

BETTER

LIFE

FOR ALL

**Life's
Good.**

Report Overview

We expressed our commitment and willingness to change at LGE in order to achieve sustainable growth and a better life for all. This sustainability report consists of ESG STORY BOOK and ESG FACT BOOK. ESG STORY BOOK contains LGE's key ESG initiatives in the form of storytelling, whereas ESG FACT BOOK focuses on LGE's major activities and achievements. We have included the following in the ESG FACT BOOK: the management approach (MA), activities and achievements, goals, and progress for each environment, social and governance sector by linking material issues derived through the materiality assessment with LGE's six strategic tasks. We plan to transparently disclose our sustainability management activities and performance through the publication of reports every year.

Reporting Principles and Standards

The LGE 2022-2023 Sustainability Report ESG Fact Book applies the newly revised GRI Standards 2021, which is an international standard guideline, and reflects the reporting standard and framework suggested by the SASB (Sustainability Accounting Standards Board) and the TCFD (Task Force on Climate-related Financial Disclosures). Furthermore, this report was created in accordance with Ten principles of the United Nations Global Compact (UNGC) in the four areas of human rights, labor, environment, and anti-corruption. In addition, the report satisfies the four principles of inclusivity, materiality, responsiveness, and impact as outlined in the AA1000AP (AccountAbility Principles Standard), which also outlines the obligation of companies to disclose their approaches to sustainability management.

Reporting Period

This report covers our activities from January 2022 to December 2022, in addition to some major activities from the first half of 2023. In terms of quantitative performance, 3-year data from 2020 to 2022 is provided for identification of changes in trends.

Scope of Report

This report covers the activities of our headquarters, and Korea and overseas production sites and sales subsidiaries operated by LGE. Consolidated financial information has been prepared in accordance with the K-IFRS (Korean International Financial Reporting Standards), and some financial information prepared on a non-consolidated basis is presented as footnotes. In the case of social and environmental information, if there has been any restriction in terms of the collection of data, the reporting scope of that particular data is also outlined as footnotes.

Third Party Assurance

In order to ensure the accuracy, objectivity, and reliability of the report and all data prepared, we requested an independent verification organization KMR (Korea Management Registrar) and completed the verification of the report in accordance to international verification standards. The results are detailed on p.100 of the report. The financial information in this report has been audited by an independent auditor, and assurance on GHG emissions and energy usage was carried out in accordance with verification principle such as 'Administrative Guidelines on Reporting and Verification of GHG emissions by Emissions Trading System.'

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Corporate Overview

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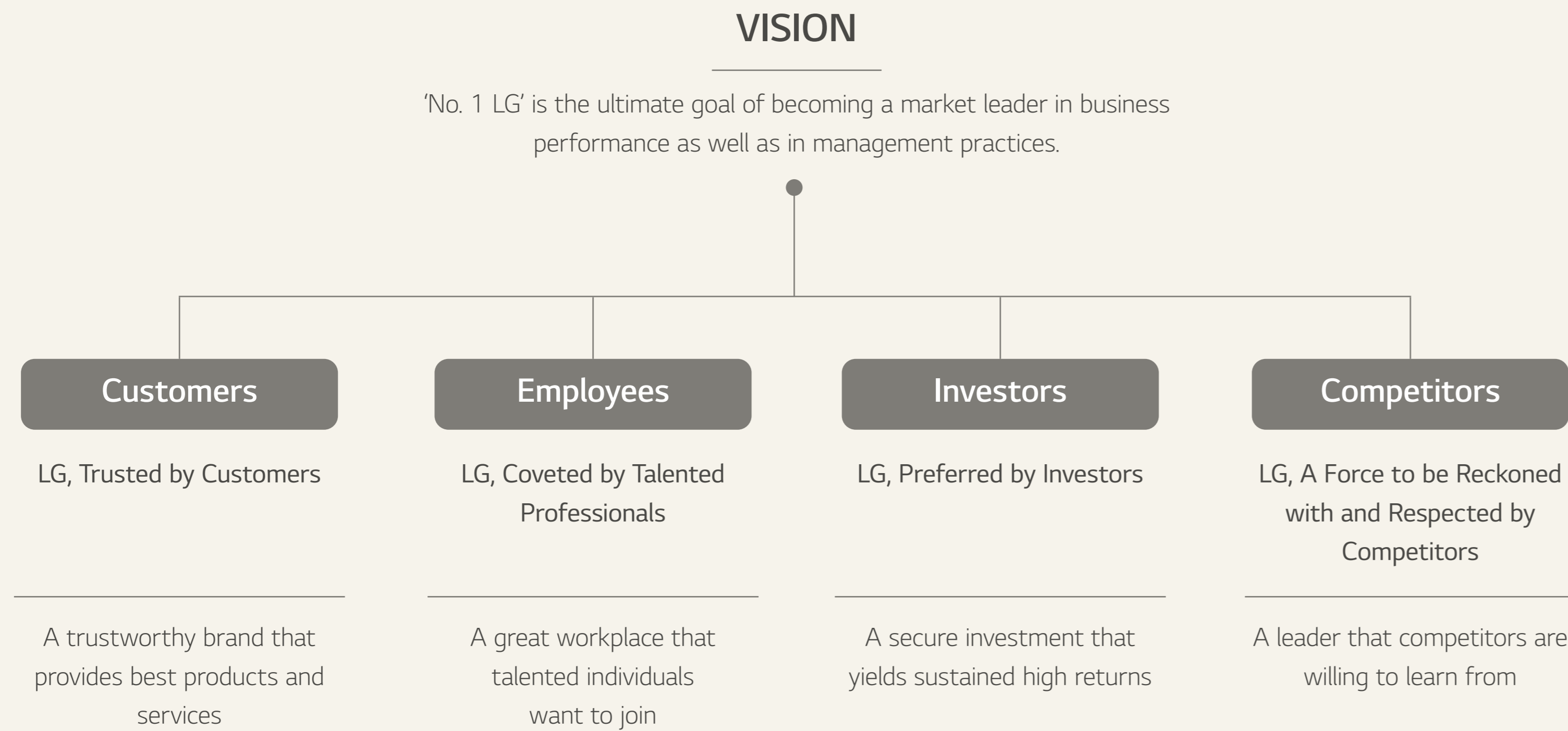
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Management Philosophy

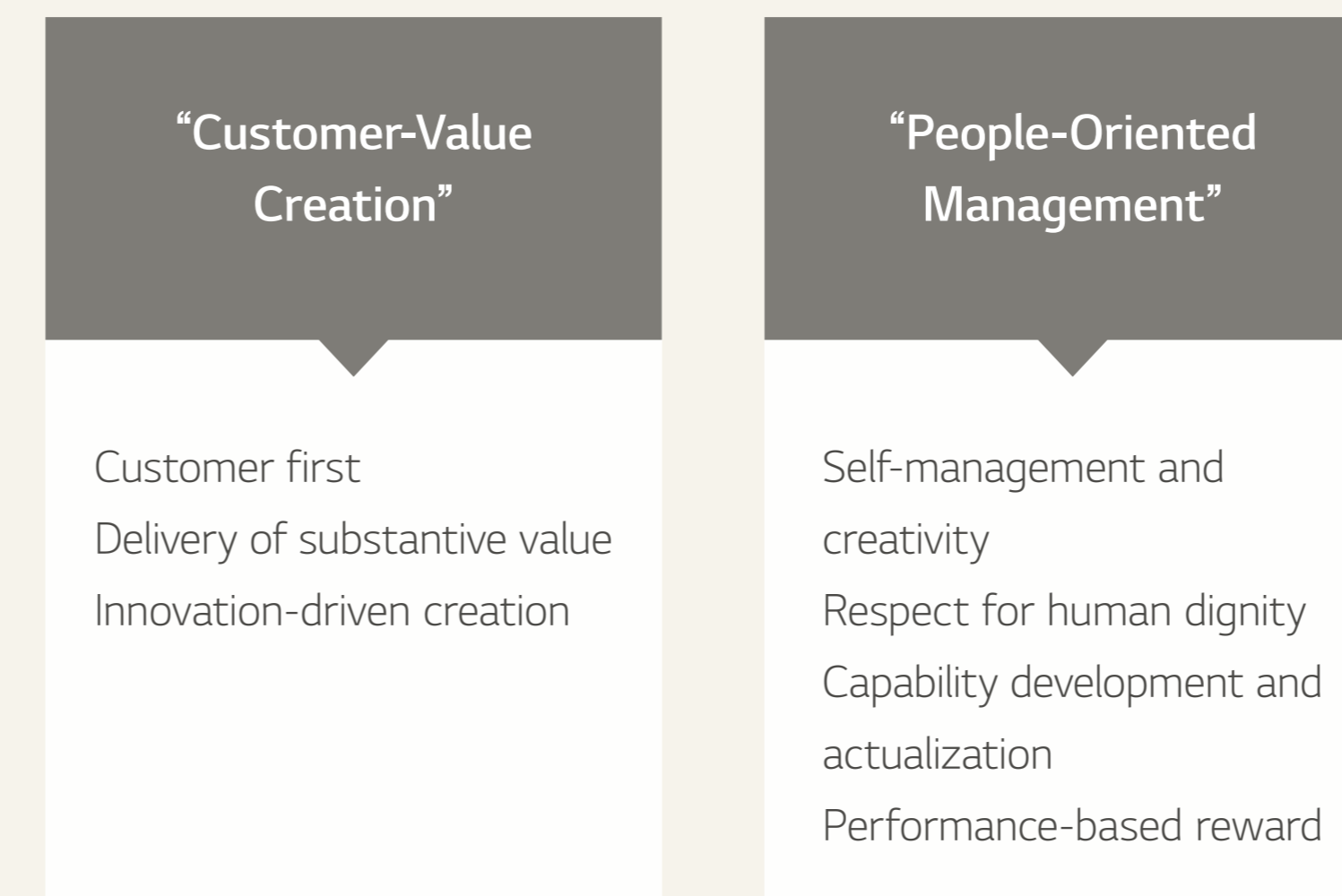
LG WAY

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'.



Management Principles

LG's management philosophy embraces 'Creating Values for Customers' and 'People-oriented Management' as the company's main operating principles.



Behavioral Mode

Jeong-Do Management is an ethical management and code of conduct to enable capacity development and fair competition

Three Main Factors of Jeong-Do Management

- | | |
|-------------------------------------------|------------------------------------------------------------------------------------|
| 1. Integrity | Work transparently according to principles and standards |
| 2. Fair Transaction | Provide equal opportunities and fair treatment in every transactional relationship |
| 3. Fair Competition Based on Merit | Improve capabilities with which one can fairly win the competition |

Message from CEO

Dear esteemed LGE stakeholders,

I want to express my sincere gratitude to all of our stakeholders who have paid keen attention to and shown unwavering interest in LGE with their heartfelt encouragement.

Despite a complex crisis situation last year, including a slowdown in the economy as a result of financial tightening in major countries, deteriorating consumer sentiment as a result of high inflation, interest rates, and exchange rates, along with slowing economic growth as a result of the aftermath of COVID-19, LGE achieved record sales based on the growth of its core businesses and the improvement of its competitive position through proactive market responses, LGE achieved record sales. Our flagship business, home appliances, has achieved the highest sales ever in its history, establishing itself as a leader in premium home appliances. In the TV business, we expanded our TV business portfolio into the content and service sector, on account of the growth of the WebOS platform business. In the B2B business, a decade of investment in the electronics business is paying off, with the company turning profitable for the first time and securing the largest new orders in its history.

Moreover, as a leading global company, LGE is promoting ESG management that pursues a “Better Life for All.” Last year, through the declaration of the “LGE ESG Six Major Tasks: Better Life Plan 2030,” which contains goals and implementation plans for ESG management, we set specific areas of action and established mid- and long-term goals to positively impact both the planet and people. The declaration reaffirms our commitment to carbon neutrality, resource recycling, the development of environmentally friendly technologies for the global community, as well as healthy workplaces, supporting diversity and inclusivity, and increasing people’s access to products and services.

Foremost, LGE has set its carbon neutrality target for 2030 and is reducing GHG emissions in response to climate change, while also securing business competitiveness for society’s sustainable future. We have also completed membership in the RE100 initiative with the aim of converting 100% of electricity used at global business sites to renewable energy by 2050. In particular, the Changwon LG Smart Park and the 100% renewable energy operated factory in Tennessee, USA, were selected as a “Lighthouse Factory” by the World Economic Forum WEF in recognition of their excellence in robotics, digital transformation, advanced AI-led technology and manufacturing know-how, as well as energy storage technology.

LGE also contributes to reducing carbon emissions from product use by end-users by introducing energy-efficient products. We have established and implement the goal of reducing carbon emissions per functional unit of our 7 major product groups by 20% by 2030 compared to 2020, as well as the goal of obtaining the SBTi science-based targets initiative certification for the first time in the Korean consumer electronics industry. We strive to deliver the value of a sustainable lifestyle to our customers by prioritizing eco-friendliness over the spectrum of product planning, production, use, and disposal.

Moreover, LGE continues to carry out various activities for society and people in general. As a member of the RBA (Responsible Business Alliance), we try to improve sustainability across the whole value chain by regularly monitoring risk factors such as labor rights, safety and health, environment, and corporate ethics at our manufacturing facilities and

suppliers. In particular, we have taken the initiative in conducting carbon emission surveys and training for suppliers with the aim of mitigating GHG emissions across the supply chain, while preparing measures to establish a carbon emission management system for suppliers going forward.

We enacted a diversity policy last year that outlines our diversity philosophy in order to build an organizational culture in which all employees are respected.

We are running various recruitment programs to increase the recruitment and development of female talent, as well as focusing on improving internal systems and expanding capacity development programs.

Moreover, we announced “REINVENT LGE” in May last year to motivate employees to make changes and restart LGE with have fun in mind. To be the future’s leader We are developing Agile and Delightful organizational culture that is unique to LGE. Furthermore, we recognize the importance of a “Better Life for All,” in which everyone, regardless of disability or age, may enjoy LGE’s goods and services on an equal basis. We are constantly improving our technology and products by listening to customer pain points through the Disability Advisory Group and distributing product sign language, video/audio manuals, public Braille stickers, along with specialized sign language consultation to improve service accessibility..



Finally, LGE maintains its board-centered responsible management to ensure stakeholders’ trust in all management operations, including ESG, and to increase corporate value. Last year, we established guidelines for the board of directors and the Corporate Governance Charter, and actively communicated with stakeholders by objectively measuring the expertise and the board of directors’ competencies by disclosed the BSM (Board Skills Matrix). Also, we have established transparent and competitive ESG management through a decision-making apparatus incorporating the ESG Council, ESG Committee, and board of directors.

LGE will continue to create innovative customer experiences through products and services that may provide differentiated ESG value, as well as pursue ESG business prospects to increase corporate value and realize a “Better Life for All”. Since LGE cannot complete these tasks on its own, we pledge to consider ESG factors as well as the long-term value creation for all stakeholders when making decisions. We will also work to find the best solutions, and we kindly ask for our stakeholders’ continued interest and support.

Thank you.

July 2023

CEO & President of LGE

William (Joo-Wan) Cho

About LG Electronics

Corporate Introduction

(As of December 31, 2022)

Name	LG Electronics Inc.
Location of Headquarters	LG Twin Towers, 128 Yeouidae-ro, Yeongdeungpo-gu, Seoul, Korea
Industry	Manufacturing
Major Products	Refrigerators, Washing machines, Residential/Commercial Air Conditioners, Microwaves, Vacuum Cleaners, TVs, Monitors, PCs, Audio Sound Systems, Video Systems, Automotive Components, etc.
President	William (Joo-Wan) Cho, Doo-Yong Bae
Date Established	October 1, 1958
Credit Rating (Foreign Bonds)	S&P: BBB (Positive) / Moody's: Baa2 (Stable)
Number of Employee	72,652 employees (34,645 in Korea, 38,007 in Overseas)
Sales (Consolidated)	USD 64.7 billion
Operating Income (Consolidated)	USD 2.8 billion
Total Assets (Consolidated)	USD 43.0 billion
Total Liabilities (Consolidated)	USD 25.3 billion
Total Equity (Consolidated)	USD 17.4 billion

* Exchange Rate: USD 1 = KRW 1,291

Shareholder Status

Status of Shareholders Holding More Than 5%

(Number of Voting Shares as of December 31, 2022)

Shareholders	Numbers of Shares	Ownership
LG Corp*	55,094,582 Shares	33.67%
National Pension Service	12,187,489 Shares	7.45%

* Required to hold more than 30% stocks of LGE as a subsidiary according to Fair Trade Act; Kwang-Mo Koo, chairman of LG group and the largest shareholder, holds 15.95% of stocks.

Largest Shareholders and Affiliated Persons

(As of December 31, 2022)

Shareholder	Relationship	Number of Shares	Ownership
LG Corp	Holding Company	55,094,582 Shares	33.67%
Bong-Seok Kwon	Affiliate Executives	9,876 Shares	0.01%
William (Joo-Wan) Cho	Affiliate Executives	2,373 Shares	0.001%

* During the first half of 2023, CEO Cho Joo-wan acquired an additional 3,000 shares on two occasions, holding 5,373 shares (a 0.003% stake) as of July 2023

Europe	Sales & Production Subsidiary: 4 Sales Subsidiary: 13	Production Subsidiary: 3 Others: 15
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Middle East and Africa	Sales & Production Subsidiary: 2 Sales Subsidiary: 11	Production Subsidiary: 2 Others: 3
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Global Business Sites

Sales & Production Subsidiary	Production Subsidiary	Sales Subsidiary	Others
19	30	46	59

Global Sales

(As of December 31, 2022)

Classification	Sales (Unit: KRW 100 million)	Sales (Unit: USD billion)
Korea	332,873	25.7
North America	197,448	15.3
Central and South America	32,089	2.5
China	26,395	2.0
Asia	78,436	6.1

* Exchange Rate: USD 1 = KRW 1,291

Classification	Sales (Unit: KRW 100 million)	Sales (Unit: USD billion)
Middle East and Africa	33,572	2.6
Europe	119,977	9.3
Russia (CIS)	13,883	1.1
Total	843,144	64.6

(As of December 2022)



Business Status

Financial Performance and Distribution

2022 Net Sales (Consolidated)

64,653.2 USD million

Economic Value Distributed for 2022 (Separated)

25,830.8 USD million

Financial Performance (Consolidated)

Classification	Unit	2020	2021	2022
1. Net sales		44,288.2	57,248.6	64,653.2
2. Cost of sales		32,401.5	42,610.9	48,978.3
3. Gross profit		11,886.8	14,637.7	15,674.8
4. Selling and marketing expenses		8,909.7	11,494.3	12,924.2
5. Operating income		2,977.0	3,143.2	2,750.5
6. Financial income		455.1	456.2	804.1
7. Financial expense		664.6	511.6	954.1
8. Equity method profit (loss)	USD	(18.7)	347.6	(904.7)
9. Others non-operating income	million	1,808.4	1,443.8	2,984.4
10. Others non-operating expenses		1,989.8	1,905.7	2,712.9
11. Profit before income tax		2,567.5	2,973.5	1,967.3
12. Income tax expense		458.5	819.3	412.3
13. Net income from continuing operations		2,108.9	2,154.2	1,555.0
14. Net income (loss) from discontinued operations		(510.3)	(1,058.2)	(111.8)
15. Profit for the year		1,598.5	1,096.0	1,443.1

* 2020 and 2021 data were re-reported due to the withdrawal of the MC, Energy companies

Economic Value Generated, Distributed and Retained (Separated)

Classification	Unit	2020	2021	2022
Sales		18,624.1	21,003.3	21,527.3
Economic value generated (A)		18,624.1	21,003.3	21,527.3
Operating expenses (excluding wages and benefit)		14,604.0	17,092.8	17,797.0
Wages & Fringe benefit expenses	USD	3,017.4	3,425.2	3,644.5
Capital costs	million	397.5	701.8	720.2
Taxes & Dues		27.6	31.5	18.3
Donations		7.3	7	6.3
Economic value distributed (B)		18,053.8	21,258.3	22,186.3
Economic value retained (A-B)		57.3	(255)	(659)

* 2020 and 2021 data were re-reported due to the withdrawal of the MC, Energy companies

Business Division

(As of December 31, 2022)

Classification	Item	Use	Net Sales (USD million)	Rate (%)
H&A	Refrigerator, washing machine, air conditioner, etc	Household appliances, heating and cooling devices and core components	23,156.9	36
HE	TV, audio, home beauty device, etc.	Video devices, multimedia products, beauty care products, etc.	12,181.8	19
VS	Telematics, AV, AVN, motor, inverter, etc.	Automotive communication and multimedia, EV parts, etc.	6,670.0	10
BS	Monitor, PC, monitor signage, LED signage, etc.	Information delivery, hotel TVs, etc.	4,717.5	7
Others	Facilities, internal transactions between facilities, etc.	Production facilities, etc.	17,897.1	28
Total			64,653.2	100

* H&A: Home Appliance & Air Solution, HE: Home Entertainment, VS: Vehicle Component Solution, BS: Business Solutions

Environmental




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2022 Key Performance

Task	UN SDGs	KPI	Achievement (As of 2021)	2030 Target
Pursue carbon neutrality and use of renewable energy		Achieve carbon neutrality (54.6% ¹) reduction in emissions in the production phase by 2030)	52% compared to base year (2017)	Carbon Neutrality
		Complete transition to renewable energy (goal of 100% renewable energy use by 2050)	Achieved 8.2%	60%
Build a circular economy with recycling of waste		Increase waste recycling rate at production sites	94.5%	95%
		Expand a cumulative collection amount of e-waste (2006 to 2030)	3.99 million tons	8 million tons
Develop environmentally conscious products and services		Reduce GHG emissions from use of sold products per functional unit sold of 7 major products ²⁾ group	13.1%	20%
		Expand a cumulative use of recycled plastics (2021 to 2030)	59,000 tons	600,000 tons

1) The goal of reducing greenhouse gas emissions by 54.6% by 2030, compared to 2017 levels, has been verified by SBTi.

