hours		12,456	3,824	28,160
Number of people completed general training	Person	30,323	30,129	34,382
Number of people completed special training		196	146	1,803
Number of people completed professional training		617	531	1,760

1) General training: regular training on safety and health, special safety training, promotion training, safety environment mindset training, etc.
2) Special training: Customized training by job group/class for overseas production subsidiary president, purchase university, etc.
3) Professional training: For safety and environmental jobs such as auditor courses, disaster prevention capacity building, etc.

ESG Data

Social

Number of Employees by Region

Classification	Unit	2022	2023	2024
Korea	Person	34,645	35,111	35,727
Asia		8,470	8,516	9,533
Latin America		8,179	7,361	7,067
China		5,978	6,407	6,680
India		4,540	4,833	5,300
Europe		4,488	4,326	4,497
North America		3,393	3,399	3,508
Middle East and Africa		1,407	1,497	1,609
CIS		1,316	1,111	1,049
Japan		236	252	271
Total		**72,652**	**72,813**	**75,241**

Number of Employees by Position

Classification		Unit	2022	2023	2024
Associates	Male	Person	48,271	47,763	49,478
	Female		14,815	14,781	15,325
	Subtotal		**63,086**	**62,544**	**64,803**
Managers[1)]	Male		8,517	9,062	9,158
	Female		1,049	1,207	1,280
	Subtotal		**9,566**	**10,269**	**10,438**
Executives and above	Male		276	285	299
	Female		12	12	15
	Subtotal		**288**	**297**	**314**

1) Number of people who have a job title

Number of Employees by Employment Contract

Classification			Unit	2022	2023	2024
Percentage of permanent employees			%	98	98	98
Permanent	Male	**Total**	Person	**55,874**	**55,673**	**57,416**
		Aged 29 or under		8,315	8,571	9,285
		Aged 30 to 49		38,869	37,756	37,398
		Aged 50 or older		8,690	9,346	10,733
	Female	**Total**		**15,671**	**15,735**	**16,318**
		Aged 29 or under		3,872	3,850	4,010
		Aged 30 to 49		10,795	10,785	11,048
		Aged 50 or older		1,004	1,100	1,260
Temporary	Male	**Total**		**914**	**1,152**	**1,220**
		Aged 29 or under		674	816	872
		Aged 30 to 49		216	263	281
		Aged 50 or older		24	73	67
	Female	**Total**		**193**	**253**	**287**
		Aged 29 or under		113	131	146
		Aged 30 to 49		71	108	114
		Aged 50 or older		9	14	27

Number of Employees by Employment Type

Classification		Unit	2022	2023	2024
Full-time	Male	Person	56,768	56,807	58,615
	Female		15,801	15,931	16,555
Part-time	Male		20	18	21
	Female		63	57	50
Subtotal			**72,652**	**72,813**	**75,241**

ESG Data

Social

Ratio of Senior Managers Hired Locally in Major Business Sites

Classification	Unit	2022	2023	2024
Number of local hires	Person	15,670	13,092	11,402
Senior people among hires[1)]		156	191	160
Ratio of senior people among hires	%	1.0	1.5	1.4

1) Senior workforce: New hires who have a job title

Hiring Status

Classification			Unit	2022	2023	2024
New hire - Permanent	Total (Male+Female)	**Total**	Person	**17,442**	**14,659**	**12,344**
	Male	Subtotal		11,551	9,719	8,641
		Aged 29 or under		6,971	5,780	4,948
		Aged 30 to 49		4,301	3,664	3,381
		Aged 50 or older		279	275	312
	Female	Subtotal		5,891	4,940	3,703
		Aged 29 or under		3,300	2,808	2,080
		Aged 30 to 49		2,489	2,031	1,545
		Aged 50 or older		102	101	78
New hire - Temporary	Total (Male+Female)	**Total**		**2,623**	**1,746**	**1,612**
	Male	Subtotal		1,984	1,445	1,283
		Aged 29 or under		1,784	1,261	1,085
		Aged 30 to 49		182	168	183
		Aged 50 or older		18	16	15
	Female	Subtotal		639	301	329
		Aged 29 or under		508	197	204
		Aged 30 to 49		104	93	90
		Aged 50 or older		27	11	35
Number of new hires (permanent+temporary)			Person	20,065	16,405	13,956
Ratio of open positions filled by internal candidates (internal hires)			%	11.5	10.6	12.3
Average cost of hire			KRW	3,628,078	3,379,923	5,003,679

Employee Turnover Status

Classification			Unit	2022	2023	2024
Korea	Number of turnover by age group	Aged 29 or under	Person	302	226	267
		Aged 30 to 49		1,424	702	498
		Aged 50 or older		1,487	715	229
Overseas	Number of turnover by age group	Aged 29 or under	Person	7,953	6,586	4,381
		Aged 30 to 49		6,612	5,852	4,190
		Aged 50 or older		533	593	571
Number of turnover by gender		Male	Person	12,378	9,741	6,882
		Female		5,933	4,933	3,254
Employee voluntary turnover rate			%	10.7	7.8	6.4
Total turnover rate (voluntary turnover+involuntary turnover)				25.8	20.8	14.0

ESG Data

Social

Number of Voluntary Turnover and Leavers Rates

Classification			Unit	2022	2023	2024
Permanent		Voluntary turnover rate	%	10.7	7.8	6.4
		Number of voluntary leavers	Person	7,620	5,532	4,637
		Average number of employees		71,012	70,632	72,608
Male		Voluntary turnover rate	%	9.2	6.7	5.6
		Number of voluntary leavers	Person	5,144	3,723	3,155
		Average number of employees		55,666	55,166	56,545
Female		Voluntary turnover rate	%	16.1	11.7	9.2
		Number of voluntary leavers	Person	2,476	1,809	1,482
		Average number of employees		15,346	15,466	16,063
Korea	Aged 29 or under	Voluntary turnover rate	%	10.0	6.6	6.9
		Number of voluntary leavers	Person	265	222	265
		Average number of employees		2,647	3,366	3,825
	Aged 30 to 49	Voluntary turnover rate	%	3.3	2.4	1.9
		Number of voluntary leavers	Person	859	602	470
		Average number of employees		25,687	24,631	24,174
	Aged 50 or older	Voluntary turnover rate	%	0.4	0.3	0.5
		Number of voluntary leavers	Person	21	18	35
		Average number of employees		5,728	6,092	7,025
Overseas	Aged 29 or under	Voluntary turnover rate	%	35.8	24.7	19.1
		Number of voluntary leavers	Person	3,226	2,152	1,735
		Average number of employees		9,023	8,712	9,064
	Aged 30 to 49	Voluntary turnover rate	%	12.4	9.8	7.9
		Number of voluntary leavers	Person	3,023	2,327	1,905
		Average number of employees		24,305	23,857	24,127
	Aged 50 or older	Voluntary turnover rate	%	6.2	5.3	5.2
		Number of voluntary leavers	Person	226	211	227
		Average number of employees		3,622	3,974	4,393

Workers with Disabilities

Classification		Unit	2022	2023	2024
Employment rate of people with disabilities[1]	**Total**	%	**2.4**	**2.5**	**2.6**
	Male		2.3	2.4	2.4
	Female		2.7	3.0	3.0
Number of disabled workers	**Total**	Person	**817**	**856**	**917**
	Direct employment (Male)		410	411	433
	Direct employment (Female)		11	19	20
	Indirect employment (Male)		271	285	299
	Indirect employment (Female)		125	141	165
Number of permanent employees			34,101	34,357	34,899

1) Combined employment rate of permanent disabled workers in LG Electronics and Hanuri (Hanuri: a business established by LG Electronics to expand employment of workers with disabilities,-where workers are in charge of managing cafes, environmental restoration, dishwashing and dormitories, etc.)