2) 7 major product categories: TV, Refrigerators, Washing Machines, Dryers, Residential Air, Conditioner (RAC), System Air Conditioner (SAC), Monitors

Carbon Neutral

Pursuing Carbon Neutrality

Implement Strategies Aimed at Achieving Carbon Neutrality by 2030

- Carry out emission reduction activities by investing in SF₆ (sulfur hexafluoride) gas treatment facilities and carbon funds and expand the use of renewable energy at global production sites to achieve carbon neutrality by 2030

Reduce GHG Emissions in the Production Phase (~2030)

- In order to achieve our goal for reducing greenhouse gas emissions generated during the production phase of our products, we are introducing energy-efficient facilities and carbon emission reduction devices throughout our production process
- Secure carbon credits and contribute to achieving the goal of carbon neutrality by participating in the Clean Development Mechanism (CDM¹⁾ project, which invests technology and capital in developing countries

1) CDM: Clean Development Mechanism

Invest in SF₆ Gas Treatment Facilities

- Reduce process gas emissions by 93% by operating the facility to reduce SF₆ process gas emissions from high-efficiency solar panel production

Details	Achievement
Replaced key parts of solar process gas scrubbers at Gumi plant	Improve reduction performance (A total of 31 gas reduction facilities)
Added four new solar process gas reduction facilities at Gumi plant	Improve reduction performance (A total of 35 gas reduction facilities)

* LGE announced the withdrawal from the global solar panel business at the end of June 2022, and solar panel data related to this report represents the past performance

Promote External Greenhouse Gas Reduction Project

- Promote CDM project in which we receive carbon credits in return for reduced power consumption during the use, by selling high-efficiency products

Classification	Key performance
Implement CDM project (selling high-efficient refrigerators in India)	Approved by UNFCCC ²⁾ in 2013 Expected to receive certificates for refrigerators sold from January 2018 to December 2020
Secure UN Emissions Trading	Secured 560,000 tons by 2020 1.2 million tons to be additionally secured by 2025

2) UNFCCC: United Nations Framework Convention on Climate Change

Expand Renewable Energy Projects

Classification	Key performance
100% conversion into renewable energy for US production/sales subsidiary, logistics, and Brazilian production subsidiary in 2022	<ul style="list-style-type: none"> • US: REC³⁾ purchase of 58,961 MWh • Brazil: 31,946 MWh through hydroelectric power plant contracts
Expanded solar renewable energy in 2022	<ul style="list-style-type: none"> • Changwon Smart Park 1 – Signed the first direct PPA contract in Korea, power generation capacity of 2.3 MW and expected power generation of 2,442 MWh

3) REC: Renewable Energy Credit

Global GHG Emission Status

Year	Unit	Total direct GHG emissions (Scope 1)	Total indirect GHG emissions (Scope 2)	Scope 1+2
2018		785	852	1,637
2019		604	869	1,473
2020		429	865	1,294
2021	1,000 tCO ₂ eq	333	819	1,152
2022		265	662	927
2022 Target		1,053 (Reduce 12% compared to 2021)		
2030 Target		Reduce 50% compared to 2017		

* Scope 1 includes refrigerant

* 2019 and 2020 Global GHG Emission data were re-reported due to the modification of GHG calculation standards and correction of verification data

Carbon Neutral

Pursuing Carbon Neutrality

Energy Management System (ISO 50001) Certification

- Energy management systems at all of our production sites in Korea have been certified and we manage and maintain the certification of these systems through annual audit
- Pursue the expansive of energy management systems to global business sites

Carbon Pricing

- Seize business opportunities and discover risks related to energy saving and reducing GHG emissions
- Apply an ‘internal carbon cost’ policy, which quantitatively determines the value of carbon for internal transactions
- Measure environmental burdens by LGE as financial value and contribute to rational decision-making for GHG reduction investments for the future

Carbon Accounting

- Quarterly analysis of LGE’s emission allowance allocation and actual emissions and reflection of emission liabilities in the consolidated statement of financial position in the event of emission exceeding the allocation

GHG Emissions Measurement, Reporting and Verification

- LGE is a company subject to management under Article 42 (6) of the Framework Act on Low Carbon, Green Growth. In accordance with Article 44 of the aforementioned law, we submit emission statements to the government in a timely manner following third-party verification of our greenhouse gas emissions and energy consumption at all of our production sites in Korea
- We have completed building a greenhouse gas inventory for our global production sites and disclose greenhouse gas emissions every year

Operate Energy Consumption Management System at Global Production Sites

- Collect and manage monthly energy consumption for Korea and overseas subsidiaries through CCMS (Corporate Carbon Management System)

Organizations Dedicated to Environmental Management

- Climate change, carbon neutrality, and other major environmental management issues are regularly reported and resolved at least once a year within the BOD as the highest decision-making body
- The ESG Committee manages, supervises, and deliberates and votes on overall ESG plans and implementation, including company-wide environmental management
- The ESG Committee reported on the implementation plans for the six major ESG tasks, including specific goals and promotion plans related to carbon neutrality and renewable energy, resource recycling, and eco-friendly products and services (June 2022)
- Review major environmental risks and opportunity factors when making major investment decisions.
 - When selecting a business site, LGE considers whether it is an ecologically protected area and whether the land is contaminated.

Transition to Renewable Energy

100% Transition to Renewable Energy (~2050)

- We joined the RE100 (Renewable Energy 100) initiative to cover 100% of the electricity used by all global production site with renewable energy by 2050 (June 2023)
- Gradual expansion of renewable energy use considering the current status of Korean and overseas business sites and current laws of the host country based on a mid- to long-term 100% renewable energy conversion plan
- Expand applicable options such as the green rate system for renewable energy purchasing, REC (Renewable Energy Credit) purchasing, and third-party PPA (Power Purchase Agreement)
- Continuous reduction of energy usage along with the transition to renewable energy
 - 2022 energy use target: 7,072TJ (Approximately 12% reduction compared to 2021)

LGE’s Global Renewable Energy Expansion Plan

Year	Transition Rate
2022	8.2%
2030	60%
2040	90%
2050	100%

* Renewable energy ratio (%) = Annual renewable energy consumption ÷ Global electricity consumption

K-EV100 Declaration and Implementation (Korea)

- We participated in the ‘K-EV100’ campaign hosted by the Ministry of Environment in April 2021
- We declared our commitment to transitioning all company-owned/renting vehicles with zero-emission replacements that use electricity or hydrogen fuel cells (~2030)
- In line with the K-EV100 declaration, we plan to gradually increase the proportion of eco-friendly vehicle

Goal for Transitioning to Zero-Emissions Vehicles

Stage	Period	Ratio (%)
Stage 1	2021~2025	90
Stage 2	2026~2028	96
Stage 3	2029~2030	100

Environment

Efficient Resource Management

Water Resource Management

Classification	Details
Outline	<ul style="list-style-type: none"> Undertake various initiatives to manage water reuse amount and wastewater discharge, as well as to reduce water consumption global business sites
Implementation activities	<ul style="list-style-type: none"> Establish water inventory Evaluate water risk (lack of water resources, the degradation of water quality, increasing water consumption) and monitor the amount of water consumption at all production sites Recycle used water for watering plants or as industrial water through the zero discharge system Establish wastewater treatment facilities and recycling systems Manage measures to secure emergency water reserves to enable the operation of production facilities for at least two days in case of an unexpected interruption to water supply

Wastewater Discharge (Korea)

Business site	Secondary Treatment Facilities	Body of Water Affected by Discharge
Yangjae R&D	Tancheon Water Reuse Center	Tan Stream
Magok LG Science Park	Seonam Water Reuse Center	Han River
Gumi Future Park	Gumi Sewage Treatment Center	Gwangam Stream
Changwon Smart Park	Deokjong Sewage Treatment Center	Jinhae Bay

Water Intake in 2022

Water Source	Unit	Water Intake	Ratio
Ground water		822	11%
Municipal water and others (Municipal)		4,586	65%
Municipal water and others (Industrial water)	1,000 Tons	1,669	24%
Others		0.3	0%
Total		7,078	100

* 2022 target: 9,461 thousand tons (10% reduction compared to 2021)

Water Discharge in 2022

Classification	Unit	Water Discharge
Water reused		447
Internal treatment facilities	Korea Overseas	1,282
External treatment facilities	1,000 Tons	993
		0

* Based on business sites in Korea with internal wastewater treatment facilities

Chemical Substance Management

- Chemical management throughout the entire process based on LGCMS (LG Chemical Management System)
- First applied to all domestic business sites in 2013
- Expanded to all overseas business sites beginning 2021
- Continue efforts to reduce and replace the use of hazardous chemicals

	Classification	Details
Chemical substance management practices based on CMS	Preliminary screening subject	<ul style="list-style-type: none"> All chemical substances for production and R&D purposes stored or used at any global site Advanced acquisition of chemical substance information such as material safety data sheet (MSDS) and LoC Advanced review of compliance with laws and regulations in each country and hazards/risks of chemicals by specialized departments
	Purchasing and warehousing	<ul style="list-style-type: none"> Warehouse only chemicals that have obtained a suitability judgment in the preliminary evaluation Verify the proper storage/use location before receiving
	Management of use	<ul style="list-style-type: none"> Attaching chemical product management labels to all products in use and managing the labels Appointment of chemical substance manager and training for each handler Operation/Management of chemical handling facilities in compliance with the legal requirements
	Disposal management	<ul style="list-style-type: none"> Regular inventory inspections of chemical products to check their usage status and dispose of unused products. Proper disposal in accordance with waste treatment regulations in each country.

Environment

Efficient Resource Management

Chemical Handling Facility Inspection and Management

- Proactive prevention through compliance with chemical substance storage/use/disposal standards and on-site management
- Establishment of early detection and emergency warning system for chemical leaks
- Compliance with laws and regulations in each country, such as appointment of a chemical substance manager and a hazardous chemical substance management inventory

Training for Chemical Substance Incident

- Establishment of a crisis response scenario
- Deliver accident response training to prepare for chemical spills and human casualties
- Group/Online training on evacuation methods, action tips, etc.

Chemical Substance Handling Training

- Full-course training from considerations when purchasing chemicals to safe storage, use, and disposal
- Educate employees on the harmfulness/risks of chemical substances and precautions when handling them
- Provide emergency protective equipment valid for handling chemicals and guide on how to wear it

Environmental Education/Training Performance (2022)

Training name	Target	Total
Hazardous chemical substance education	Supervisors	3
	Inspectors	10
	Direct handlers	62
Hazardous chemical Operator training	All employees	10,273
Waste manager training	Waste managers	4
Legal training for waste recycling facility managers		2
Legal education (Air)	Air environment engineers	7
Legal education (Water quality)	Water quality environment engineers	5
LG Academy – Introduction to Safe Environment		27
LG Academy – ESG Management Practice		5
Total		10,398

Response to the Regulations on Chemicals

Analysis of regulations

- Review laws on chemicals and prepare countermeasures
- Handle external affairs related to chemical substances

Supply chain

- Comply with chemical substance handling standards and operate facilities
- Prepare and distribute MSDS, component statements, etc

R&D

- Risk check for substances to be used for research and development

Production quality

- Review the chemical composition of materials used in the production phase

Business operations

- Operate information management system related to chemical substances
- Preliminary review of new chemicals to be handled

Strengthening Emission Standards for Environmental Pollutants

- The concentration of air and water pollutants discharged from our business site is maintained at below 70% of the legal discharge limit
- Each business site operates its own pollutant discharge reduction system taking into account the characteristics of chemical substances and raw materials handled at the site
- Reduce environmental impact through an analysis of the potential risk of discharged wastewater
 - Purpose: To minimize the environmental impact of wastewater on local communities
 - Description: Pollutants stipulated by domestic laws and regulations are controlled at 70% or less compared to legal standards. Reduce environmental impact by analyzing whether wastewater contains hazardous substances of concern among non-regulated pollutants
- Create an Eco-friendly Workplace by expanding Green Company Certification¹⁾
 - In 2006, Changwon Smart Park 1/2 and Gumi Future Park 1 were certified as green companies and have been maintained until now, and Pyeongtaek Digital Park and Magok Science Park will be expanded and acquired in October 2023

1) A “green enterprise” refers to any manufacturing or non-manufacturing (including public and social services) enterprise or organization and unit business sites such as individual business sites, branches, and head office

Environment

Efficient Resource Management

- Constructed IoT and anomaly prediction systems for air pollution prevention facilities in 2022
 - Purpose: Implementation of a real-time monitoring system for normal operation and failure predictors of air pollution prevention facilities
 - Description: System for detecting proper and abnormal operation based on big data (flow rate, vibration, concentration, pressure, air volume, etc.) of IoT/anomaly prediction based on data correlation
 - Automatic analysis of abnormal causes of measuring instruments and prediction of faults in major driving parts (motors, pumps, and bearings) in advance

Establishment of Major Sampling and Analysis System for the Environmental Test Room

Classification	Key equipment
Sampling system	Particle/gas phase samplers, on-site gas analyzers, etc.
Analytical system	ICP, TD-GC/MS, HPLC, IC, UV, etc.
Preprocessing system	Ultrapure water production system, microwave hydrolysis, etc.

Establishment and Operation of an Environmental Test Room for the Self-Measurement of Environmental Pollutants

- Monitor the status of environmental pollutants by establishing an in-house environmental testing room to measure and manage air pollutants emitted from all domestic sites

Management of Personnel Specializing in Atmospheric Analysis and Sampling

- Monitor the concentration of atmospheric emissions and conduct research to secure measurement reliability with internal and external experts in environmental analysis

Receiving a Rating of “Appropriate” in Proficiency Tests and Site Evaluations in the Atmospheric Field Organized by the National Academy of Sciences in 2022

- Participated in the proficiency test and site evaluation in the atmosphere organized by the National Academy of Sciences under the Ministry of Environment according to the Enforcement Rules of the Environmental Testing and Inspection Act
- Obtained a rating of “Appropriate” by satisfying all legal requirements for analytical ability and laboratory operation procedures (June 2022)
- Confirmed measurement/analysis capabilities for 25 types of air pollutants, including dust, ammonia, VOCs, and heavy metals in exhaust gases

Received a Rating of “Excellent” in the 2022 International Proficiency Assessment Organized by the US Environmental Resources Association (ERA¹⁾)

- Participated in an international comparative proficiency test in atmospheric analysis organized by the US ERA to verify the analytical capabilities of the environmental testing laboratory and obtained the final “Excellence of Laboratory (Best Analytical Agency)” certification by receiving a rating of “Excellent”

1) ERA, Environmental Resource Associate

Biodiversity

- Since biodiversity loss has emerged as a global sustainability management issue, LGE, as a company participating in the Biz N Biodiversity Platform (BNBP), is minimizing negative impacts from corporate activities and conducting activities to expand positive impacts through biodiversity conservation

Main Contents of the Joint Industry Declaration

1. We recognize the value of biodiversity.
2. Enterprises consider biodiversity conservation when making decisions.
3. We work together to practice biodiversity conservation activities.
4. The industry collaborates on sustainable biomass use.
5. We exchange and cooperate with the relevant domestic and foreign organizations for biodiversity conservation.
6. We strive to raise awareness of biodiversity throughout society.

Circular Economy

Waste Recycling at Production Sites

Waste Recycling Improvement Activities at Business Sites

Management throughout the process

Goal Establishment

- Set the annual recycling rate/emissions and waste appliance recovery targets
- Monitor the monthly waste generation and waste appliance recovery rate

Company Contracting

- Inspection of transportation/storage/processing companies' legal violations and compliance management status
- Monitor waste unit price irregularities and management status through annual contracts

Generation

- Generation of research samples and sample waste at workplaces
- Product scrap in municipal waste products in offices and factories

Storage

- Operation of a workplace recycling center
- Divided into general/designated categories and separately stored by property

Transportation

- Monitor waste vehicle operation log
- Compliance with the law in the waste transport process

Treatment

- Regular visits to outsourcing/processing companies to evaluate whether the processing is legal

ZWTL* (Zero Waste To Landfill)

- As a result of efforts to have a third-party (UL) certification of the outcomes of recycling of waste generated by domestic business sites since 2022, LGE's Changwon Smart Park 1/2, Gumi Future Park 1, and Pyeongtaek Chiller sites received the ZWTL certificate and Pyeongtaek Digital Park to be acquired in second half of 2023
- The Pyeongtaek Chiller and Gumi Future Park 1 site achieved a 98% recycling rate and obtained the Gold rating

* ZWTL (Zero Waste of Landfill): Eco-friendliness certification by North American standards agency UL. It certifies the waste recycling rate into 3 ratings ((Silver(90-94%), Gold(95-99%), Platinum(100%))

Examples of Improving Recycling Rates

- Avoid incineration or landfill of combustible wastes and recycle them by recovering incineration heat or supplying as a heat source for other companies
- Recycl resources using the waste urethane generated in large quantities during refrigerator manufacturing as raw material for producing low-quality polyol
- Recycl resources by supplying sludge, such as welding tips generated in the welding process, as a renewable raw material

Assessment of Waste Transport and Treatment Companies

- Contract only the companies that the government approves for handling waste from all business sites
- Evaluate waste disposal companies and check the legality regularly at least once a year to minimize environmental pollution in the surrounding area and guide them to treat waste in eco-friendly

Achieve a 95% Waste Recycling Rate at Production Sites (by 2030)

- Improve recycling rates through the expansion of recyclable waste by reducing, separating, and strengthening the sorting of business sites waste
- Establish a system for collecting, transporting, and recycling waste appliances by customers to operate a responsible resource recycling program for producers
- Save resources by continuously expanding recycled plastics used in product raw materials

Operate Chilseo Recycling Center (Established in 2001)

Classification	Details
Goals	Recycling of home appliances and analysis of returned products in Gyeongnam province, Korea
Characteristics	Treatment or harmful substances contained in e-waste in an environmentally friendly way during the recycling process

- Carry out research based on eco-friendly design that considers resource circularity in the product planning stage
- Develop new technologies that can utilize renewable resources
- Comply with an Environmental Assurance System¹⁾ that leads to induce the minimization of environmental pollution

1) Environmental Assurance System: A system that induces the minimization of environmental pollution through systematic management throughout the entire production process from the design and production of electrical and electronic products to their disposal

Circular Economy

Collecting E-waste

E-waste Collection and Compliance to Recycling/Regulations

- Establish the relevant policies in response to current regulations in the country where the business operates and recovering electrical and electronic products
- Disclose information regarding the management of e-waste, such as local collection facilities and systems, and disclose global e-waste take-back and disposal policy on our website
- Participant in the 'Producer Responsibility Recycling System' that has been in effect since 2003, and we operate a free-of-charge take-back service for discarded home appliances

Support for Individual Producer Responsibility Regulations

- Comply with the principles of IPR (Individual Producer Responsibility) which addresses the responsibility of producers in collecting e-waste
- Making concerted efforts to increase the recyclability of e-waste, and to reduce the environmental impact of landfills and incineration during the disposal process
- Enhance the recyclability of products by conducting recyclability evaluations from the product development stage

E-Waste Recover/Disposal/Service (Overseas)

- Reflect the WEEE (Waste Electrical and Electronic Equipment) directive and the requirements of each country
- LGE has provided the e-waste recovery since in 89 regions in 52 countries (as of the end of 2022)
- New regions: Introduce these services following regulatory analysis and prior communication and discussion of countermeasures with the government and industry groups in the target countries to expand voluntary recycling policy

Process of Free Recover Service for E-waste (Korea)



E-Waste Recover/Disposal Results by Region

Region	Unit	2020	2021	2022
Europe ¹⁾		133,414	155,598	151,920
Korea		129,731	124,764	116,491
North America ²⁾		21,123	26,576	27,511
Asia ³⁾	Ton	107,212	112,705	148,041
CIS ⁴⁾		20,409	22,602	23,677
Central and South America ⁵⁾		1,179	3,008	3,694
Africa ⁶⁾		-	-	1,542

1) Estimated figures are used for some European countries

2) North America: U.S, Canada

3) Asia: Japan, India, Australia, Singapore

4) CIS: Russia

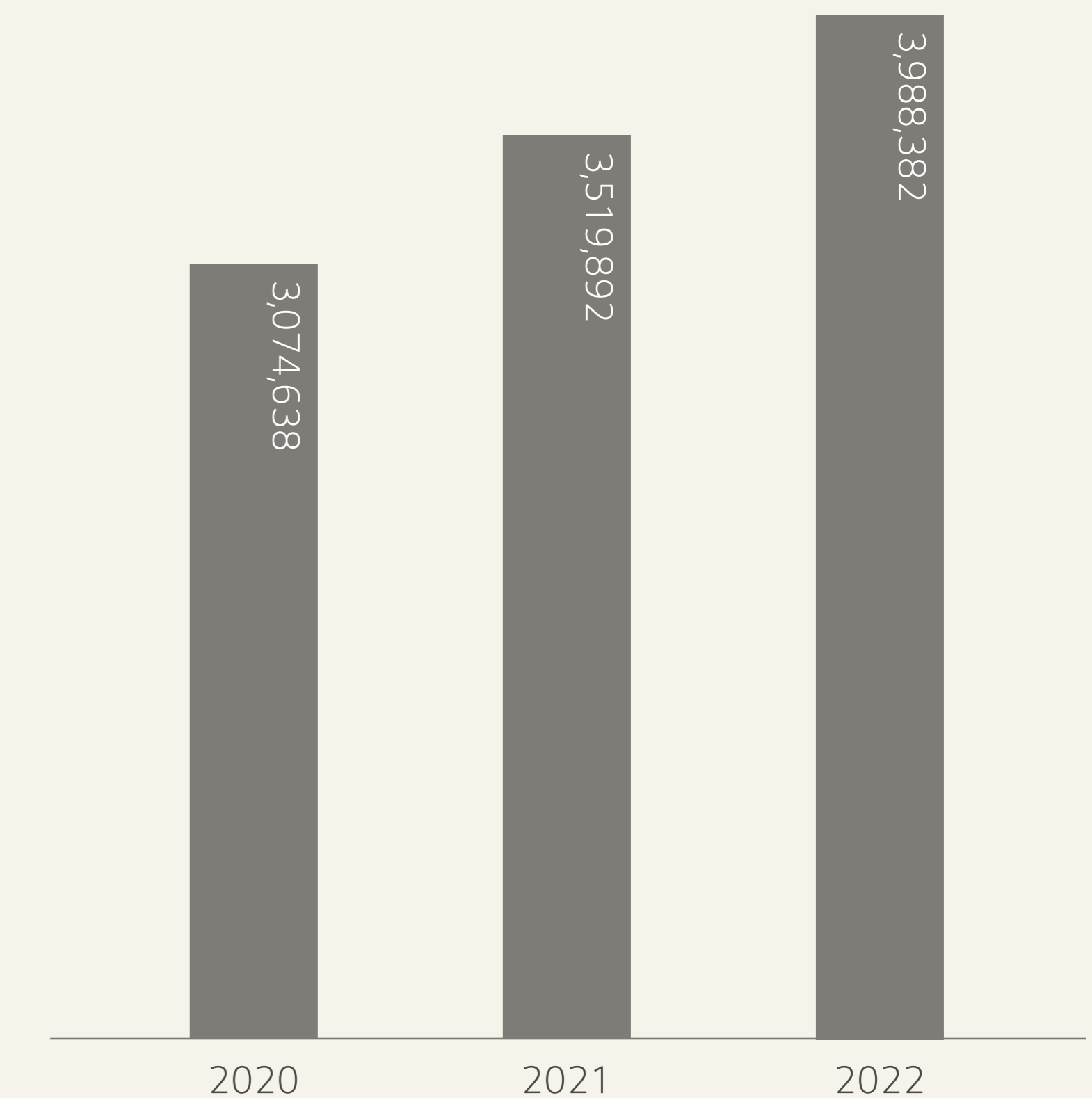
5) Central and South America: Brazil, Colombia, Mexico, Peru, Panama

6) Africa: Republic of South Africa

* 2021 data was re-reported due to differences in recovery performance reporting periods for each country in the region and changes in actual measured data values

E-Waste Recover/Disposal (Since 2006, Accumulated)

(Unit: tons)



* Since countries in some regions have different times for reporting recovery, if data cannot be obtained at the time of publication of the report, 2021 data was re-reported due to reporting predicted values using the previous year's recovery results or the recovery rates of neighboring countries

Product Stewardship

Eco-friendly Product Assessment

- In 2011, LGE introduced Eco-Index¹⁾, an evaluation index unique to our company to evaluate the eco-friendliness of our products
- We operate and manage Eco-Index standards by analyzing and reflecting changes in the product development environment

1) Eco-Index: An index that quantifies the level of eco-design by evaluating the environment-friendliness of products. The products are classified into 1, 2, and 3 Stars

Performance in Developing Green 3 Star Products

- Achieving 80% of Green 3-Star rated products (by 2030)

Unit	2020	2021	2022
%	46	41	53

* Based on the number of development projects

The Evaluation Standard of Eco-Index

Classification /Grade	Green1 Star	Green2 Star	Green3 Star
Human	Satisfy regulatory requirements on hazardous substances	Voluntarily replace hazardous substances	
Energy	Satisfy energy specifications	Achieve average market efficiency	Secure competitive advantage and high efficiency
Resource	Satisfy recycling requirements	Designed to improve resource efficiency	
Innovation	Preemptive activities for eco-friendly products (internal/external certification, development of advanced technology, etc.)		

Conduct Product Life Cycle Assessment (LCA)

- Use the Life Cycle Assessment (LCA) to accurately analyze and manage environmental impact throughout the product life cycle
- Disclose the global warming impact and carbon emission data of our products to customers through our website and sustainability reports, and through third-party certification that bolsters the reliability of the data such as the Carbon Labeling (Korea) and Carbon Trust (Europe) certifications
- Expand application of green technology certificate, by the Ministry of Trade, Industry and Energy of Korea, to products such as TV and air conditioner

2) LCA: Product environmental assessment technique based on an international standard (ISO 14040 series) that quantitatively measures the environmental impact of the entire product process—including manufacturing, distribution, use, and disposal—to derive improvement points and verify the improvement results

Progress of Product Life Cycle Assessment

Year	Details
1995	Application of LCA
2002	LCA and third-party certification for major product categories (refrigerator, washing machine, air conditioner, TV, monitor, mobile phone)
2009	Calculation of carbon emissions by major product groups and disclosure of results
2011	Construction of the life cycle inventory database and third-party certification
2016	Mandatory LCA in the development stage of major product groups, and the development of the Simplified LCA Tool
2018	Enhancement and development of the Simplified LCA Tool (function expanded to 13 impact categories including global warming)

Weight of Carbon Emissions throughout the Product Life Cycle

Stages of Life Cycle	Unit	Pre-manu-facturing	Manu-facturing	Distri-bution	Use	Dis-posa
Refrigerator		18.8	0.9	0.5	79.2	0.5
Washing machine		39.0	0.0	1.0	59.4	0.6
Air Conditioner	%	26.8	0.2	0.4	70.9	1.8
TV		49.4	0.1	1.0	48.7	0.8
Monitor		47.9	0.2	0.1	51.3	0.6

* Based on calculation of carbon emissions of particular models from each product group in 2022

Green Technology Certification awarded by Ministry of Trade, Industry and Energy

Name of Technology	Date of Certification	Valid Date
Technology to reduce standby power for PCs using facial recognition that detects user's absence	2022.01.20	2025.01.19
Cutting-edge inverter air conditioning technology with axial penetration lower compression scroll compressor	2021.07.29	2024.07.28
TV standby power reduction technology with X-capacitor discharge function inside Control IC	2018.05.17	2024.05.16

Goal for Eco-Friendly Products

20% Reduction in Functional Unit of Carbon Emissions during Use Stage (by 2030)

- Targeted by 2030 to reduce functional unit of carbon emissions during use stage by 20% in all 7 major product categories compared to 2020
- Reduce carbon emissions by 7 major product categories that account for about 90% of the carbon emissions generated during the use stage of LGE products and carrying out power consumption improvement activities to reduce carbon emissions at the product use stage

* 7 major product categories: TVs, refrigerators, washing machines, dryers, household air conditioners, system air conditioners, and monitors

Reduction of Functional Unit of Emissions during Product Use Stage (Based year: 2020)

Unit	2021	2022
%	6.6	13.1

Use 600,000 tons of Recycled Plastics (~2030)

- Set a target to use a cumulative 600,000 tons of recycled plastics from 2021 to 2030
- Carry out activities to reduce the use of plastics, such as expanding the collection of e-waste and increasing the use of recycled plastics

Cumulative Usage of Recycled Plastics

Unit	2021	2022
10,000 Ton	2.7	5.9

Product Stewardship

Human: Reducing Environmental Hazards

Voluntary Substitution of Hazardous Substances

- Adhere to international environmental regulations such as RoHS and REACH that prohibit the use of hazardous substances (e.g., lead, mercury, cadmium, hexavalent chromium, PBB¹⁾, PBDE²⁾, etc.) in the development process
- Prohibit the use of harmful substances and continuously develop and apply replacement technical parts for toxic substances that can cause harm to the human body and the environment
- Gradually replace harmful substances such as polyvinyl chloride (PVC) and brominated flame retardants (BFRs) through safety and reliability tests

Year	Details
2010	Completely discontinued the use of PVC and BFRs in all of our mobile phone products
2011	Voluntarily replaced harmful substances such as phthalate and beryllium
2012	Voluntarily replaced harmful substances such as Antimony trioxide Replaced PVC in the cables of UHD and OLED TVs
2013	Developed and applied PVC-free noise reduction parts (skirt lower) to refrigerators
2015	Removed HBCD (Hexabromocyclododecane), a type of brominated flame retardant, from all of our products and packaging

- Continuously develop technology and parts to replace harmful substances, and applying to numerous products while maintaining product quality
- Carry out supply chain management of the information of biocide used in the product
- Strive to refrain from using toxic substances in the manufacturing process

Management Standards for Hazardous Substances

- Classified hazardous substances into LEVEL A-I, LEVEL A-II, and LEVEL B to enable management of these substances in accordance with national regulations and international agreements

LEVEL A-I (Prohibited substances)	LEVEL A-II (Substances prohibited by others than EU RoHS)	LEVEL B (Substances subject to monitoring or reduction)
LEVEL A-I: The top 10 hazardous substances outlined in the EU RoHS regulation	LEVEL A-II: The regulated substances prohibited by national or international agreements others than the RoHS regulation	LEVEL B: Substances to be monitored or the use thereof to be reduced
[Hazardous Standards in Subject]	[Hazardous Standards in Subject]	[Hazardous Standards in Subject]
<ul style="list-style-type: none"> – Heavy metals such as lead, mercury, and cadmium, hexavalent chromium and its compounds – Brominated flame retardants such as PBB¹⁾ and PBDE²⁾ – Four types of phthalate (DEHP, DBP, BBP, DIBP) 	<ul style="list-style-type: none"> – Chlorine-based compound – Asbestos, organotin compound – Formaldehyde, ozone-depleting substances, etc. (PCBs, PCNs, PCTs, VOC, HBCD, bisphenol A, nickel and its compounds etc.) 	Polyvinyl chloride resin, phthalate, beryllium, palladium, bismuth, and others chlorine-based flame retardants, commonly known as PVC (Substances stipulated in EU REACH SVHCs, California Proposition 65, etc., as well as PVC and PCP)

1) PBB: Polybrominated biphenyls

2) PBDE: Polybrominated diphenyl ether

Hazardous Substances Replacement Status

OLED/Ultra HDTV	Laptop	Monitor
<ul style="list-style-type: none"> • Applied PVC-free internal cables in 2013 • Applied mercury-free display panels 	<ul style="list-style-type: none"> • PVC/BFRs-free laptops released since 2013 (excluding FPCB, BARE, PCB, battery, adapter, keyboard, cable, touchpad, thermal module, cable connector, mouse, and power cord) 	<ul style="list-style-type: none"> • PVC-free LCD modules in 2011 applied to all models • PVC/BFRs-free LCD in 2013 applied to all models

Green Supply Chain Management (Green Program Plus)

- Operate 'Green Program Plus (GP Plus)' with a view to laying a foundation for shared growth and enhancing the eco-friendly competitiveness of suppliers through the transfer of our eco-friendly technologies and knowhow (since 2005)
- Continue our efforts to secure green partnerships that further strengthen the eco-friendly management of our supply chain by strengthening eco-friendly competitiveness of our suppliers and proactively complying with global environmental regulations

Supplier Training and Technical Support

- Every year, deliver systematic training programs regarding regulations concerning hazardous substances, specialized skills in eco-friendliness, and greenhouse gas management practices for suppliers and our designated employees in order to strengthen our green partnerships with the suppliers
- Operate a training course for 'hazardous substance measurement experts'
 - Goal: Enhance hazardous substance management and measurement technology, improve the reliability of data
 - Target: Those in charge of measuring the hazardous substances of the equipment of our supplier

* Not implemented in 2022 due to COVID-19

Product Stewardship

Resource: Improving Resource Efficiency

Improve Structure/Materials

- Improve materials and structures in order to develop products exhibiting improved performance and convenience, by minimizing volume and weight from the development stage
- Develop products that take eco-friendly factors into consideration to expand resource utilization and reduce waste

Use of Recycled Materials

- Expand the use of recycled materials based on product stability and quality reliability tests
- Use recycled materials in various products of LGE such as washing machines, refrigerators, air conditioners, TVs, and monitors
- Promote the development of alternative parts and technologies for all our products to expand application of recycled plastics for our product categories

Classification	Unit	2021	2022
Amount of recycled plastic		26,545	32,987
Amount of raw materials used for recycled plastic	ton	12,533	16,209

Case Example of Green Packaging Efforts

- Promote the miniaturization and weight reduction of packaging materials, including the application of eco-friendly packaging materials to minimize the amount of resources used

Year	Details
2012	We created our Eco-friendly Packaging Design Guidebook and applied it to some of our product groups such as TVs and mobile phones
2013	We expanded the application of Eco-friendly Packaging Design Guidebook to all products
2014	We have established goals for each of our business regarding the amount of packaging material used, the packaging volume, and the reduction rate of packaging space, and have been consistently implementing them
2023	We developed and applied recycled cushioning materials containing 50% waste Styrofoam We are expanding the application of eco-friendly printing, disposable plastic removal, and paper buffers

- By securing a database of the recycled content (pulp) ratio of paper packaging materials, we are contributing to the improvement of the recycling rate of paper packaging materials
- We plan to reinforce eco-friendly activities, such as efficient use of resources and logistics optimization according to packaging material design, by strengthening the identification of packaging improvement cases and establishing eco-friendly packaging development goals for each business unit

Resource: Improving Resource Efficiency

Improve Energy Efficiency

- Establishment and promotion of detailed objectives by product category based on the Technology Road Map (TRM)
- Establishment of internal energy-related goals and detailed strategies in compliance with global energy regulations such as ErP (Energy-related Product)

Reduce GHG Emissions

- Calculate and disclose the amount of greenhouse gas emissions generated in the entire product life cycle of our flagship products
- Enhance eco-friendliness, such as reducing product weight resource usage, and improve energy efficiency for reduction of GHG emissions in each stage of the product life cycle
- Reduce greenhouse gas emissions during the use stage of products by developing and selling energy efficient products
- Expand the number of products applied with high-efficiency energy technology

Social

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2022 Key Performance

Task	UN SDGs	KPI	Achievement	2030 Target
Strengthen supply chain ESG risk management	 	Acquire/Maintain Health and Safety management system (ISO 45001) certification for production sites	93.3%	100% ¹⁾
		Ratio of Production sites with no critical non-conformance (based on RBA ²⁾ audit requirements)	77%	100%
		Keep the proportion of high risk at 0.5% or lower for suppliers' self assessment factors	0.7%	0.5% or lower
Organizations that grows with a foundation of diversity	 	Ratio of disabled persons in employment (Korea)	2.4%	3.5%
		Ratio of female employees (Korea)	14.3%	20%
Develop products/ services that are convenient for everyone	 	Incorporate accessibility features and universal design into all product lines (by 2025)	Home appliance products, TV	100%
		Apply the manuals for use by people with disabilities for all products	Creating voice, video, and sign language manuals	100%

1) Achieve/maintain 100% by 2025

2) Responsible Business Alliance

Human Rights Management Policy

Human Rights Management Policy

LGE recognizes that all employees and stakeholders have the right to pursue happiness with dignity and unique values as human beings, and it is doing its best to provide a safe, happy working environment. As a member of the UN Global Compact (UNGC) and Responsible Business Alliance (RBA), We respect and support the human rights and labor standards of international organizations, such as the UN Universal Declaration of Human Rights, the International Labor Organization (ILO), and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Moreover, we are improving existing policies and strengthening inspection procedures to comply with each country’s forced labor prohibition laws (UFLPA, UK/Australian Modern Slavery Act, EU regulations prohibiting the import of forced labor products, etc.) and supply chain due diligence laws (EU Supply Chain Due Diligence Act, etc.), which have been strengthened recently. We transparently disclose human rights management policies based on the management philosophy of ‘People-Oriented Management’ and ‘Customer Value Creation’ on its website and strives to realize a “Better Life for All” based on them.