Parental Leave Usage

Classification		Unit	2022	2023	2024
Total number of employees who took parental leave	Male	Person	283	238	235
	Female		329	361	299
	Total		**612**	**599**	**534**
Total number of employees who returned to work after parental leave	Male	Person	217	245	232
	Female		218	275	297
	Total		**435**	**520**	**529**
Total number of employees who return to work after parental leave ends and have been employed for 12 months	Male	Person	180	178	225
	Female		240	197	265
	Total		**420**	**375**	**490**
Ratio of employees who returned to work after parental leave	Male	%	88.6	94.2	91.7
	Female		83.2	86.5	87.9
Ratio of employees who return to work after parental leave ends and have been employed for 12 months	Male	%	78.6	82.0	91.8
	Female		85.4	90.4	96.4

ESG Data

Social

Base Pay Rate by Gender

Classification		Unit	2022	2023	2024
Executive level	Male	%	100	100	100
	Female		91	94	85

Percentage of Entry Level Wages to Minimum Wage by Gender

Classification		Unit	2022	2023	2024
Male entry-level employee	Office position	%	178	176	189
	Technical position		133	132	143
Female entry-level employee	Office position		178	176	189
	Technical position		133	132	143

Gender Diversity by Position

Classification		Unit	2022	2023	2024
Number of people with titles in revenue related positions	**Total**	Person	**7,849**	**8,396**	**8,521**
	Male		7,157	7,598	7,673
	Female		692	798	848
Number of people without titles in revenue related positions	**Total**	Person	**56,001**	**55,323**	**57,101**
	Male		43,552	42,930	44,342
	Female		12,449	12,393	12,759
Total number of people with titles		Person	9,291	9,969	10,126
Percentage of female employees with titles in revenue related positions		%	**7.4**	**8.0**	**8.4**
Percentage of female employees in R&D related positions		%	**15.5**	**16.1**	**16.3**
Number of male permanent employees in R&D related positions		Person	16,674	17,187	18,111
Number of female permanent employees in R&D related positions		Person	3,067	3,294	3,537
Percentage of female employees in management positions	Junior management positions	%	11.2	11.9	17.9
	Top management positions		4.2	4.1	4.8
	All management positions		11.0	11.8	12.2
Percentage of female employees in STEM-related positions		%	15.5	16.1	16.3

ESG Data

Social

Gender and Age Diversity of Job Title Holders

Classification		Unit	2022	2023	2024
Percentage of job title holders		%	**13.0**	**13.9**	**14.1**
Percentage of male job title holders			**88.8**	**88.1**	**87.8**
Number of male job title holders (Permanent)	**Total**	Person	**8,255**	**8,781**	**9,116**
	Aged 29 or under		217	197	193
	Aged 30 to 49		6,094	6,459	6,429
	Aged 50 or older		1,944	2,125	2,494
Number of male employees	Number of male permanent employees		55,598	55,673	57,117
	Number of male executives		276	279	299
Percentage of female title holders		%	**11.2**	**11.9**	**12.2**
Number of female job title holders (Permanent)	**Total**	Person	**1,036**	**1,188**	**1,272**
	Aged 29 or under		43	47	48
	Aged 30 to 49		873	984	1,042
	Aged 50 or older		120	157	182
Number of female employee	Number of female permanent employees		15,659	15,735	16,303
	Number of female executives		12	12	15

Percentage of Employees who Received Performance Evaluations

Classification	Unit	2022	2023	2024
All employees	%	100	100	100

Average Training Hours per Employee

Classification		Unit	2022	2023	2024
Korea	Male	Hours	78.7	78.4	75.4
	Female		69.6	73.2	72.6
Overseas	Male		13.9	16.8	17.1
	Female		15.4	17.0	16.9
Total	Male		47.5	49.0	47.8
	Female		33.1	36.1	35.4

ESG Data

Social

Average Training Hours by Age

Classification		Unit	2022	2023	2024
Korea	Aged 29 or under	Hours	143.4	160.9	152.8
	Aged 30 to 49		90.4	84.8	85.6
	Aged 50 or older		41.7	55.4	51.7
Overseas	Aged 29 or under		36.3	40.7	32.7
	Aged 30 to 49		20.6	22.0	21.5
	Aged 50 or older		14.9	17.6	29.1
Total	Aged 29 or under		68.5	80.2	68.9
	Aged 30 to 49		61.3	58.0	57.2
	Aged 50 or older		31.8	41.7	43.8

Average Training Hours by Position

Classification		Unit	2022	2023	2024
Korea	P3	Hours	77.0	72.1	66.7
	P2		99.5	94.0	99.4
	P1		119.2	169.6	154.6
	Other		25.1	30.5	39.9
Overseas	G4		9.2	9.0	9.2
	G3		22.7	23.1	23.9
	G2		24.4	24.2	26.0
	G1		27.0	35.9	37.4
	Other		2.2	0.5	0.5

ESG Data

Social

Permanent Employee Education and Training

Classification		Unit	2022	2023	2024
Average training hours per permanent employee	**Total**	Hours/Person	**45.1**	**47.1**	**42.3**
	Male		48.5	50.0	44.8
	Female		33.0	36.7	33.5
Total training hours of permanent employees	**Total**	Hours	**3,226,535**	**3,360,991**	**3,124,513**
	Male		2,709,171	2,783,503	2,577,100
	Female		517,364	577,488	547,413
Permanent employee statutory training hours[1)]	**Total**	Hours	**1.1**	**1.4**	**1.3**
	Male		1.2	1.4	1.2
	Female		0.7	1.2	1.1
Average amount of training per permanent employee[2)]	Total training amount for permanent employees	KRW/Person	748,074	826,054	883,101
		KRW 1 million	53,521	58,987	65,235
	Number of permanent employees **Total**	Person	**71,545**	**71,408**	**73,870**
	Number of permanent employees Male		55,874	55,673	57,507
	Number of permanent employees Female		15,671	15,735	16,363

1) Excluding overseas business sites
2) Including overseas business sties

Average Training Hours by Program

Classification		Unit	2022	2023	2024
Korea	Leadership	Hours	1.1	1.3	3.4
	Job Duty		12.8	7.2	13.0
	Other		3.7	4.9	3.3
Overseas	Leadership		2.2	3.0	2.2
	Job Duty		7.2	6.8	8.8
	Other		3.9	4.1	4.3
Total	Leadership		1.2	1.5	2.8
	Job Duty		9.9	7.0	11.1
	Other		3.6	4.7	3.7

ESG Data

Social

ESG Strategy and Policy Training

Classification		Unit	2022	2023	2024[1]
Total	Target	Person	46,583	45,964	0
	Number of trainees		29,109	34,009	0
Korea	Target		25,853	26,428	0
	Number of trainees		20,471	22,486	0
Overseas	Target		20,730	19,536	0
	Number of trainees		8,638	11,523	0

1) The training cycle has been revised to a biennial schedule, with the next session planned for 2025.