Policy	Target	Contents	Contents
Global labor policies and guidelines	Employees, suppliers, and stakeholders	All employees of LGE has dignity and value as human beings and have the right to pursue happiness in providing work. We comply with the labor-related laws and regulations of each country and region and strives to ensure stable employment and proper wages for employees from a social and economic perspective, and it is doing its best to maintain a good working environment. Furthermore, We explicitly state that it is a value that must be shared with all of LGE’s stakeholders as a basic obligation that must be fulfilled by all suppliers that do business with LGE. (We comply with the human rights and labor standards of international labor-related organizations such as the UN and ILO, and guarantees human dignity regardless of gender and age as the basic value of business operation.)	Established in 2010
Code of Conduct and Guidelines for suppliers	Suppliers	We have established and distributed the Code of Conduct and Guidelines for suppliers to create a safe work environment, respect employees’ human rights, fulfill their environmental responsibilities, and engage in ethical company operation. The Code of Conduct for LGE’s Suppliers is based on the RBA (Responsible Business Alliance), and we request the suppliers to conduct an annual self-inspection to check compliance with this Code, visit the suppliers’ sites based on it, and request improvement of any deficiencies.	Established in 2010
Safety and health management policy and environmental management policy	Employees	We recognize the environment as an important element of management activities and pursues the preservation of the global environment, sustainable social development, and improving stakeholders’ quality of life through minimization of resource use, eco-friendly process operation, product development, and energy efficiency optimization.	Established in 2009
Code of Ethics	Employees	We share ‘People-Oriented Management,’ and ‘Customer-Value Creation,’ as its management philosophy and pursues autonomous management based on autonomy and responsibility according to the spirit of the Management Charter. We respect the free market economic order that aims for free and fair competition and pursue common interests with all stakeholders based on mutual trust and cooperation. We have also established the code of ethics, pledging to implement it as standards for proper behavior and value judgments that all employees must observe.	Established in 1994
Code of Conduct	Employees	We intend to continue to strengthen the competitiveness of executives and employees and as a company, and to create greater value for all stakeholders, including customers, executives and shareholders through transparent and responsible management activities. In response, LGE executives and employees are determined to comply with local laws, compete fairly, and conduct business activities according to the company’s Global Standard anywhere in the world.	Established in 2009
Diversity and inclusion policy	Employees	LGE firmly believe that a culture of respecting individual diversity is key to promoting flexible thinking as well as developing insight and capabilities of our members. We respect uniqueness and diversity of our employees also support and do not discriminate based on individual choices or preferences of our employees. Everyone at LG Electronics must recognize and respect each other’s differences, where everyone can work freely as themselves. In this culture of diversity and engagement, we will be able to propose innovative solutions from diverse perspectives to create outstanding performance.	Established in 2022
Conflict minerals policy	Suppliers	We establishe and implement a policy prohibiting the use of raw materials and minerals acquired through illegal and unethical methods. In accordance with the “OECD Guidelines for the Responsible Supply Chain of Conflict and High-Risk Minerals,” it is a principle not to use tantalum, tin, tungsten, and gold (conflict minerals) included in raw materials/parts/products. In addition, regarding cobalt, LGE are required to provide related information along with conflict minerals along with proof of origin, and manage smelters that are subject to international sanctions not to trade with them.	Established in 2011

Human Rights Management Policy

Human Rights Management Policy

Whistleblower Channel and Grievance Handling Process

LGE operates a whistleblower site (<https://ethics.lg.co.kr>) in cooperation with the LG Group so that all internal and external stakeholders—including employees, suppliers, and customers—can freely consult and report human rights-related grievances. We do not disclose any information that reveals or suggests the identity of any report without the consent of the person concerned. For disadvantages caused by not complying with this, you will be responsible for restoration to the original state and equivalent. Reports are processed by a limited number of personnel who have pledged strict confidentiality regarding the contents of the report. We also establish and comply with regulations to protect whistleblowers and operate a reward system for reporting wrongful wrongdoing in order to eradicate wrongful acts. To protect the human rights of its employees and provide a happy working environment, LGE has established a grievance-handling procedure suitable for each country's situation. In the case of workplaces in Korea, we operate a Grievance Handling Committee and a Junior Board to handle members' work grievances and provide support for psychological stress caused by personal or work grievances through the psychological counseling centers.

Reporting Process

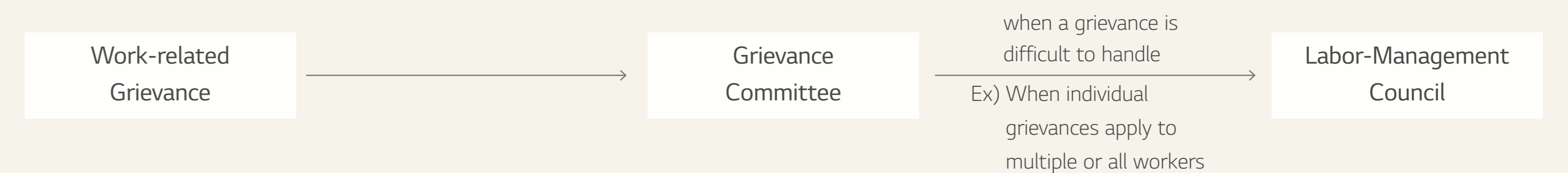
* <https://ethics.lg.co.kr/ethics/ko/guide/process.jsp>



Grievance Handling Process (Korea)

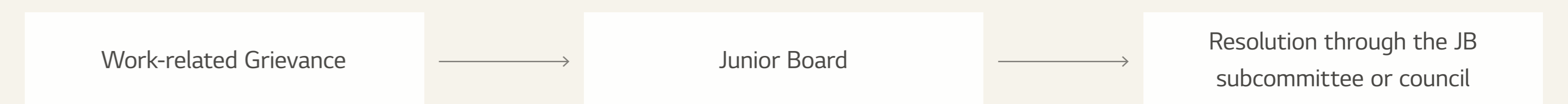
Grievance Handling Committee	<ul style="list-style-type: none"> The permanent organization established in accordance with the Act on the Promotion of Workers' Participation and Cooperation is operated under the Labor-Management Council with one person selected by the labor union and management each. Matters that are difficult for the Grievance Handling Committee to discuss will be handled by the Labor Management Council as a meeting agenda.
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* Subjects: all employees



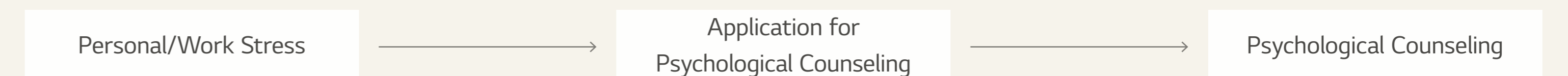
Junior Board	<ul style="list-style-type: none"> The council representing office workers operates the process of hearing and resolving grievances through 8 junior boards set up throughout the company. Details of member grievances collection, processing, and result sharing are being operated on a different basis for each junior board
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* Subjects: office workers



Psychological counseling	<ul style="list-style-type: none"> Supported through psychological counseling when grievances arise due to personal or work stress (video and face-to-face counseling) A total of 12 psychological counseling centers in operation: Twin, Seocho, Pyeongtaek, Magok, Gumi, Changwon, and Gasan
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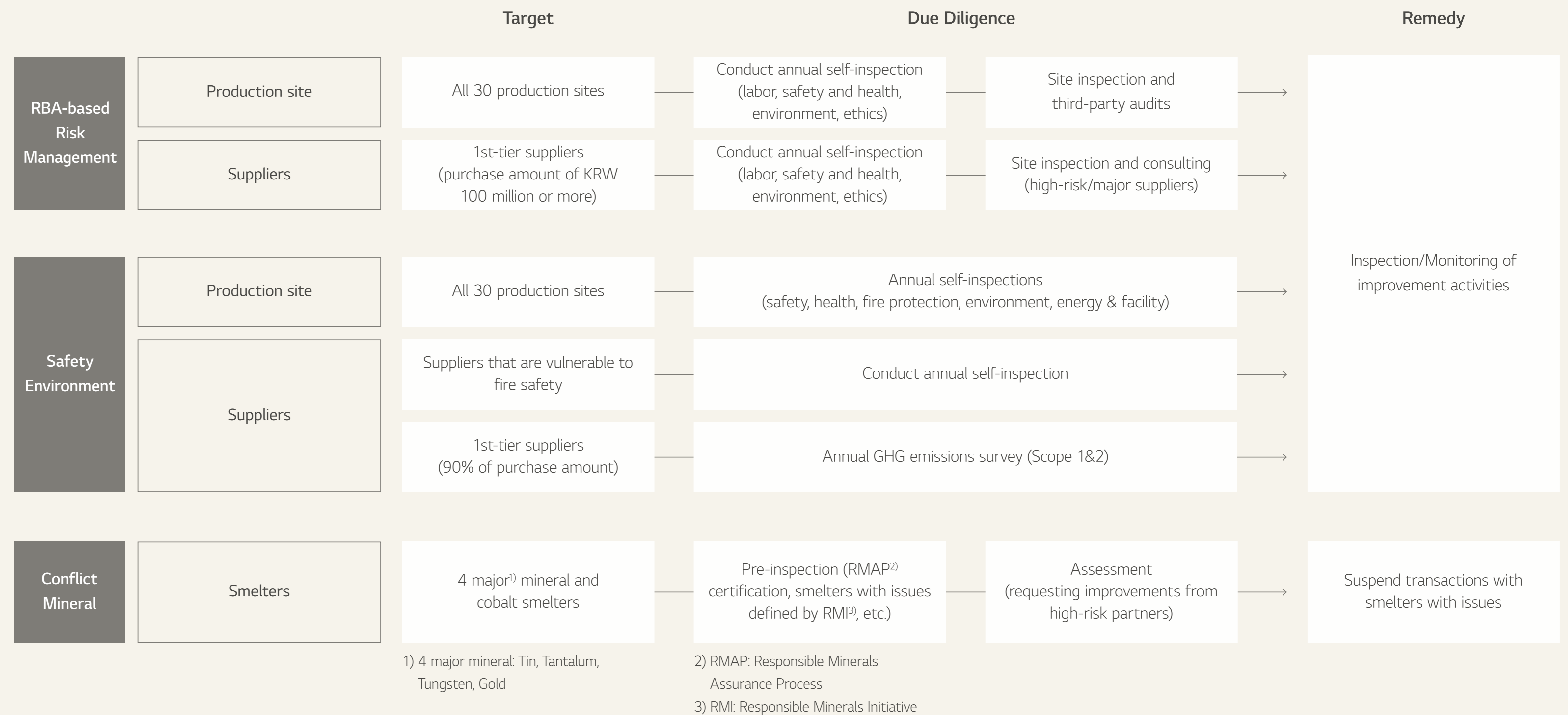
* Subjects: all employees



Human Rights/Sustainability Due Diligence Program

Human Rights/Sustainability Due Diligence Program

• LGE operates due diligence programs based on human rights management policies to provide a better life for all stakeholders. We conducted inspections on all production sites and suppliers in accordance with international RBA standards on human rights and sustainability in general. We established an ESG risk management program upon joining the RBA in 2010, and it has been implementing activities to identify and improve potential risks through self-inspection and on-site inspection every year. Moreover, we perform specialized on-site inspections for safety and environment and site inspections on the subject of fire safety for suppliers every year. Additionally, we began a GHG emissions survey for top suppliers recording at least 90% purchase amount in 2022. Regarding conflict minerals, we conduct pre-screening and evaluations of the four major minerals (tin, tantalum, tungsten, and gold) and tungsten smelters every year, and smelters with issues are excluded from the supply chain.



Human Rights/Sustainability Due Diligence Program

Human Rights/Sustainability Due Diligence Program

RBA-based Risk Inspection Items

Management System			
Establish a management system to comply with the 4 relevant norms and manage/relax risk			
<ul style="list-style-type: none"> • Company Commitment • Management Accountability and Responsibility • Legal and Customer Requirements 	<ul style="list-style-type: none"> • Risk Assessment and Risk Management • Improvement Objectives • Training 	<ul style="list-style-type: none"> • Communication • Worker Feedback and Participation • Audits and Assessments 	<ul style="list-style-type: none"> • Corrective Action Process • Documentation and Records • Supplier Responsibility

Labor/ Human Rights	<ul style="list-style-type: none"> • Freely Chosen Employment – Signing and distribution of labor contracts, recruitment process, contracts with outsourcing companies, illegal fees, storage of personal documents, etc. • Young Workers – Age verification procedure, legal employment age, underage worker protection policy, reporting procedures when child workers are found, etc. • Working Hours – Working-hour management process, statutory working hours, overtime management procedures, etc. • Wages and Benefits – Payroll records statements, compliance with the statutory minimum wage, appropriateness of payroll deductions, disciplinary payroll deductions, etc. • Humane Treatment – Disciplinary regulations, disciplinary procedures and records, and procedures for people objecting to the disciplinary results • Non-Discrimination – Pre-employment health checkup items, whether there are any discriminatory elements when posting a job, etc. • Freedom of Association – Collective bargain agreement or minutes of labor council meetings, procedures for electing workers’ representatives, etc.
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Environment	<ul style="list-style-type: none"> • Environmental Permits and Reporting – law/license management, government reports, etc. • Pollution Prevention and Resource Reduction – environmental programs, resource/energy savings results, etc. • Hazardous Substances – chemical substance management procedures, handler/carrier evaluation, operator training, leak management, etc. • Solid Waste – related permits, discharge/storage procedures, waste recycling/reduction/treatment results, etc. • Air Emissions – mitigation facility monitoring/maintenance records, related permits, etc. • Materials Restrictions – regulatory/customer requirements satisfaction procedures, management records, etc. • Water Management – relevant permits, monitoring/inspection records, etc. • Energy Consumption and GHG Emissions – carbon emission monitoring, energy saving activities, etc.
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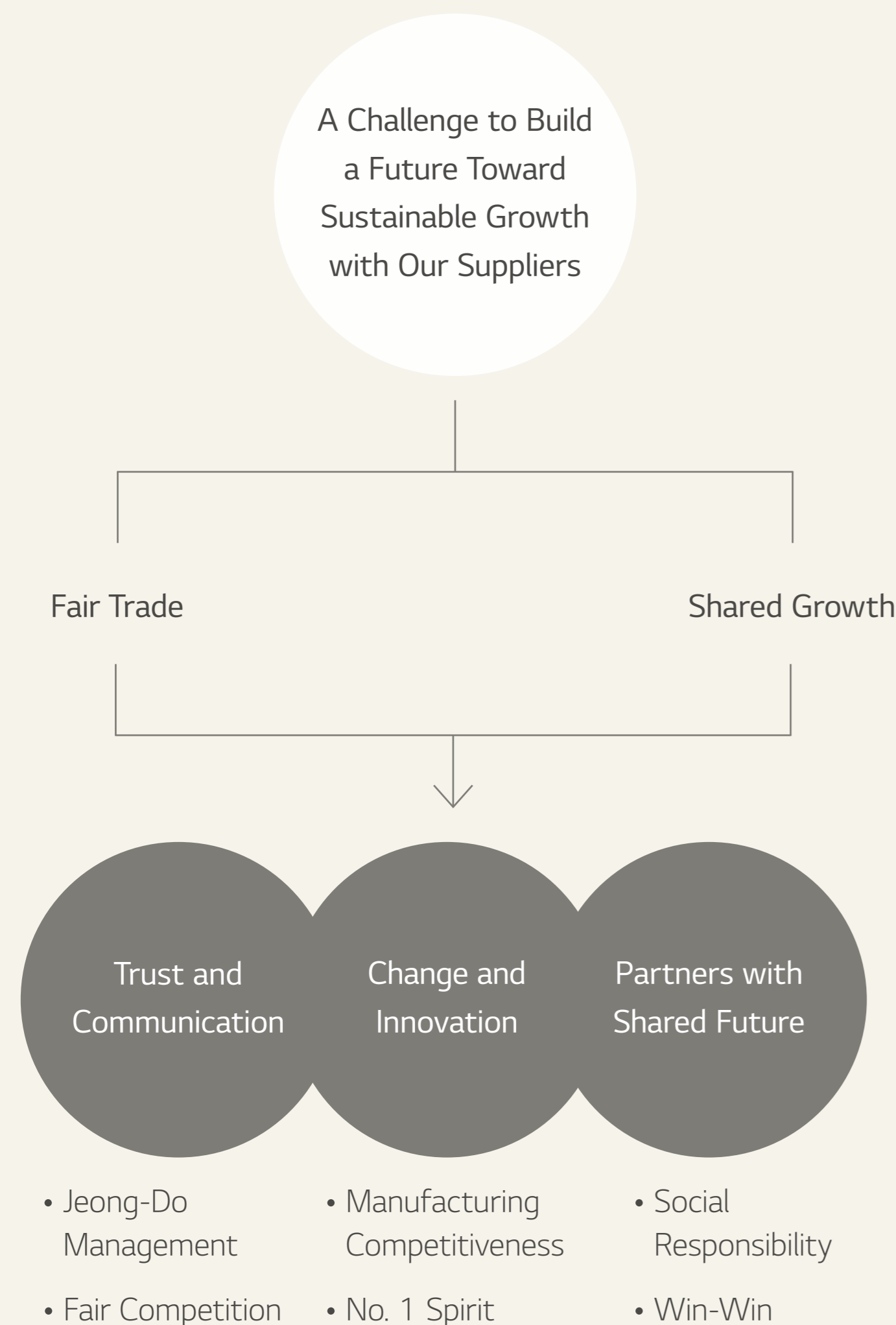
Safety and Health	<ul style="list-style-type: none"> • Occupational Safety – Licensing, risk assessment, personal protective equipment management, maternity protection procedures, etc. • Emergency Preparedness – Emergency situation evaluation/response procedures, emergency response training records, emergency exit management, fire equipment management, etc. • Occupational Injury and Illness – Health examination records, accident/illness records, first aid procedures, first aid kit management, etc. • Industrial Hygiene – Work environment measurement records, hazard management, hazardous work worker management, etc. • Physically Demanding Work – Investigation/Management of harmful factors of musculoskeletal diseases, etc. • Machine Safeguarding – Equipment licensing, prevention/maintenance records, LOTO (Lock-Out Tag-Out) inspection records, etc. • Sanitation, Food, and Housing – Restaurant management permits and chef qualifications, emergency response training for restaurants/dormitories, etc. • Health and Safety Communication – Training records, (if applicable) training records for foreign workers, reporting channels, etc.
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Ethics	<ul style="list-style-type: none"> • Business Integrity • No Improper Advantage • Disclosure of Information • Intellectual Property • Fair Business, Advertising and Competition • Protection of Identity and Non-Retaliation • Responsible Sourcing of Minerals • Privacy
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Supply Chain Management

Win-Win Growth with Suppliers

Win-Win Growth Strategy



5 Major Tasks for Shared Growth

1. Strengthen competitiveness	<ul style="list-style-type: none"> Support automation, informatization, and RPA Support quality and productivity enhancement
2. Support for next-generation technology	<ul style="list-style-type: none"> Support the development of components for Korea production Technology escrow and brainstorming ideas
3. Provide financial support	<ul style="list-style-type: none"> Interest-free funds Win-Win Growth Fund Win-Win Payment System
4. Training and talent support	<ul style="list-style-type: none"> Win-Win Growth Academy Free consulting from improvement specialists
5. Improve infrastructure	<ul style="list-style-type: none"> Supplier Grievance Hotline Support employee welfare

① Supporting for Achieving No.1 in Global Competitiveness

- Since 2018, we have been sharing our accumulated know-how regarding automating production lines and building infrastructure for digitalization with our suppliers in order to help them enhance their manufacturing competitiveness
- We contributed to increase overall productivity (output per person/hour) and sales of our suppliers, as well as employment opportunity
- In particular, we selected fifty companies and provided consulting fees to ensure that ESG (Environmental, Social, and Governance) is inspected by reliable certified companies to strengthen the ESG competitiveness of our suppliers' sustainable co-prosperity

② Supporting for Strengthening Next-Generation Technology

Support for Developing Parts Using New Technologies and Methods

- Provided royalty-free use of our intellectual property to SMEs (small-medium-sized enterprises) in order to support their efforts to strengthen their R&D capabilities. We engaged in joint technology development with suppliers including new injection technology and automatic parts lifting robot technology

Protection of Suppliers' Core Technology

- The core technologies of our suppliers are escrowed by a trusted government agency thereby ensuring the protection of trade secrets and core technologies (we cover the full cost of the technology escrow service)

Supplier Idea Proposal System

- A system wherein suppliers propose ideas to increase product productivity, such as developing new technologies or components or improving quality, and directly apply them to production sites. Idea Proposal System is being actively implemented as the ESI (Early Supplier Involvement) process where suppliers participate from product development stage

Excellent Technology Seminar

- From 2022 onwards, LGE hosted the 'Excellent Technology Seminar' in which suppliers introduce excellent technologies owned by universities and public research institutes to improve their technological capabilities

Technology Protection for Suppliers (Technology Escrow)

Year	No. of Supplies
2016	25
2019	17
2021	66
2022	76

③ Funding

Zero-Interest Direct Financing

- LGE provides direct, interest-free funds to suppliers who are having financial difficulties so that they could use the funds to improve productivity and quality, expand facilities, collaboratively advance overseas, and develop advanced technologies

Win-Win Growth Fund

- LGE and financial institutions pooled a total of KRW 200 billion (about USD 1.7 billion) in a fund to provide loans to suppliers at low interest rates
- Starting in 2021, the eligibility for the Win-Win Growth Fund has expanded to include third-tier suppliers, thereby contributing to building a healthy ecosystem for win-win growth

Supply Chain Management

Win-Win Growth with Suppliers

The Win-Win Growth Payment System

- In 2015, LGE introduced and began operating the Win-Win Growth payment system in order to ensure that payments for goods made by large companies to 1st-tier suppliers are safely delivered to secondary and tertiary suppliers
- In 2021, LGE and two 1st-tier suppliers were recognized for their contributions on spreading the Win-Win Growth Payment System and were selected as excellent companies in win-win payments by the government

④ Talent Development

- LGE opened and operated the Win-Win Growth Academy as a free education program exclusively for employees of its suppliers in the company's educational facilities
- In cooperation with local universities (Changwon National University, Inje University, Kyungnam National University, and Korea Polytechnics) and Kyeongnam Technopark, LGE conducted customized training necessary to improve the capabilities of suppliers. LGE worked with Korea Polytech to establish an RPA professional training course in 2021.
- Established and operated a budget improvement course for key executives (including the CEO) of suppliers beginning 2021 to improve the management capabilities of suppliers
- As of 2022, developed and operated customized training courses for suppliers related to ESG, DX, etc
- In 2022, LGE opened the 'LGE Suppliers' Online Recruitment Center' on i-ONE JOB, a job search platform operated by Job Korea and Industrial Bank of Korea, to support suppliers that are having difficulties in recruiting talented professionals

⑤ Infrastructure Improvement

- LGE signed a fair trade agreement among 1st 3rd tier suppliers of LGE to establish autonomy for fair trade and a healthy symbiotic growth ecosystem. The number of 1st 3rd tier suppliers which participated in the Fair Trade Agreement in 2022 was 1,631, 2.6 times more than 611 in 2018
- Held the LGE Supplier Workshop at the end of each year to share the innovation outcomes and operated the supplier performance reward system to reboard excellent suppliers
- In order to address the grievances of suppliers, we operate the Supplier Grievance Hotline, a channel for suppliers to report corrupt conduct or unfair practices of our employees. Reports are followed up with fact-checking and appropriate measures
- LGE operates an online site dedicated to suppliers that provide employee benefits for its employees which was expanded to include employees of its suppliers under the same conditions. In 2021, LGE expanded the employee benefits, previously available for the 1st-tier suppliers, to 2nd 3rd tier

ESG Risk Management for Supply Chain

- Checked risk items such as labor rights, safety and health, environment, and corporate ethics at suppliers and our production sites (30) according to RBA standards
- Increasing sustainability throughout the supply chain by supporting the suppliers in improving the working environment
- Reviewing and making decisions on ESG-related matters of suppliers (ESG issues, supplier programs, etc.) through the ESG Committee under the BOD

New Supplier Registration Review Process

- Compliance verification of LGE suppliers code of conduct¹⁾ and international trade regulations
- The code of conduct and the pledge to comply with international trade regulations are reflected in the purchase agreement
- Operating a pre-verification process upon registration of new suppliers in case its supply chain finds cases opposing international trade regulations

1) LGE Supplier Code of Conduct has been established based on the RBA Code of Conduct and others international norms



* ESG (Environmental, Social, Governance) and country, sector, commodity risk

5-step ESG Risk Management Process and Assessment Results

STEP 1: Target Selection

- Production sites: All production sites (30)
- Suppliers: 1st-tier suppliers with over KRW 100 million (about USD 87,420) of purchases in the previous year

LGE's Major Suppliers and Proportion of Purchases from LGE Suppliers

Classification	Suppliers	Proportion of Purchases
1st-tier supplier ¹⁾	1,695	100%
Critical supplier ²⁾	114	70%

1) 1st-tier supplier: Component supplier + Subcontracting + Outsourcing supplier
 2) Critical suppliers (suppliers with significant influence on LGE): suppliers that require intensive management due to the high transaction volume/proportion, ESG management/sector, supply of future core technologies and parts, and specificity of suppliers

Supply Chain Management

ESG Risk Management for Supply Chain

STEP 2: Self-Assessment

2022 LGE Production Sites Self-Assessment Results

- Conduct an inspection using RBA Risk SAQ (Self-Assessment Questionnaire)

Classification	Low-Risk	Moderate	High-Risk
Labor/Human rights	17	11	2
Health and safety	11	17	2
Environment	18	12	–
Ethics/Suppliers	23	5	2

Low-Risk Rating of LGE Production Sites: 50% (15/30 Sites)

2022 LGE Production Sites Self-Assessment Risk by Classification/Region

Classification	All	Labor/ Human Rights	Safety and Health	Environment	Ethics/ Suppliers	No. of business sites
America	●	●	●	○	○	5
Asia	●	●	○	○	●	6
Europe/ CIS	●	●	○	○	○	4
China	○	○	●	●	○	8
Middle East/ Africa	●	●	●	●	○	2
Korea	●	●	●	○	○	5

○: Low Risk ●: Moderate Risk ●: High Risk

Results of Suppliers' Self-Assessments

- Conduct the inspection through a system reflecting the in-depth self-inspection evaluation sheet developed in-house

Classification	Unit	2020	2021	2022
Number of suppliers that conducted self-assessment	Suppliers	1,416	1,289	1,231
Number of high-risk suppliers		26	13	8
Proportion of high-risk suppliers	%	1.8	1.0	0.7

STEP 3: On-site Assessment

- Select high-risk production sites based on the self-diagnosis results and conducting on-site inspection of major high-risk suppliers
- Implement through on-site inspection and consulting workplaces after analyzing the impact and severity of risks at production sites
- Signed the Business Agreement for ESG Management Support and Mutual Growth of Suppliers with the Small and Medium Business Cooperation Center of the Federation of Korean Industries to strengthen suppliers' ESG self-inspection capabilities (2023)

STEP 4: Third-Party Audits

- Conduct third-party audits to secure objectivity in ESG risk assessment and strengthen ESG risk management capabilities at production sites and suppliers
- Expand the subjects of the ESG third-party certification to overseas suppliers from domestic in 2023

Result of LGE Production Sites Third-Party Audits in 2022 (16)

Classification	Detailed items for review	Unit	No. of cases
Labor	Working hours		39
	Wages and benefits		16
	Voluntary work		3
SHEE ¹⁾	Emergency preparedness	Cases	45
	Occupational safety		26
	Machinery safety		6
	Occupational injury and illness		5
	Waste		3
Management	Supplier responsibilities		4
	Education		3

1) Safety, Health, Environment, Energy

Result of Supplier Third-Party Audits in 2022

Classification	2020	2021	2022
Number of suppliers that conducted on-site assessment	–	50	50

STEP 5: Improvement Activities and Progress Monitoring

- Company-wide monitoring of production sites to manage and identify the implementation status continuously, collaboration with the relevant departments for issues that are difficult for a site to improve internally, improve company-wide policies, and establish guidelines
- Implement immediate remediation measures for identified issues for high-risk suppliers and production sites
- Implement offline training for suppliers' CEOs and develop online education (Korean/English)

Results of Improving Suppliers' Inadequacies

Classification	2022
Percentage of suppliers establishing inadequacies improving plans	100%
Numbers of suppliers completed inadequacies improvement measures	8

Results of Educational Support for Suppliers

Classification	2020	2021	2022
Number of cases of suppliers' ESG management education	–	439	526

Monitoring of ESG Assessment and Support Programs

- LGE supports the strengthening of supplier-led ESG risk management capabilities by encouraging them to improve inadequate cases identified through the operation of ESG assessment programs and conducting ESG competency improvement training

Supply Chain Management

ESG Risk Management for Supply Chain

Supplier Carbon Emissions

- LGE has been working to raise awareness among suppliers' employees by establishing a carbon neutrality response training program for suppliers since 2023. As of the first half of 2023, 152 companies participated in the training program
- Conduct a survey of major 1st-tier suppliers' energy use and carbon emissions (Top 90% of purchase amount)
- 2021 Emissions: 9,352,276tCO₂eq
2022 Emissions: Totals for second half of 2023 (TBA)

Fire Safety Inspection of Suppliers

- Manage the on-site consulting status and inadequacy improvement by developing a fire/safety management system to manage the fire/safety on-site consulting and self-prevention activities of suppliers systematically
- Support consulting for KOSHA's Risk Assessment Accreditation Project and conduct awareness-increasing training for employees to prevent sanctions due to major disasters

Classification	2020	2021	2022
Number of suppliers that received fire safety on-site inspection	265	242	231
Number of suppliers that received support for the Risk Assessment Accreditation Project	-	-	6
Number of suppliers that received education on preventing sanctions due to major disasters	-	-	291

* LGE has supported its suppliers for the Risk Assessment Accreditation Project and provided education on preventing sanctions due to major disasters since 2022

Building a Sustainable Supply Chain

Work with 100% RMAP-Conformant Smelters

Classification	Details
Purpose	<ul style="list-style-type: none"> • Refrain from using minerals mined in conflict zones or minerals that infringe labor/human rights or damage the environment in the mining process
Response to external issues	<ul style="list-style-type: none"> • As a member of the Public-Private Alliance (PPA) for Responsible Minerals Trade, providing information to establish a conflict minerals tracking system • Participate in global activities to trace the origin of minerals (cobalt, mica, etc.) that may have issues such as forced or child labor
Implementation activities for suppliers	<ul style="list-style-type: none"> • Monitoring the origin of the four major conflict minerals¹⁾ in suppliers' products and parts • Require the Responsible Mineral Assurance Process (RMAP) certification for smelters in the supply chain • Provide awareness-raising training on the responsible use of minerals • LG Chem and LG Display jointly recommended that suppliers use RMAP-certified smelters
Performance	<ul style="list-style-type: none"> • Manage supply chain according to the target of using 100% certified smelters (Tantalum/Tungsten: Achieved in 2019, Tin: Achieved in 2020, Gold: Achieved in 2021) • 100% of smelters certified according to the RMI smelter database as of January 2021 (As of March 2022)

1) 3TG: Tantalum, Tungsten, Tin, Gold

RMAP²⁾-Conformant Smelter Management

Tantalum

Classification	Unit	2020	2021	2022
Conformant		34	38	33
Active	EA	0	0	0
Non-conformant		1	1	5

Tungsten

Classification	Unit	2020	2021	2022
Conformant		40	38	34
Active	EA	1	0	0
Non-conformant		4	5	10

Tin

Classification	Unit	2020	2021	2022
Conformant		53	51	58
Active	EA	6	4	0
Non-conformant		24	26	22

Gold

Classification	Unit	2020	2021	2022
Conformant		103	99	92
Active	EA	1	0	0
Non-conformant		7	12	20

2) RMAP (Responsible Mineral Assurance Process): A due diligence and assurance program by the RMI for smelters not using conflict minerals

* Use of uncertified smelters may occur due to the occurrence of new parts or changes in smelter certification and registration, but LGE strives to use only certified smelters through periodic inspections of supply chain

* Uncertified smelters in the supply chain in 2022 have been deleted from LGE's supply chain based on the RMI smelter database in January 2023 (March 2023)

* We are carrying out investigations of smelters found uncertified after February 2023

Supply Chain Management

Building a Sustainable Supply Chain

Establishing the Conflict Mineral Management System

Conflict Mineral Management Policy

- Due diligence: In case conflict minerals are included in main/auxiliary raw materials supplied by 1st-tier suppliers to LGE conduct due diligence
- Requirements for 1st-tier suppliers
 - Document the conflict minerals identification process
 - Register the information on conflict mineral in the LGE Conflict Minerals Management System
 - Check whether some secondary or later suppliers use conflict minerals or include conflict minerals in their main/auxiliary raw materials
- Requirements for smelters in the supply chain
 - Secure responsible mineral use certification

Conflict Mineral Management Standards

Classification	Details
Purpose	<ul style="list-style-type: none"> • Operating requirement and processes for the conflict minerals management system
Scope of application	<ul style="list-style-type: none"> • All products developed/produced/sold/supplied by LGE • Products and main/auxiliary raw materials developed/produced/custom-made by suppliers • Products and main/auxiliary raw materials developed by LGE and produced by its suppliers
Activities implemented	<ul style="list-style-type: none"> • Regular review and revision of management standards • Conducting training of standard requirements for LGE employees and suppliers

Conflict Minerals Managing Organizations

- Operation of global unit: Responsible for complying with policies and standards concerning responsible minerals, fulfilling social responsibilities, purchasing and procuring minerals

Activity	Details
Communication	<ul style="list-style-type: none"> • Website and email (conflict-mineral@lge.com)
Trend analysis	<ul style="list-style-type: none"> • Customer requests, regulatory compliance, use of RMI tools, international forums, NGO and media requirements etc.
Internal reporting and support	<ul style="list-style-type: none"> • Managing changes concerning our suppliers and to maintain/improve information on certain smelters
Conflict Minerals Management System Administration	<ul style="list-style-type: none"> • Improving the effectiveness of the conflict minerals management program and responding to customer requests and risks
Participation in the RMI working group	<ul style="list-style-type: none"> • Identifying origins of minerals and implement inspection activities

* RMI provides the status of conflict minerals of global smelters to its members and organizes a forum to share best practices to resolve issues

* Conflict mineral website
– <https://www.lg.com/global/conflict-minerals-business-partner>

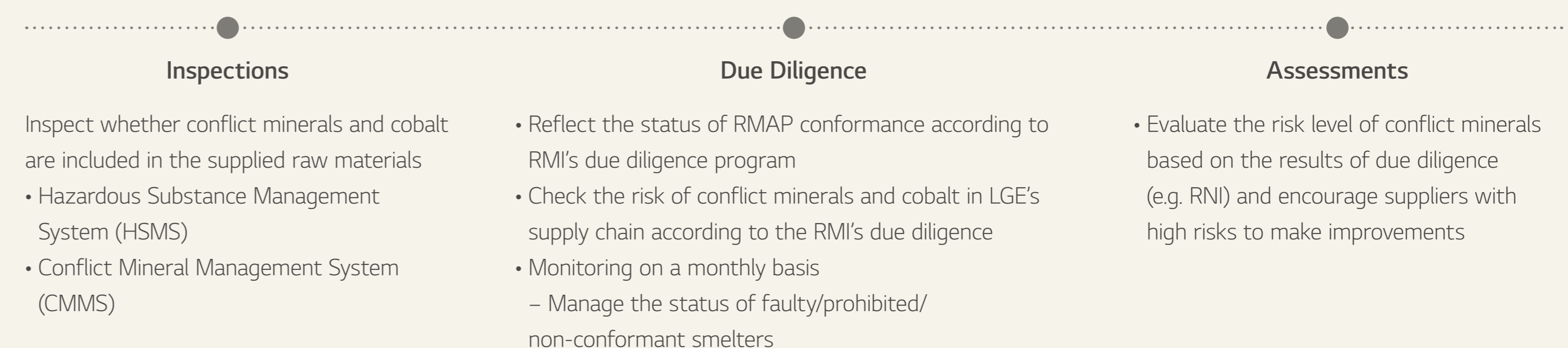
Inspection and Due Diligence of Conflict Minerals and Assessment of Risk Level

Inspection and Due Diligence of Conflict Minerals

Classification	Details
Data submission	<ul style="list-style-type: none"> • Matters concerning the production and procurement of conflict minerals included in main/auxiliary raw materials (including information on cobalt and origin, since 2019)
Fact-checking	<ul style="list-style-type: none"> • Cross-check information on the origins of conflict minerals and cobalt in the conflict minerals system and the submitted mineral information • Checking whether conflict minerals or cobalt are included in the main/auxiliary raw materials, using the hazardous substance management system
Channel for data collection	<ul style="list-style-type: none"> • RCOI (Reasonable Country of Origin Sourcing Information) on the certification status according to RMAP due diligence results • Others publicly available data

Risk Assessment of Conflict Minerals

Classification	Details
Purpose	<ul style="list-style-type: none"> • Assess the risk level for procurement of conflict minerals and cobalt based on the main/auxiliary raw material data, the country of origin data, and smelters
Implementation activities	<ul style="list-style-type: none"> • Monitoring the monthly updated data on the conflict minerals and cobalt submitted by suppliers <ul style="list-style-type: none"> – Check parts and suppliers that used prohibited smelters, faulty smelters, and uncertified smelters • Implement measures such as suspending transactions with suppliers, smelters, and refineries taken to those considered high-risk groups or deemed as having no chance of improving



Safety and Health

Safe and Healthy Workplace

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

- Established safety and environment management policies and company-wide management regulations based on the safety and health management system (2009)
- Mandating the acquisition of ISO 45001 certification for safety and health management systems in line with the advancement of global regulations and requirements
- Operating a company-wide integrated safety and environment standard system for safety, health, environment, and energy centered on safety and environment management regulations

Safety and Environment Standard Chart



Management Regulations for Safety & Health and Environment

- Establish and announce the Safety, Health, and Environment Management Policy containing the company's four-zero strategy (zero accidents, zero diseases, zero pollution, and zero losses) and will to implement it
- Aim to achieve "Zero SHEE and major accidents in all business sites according to the Safety, Health, and Environment Management Policy, and it is linked to the KPIs of all domestic and overseas business sites and organizations
- Strive to continuously improve environmental performance
- Fulfill our responsibilities and obligations to create a safe and healthy workplace and to rise internal and external stakeholders' awareness of environmental impacts

Potential Risk Identification and Improvement Activities

- Risk identification/improvement through expansion of risk assessment, improvement of execution ability, pre-inspection, and diagnosis.
 - Conducted 46,463 regular risk assessments (as of 2022) to level up activities to find and eliminate harmful/risk factors to business sites.
 - Classified risk classes based on evaluation results and established and implemented improvement plans for high-risk classes.