Social Contribution

Classification		Unit	2022	2023	2024
Social contribution expenditure as apercentage of revenue[1]		%	0.09	0.06	0.07
Social contribution expenditure as a percentage of operating income[1]			2.11	1.53	1.72
Social contribution expenditure		KRW 1 million	75,007	54,132	58,853
Expenditure by type of social contribution	**Total**		**75,008**	**54,132**	**58,853**
	Charitable donations		25,285	19,934	24,559
	Local community investment		3,732	2,164	5,243
	Commercial initiatives		45,991	32,034	29,051
Expenditure by area of social contribution	**Total**		**75,008**	**54,132**	**58,853**
	Welfare		4,925	12,252	18,076
	Education		6,812	3,500	6,982
	Environment		890	664	617
	Health		1,231	521	212
	Culture		41,151	32,823	30,808
	Disaster		2,440	1,250	137
	Other		17,559	3,122	2,021

1) Calculated as revenue and operating income on a consolidated basis

ESG Data

Social

Local Community Engagement, Impact Assessment and Development Program Operation

Classification	Unit	2022	2023	2024
Number of countries where stakeholder advisory meetings were held[1)]	EA	1	1	1
Number of broad-based local community advisory groups that include underprivileged people[1)]		1	1	1

1) Accessibility Advisory Group (Korea, in operation since 2021)

Stakeholder Human Rights Grievance Handling

Classification	Unit	2022	2023	2024
Number of received cases	Case	74	59	63
Number of cases handled		74	59	63
Grievance handling ratio	%	100	100	100

Number of Violations of Indigenous Peoples' Rights in the Region Where We Operate and Actions Taken

Classification	Unit	2022	2023	2024
Number of violations of indigenous peoples' rights[1)]	Case	0	0	0

1) Based on reported cases

Percentage of Security Personnel Trained on Human Rights Policies and Safeguarding Procedures

Classification	Unit	2022	2023	2024
Number of security personnel	Person	364	364	364
Number of security personnel trained		364	364	364
Training completion rate	%	100	100	100

Labor-Management Relations

Classification	Unit	2022	2023	2024
Number of employees in Korea	Person	37,699	36,042	35,768
Number of union members in Korea		11,801	10,157	9,317
Union membership rate in Korea	%	31	28	26
Number of employees overseas	Person	45,932	46,892	49,989
Number of union members overseas[1)]		-	14,956	15,349
Union membership rate overseas	%	-	32	31
Total union membership rate		-	30	29

1) Data aggregated since 2023

Employee Satisfaction

Classification		Unit	2022	2023	2024
Employee satisfaction survey coverage	Korean office position	%	74.3	77.1	79.4
	Korean technical position		82.0	84.6	90.2
	Overseas office position		75.0	76.6	78.7

Psychological Counseling Center Operation Status

Classification		Unit	2022	2023	2024
Personal counseling program		Times	5,316	5,803	6,233
Group counseling program			292	309	298
Types of Counseling	Family matters	%	31.2	33.8	33.5
	Mental health		19.4	21.2	23.9
	Personality		16.0	16.5	18.7
	Other		33.4	28.5	23.9

Junior Board Grievance Handling Performance

Classification	Unit	2022	2023	2024
Received agenda item	Case	12	11	12
Completed agenda item		10	11	12

ESG Data

Social

Status of Employee Training on Human Rights Policy and Procedure

Classification		Unit	2022	2023	2024[1)]
Number of hours of employees training on human rights policies and procedures related to the business		Hours	1,264	2,041	-
Number of employees trained on human rights policies and procedures related to the business	By position	Person	1,214	2,041	-
	By job group		50	0	-
	Online		1,264	2,041	-

1) Since 2024, position-specific training has been discontinued, and company-wide human rights training has been conducted for all employees. (Completed by 25,481 employees in Korea and 20,013 employees overseas)

Business Sites Subject to Human Rights Impact Assessment[1)]

Classification	Unit	2022	2023	2024
Number of global business sites	Business sites	33	30	30
Number of business sites subject to human rights review or human rights impact assessment by country		33	30	30
Percentage of business sites subject to human rights review or human rights impact assessment by country	%	100	100	100

1)) Evaluated across global production sites

Status of 3TG Mineral Smelters Conformant with the RMAP

Classification		Unit	2022	2023	2024
Tin	Certified	EA	58	65	69
	In progress		0	3	0
	Not certified		22	24	14
Tantalum	Certified		33	33	36
	In progress		0	1	0
	Not certified		5	4	2
Tungsten	Certified		34	31	32
	In progress		0	0	0
	Not certified		10	10	9
Gold	Certified		92	87	90
	In progress		0	2	0
	Not certified		20	70	31
Total	Certified		**217**	**216**	**227**
	In progress		**0**	**6**	**0**
	Not certified		**57**	**108**	**56**

Customer Satisfaction Survey[1)]

Classification		Unit	2022	2023	2024
Customer satisfaction survey results	Korean market	%	87.7	92.5	92.1
	Overseas market		69.9	63.6	66.0

1) Survey of customers who have received repair services from LG Electronics

Assessment of the Safety and Health Impact of Products and Services[1)]

Classification	Unit	2022	2023	2024
Percentage of major products and services assessed for safety and health impact	%	100.0	100.0	100.0

1) Product safety risk assessment criteria (internal criteria)

Information Disclosure Items Related to Products and Services

Item	Application Examples
Sourcing of product or service components	RMAP-conformant smelters, recycled plastics
Information on substances with potential environmental or social impacts	RoHS, energy efficiency, etc.
Safe use of products or services	User manuals, warning labels
Product disposal and its environmental or social impact	EPR system, collection guidance, etc.
Other	Country-Specific Certification Information (KC, CE, etc.)

ESG Data

Governance

Operation of the BOD

Classification		Unit	2022	2023	2024
BOD meetings held		Times	9	8	9
BOD deliberation on agenda	Approved	Case	46	30	27
	Reported		11	16	19
BOD attendance rate	Executive	%	89.0	86.6	100.0
	Independent		100.0	100.0	100.0
	Total		96.8	96.3	100.0
Number of reports on materiality issue	Total	Times	9	8	9
Review cycle for economic, environmental, and social topics	Total	Year	1	1	1

Governance and Employee Diversity

Classification		Unit	2022	2023	2024
Number of employees by gender	Male	Person	56,790	56,825	58,636
	Female		15,862	15,988	16,605
Number of employees by age	Aged 29 or under	Person	12,974	13,368	14,313
	Aged 30 to 49		49,951	48,912	48,841
	Aged 50 or older		9,727	10,533	12,087
Number of executive officers	**Total**	Person	**288**	**297**	**314**
	Male		276	285	299
	Female		12	12	15
Percentage of female executives		%	4.2	4.0	4.8

Governance and Employee Diversity_BOD Composition Ratio

Classification		Unit	2022	2023	2024
BOD composition by gender	Male	%	86	86	86
	Female		14	14	14
Number of female directors		Person	1	1	1
Number of male directors			6	6	6

Composition of the Highest Decision-Making Body and Subcommittees

Classification		Unit	2022	2023	2024
Executive or non-executive directors (Total)		Person	7	7	7
Number of executive directors			2	2	2
Number of independent directors			4	4	4
Number of non-executive directors			1	1	1
Compensation committee	Total number of members	Person	0	0	0
	Number of independent directors		0	0	0
	Attendance rate of independent directors	%	0	0	0
Independent director candidate recommendation committee	Total number of members	Person	3	3	3
	Number of independent directors		2	2	2
	Attendance rate of independent directors	%	100	100	100
Audit committee	Total number of members	Person	4	4	4
	Number of independent directors		4	4	4
	Attendance rate of independent directors	%	100	100	100