Mid- to Long-term Goals for SHEE

- Maintaining zero major accidents and 30% or less disaster rate in the same industry and supplementing and internalizing safety and health inspection/diagnosis systems through integrated safety diagnosis tasks
- Safety awareness through the participation and cooperation of employees/Establishment and distribution of safety culture (safety index 4.3/5 points)
- Achieving a 95% recycling rate of workplace waste by 2030
- Expanding the establishment of an integrated management system for global safety and environment
- Upgrading of safety and environment capabilities in overseas business sites

Management Process



Classification	Details
Smart Working Committee	<ul style="list-style-type: none"> • Subcommittees: Common, Fire, Safety, Health, Chemicals, Water/Air, Waste, Electricity/ Construction, Energy/UT, etc. • Activity: Creation/revision and distribution of company-wide standard manuals • Performance: Standards in 2022 (8 creations and 62 revisions) and manuals (11 creations and 74 revisions)

Improvement of SHEE IT System

- Establish a systematic process through an integrated safety environment system and unified the safety environment management channels (head office – division – subsidiary)
 - FOMS: Facility Operation Maintenance System
 - HMS: Health Management System
 - CMS: Chemical Management System

- Uphold the right to stop work and implement a workplace safety policy

Safety and Health

Safe and Healthy Workplace

- Preventing safety and environment accidents by promoting worker-participating activities
 - Operating the Industrial Safety and Health Committee and company-wide safety and environment BP competition (expanded to subsidiaries in 2023)
 - Regular meetings with suppliers/construction contractors (monthly)
 - S-Bank* activities in 2022 (657 improvement proposals/987 reports of accidents)

* Safety Bank: The potential hazards, near-miss incidents and improvement proposal, all driven by employees for H&S activities

Plan	Do	Check	Action
Identify potential risks/establish improvement plans	Improve tasks/eliminate/replace risk factors, review equipment structures/establish safety measures	Improvement activity monitoring activity performance analysis and improvement result verification	Establish follow-up action/disseminat BP cases

- Inspecting/Supporting accident prevention activities through a dedicated organization to establish a safety management system at constructions sites of new B2B business products
- Support activities for strengthening the safety and environment capabilities of overseas production subsidiaries
 - LGE conducts monthly video training for people involved in the safety environment with content such as safety incident cases, cases of noncompliance during inspections, and videos on machine safety and firefighting equipment
 - We support close training for safety and environment organization managers for subsidiaries that have recorded safety incidents (including incident status, establishment and implementation monitoring of improvement measures, response to other issues, etc., 4 times/month)
 - We conduct monthly thematic inspections, legal compliance inspections, and crisis response drills with common items for all production subsidiaries and carry out improvement activities for inadequacies

- We held the 2023 Target Achievement Proclamation Ceremony to reduce safety incidents (organized by the head of the subsidiary in January 2023 to reduce the number of safety incidents by 30% in 2022 and comply with LGE's 7 basic safety rules).
- We reinforced the self-management capabilities of overseas production subsidiaries (support for diagnosis, education, standard, integrated IT system, etc.)

Operation of SHEE Evaluation System

- Improve the evaluation system and increasing the diagnosis level through regular revisions of the safety environment diagnosis checklist
- Prevent accidents by proactively identifying and improving safety and environment risk factors at Korea and overseas business sites
- Reporting of the safety and environment diagnosis results and improvement tasks and continuously monitoring the improvement process of risk factors by Korea and overseas business sites
- Conduct an internal review of field departments and suppliers based on safety and environment management systems (ISO 45001 and ISO 14001)
 - Regular inspection of safety environment goals and implementation status, accident prevention activities, and legal compliance/implementation status

Employee Health Improvement and Preventive Management

- Strengthen the management of persons with abnormal findings and high-risk groups through regular health examination
- Establish plans and operating programs to promote mental/physical health through the operation of affiliated clinics, healthcare offices, and psychological counseling rooms
 - Implement health improvement activities (smoking cessation, metabolic syndrome management, weight management, job stress management, etc.)
- Wearable suit being applied to prevent musculoskeletal diseases
 - Signed an MOU for developing a wearable suit considering a work environment that cannot be improved by engineering, etc.
 - Reduction of musculoskeletal load in heavy object handling and production processes

Reporting to the BOD

- In accordance to the revisions made to the Occupational Safety & Health Act, it is now mandatory for the CEO to establish a plan for the company's safety & health every year, report and obtain approval on the plan to the BOD (since January 2021)
- Juridical reporting matters
 - 1) Safety & health management policy
 - 2) Composition, personnel, and roles of the safety & health organization
 - 3) Current safety and health-related budget and facilities
 - 4) Activities related to safety & health carried out in the previous year and those planned for the coming year
- Company-wide risk response abilities are ensured by reporting on company-wide safety and environmental issues to the BOD

Reinforcing Safety/Health/Fire/Environment Capabilities

- Utilizing the LG Academy's College of Safety and Environment curriculum to improve competency in safety, health, firefighting, environment, and ESG
- LGE has added the EnDP (Entrepreneur Development Program) safety and environment course for organization leaders (executives and directors) from basic theoretical training on safety and environment/ESG that matches each level's focus to in-depth education for improving skills in detailed fields (safety, health, fire, and environment), risk assessment leader educational courses that enable effective risk assessments in business sites, and NEBOSH education to train international safety and health experts.

Introduction (Level1)	Practice (Level2)	In-depth (Level3)	Expert/Leader (Level4/5)
Introduction to safety environment and corporate disaster management	In-depth safety, health, firefighting, and environment and working-level ESG management	Risk assessment leader and global auditor training (NEBOSH)	safety leadership

Reinforcing the Accident Report System

- Establish measures to respond immediately and prevent recurrence based on the accident reporting standard manual (Including environmental and UT accidents)
- In the event of an accident, including injury or disease, LGE conducts an initial/information report, identifies the details and cause of the accident jointly with the safety and environment department of the site, establishes and implements recurrence-preventing measures, and reports the closing of the accident through the safety and environment IT system upon completion of the improvement activities
- Generate a safety alert for the accident, share it with employees, and conduct education to prevent recurrence
- All affiliates implement a system that can respond to an accident quickly through the CMIS (Crisis Management Information System) app

Initial report	• Rapid dissemination of the situation/implementation of emergency measures
Information report	• Organize the Crisis Response Committee/identifying types of accidents
Accident investigation/recurrence prevention measures	• Analyze the cause of the accident/establishing recurrence-preventing measures
Accident closing report	• Response system inspection final result report

Safety and Health

Safe and Healthy Workplace

Safe and Health Workplace

- Strengthening crisis response capabilities and field operability by supplementing the eight major risk crisis response manuals and scenarios

Classification	Details
Crisis situation	<ul style="list-style-type: none"> • Establishing eight major risk crisis management systems and response manuals <ul style="list-style-type: none"> – Major disasters, fire accidents, dangerous objects/combustible gas leaks, infectious diseases, chemical substance leaks, pollutant (air/water) leaks, UT supply interruptions/power outages, natural disasters, etc.

- Conducting evacuation drills for all employees in each building every year and managing the evacuation time
- Conducting a capacity assessment for disaster prevention centers at domestic business sites (once/year)
 - Evaluating the ability to respond to crisis situations (fire occurrence, chemical substance leak, and emergency patients), leveling up the entire company, and rewarding excellent organizations
- Improving the staff’s first aid (CPR) capabilities and strengthening pre-inspection of on-site risk
 - Cumulative number of people who have completed the training on first aid (5,627 people from 2022 to June 2023)

Establishment of Crisis Response Process

- Establish a safety and environment crisis response process and unifying the company-wide crisis response process
 - Minimize safety and environment risk damage through immediate response and quick remediation
- Implement the virtual training according to the manual and comprehensive crisis response training (semiannually)

Internalizing of Safety Culture

Leadership in Action

- Each business division conducts ‘Safety Talk’ every month to discuss major issues in safety environment at management meetings on a regular basis
- ‘Safety Walk’ is operated under the supervision of the management to secure safety leadership by quarter and to establish a safety culture

Safety Culture Campaign

- Produced promotional materials related to the seven safety principles that must be prioritized by all of our employees
 - Animations, cartoons, brochures, banners, and etc. are created to enhance employees’ safety awareness
- Increasing employee safety awareness through the production and distribution of the quarterly safety culture campaign cartoon

Participatory Safety Education (Korea)

- Install a safety experience hall and operate the experiential/participatory safety education (2018 ~ present)
- Experiential safety education: LGE provides safety experience education (VR experience education, facility safety experience, CPR practice, fire evacuation experience, etc.) directly related to safety risks at the business site
- Developing non-face-to-face online education contents and conducting the education

Operation of Psychological Counseling Center (Korea)

Operation Purpose

- Enhance work engagement and job efficiency based on employees’ psychological stability
- Contribute to revitalizing interpersonal relationships and communication, revitalizing the organization through consulting for stress management, etc. and productivity improvement
- Promote work and life balance for executives and employees by providing various programs such as marital counseling and child counseling for executives and employees’ families
- Conduct non-face-to-face consultations to improve accessibility and convenience

Major Programs

- Personal counseling for employees and families (face-to-face and online)
- Family programs: Psychological testing events (face-to-face and online)
- Team programs to revitalize the organization: Understanding each other, stress care, organizational communication, etc. (face-to-face and videoconference)
- Caring programs for expatriates and families
 - Monthly newsletter for the adaptation of returning expatriates and families
 - 1:1 psychological caring program for expatriates before dispatch
 - LGE Sexual Harassment Prevention Center (scheduled to open in 2023): Counseling and intervention course for victims, perpetrators, and organization managers for the recovery of sexual harassment victims
- Establishment of LGE Sexual Harassment Prevention Center to relieve victims of sexual harassment (2023)

Installation Status

- Operate psychological counseling rooms at 12 business sites in Korea
- Operate a counseling program tailored to members according to the characteristics of each business site
- Discuss common task, develop and deliever new program through monthly meeting and biennial council

Psychological Counseling Center at 12 Business sites



Safety and Health

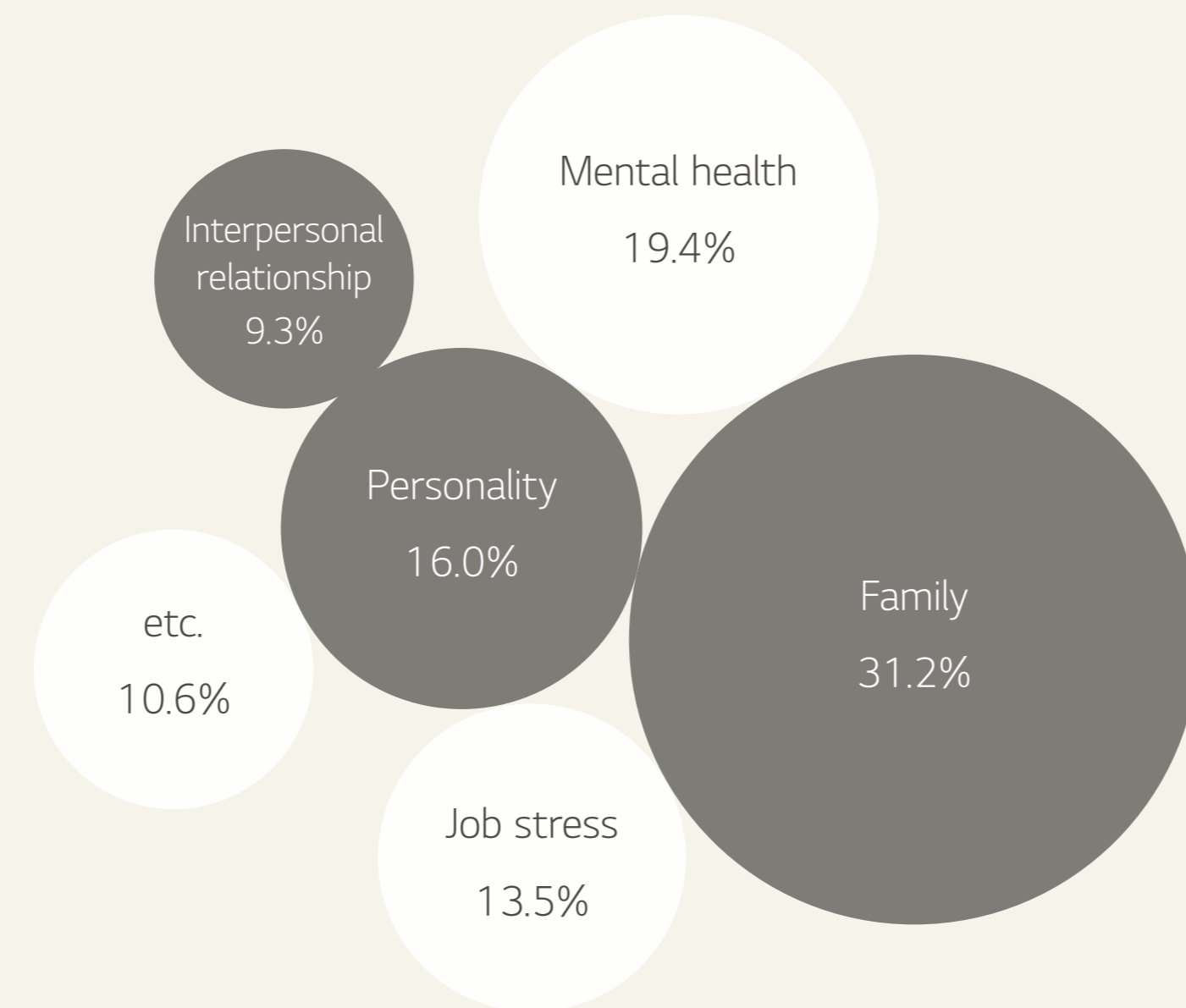
Internalizing of Safety Culture

Status of Using Company-Wide Psychological Offices in 2022

Classification	Counseling topics	Total
Individual counseling	Total	5,316ea
	Family	31.2%
	Mental health	19.4%
	Personality	16.0%
	Job stress	13.5%
	Interpersonal relationships	9.3%
	Career path and experience	6.1%
	Counseling	1.5%
	Opposite sex	1.2%
	HR and organization	0.9%
	Etc.	0.4%
	Sexual harassment/assault	0.3%
	Harassment	0.2%
	Group programs & training	292ea
	Number of psychological test sheets used	6,082ea
	Online PR	152ea

- Excluding use of the Changwon Psychological Counseling Center, which is outsourced. (Calculation is not possible due to differences in calculation method and classification.)
 - Continued activation of online counseling during and after the COVID-19 pandemic

Topic for 2022 Company-Wide Psychological Counseling Room Use (Top5)



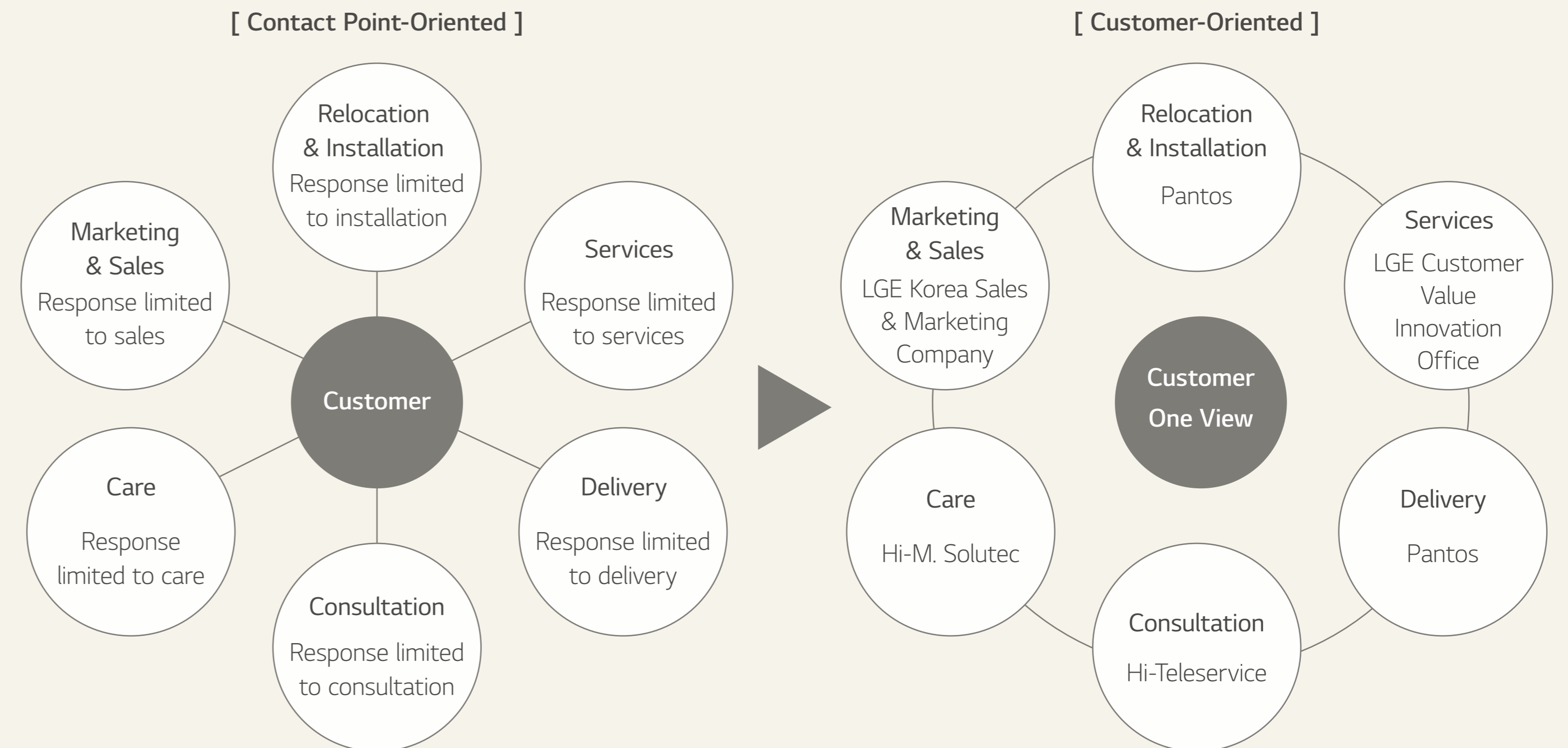
Customers

Services for Customer Satisfaction

Integration of our In-House Customer System, on 'One View'

- Establishing an integrated system that shows consumers' history about their experience with our products and services, such as product purchase and delivery, membership, services, and after-sales support in one place (2021-)
- Systematizing responses to customer issues by integrating customers' journey company-wide and share information on customer issues among contact points: Limited information by phase → provides history of all phases of the customer journey
- LGE systematically responds to customers when performing employee tasks by linking individually managed systems so that distributed data can be viewed at a glance
- Strengthen the customer response system for each type of customer issue, and enhance response capabilities for each contact point

Customer-Oriented Change



• Response from the customer's perspective is impossible as contact-point specific information cannot be shared

• Company-wide integration of customer journey map (from sale to services) enables all employees to respond to customers

Customers

Services for Customer Satisfaction

Operating a Customer-Oriented Service System to Provide Differentiated Customer Experiences

Classification	Details
365-day response system	<ul style="list-style-type: none"> Effectiveness-oriented pre-inspection and minimization of customer complaints by changing the customer/product-specific operation strategies (seasonal products and strategic area operation (June 2022)) Establishing a same-day response system for holiday emergencies
Customized care	<ul style="list-style-type: none"> Personalized counseling for senior customers (large letters and simple-speech/speaking slowly and rhythmically) Improving the customer experience by connecting with a previous counselor
Customer-oriented work environment	<ul style="list-style-type: none"> Laying a foundation for improving customer experience based on employee experience

Customer Satisfaction Surveys

- Satisfaction survey and management through AlimTalk for customers in Korea
- Satisfaction survey and management through SMS/messenger for overseas customers

Strengthening Responsiveness to Customer Experience Issues

- Operating the CS Customer Experience Quality Council to detect and respond to problems that customers may experience at an early stage
- Establishing a real-time repair advisory system to respond quickly to difficult repairs

Ethical Marketing and Advertising

- Providing accurate and balanced information on products and services
- Prohibiting the exaggeration of the social and environmental impact of activities carried out by LGE
- Protecting vulnerable market sectors such as children and market-illiterate people
- Prohibiting false information about competitors' products and services

Spreading Overseas Cloud Call Centers

- LGE plans to overcome the limitations of geographical/operational efficiency by converting the individually operated call center systems into a cloud-based platform and continuing to link new technologies for customer service as a standard platform for customer service.
- Starting with the US system in July 2021, we have completed transitions of the call center system in 8 subsidiaries in 2021 and 15 in 2022

Customer Satisfaction Survey

Classification	Unit	2020	2021	2022
Customer Satisfaction	Score	82.2	84.2	87.5

* The figure is the sum of Korean and overseas customer satisfaction survey results.

* 2020 and 2021 customer satisfaction data were re-reported due to changes in the customer satisfaction survey criteria

Converting the On-Site Repair (Hourly) System to Improve the Overseas Customer Experience

- Operating an hourly repair appointment management system on directly managed centers (November 2022 ~ present), with plans to expand in the future
 - Applicable subsidiaries: Operating around 35 centers in 6 overseas subsidiaries to provide differentiated experiences for overseas customers in emerging markets

Re-service Improvement Activities

- Reinforcement of service manager competency
 - Establishment of a real-time technical advisory hotline and operation of open talk (from July 2022)
 - Ease of repair and individuality, such as utilization of parts packages
- Establishment and internalization of process
 - Provision of video guide and establishment of standards process (May 2022)
 - Improving ease of use of technical information from the user's point of view

Improving the Customer Experience (CX) Through Employee Experience (EX)

- Establishing a foundation for providing customer experience (CX) improvements through positive employee experience (EX) of customer contact points (service managers and counseling consultants)

Classification	Employee experience (EX) implementation tasks
Service manager	<ul style="list-style-type: none"> Certification of technical competency and integration of HR systems Securing capabilities in new product service technology Providing emotional reassurance for psychological stability from rude customers Increasing loyalty and expanding the scope of praise Improving the job/work environment and establishing a communication process centered on service managers
Consultant	<ul style="list-style-type: none"> Securing excellent counseling skills Attractive nurturing/reward system Establishing an organizational culture of communication and mutual respect Designing the company system and direction that consultants can understand Creating a work environment where one can focus on customers only

Customers

Services for Customer Satisfaction

Technology Olympics Held in 2022

- Strengthening LGE’s service capabilities and improving customer satisfaction by hosting the 2022 Technology Olympics

① Korea Technology Olympics Held (Nov. 3-5)

Benefits and Spillover Effect of the Technology Olympics

- Korea service engineers are provided with opportunities to boost their sense of belonging after their transition to direct employment by LGE
- The pride of excellent engineers and branch is raised through healthy competition
- Adding a Customer Service category, which is for engineers and counseling consultants
- Repair capability is improved by discovering outstanding technical know-how → It aims to contribute to the improvement of customer service quality

Process of Executing the Technology Olympics

- Preliminary publicity to secure the preparation/training period for service engineers who wish to participate (June)
- 1st Qualifying: mobile evaluation preliminary rounds and confirming players (till October 4)
- 2nd Qualifying: local self-qualifiers and confirming players (till 14 October)
- Finals – Operated at the Pyeongtaek Learning Center Management & Technology Hall (Nov. 3-5)
- A total of 284 persons participated in the preliminary round, and a total of 27 persons were awarded by product category

② Overseas Technology Olympics

- Middle East Technology Olympics (Oct. 5-7)
 - Held offline 3 years after the outbreak of COVID-19
 - The largest number of participants since 51 people participated in 2016, excluding online contests (19 winners from a total of 60 participants from 20 countries)
- India Technology Olympics (Dec. 15-16)
 - Held offline 3 years after the outbreak of COVID-19 (e-Olympics, 2021)
 - About 11,000 participated in the preliminary round, and 19 winners from a total of 60 participants (technical 15, consulting 4)

History of Major Awards in 2022

Country	Award month	Awarding organization/Group	Award details
Russia	April	Gazprom Bank	CX World Award – Data-Oriented Approach (Data-Centric Approach) category
Poland	May	Gwiazdy Jakosci Obslugi	Service Quality Stars ¹⁾ 2022 award
United States	September	American Consumer Satisfaction Index Association (ACSI)	Selected as No. 1 in the 2022 Consumer Electronics Consumer Satisfaction Survey (81 points out of 100)
Russia	October	Russian Consumer Agency	Received the “Consumer Rights and Quality of Service (Consumer Rights and Quality of Service)” award for 4 consecutive years since 2019
Korea	October	Korea Standards Association KS-CQI	Selected as the best company in the consumer electronics service category of the call center quality index (selected as the No. 1 company in the consumer electronics category as a result of evaluating 7 essential call center quality factors)
Peru	November	Peru Consumer Agency	Ranked 1st in Customer Service (customer VOC care activities) and 2nd (TV remote service) in the first 2022 Ciudadanos al Centro (customer-centered program) Program 2022 (Ciudadanos al Centro).”
Brazil	November	Consumidor Moderno	Ranked 1st in the Empresas que Mais Respeitam o Consumidor Awards (for companies that respect consumers the most)

1) Held for 15 years, the awards evaluate 40,000 companies in 250 areas with customer feedback for service quality and select the winners

Securing Database for Customers with Disabilities

- Established a pre-registering of customer with disabilities through publicity and guidance from development centers and federations/ associations (for Korea Disabled people’s Development Institute (KODDI), Korea Blind Union (KBU), and the Korea Association of the Deaf) (since October 2021)

Type of Disability	No. of customers	
	2021	2022
Visual impairment	171	183
Hearing impairment	131	163
Language impairment	3	1

KakaoTalk (messenger) Chat Counseling

- Launched KakaoTalk chat counseling (April 2021)
- Improving accessibility through the use of the most popular messenger in South Korea
- Shifting from the previous focus on voice, text/image/content can provide accurate information to customers
- Counseling history can be checked from both sides

Sign Language Counselors in Service

- Launched sign language customers service with 2 sign language consultants in operation (since October 2021)
- Sign language interpretation support is provided for customers with hearing impairment during sign language counseling and business trips/ internal services for customers with hearing and speech impairments
- Introduced the digital human sign language guidance to customer reception kiosks in 115 service centers nationwide (March 2023)

Classification	Number of counseling sessions
October-December (2021)	162
January-December (2022)	944

Customers

Examples of Accessibility Features by Product and Service Type

Product

Feature	Disability Types	Product	Details
Voice Guidance	Visual Impairment	TV	The TV provides a feature called Voice Guidance, where menus and operations are narrated through voice prompts. After enabling this feature, users can adjust the voice speed, volume, and pitch levels according to their preferences.
		TV	The TV offers a Screen Description feature that explains the current content on the TV screen through voice narration. Note that this feature is available only when supported by the TV program being watched.
		Air conditioner, Refrigerator, Robotic vacuum Water purifier, Massage chair, Air Purifier	Buttons provide voice feedback, announcing button names and selected options, along with voice guidance on functionality and the current status of the product, ensuring convenient usage for everyone.
Speech Recognition	Overall	TV, Air conditioner, Refrigerator, Robotic vacuum Water purifier, Massage chair	By using voice commands, users can easily control the product, allowing for a more convenient user experience.
Braille	Visual Impairment	Household appliances common	We offer Braille stickers that can be applied to all LG appliances. The Braille stickers consist of 10 intuitive icons for power, operation, and stop functions, along with numeric Braille and a guide. Customers can request these stickers for free by contacting LG Electronics Customer Center or the Korea Disabled People's Consumer Union. Additionally, customers who purchase or use LG appliances at nationwide LG Best Shop stores can receive the public Braille stickers on-site upon request, along with an optional attachment service.
		Remote control	Key buttons are designed with embossed symbols, protrusions, or Braille to allow immediate recognition for visually impaired individuals.
		Bluetooth speaker	To assist visually impaired individuals in using the product, Braille is added to the power, volume up/down buttons on the product's exterior.
Button Sound Effects	Visual Impairment	Washing machine *Certain models only	Different sound effects are played based on the button's function, allowing users to distinguish functions auditorily.
		Bluetooth speaker	Distinct sound cues are provided to differentiate powering on/off, reaching maximum or minimum volume, and connecting via Bluetooth.
Contrast Enhancement	Visual Impairment	TV	The TV menu's contrast between bright and dark areas can be adjusted to make the text more legible.
Black and White Mode	Visual Impairment	TV	Menus' color schemes can be changed to grayscale, enhancing clarity by eliminating ambiguous boundaries based on color.
Color Inversion	Visual Impairment	TV	The background and text colors of the TV menu can be inverted, improving readability for users.
Subtitles	Hearing Impairment	TV	Viewers can watch broadcasts with subtitles and use the remote control's directional buttons to adjust the position of the subtitles. (*This feature is available only when supported by the broadcast program being watched.)
Multiple Audio Outputs	Hearing Impairment	TV	The TV offers the Together Listening feature, which allows customers with hearing impairments to listen to the TV sound differently from family or friends by outputting audio to both the TV speaker and a Bluetooth device. (*Bluetooth devices in headphone or earphone types are recommended.)

Customers

Examples of Accessibility Features by Product and Service Type

Product

Feature	Disability Types	Product	Details
Easy to Use	All	TV	There is accessibility shortcut for easier configuration of accessibility features. By pressing and holding the mute button on the remote control for 1 second or selecting the accessibility shortcut icon in the quick settings menu, you can easily enable accessibility features offered by the TV.
		Refrigerator	The Easy Handle feature enables easy opening of the product door with minimal effort, and the handle and door direction can be reversed.
		Refrigerator *LG SIGNATURE	When pressing the button, the auto-lift feature automatically opens the bottom drawer, bringing the container inside up to knee height. This allows for easy use of the product, even for individuals using a wheelchair or with limited hand mobility.
		Refrigerator *LG SIGNATURE	The lower freezer door automatically opens, revealing inner drawers without the need to bend down deeply, making it easy to retrieve items from deep within the freezer through the Auto Smart Drawer feature.
		Refrigerator *LG SIGNATURE	When placing a foot on the marked area on the refrigerator’s bottom, the bottom right door opens automatically, providing assistance when both hands are unavailable or when using a wheelchair through the Auto Smart Door feature.
		Washing machine & Dryer *LG SIGNATURE	The Push Open Door feature allows easy opening of the door with minimal force by pressing the center of the right side of the product door.
		Washing machine & Dryer	Installing a mini-washer or a raised storage compartment below the washing machine or dryer allows easy access to the drum and facilitates convenient retrieval of laundry or drying items. – LG Tromm’s elevated storage box is a product designed to be installed under a washing machine or dryer, and it cannot be installed separately.
		Air conditioner *LG SIGNATURE	When approaching with the foot, the Auto Moving Bucket feature automatically brings the humidifier water tank forward, making it easy to fill or empty the water tank.
		Air conditioner *LG SIGNATURE	Pressing a button causes the hard-to-reach filter located at the back or high areas of the air conditioner to automatically move forward, making it easier to manage and clean the filter through the Auto Moving Filter feature.

Customer Service

Feature	Disability Type	Service Area	Details
Sign Language Guidance	Hearing Impairment	Service Center	We have added digital sign language functionality to the customer reception kiosk in the service center, allowing customers to receive service guidance in sign language.
		Telephone Counseling Center	For product or service consultations with LGE, customers can receive guidance in sign language through specialized consultants in the telephone counseling center.
ARS Consultation	Senior	Telephone Counseling Center	We operate ‘Visible ARS’ and ‘Slow Speech ARS’ services, provided in large font size, for customers aged 60s registered with the customer center. Customers aged 70s are directly connected to dedicated consultants for convenient assistance.
Family Feedback	Senior	Service Center	For cases where senior customers’ family members handle the reception on their behalf, we send reassuring text messages and provide detailed updates on any inconveniences encountered, allowing families to share the service center experience together.
Mobility Assistance Service	Mobility Impairment	LG Best Shop	Through store consultation reservations, we offer the Best Companion Care service, where dedicated managers assist wheelchair users and customers with mobility difficulties throughout their visit, starting from the store parking lot.

Employees

HR Management

Key Initiatives for 2023

- Encouraging innovation in the way we work and in our systems achieve sustainable growth even in new business environments
- Operating a HR management and training system that enable every employee to maximize their professional capabilities

Classification	Details
Evaluation and Compensation	<ul style="list-style-type: none"> • Ensuring objective and fair evaluations through ad hoc performance management, multi-faceted evaluations, evaluation rating council, and an objection-filing system • Improving the fairness of the compensation system by emphasizing merit-based performance criteria
Types of Job Position	<ul style="list-style-type: none"> • A simple corporate structure is operated to build a horizontal, creative, and autonomous organizational culture (based on role/capability/performance) • Expansion of selective promotion system for a leading and thriving organization • Protection of employees on maternity leave through separate promotion & review process
Talent Development	<ul style="list-style-type: none"> • Reinforcing core talent development • Reinforcing personalized training • Operating of competency development programs for women
Work-life Balance	<ul style="list-style-type: none"> • Introduction of mobile system for mail/approval • Operation of summer annual leave and recommended day offs system • Extension of self-initiated work hours and locations through flexible work system (remote work) • Increase of parental leave period and reduction of work hours during childcare period • Operate childcare and breastfeeding facilities in 10 business sites in Korea

Fair Employee Performance Evaluation System

- Operation of performance, job competency, leadership, and peer evaluations, etc. to assess the performance and competencies of employees with fairness and objectivity
- Process is organized by each evaluation indicator on an annual basis, and frequent performance management is recommended to be conducted multiple times all year round at the discretion of the competent manager in-charge

Types of Evaluations

Classification	Target	2022
Performance evaluations	All employees	1 time per year/ October-November
Job competency evaluations	All employees	1 time per year/ August-September
Leadership evaluations	Competent managers in-charge	1 time per year/ July-August
Peer evaluations	All employees (excluding competent managers in-charge)	1 time per year/ September

Strategic Direction for Diversity and Inclusion

Classification	Details
Expansion of talent pool	<ul style="list-style-type: none"> • Expanded points of contact (M.O.T) for strategic recruitment of female talent and operating various programs <ul style="list-style-type: none"> – Recruit female professors who are excellent in R&D (SW, AI, big data, etc.) through recommendation and conducting online recruitment briefing sessions – Conducting briefing sessions focused on women's university recruitment to secure excellent female talent pools – Utilizing the recruitment platforms to secure a pool of excellent female talents by function and review recruitment in the relevant functions in advance • Recruit external senior female professionals and develop an internal pool of female leaders/professionals <ul style="list-style-type: none"> – Recruit talented females from outside and increase their weight in executives and organizational leaders through internal promotions – Increase and nurture the leader/expert pool by expanding the selection of female core talent • Discover in-house positions that can be filled by people with disabilities and conducting a separate announcement for recruitment <ul style="list-style-type: none"> – Annual manpower operation based on severity of disabilities such as in R&D office, and Software coding roles, etc. • Employment of people with disabilities by expanding occupations suitable for people with disabilities <ul style="list-style-type: none"> – Establish new occupations suitable for persons with severe disabilities in workplaces • Reviewed expansion of employment through transfer of company-wide facility management contract work to "Hanuri"
Improvement to system	<ul style="list-style-type: none"> • Improve systems and expanding support to bolster the selection and nurture of female talent <ul style="list-style-type: none"> – Review measures to expand support for dispatching expatriates with the aim of increasing female leaders' positions – Improve caring measures such as maternity protection and parental leave
Change in awareness toward development	<ul style="list-style-type: none"> • Develop programs to raise awareness of diversity and inclusion among all employees • Organize nurturing programs to strengthen the female leader pipeline <ul style="list-style-type: none"> – Establish a mid-to long-term development plan according to the plan for female talent – Upgrade leadership skills for nurturing female leaders
Prohibition of Discrimination and Harassment	<ul style="list-style-type: none"> • Types of Harassment: Physical, verbal, group-based, non-work-related, work-related harassment, Sexual harassment, etc. • Reporting Methods: Report through the Corporate Ethics website (http://ethics.lg.co.kr) and the Ethics Office (ethics@lge.com) • Actions: If discrimination and harassment are confirmed, disciplinary measures will be taken against the perpetrator, including workplace reassignment.