Compensation Policy

Classification		Unit	2022	2023	2024
Salary	CEO	KRW 1 million	1,545	1,561	1,562
	CFO		624	638	554
Bonus	CEO		235	780	1,430
	CFO		297	159	0
Total	CEO		1,780	2,341	2,992
	CFO		921	797	554
	Independent directors (Audit committee members)		417	417	408

ESG Data

Governance

Compliance Management Status

Classification			Unit	2022	2023	2024
On-site compliance manager		Compliance manager	Person	151	122	130
		Risk manager		533	557	483
Compliance committee meeting held		Company-wide	Times	4	4	4
		On-site		3	3	3
Compliance survey	Korea	Participants	Person	25,827	25,821	26,954
		Respondents		20,406	25,336	25,481
	Overseas	Participants		19,325	19,423	21,373
		Respondents		13,149	19,104	20,013
	Total	Participants		45,152	45,244	48,327
		Respondents		33,555	44,440	45,494

Compliance Training Status

Classification			Unit	2022	2023	2024
Online training	Korea	Employees subject to training	Person	25,827	25,821	26,954
		Employees completed training		24,731	25,336	25,481
	Overseas	Employees subject to training		19,325	19,423	21,373
		Employees completed training		18,438	19,104	20,013
	Total	Employees subject to training		45,152	45,244	48,327
		Employees completed training		43,169	44,440	45,494
Employee completed offline training for specific job titles and positions (number of sessions)		Training on new team leader	Person (Times)	208(1)	303(3)	308(1)
		Overseas expatriate leadership training		126(5)	135(3)	161(4)
		New entrepreneur training		24(2)	127(1)	41(1)
		Dispatch manager onboarding training		29(1)	24(2)	25(2)

Status of Violation Reports Received and Actions Taken[1)]

Classification		Unit	2022	2023	2024
Violation reporting status	Corruption and illegalities	Case (%)	27(12)	29(17)	20(8)
	Other (HR, unfair trade, etc.)		90(40)	63(37)	71(30)
	Complaint (customer complaint, suppliers grievance, etc.)		108(48)	77(46)	148(62)
	Subtotal	Case	225	169	239
Status of self-diagnostic actions	Disciplinary dismissal/recommended resignation	Case (%)	11(5)	12(6)	11(5)
	Minor discipline		120(52)	106(49)	114(54)
	Severe discipline		101(44)	98(45)	86(41)
	Subtotal	Case	232	216	211

1) The number of reports received in the previous year that were investigated and found to be true or partially true.

Number and Percentage of Business Sites Assessed for Corruption Risk

Classification	Unit	2022	2023	2024
Number of business sites[1)]	Business sites	95	108	105
Percentage of business sites	%	99	100	100

1) Selection of business sites for assessment based on internal criteria

ESG Data

Governance

Notification and Training on Anti-corruption Policy and Procedure

Classification		Unit	2022	2023	2024
Number and percentage of notified or trained board members	Korea (ratio)	Person (%)	7(100)	7(100)	7(100)
Number and percentage of notified or trained employees	Korea (ratio)	Person (%)	24,731(95.8)	25,336(98.1)	25,481(94.5)
	Overseas (ratio)		18,438(95.4)	19,104(98.4)	20,013(93.6)
	Total	Person	**43,169**	**44,440**	**45,494**
Number and percentage of notified or trained suppliers	Korea (ratio)	Company (%)	237(53)	289(88)	169(49)
	Overseas (ratio)		0(0)	757(81)	469(50)
	Total	**Company**	**237(19)**	**1,046(83)**	**638(50)**

Number of Inquiries to the Counseling Center Dedicated to Jeong-Do Management

Classification	Unit	2022	2023	2024
Interpretation of Regulations/Code of Ethics	Case (%)	7(7)	6(7)	18(13)
Conflicts of interest		36(37)	23(25)	27(20)
Expense handling		30(31)	17(18)	51(38)
Congratulatory & condolatory money or goods		4(4)	0(0)	4(3)
Other (regulation, HR, etc.)		20(21)	46(50)	36(26)
Total		**97(100)**	**92(100)**	**136(100)**

ESG Data

Governance

Jeong-Do Management Online and Offline Training Completion Status

Classification		Unit	2022	2023	2024
Employees	Online training	Person	36,070	37,304	26,936
	Offline training		4,605	10,231	28,907
	Total		40,675	47,535	55,843
Suppliers	Number of participating suppliers	Company	5	17	46
	Number of participating employees at suppliers	Person	4,605	1,986	46

Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data

Classification	Unit	2022	2023	2024
Complaints received from outside parties and substantiated by the organization	Case	0	0	0
Complaints from regulatory bodies		0	0	0
Total number of identified leaks, thefts, or losses of customer data		0	0	0
Total number of identified leaks, thefts, or losses of employee data		1	0	0
Total number of customer privacy breaches		0	0	0

Contributions & Other Spending

Classification	Unit	2022	2023	2024
Trade associations or think tanks	KRW 1 million	2,093	1,187	2,466

Membership·Awards & Recognition

Major Affiliation/Participating Organizations

Korea Electronics Association	RBA (Responsible Business Alliance)
Korea Chemicals Management Association	Korea Chamber of Commerce and Industry
Korea Display Industry Association	Global Standard No.1
Korea International Trade Association	Korea Products Safety Association
Korea AEO Association	Fair Competition Federation
National Academy of Engineering of Korea	Korea Electronics Association (Private Sector Electronic Trade Cooperation)
Korea Association for ICT Promotion	Korea Enterprises Federation
Korea Listed Companies Association	Korea Radio Promotion Association
Korean Association for Industrial Technology Security	Korea Refrigeration and Air-conditioning Industry Association
The Federation of Korean Industries	Korea Investor Relations Service
Trade related IPR (Intellectual Property Rights) Protection Association	Professionals in Business Industrial Health Association
BNBP (Biz N Biodiversity Platform)	UN Global Compact
AOM (Alliance for Open Media)	RMI (Responsible Minerals Initiative)
CSA (Connectivity Standards Alliance)	RE100 (Renewable Energy 100)
MicroLED Industry Association	HCA (Home Connectivity Alliance)
AHRI (Air-Conditioning, Heating & Refrigeration Institute in the US)	SBTi (Science-based Target Initiative)

ESG External Assessment Status

External Assessment	Key Achievement	Assessment Agency
CSA[1)]	Selected as TOP 1% in corporate sustainability assessment for 2 consecutive years	S&P Global Sustainable1
DJSI[2)]	Listed on DJSI Best-in-class World for 13 consecutive years	
	Listed on DJSI Asia Pacific for 15 consecutive years	
	Listed on DJSI Korea for 16 consecutive years	
MSCI[3)] ESG Ratings	Grade A	MSCI
CDP Climate	Grade B in Climate Change 2024	CDP
	Grade C in Water Security 2024	
KCGS	Comprehensive Grade A for 4 consecutive years	KCGS
FTSE Russell's ESG Ratings	Listed on FTSE4Good for 10 consecutive years	FTSE Russell
EcoVadis	Platinum Medal (Top 1%)	EcoVadis

1) CSA: Corporate Sustainability Assessment
2) DJSI: Dow Jones Sustainability Index
3) MSCI: Morgan Stanley Capital International

Major Awards & Recognition

Date	Details	Awarded by
2025.04	Red Dot Design Award - Best of the Best(1), Innovative Award(1), Winner(33)	Red Dot of Germany
2025.04	2024 Excellent Value Improvement Award	Toyota Motor North America (TMNA)
2025.04	The 33rd annual Supplier of the Year	General Motors (GM)
2025.03	2025 Korea Home Appliance Awards - Awards in six categories	Electronic Times Internet (ETNEWS)
2025.03	The 33rd Consumer's Good Advertising Award - Minister of Culture, Sports and Tourism Award(1), Good Advertising Award(2)	Korea Advertisers Association, Korea National Council of Consumer Organizations
2025.02	2025 iF Design Award(36) including the Gold Award	International Forum Design GmbH of Germany
2024.12	2024 Korea Trusted Innovation Awards - Technology Innovation Award	Forbes Korea
2024.11	Minister of Employment and Labor Award (selected as an excellent company for promoting public-private cooperation in social enterprises)	Ministry of Employment and Labor
2024.11	CES 2025 Best of Innovation Awards(3), Innovation Awards(21)	Consumer Technology Association (CTA)
2024.11	America's Best Employers For Engineers	Forbes
2024.10	No.1 in the HVAC solutions and home appliances category of the 2024 Green Builder Sustainable Brand Index	Green Builder Media
2024.10	Financial Services Commission Chairman's Award (the highest award at the 2024 Korea IR Awards)	Korean Association for Institutional Research (KAIR)
2024.09	No.1 in Korean Standard Call Center Quality Index (KS-CQI) - BEST CEO Award	Korean Standards Association (KSA)
2024.09	IDEA (International Design Excellence Awards) Awards(23) - including Gold(2), Silver(1), Bronze(3)	Industrial Designers Society of America (IDSA)
2024.07	The 27th Energy Winner of the Year Award – Energy Grand Prize	Consumers Korea
2024.07	Ergonomic Design Award Grand Prix(1), Best of Best(1), Best of Innovation(1), Special(3)	Ergonomics Society of Korea
2024.07	No.1 in the home appliance A/S category of the Korean Standard Service Quality Index (KS-SQI)	Korean Standards Association (KSA)
2024.07	2024 Korea Green Product of The Year - Green Masterpiece Award	Korea Green Purchasing Network
2024.06	2024 Korean Innovation Frontier Award – Convergence Innovation Award	Korean Standards Association (KSA)
2024.06	GM OTS (On-Time Shipping) Platinum Award	General Motors (GM)
2024.06	2024 Social Contribution Company Award	Korea Economic Daily
2024.06	The 18th Korea Packaging Competition Minister of Trade, Industry and Energy Award	Ministry of Trade, Industry and Energy
2024.05	Brand Customer Loyalty Awards 2024	Customers Council
2024.04	Red Dot Design Award - Best of the Best(2), Innovative Award(1), Winner(25)	Red Dot of Germany
2024.03	Performance Award	US Air-Conditioning, Heating & Refrigeration Institute (AHRI)
2024.03	2023 Energy Star Award for Sustained Excellence	US Environmental Protection Agency
2024.03	GM Supplier of the Year Awards	General Motors (GM)
2024.03	Performance Award	US Air-Conditioning, Heating & Refrigeration Institute (AHRI)
2024.02	iF Design Award(29)	International Forum Design GmbH of Germany
2024.02	BPW Gold Award	Business & Professional Women Korea (BPW Korea)
2024.01	VGP (Visual GrandPrix) 2023 Award Gold Medal	Ongen Publishing in Japan

SHEE·Quality Certification Status

Region	Country	Business Site	Environmental Management	Safety and Health	Energy	Quality Certification
North America	US	LGETN (Tennessee)	ISO 14001	ISO 45001	ISO 50001	-
Latin America	Mexico	LGEMN (Monterrey)	ISO 14001	ISO 45001	-	ISO 9001
		LGERS (Reynosa)	ISO 14001	ISO 45001	-	ISO 9001
		LGEMX (Mexicali)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Brazil	LGESP_M (Manaus)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
Europe/CIS	Poland	LGEMA (Mlawa)	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16949
		LGEWR (Wrocław)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	CIS	LGERA (Ruza)	ISO 14001	ISO 45001	ISO 50001	CIG-023
Middle East and Africa	Egypt	LGEEG (Cairo)	ISO 14001	ISO 45001	-	ISO 9001
	Saudi Arabia	LGESR (Riyadh)	ISO 14001	ISO 45001	-	ISO 9001
	Türkiye	LGEAT (Istanbul)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
India	India	LGEIL_N (Noida)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGEIL_P (Pune)	ISO 14001	ISO 45001	-	ISO 9001
Southeast Asia	Thailand	LGETH (Rayong)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Vietnam	LGEVH (Hai Phong)	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16949
	Indonesia	LGEIN_C (Cibitung)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGEIN_T (Tangerang)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
China	China	LGEPN (Nanjing (Washing Machine))	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGENT (Nanjing (New Tech))	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGENV (Nanjing (Automobile))	ISO 14001	ISO 45001	-	IATF 16969
		LGETR (Taizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGETA (Tianjin)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGEQA (Qingdao Chiller)	ISO 14001	ISO 45001	-	ISO 9001
		LGEQH (Qinhuangdao)	ISO 14001	ISO 45001	-	ISO 9001
		LGEHZ (Huizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
Korea	Korea	Changwon1	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		Changwon2	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		Gumi	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		Pyeongtaek	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16969 E-Mark CIG-023
		Pyeongtaek (Chiller)	ISO 14001	ISO 45001	ISO 50001	ISO 9001

*Excluding newly established subsidiaries (1 in the U.S., 1 in Mexico) that have not yet stabilized mass production (As of December 2024)

Appendix



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GRI Index

GRI Standard 2021	Remarks	
GRI Standards	Explanation	Reporting data for the period from January 1, 2024 to December 31, 2024, based on GRI Standards 2021. Some key activities and achievements may include data prior to 2024 or the first half of 2025.
	GRI 1	GRI 1: Foundation 2021
	GRI sector standards	Not applicable as the standard for the industry to which LG Electronics belongs has not been published.

Topic	No.	Indicator	Reporting Page	Remarks
GRI 2: General Disclosures				
The organization and its reporting practices	2-1	Organizational details	BR (Company overview) 3~6, BR (Notes to the financial statements 1.General information) 237~238, BR (Business description) 22, BR (Major business sites 27)	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	24, 25, 26, 31, 116, 132, 137	
	2-5	External assurance		
Activities and workers	2-6	Activities, value chain and other business relationships	BR (Business description) 22 ~58	
	2-7	Employees	140, 141	
	2-8	Workers who are not employees	140	
Governance	2-9	Governance structure and composition	105~111	
	2-10	Nomination and selection of the highest governance body	105, 109~111	
	2-11	Chair of the highest governance body	109	
	2-12	Role of the highest governance body in overseeing the management of impacts	28, 106~107	
	2-13	Delegation of responsibility for managing impacts	28, 107	
	2-14	Role of the highest governance body in sustainability reporting	28, 107	
	2-15	Conflicts of interest	108~110	
	2-16	Communication of critical concerns	14~15, 108, 118	
	2-17	Collective knowledge of the highest governance body	109, GR (Provision of human/material resources and internal information to independent directors, whether training necessary for independent directors to perform their duties is conducted and the status of the training provided)	
	2-18	Evaluation of the performance of the highest governance body	110, GR (Whether individual evaluations of independent directors are performed or not, measures to ensure the fairness of evaluations of independent directors, whether reflected in reappointment or not)	
	2-19	Remuneration policies	111, GR (Whether a compensation policy for independent directors is established or not, whether an executive compensation policy is established or not)	
	2-20	Process to determine remuneration	111, GR (Whether a compensation policy for independent directors is established or not, whether an executive compensation policy is established or not)	
	2-21	Annual total compensation ratio	-	This is internal information and is not subject to public disclosure.
Strategy, policies and practices	2-22	Statement on sustainable development strategy	3	
	2-23	Policy commitments	28, 46~47, 71, 77~78, 80, 112, 123	
	2-24	Embedding policy commitments	28, 45, 70, 77, 81, 86, 107, 112~114, 125	
	2-25	Processes to remediate negative impacts	55, 56, 85, 90, 113, 125	
	2-26	Mechanisms for seeking advice and raising concerns	55, 56, 85, 90, 113	
	2-27	Compliance with laws and regulations	78, BR (Matters related to sanctions, etc.) 465~469	
	2-28	Membership associations	154	
Stakeholder engagement	2-29	Approach to stakeholder engagement	11	
	2-30	Collective bargaining agreements	53, 57	
GRI 3: Material Topics				
Disclosures on material topics	3-1	Process to determine material topics	12~13	
	3-2	List of material topics	13	
	3-3	Management of material topics	14, 15	

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Topic	No.	Indicator	Reporting Page	Remarks
GRI 200 Economic Performance				
Economic Performance	201-1	Direct economic value generated and distributed	131, 132, BR (Financial statements) 62~67	
	201-2	Financial implications and other risks and opportunities due to climate change	18~19	
	201-3	Defined benefit plan obligations and other retirement plans	BR (Significant accounting policies 2.22 Employee benefits/ Critical Accounting estimates and assumptions 3.1.(6)Net defined benefit liabilities) 105, 110	
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	143	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	101	
	203-2	Significant indirect economic impacts	161, 162	
Anti-corruption	205-1	Operations assessed for risks related to corruption	112~116, 151	
	205-2	Communication and training about anti-corruption policies and procedures	112~116, 151~153	
	205-3	Confirmed incidents of corruption and actions taken	BR (Matters related to sanctions, etc.) 465~469, 151	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BR (Matters related to sanctions, etc.) 465~469	

Topic	No.	Indicator	Reporting Page	Remarks
GRI 300 Environmental Performance				
Materials	301-1	Materials used by weight or volume	32, 135	
	301-2	Recycled input materials used	32, 135	
	301-3	Reclaimed products and their packaging materials	32	
Energy	302-1	Energy consumption within the organization	133	
	302-3	Energy intensity	133	
	302-4	Reduction of energy consumption	133	
Water and Effluents	303-1	Interactions with water as a shared resource	39, 41~42, 135~136	
	303-2	Management of water discharge-related impacts	38~39, 41, 136	
	303-3	Water withdrawal	135	
	303-4	Water discharge	136	
	303-5	Water consumption	136	
Emissions	305-1	Direct (Scope 1) GHG emissions	133	
	305-2	Energy indirect (Scope 2) GHG emissions	133	
	305-3	Other indirect (Scope 3) GHG emissions	133	
	305-4	GHG emissions intensity	133	
	305-5	Reduction of GHG emissions	134	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	134	
Waste	306-1	Waste generation and significant waste-related impacts	29~30	
	306-2	Management of significant waste-related impacts	31~33	
	306-3	Waste generated	135	
	306-4	Waste diverted from disposal	135	
	306-5	Waste directed to disposal	29~33, 134~135	
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	81	
	308-2	Negative environmental impacts in the supply chain and actions taken	81~83	

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Topic	No.	Indicator	Reporting Page	Remarks
GRI 400 Social Performance				
Employment	401-1	New employee hires and employee turnover	141	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61, 68	
	401-3	Parental leave	68, 142	
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	57	
Occupational Health and Safety	403-1	Occupational health and safety management system	70	
	403-2	Hazard identification, risk assessment, and incident investigation	73~74	
	403-3	Occupational health services	72	
	403-4	Worker participation, consultation, and communication on occupational health and safety	70, 74	
	403-5	Worker training on occupational health and safety	74~76	
	403-6	Promotion of worker health	72	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72~75	
	403-8	Workers covered by an occupational health and safety management system	70~72	
	403-9	Work-related injuries	139	
	403-10	Work-related ill health	139	
Training and Education	404-1	Average hours of training per year per employee	144	
	404-2	Programs for upgrading employee skills and transition assistance programs	65~67	
	404-3	Percentage of employees receiving regular performance and career development reviews	144	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	105, 143~144	
	405-2	Ratio of basic salary and remuneration of women to men	143	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	52	
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	49, 53	
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	51	
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	50~51	
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	-	LG Electronics has not identified any incidents related to violations of rights of indigenous peoples during the reporting period.
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	38~39, 99, 101~103	
	413-2	Operations with significant actual and potential negative impacts on local communities	40	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	138	
	414-2	Negative social impacts in the supply chain and actions taken	138	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	149	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	152, BR (Matters related to sanctions, etc.) 465~469	
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	BR (Matters related to sanctions, etc.) 465~469	
	417-3	Incidents of non-compliance concerning marketing communications	BR (Matters related to sanctions, etc.) 465~469	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	153	

BR : Business Report
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SASB Index

Sustainability Disclosure Topics & Accounting Metrics

Classification	Metrics	Category	Unit	Code	Reporting Content	Reporting Page
Product Security	Description of approach to identifying and addressing data security risks in products	Discussion & Analysis	N/A	TC-HW230a.1	Information security	121-129
Employee Diversity & Inclusion	Percentage of gender and diversity group representation for (1)management, (2)technical staff, and (3)all other employees	Quantitative	%	TC-HW330a.1	Sustainability management data	143, 144
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative		TC-HW410a.1	-	-
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative		TC-HW410a.2	-	-
	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative		TC-HW410a.3	-	-
	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Tons, %	TC-HW410a.4	Performance and goals for e-waste management	32, 33
Supply Chain Management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a)all facilities and (b)high-risk facilities	Quantitative	%	TC-HW430a.1 TC-HW430a.2	Supply chain	77-87
	Tier 1 suppliers' (1)non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2)associated corrective action rate for (a)priority non-conformances and (b)other non-conformances	Quantitative				77-87
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion & Analysis	N/A	TC-HW440a.1		77-87

Metrics	Code	Reporting Content	Reporting Page
Number of units produced by product category	TC-HW-000.A		-
Area of manufacturing facilities	TC-HW-000.B	BR (Disclosure of subsidiaries)	6
Percentage of production from owned facilities	TC-HW-000.C		-

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UN SDGs Index

LG Electronics aligns with the global community's efforts toward a sustainable future and fully supports the principles of the UN Sustainable Development Goals (SDGs). Through a wide range of business activities aimed at enhancing the quality of life and realizing social value, the company strives to contribute to building a healthy and sustainable society.

Objective		2024 LG Electronics Key ESG Activities
	**Goal 1** No Poverty	Executive Social Contribution Fund: Executives voluntarily donate 0.5% of their monthly salary to a social contribution fund, and 50% of the accumulated amount is donated through a matching grant to support various social contribution activities
	**Goal 3** Good Health and Well-Being	LG Hope Screen: Provides free advertising space on LG billboards located in Times Square, New York and Piccadilly Circus, London to UN agencies and non-profit organizations Donation Menu: Employees can choose a donation menu with fewer side dishes at the company cafeteria, and the amount saved from the reduced side dishes is donated
	**Goal 4** Quality Education	Operation of the Talent Development Programs: Provides customized education based on position and job function, coaching and mentoring to pass on experience and wisdom from senior employees, and autonomous learning communities to share knowledge and grow with peers Company-wide Expansion of Reskilling/Upskilling Programs: Focused on software (SW) and Direct to Consumer (D2C) sectors to support the rapid transition of internal talent to new fields and to proactively respond to changes in the business portfolio
	**Goal 5** Gender Equality	Compliance with statutory maternity protection systems to strengthen support for work-life balance Operation of workplace daycare centers at 10 major business sites nationwide to support childcare
	**Goal 6** Clean Water and Sanitation	Water Resource Management System: Maintain pollutant levels in discharged water below 70% of legal standards through Zero Liquid Discharge (ZLD) systems, wastewater treatment and recycling systems, and monitoring of discharged water quality Signed a "MoU for Climate Change Response and Resolution of Water Crisis" with the Ministry of Environment
	**Goal 7** Affordable and Clean Energy	Strategy to achieve a transition to 100% renewable energy: Joined the RE100 (Renewable Energy 100) initiative to supply 100% of electricity used at all domestic and overseas business sites with renewable energy by 2050
	**Goal 8** Decent Work and Economic Growth	LG-KOICA Vocational Training School: In countries such as Ethiopia and Cambodia, supported youth self-reliance through technical education in cooperation with local governments, Korea International Cooperation Agency (KOICA), and World Together Identification of human rights impact, self-assessments, and on-site audits at production sites
	**Goal 9** Industry, Innovation and Infrastructure	Establishment of information security operation and management system: Effectively operated information security system centered on four key areas—administrative security, technical security, physical security, and Privacy Information Protection regulations

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Objective		2024 LG Electronics Key ESG Activities
	**Goal 10** Reduced Inequality	Global IT Challenge for Youth with Disabilities: Helped build foundations for social advancement, such as higher education and employment, for youth with disabilities by narrowing the digital divide, and contributed to improving disability awareness in participating countries
	**Goal 11** Sustainable Cities and Communities	LG Ambassador Challenge: Promoted and supported community issue resolution activities by appointing selected individuals as LG Ambassadors based on proposals submitted by customers and residents in a public contest to address 'local community issues'. Housing improvement for veterans' village in Ethiopia: In partnership with Community Chest of Korea and Habitat for Humanity, carried out renovation of homes for veterans and low-income households, construction of communal kitchens/toilets, drainage systems, and shared showers. Rural Community Partnership Fund: Provided home appliances and laptops to underprivileged college students in sister villages through a 1 company-1 village agreement, and participated in volunteer activities during busy farming seasons or times of labor shortage. Employee Volunteer Group: LG Electronics employees used their talents to give back to the community through activities such as inspecting and repairing products free of charge at social welfare facilities and developing interactive chatbots for non-profit organizations
	**Goal 12** Responsible Consumption and Production	Establishment of resource circulation system: Formulated and systematically implemented a resource circulation strategy across the entire product life cycle, from material selection to design, production, collection, and disposal
	**Goal 13** Climate Action	Setting goals for 2030 carbon neutrality Company-wide integrated management system for climate change risk: Under the leadership of the CSO, the ESG council shares evaluations and establishes necessary action plans for risks or opportunities raised as agenda items
	**Goal 14** Life Below Water	Carried out the Posidonia restoration project to restore marine ecosystems and protect habitats for marine plants and animals, targeting Posidonia, a seagrass effective in absorbing carbon dioxide
	**Goal 15** Life on Land	Smart Green Trees: Conducted forest restoration campaigns such as planting "seed bombs" (a mix of soil, compost, and seeds) and direct planting in various regions of Spain and Portugal Smart Green Bees: Promoted a project aimed at increasing the population of bees essential for plant pollination, especially the native "Iberian honeybee" in Spain Created a Pollinator Garden: Opened a pollinator garden at the Bergen County business site in New Jersey, USA, and obtained the Certified Wildlife Habitat designation from the National Wildlife Federation (NWF)
	**Goal 16** Peace, Justice and Strong Institutions	Provided online compliance and anti-corruption training and strengthened anti-corruption compliance activities Operated compliance-related reporting channels and reward systems
	**Goal 17** Partnerships for the Goals	1 Company, 1 Military Unit: Established a sisterhood relationship with the 3rd Airborne Special Forces Brigade and provided annual consolation funds and necessary products

Greenhouse Gas Emissions Verification Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by LG Electronics Inc. (here after "Company") to verify the Company's Greenhouse Gas Inventory Report for the calendar year 2024 ("the report") based upon a reasonable level of assurance. Company is responsible for the preparation of the GHG emissions data on the basis set out within the guidelines on the operation of GHG emission trading scheme ("ETS) (Notification No. 2025-28 of Ministry of Environment)' based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows;

- Organizational boundary: Domestic business sites of Company
- Reporting boundary: Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions)
- Reporting period: 2024.01.01~2024.12.31

Verification Approach

The verification has been conducted by DNV in March 2025 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2025-28, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2024-169, Korean Ministry of Environment) based on ISO 14064-3. We planned and concluded our work, including on-site visit, to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process;

- We have reviewed the report for the calendar year 2024
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

- DNV represents **"unmodified"** opinion on **Greenhouse Gas Emissions**.

Unit: ton CO_2eq

LG Electronics (Domestic, in KOREA)	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Excl. Refrigerant	32,806	225,984	258,790
Incl. Refrigerant	77,452*		303,436*

*Emissions from ODS leakage due to refrigerant charging (44,646 tCO_2eq) are included in direct emissions.

24 June 2025
Seoul, Republic of Korea

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

DNV

Greenhouse Gas Emissions Verification Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by LG Electronics Inc. ("Company") to perform third party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within Audit Standard, 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard ', 'IPCC Guidelines: 2006' The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary: 28 overseas business sites of the company
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period: 2024.01.01~2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents **"unmodified"** opinion on **Greenhouse Gas Emissions**.

Unit: ton CO_2eq

2024 Year	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total Emissions
Overseas business sites	147,811*	455,329	603,140

*Fugitive emission (87,365 tCO_2eq) by purchasing of refrigerant is included in Direct emissions.
※ In order to report the GHG emissions as an integer, the rounded number on the opinion might be different from the number on the system with ± 1 tCO_2eq.

24 June 2025
Seoul, Republic of Korea

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

DNV

Greenhouse Gas Emissions Verification Statement

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by LG Electronics Inc. (“Company”) to perform third party verification for the Company’s Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within Audit Standard, ‘WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard ’, ‘The Corporate Value Chain (Scope 3) Accounting and Reporting Standard’, ‘IPCC Guidelines: 2006’ The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a 3rd party may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company’s GHG statement, and the scope of verification is as follows;

- Organizational Boundary : LG Electronics Inc.
- Reporting Boundary : Scope 3 (Other Indirect emissions – Category 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15)
- Reporting Period : 2024.01.01~2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the ‘ISO 14064-3:2019’, based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents **“unmodified”** opinion on **Greenhouse Gas Emissions**.

Unit: ton CO_2eq

Year	Upstream	Downstream	Other Indirect emissions (Scope 3)
2024	4,533,174	68,226,428	72,759,602

*In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2eq.

26 June 2025
Seoul, Republic of Korea

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

DNV

Independent Assurance Statement

Introduction

DNV Business Assurance Korea, Ltd. ('DNV', 'we', or 'us') has been commissioned by LG Electronics Inc. (hereafter referred to as 'LG Electronics' or 'the Company') to undertake an independent limited assurance on the LG Electronics Sustainability Report 2024 (hereafter referred as 'the Report') for the calendar year ending 31 December 2024. The intended users of this assurance statement are the management and stakeholders of LG Electronics.

Standards of Assurance

This assurance engagement has been carried out in Type 2 limited assurance in accordance with AccountAbility's AA1000 Assurance Standard v3 and DNV's VeriSustain protocol V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. DNV has reviewed the Report's adherence to the four principles of AA1000 AccountAbility Principles Standard (2018) and the accuracy, completeness, and neutrality principles of VeriSustain. In addition, DNV has reviewed the 'reliability of specified sustainability performance information' as described in 'Scope of Assurance'.

DNV's Verisustain protocol requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited or/and reasonable assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on LG Electronics website for the current reporting period.

Scope of Assurance

We have carried out an independent limited assurance on the Report and an independent verification for selected performance indicators for the year ending 31 December 2024, which include the following:

- We have reviewed the GRI Topic Disclosures relevant to the Material Topics which have been identified as material through the materiality assessment undertaken by LG Electronics.
- Regarding the reliability of specific sustainability performance information, we reviewed the quality and reliability of the following GRI Topic Standards disclosures: Water and Effluents (303-1 to 303-5), Emissions – NOx, SOx, and Other Significant Air Emissions (305-7), Waste (306-1 to 306-5), Supplier Environmental Assessment (308-1, 308-2), Supplier Social Assessment (414-1, 414-2), Ratio of Basic Salary and Remuneration of Women to Men (405-2), Work-related Injuries (403-9), and Work-related Ill Health (403-10).

Opinion, obeservations and recommendations

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not adhere to the four principles of AA1000 APS and the accuracy, completeness, and neutrality principles of VeriSustain described below. In terms of the reliability of specified sustainability performance information, nothing has come to our attention to suggest that the data have not been properly collated from information reported at the operational level, nor that the assumptions used were inappropriate. Furthermore, nothing has come to our attention to cause us to believe that LG Electronics' Report has not been prepared, in all material respects, in accordance with the GRI Standards.

Without affecting our assurance opinion, we provide the following observations against the principles of AA1000 APS and VeriSustain applicable to the relevant information described in the 'Scope of Assurance':

Inclusivity: Stakeholder participation and opinion

LG Electronics engages with diverse stakeholders—including employees, customers, investors, government bodies, local communities, and suppliers—through tailored channels such as social media, service centers, VOC systems, and surveys. Feedback is actively reflected in management strategies to enhance ESG transparency and trust. During the materiality assessment, stakeholder perspectives, including customer and investor input and internal discussions, are considered to prioritize key sustainability topics.

Materiality: Identifying and reporting on material sustainability topics

LG Electronics identified 15 material topics by analyzing value chain impacts and considering industry characteristics, regulations, and disclosure standards. The process reflected diverse internal and external input, including internal roundtables, and was finalized through review by management and the ESG Committee. 'Response to Climate Change,' 'Supplier Responsibility,' and 'Product/Service Accessibility' were identified as top priorities and are reflected in strategy and disclosures. In 2024, the company enhanced its assessment methodology to align with the ESRS double materiality approach, strengthening the credibility of the process. Ongoing application and improvement are recommended to enhance sustainability effectiveness.

Independent Assurance Statement

Responsiveness: Transparent response to critical sustainability topics and related impacts
LG Electronics regularly reviews policies, strategies, and performance on material sustainability topics through the ESG Committee under the Board of Directors. The company sets specific goals and action plans for key areas such as Response to Climate Change, Supplier Responsibility, Labor Rights of Workers in the Value Chain, Customer Communication, and Risk Management. Major activities—such as setting greenhouse gas reduction targets, operating hazardous chemical management systems, and establishing supply chain risk assessment frameworks—are transparently reported. LG also discloses three-year performance data and 2030 targets to strengthen transparency and execution.

Impact: Monitoring, measuring and accounting for the impact of organizational activities on the organization and its stakeholders
LG Electronics reports on material ESG topics by disclosing its organizational systems and response activities, including strategies, risk management, goals, and performance indicators for each topic. The company presents quantitative targets and progress across various areas such as Response to Climate Change, Product Environmental Sustainability and Life Cycle Management, Labor Rights of Workers in the Value Chain, Supplier Responsibility, and Customer Communication. Through systems that identify and manage related risks, LG continuously monitors the impact of these issues on the organization and its stakeholders. This approach strengthens the execution and transparency of ESG management and helps clearly communicate the company's sustainability performance and response level to stakeholders.

Reliability: Accuracy and comparability of information presented in the report and the quality of underlying data management systems
The data collection and processing procedures, supporting documents, and records were verified through sampling techniques. Based on the results, no intentional errors or misstatements were found in the sustainability performance information described in the Report. LG Electronics is able to explain the source and meaning of its sustainability performance using reliable methods and data, and any errors or unclear expressions identified during the verification process were corrected prior to the publication of the Report.

Completeness: How much of all the information that has been identified as material to the organization and its stakeholders is reported
LG Electronics reports on the Company's key non-financial disclosures based on its performance related to material topics during the reporting period of 2024 using appropriate GRI Topic Standard disclosures, for the identified boundaries of operations.

Neutrality: Extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone
LG Electronics discloses the Company's performance, challenges, and stakeholder concerns during the reporting period in a neutral, consistent, and balanced manner.

Our competence, independence and quality control

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV verified LG Electronics' greenhouse gas emissions in 2024, which we consider does not affect our independence or impartiality in assuring this Report.

Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Independent Assurance Statement

Responsibilities of the Directors of LG Electronics and of the assurance providers

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information and ensuring that data is free from material misstatement.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the relevant information described in the 'Scope of Assurance' has been prepared in accordance with the reporting requirements and to report to LG Electronics in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

Our statement represents our independent opinion and is intended to inform the management and stakeholders of LG Electronics. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

Basis of our Opinion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of LG Electronics. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Peer and media review to identify relevant sustainability issues for LG Electronics during the reporting period.
- Review of the disclosures according to reporting requirements with a focus on the process and the result of materiality assessment, Topic Standards Disclosures, and relevant management processes.
- Understanding and evaluation of the key systems, processes, and controls for consolidating, managing, and reporting the information and KPIs included in the Report.
- Review of documentary evidence supporting adherence to the reporting principles and requirements.
- Conduct interviews with representatives from the ESG team and relevant departments with overall responsibility for monitoring, data consolidation, and reporting of sustainability-related information.
- On-site visit at the LG Electronics Head Office in Seoul, Republic of Korea to review the processes and systems for preparing site-level sustainability data and implementation of the sustainability strategy, and to carry out a sample-based assessment of site-specific data disclosures.

For and on behalf of
DNV Business Assurance Korea Ltd.
8 July 2025
Seoul, Republic of Korea

Kim, So Hyun	Park, Sang Yeon	Park sehee	Chang, Sang Rye
Digitally signed by Kim, So Hyun Date: 2025.06.27 10:04:55 +09'00'	Digitally signed by Park, Sang Yeon Date: 2025.06.27 11:31:56 +09'00'	Digitally signed by Park sehee DN: cn=Park sehee, o, ou, email=bage132@naver.c om, c=kR Date: 2025.06.27 14:14:40 +09'00'	Digitally signed by Chang, Sang Rye Date: 2025.06.27 14:22:24 +09'00'
So Hyun Kim	Sang Yeon Park	Se hee Park	Sang Rye Chang
Lead Verifier	Verifier	Expert	Reviewer

DNV

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