* LGE Diversity & Inclusion Policy Webpage: <https://www.lg.com/global/our-sustainability-policies>

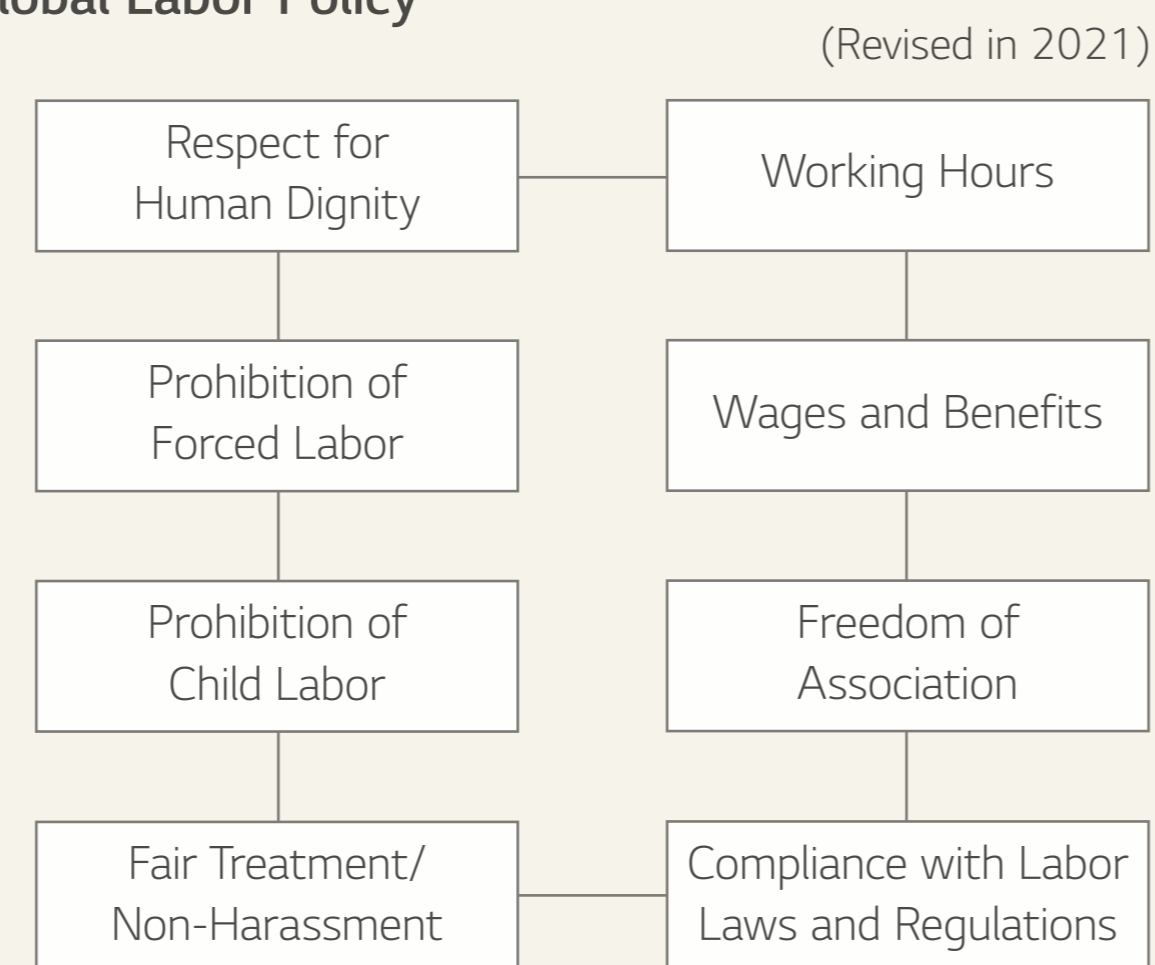
Employees

HR Management

Labor-Management Relations

- Established LGE's own concept of 'labor-management relations', creating common value based on mutual trust and respect
- Established various channels for labor and management to engage in joint discussions on major labor issues
- Exercising the rights of minority unions in case of multiple unions and fulfilling the duty of fair representation to secure bargaining rights
- Major changes to business operations are discussed in depth by labor and management as soon as they take place
- Prevention of potential disputes through constant discussions of issues and non-dispute discussions on wages and collective bargaining

LGE Global Labor Policy



Labor-Management Relations at Business Sites (Korea)

(As of January 2023)

Members of the Labor Union	Dispute-Free Period by Labor and Management for Wage Negotiations and Collective Bargaining
9,384 persons (27.1% of all employees)	34 years

Social Responsibility of the Labor Union

- Conducting union social responsibility (USR) activities as a member of society
- Introducing the USR activities based on consultative status to the international community and spread a sound labor culture
- Planning to participate in LGE's ESG management and practice it together
- LGE's labor union acquired the 'Special Consultative Status' from the 'UNECOSOC' in December 2021

Respect for Diversity

- All employees and partners have the right to pursue happiness regarding dignity, value, and work as human beings
- Instituting various systematic measures to enable all employees to carry out their work and develop their potential to the fullest without experiencing any discrimination or any other disadvantages on account of gender, race, education, religion, etc

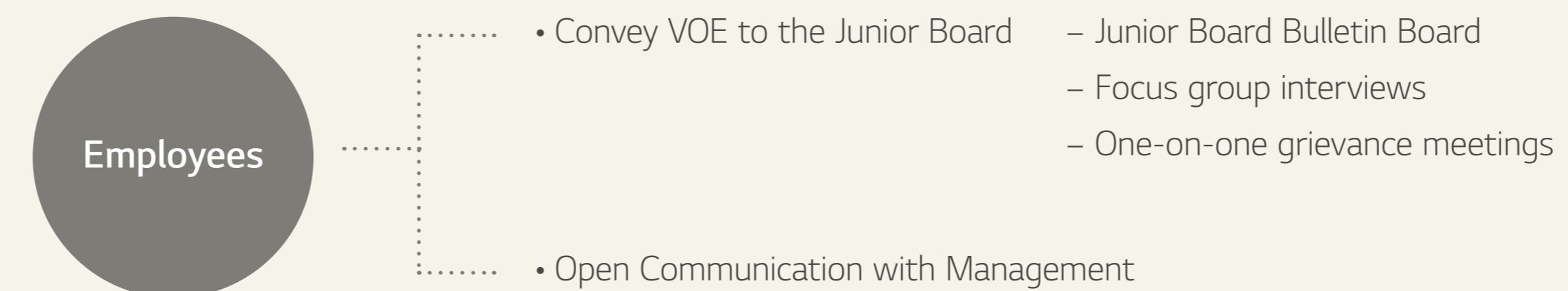
Ratio of Disabled Persons in Employment (by Gender)

Ratio of disabled persons in employment (Gender)	Unit	2022
Total		2.4
Male	%	2.3
Female		2.7

Junior Board

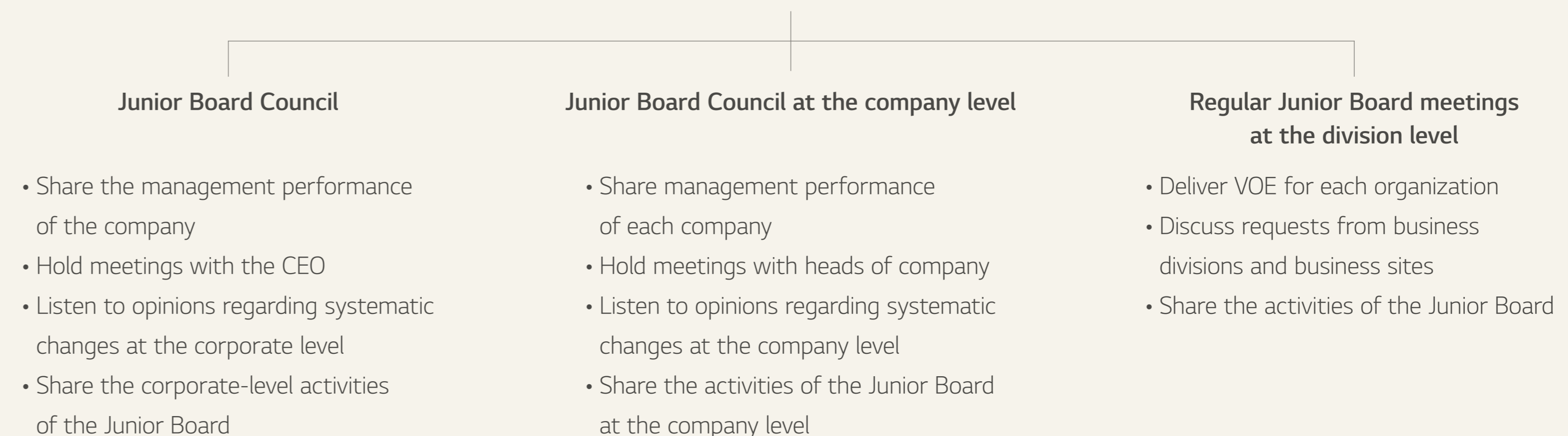
- Playing a role in expanding communication between management and employees as a representative organization for office workers
- Conveying the VOE (Voice of Employees) and discusses relevant agenda through joint meetings with management
- Sharing best practices on company-wide organizational culture
- Carrying out various social contribution activities, such as promoting a culture of donations for charitable causes and volunteering using LGE's products

Activities of the Junior Board (Korea)



JUNIOR BOARD

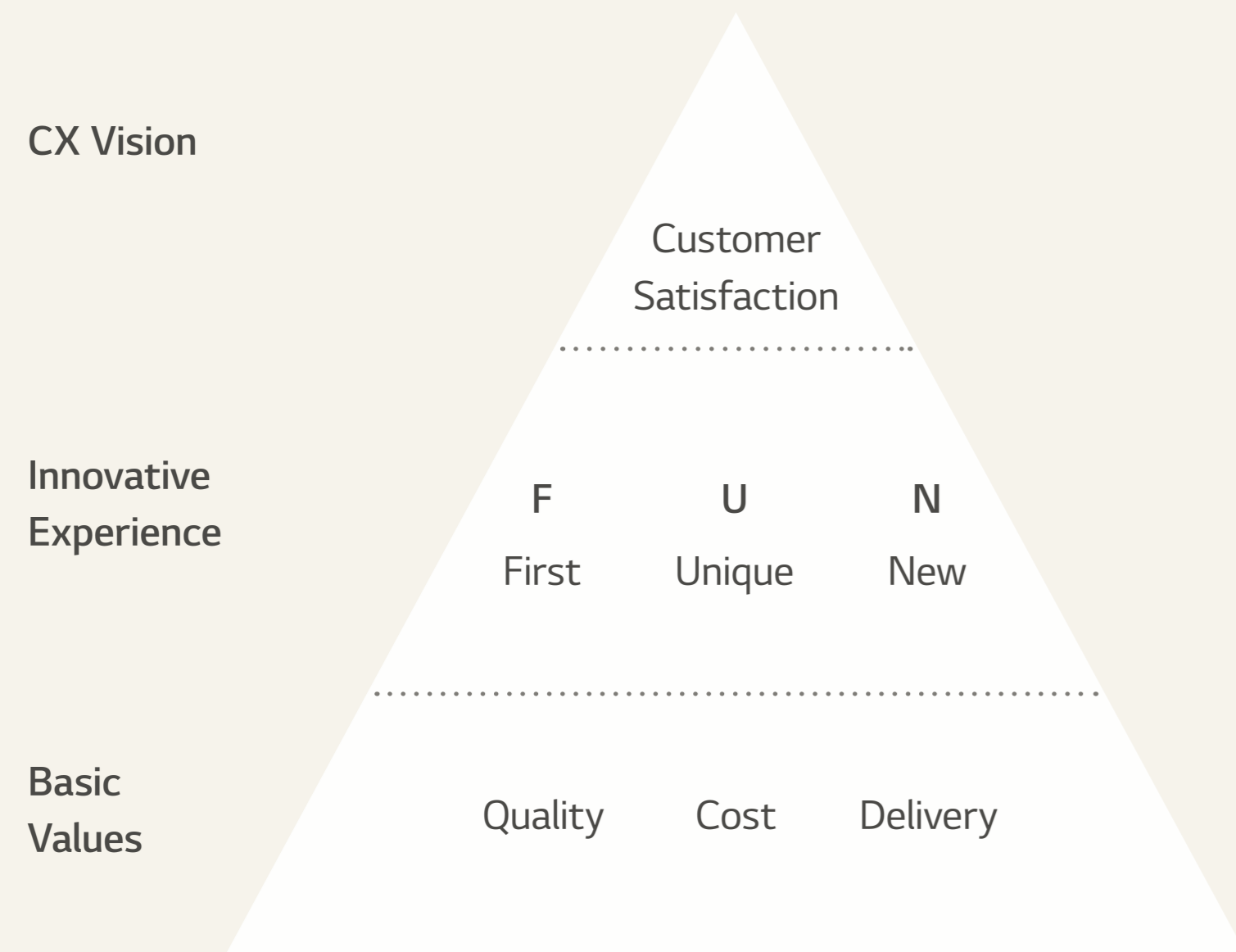
291 Staff-Level Members (including 16 Junior Board representatives)



Employees

Strategic Direction for the Organizational Culture

[LGE's Aims for Customer Experience]



CX Vision

Innovative Experience

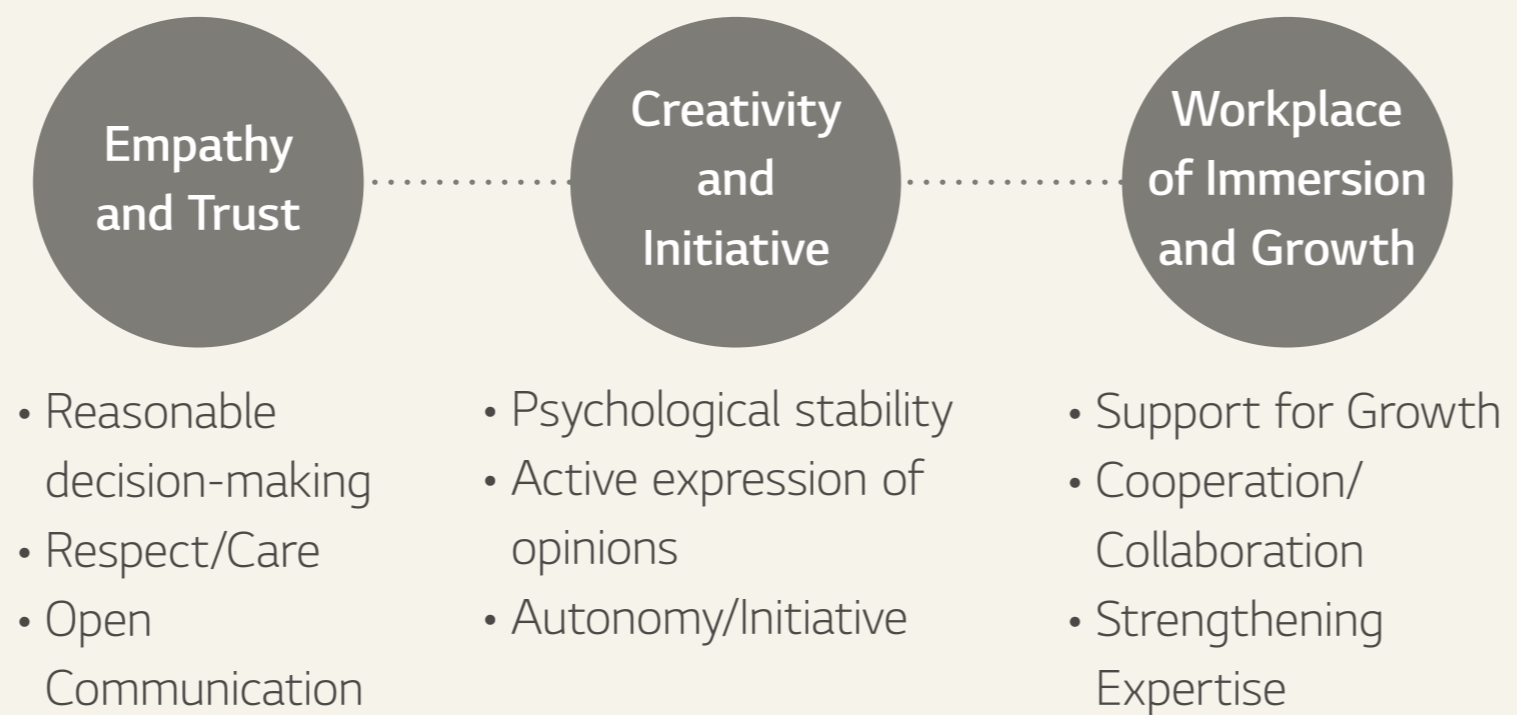
Basic Values

Performance



Positive

Enhancing positive employee experience



REINVENT LGE/Employee Participation

Pride

A company its members will speak highly of

Empathy and Trust: Strengthening Communication and Exchange

Revitalizing Employee-Management Communication

- Establishing an organizational culture where all members freely share the company's management information (performance, business strategies, future plans, etc.) and communicate openly, fostering a culture of 'business partnership' with employees, growing together
- Enhancing a culture of horizontal communication by leveraging multi-faceted on/offline communication channels, considering timing and topics for effective communication. Encouraging diverse opinions and suggestions to flow between the management and members

Communication Program	Themes and Approaches
Communication Channel with CEO	• It has operated as a platform for communication where various topics such as business, leadership, and culture are shared with employees, along with the company's transformation direction, strategies, and the CEO's thoughts. At the same time, it actively gathers and incorporates employees' opinions and suggestions into management decisions
Communication Channel with CFO	• Quarterly major management achievements and performance are shared in detail across the entire organization, including headquarters and regional units. The CFO directly explains and answers questions and suggestions from employees regarding changes in the business environment
Communication Channels For each Company	• Company-specific communication programs are aligned with the overall communication strategy. These programs facilitate two-way communication, allowing employees to share their opinions, exchange news within departments, and raise concerns. Each program is organized by the respective company president <ul style="list-style-type: none"> – H&A : "Eccentric" Talk, Power Interview – HE : "Humilac" Live Talk – VS : Town Hall Meeting – BS : Open comm. with Head of Organization – Korea Sales Company : "REINVENT Cider Talk" – CTO : All Hands Meeting – Institute of Manufacturing Technology : "DoDream" Talk Concert – Customer Value Innovation Division : Employees' meeting with the managing director of the, etc.

- Established an organizational culture that can achieve the CX¹⁾ vision of customer satisfaction
- Promotion of 'REINVENT LGE', a corporate culture transformation project based on employee participation
- Strengthening corporate culture for positive employee experience – A workplace of empathy, trust, creativity, challenge, immersion, and growth

1) CX: Customer Experience

Employees

Strategic Direction for the Organizational Culture

LG Way Employee Survey

- Measuring the internal level of a ‘customer-oriented corporate culture’ through annual LG Way surveys targeting all employees
- The results of the survey are delivered in the same form as a diagnostic report to all leaders of LGE from the corporate level to the team unit to make a substantial change within the organization
- In 2023, 24,068 office workers and 8,227 technical workers participated
- All leaders share results transparently, discuss ways to improve organizational culture together and use it as a driving force to create customer value

A Workplace of Immersion and Growth: Innovating Working Methods Optimized for a Changed Environment and Caring for Employees

A Work Culture Centered on Autonomy, Self-Leadership, and Performance through Remote Work

- Working by selecting a space where employees can focus on their tasks/assignments (from March 2020)
- Providing necessary information, such as ‘LG’s Smart Remote Work’ guide, and training on ‘Remote Work – How to Successfully Manage an Organization’ to employees
- Strengthening IT infrastructure in order to facilitate remote work
 - Since 2018, we have been establishing an environment based on cloud computing through which work can be done remotely, regardless of location
 - Created a work environment where all types of work can be conducted without physical contact through video conferencing (WebEx, ZOOM, G-Screen) and collaboration tools (Collab, WorkTalk)
- Creating opportunities to move away from conventional ways of working towards ‘maximizing employee autonomy and self-leadership’ and establishing ‘a truly performance-oriented work style’
- Continuous improvement of system and collection of employee opinions

Care Programs for Various Stages of the Employee Lifecycle

- Operating care programs tailored to different job positions and age groups in order to enhance job satisfaction and increase happiness in the workplace
- Offer messages from senior management and gifts to congratulate and encourage employees who have children entering elementary school or taking college entrance exams
- Events with invited families, a healing camp for married couples, and family-participating programs (“Mom and Dad, Where Are You Going”) etc. by each company

Employees

Strategic Direction for Talent Cultivation

- Support and developing creative/challenge-taking talents by providing optimal learning solutions
- ‘Design Thinking’ program under the theme of Customer Experience/ Digital Transformation for customer-centric business transformation
- Implement a learning journey design to support personalized learning based on job competency and prepare a system to improve employees’ learning experience

Cultivate Future Business Leaders and Key Talents

- Early discovery of young talent with potential as business leaders for further development
- Operation of an evaluation center that scientifically diagnoses individual capabilities and characteristics
- Supporting growth based on ‘Individual GROW map’ (each individual’s roadmap to growth) with a focus on experience, exposure, and education for a specific period
- Individually customized learning through long-term learning journey design (i.e. self-awareness, leadership skill acquisition)

Job Training Programs to Secure Enterprise-Wide Core Competencies

- Reskilling & Upskilling training programs to respond to changes in business structure (i.e. changes in required competencies/skills)
- Training system to strengthen ‘quality reliability’, ‘manufacturing technology’, and ‘sales/marketing’ competency to secure core job competencies

Strengthen the Capacity of DX (Digital Transformation)

- Establish a training process for evaluation/certification by division/ sector for Domain DX capability building and provide opportunities to improve employees’ DX expertise

Level 1 (Applying)	Can suggest tasks based on conceptual understanding of DX and improves capability for basic data analysis by using the data analysis package
Level 2 (Leading)	Cultivating leaders of DX tasks who can understand digital technology in general and use data visualization and basic machine learning techniques
Level 3 (Consulting)	Cultivating DX execution consultants who can understand internal/external DX trends and promote DX activities within the organization based on rich execution experience

Cultivate Leaders for ‘Organizational Culture Innovation’

- Advancement of leadership change through leadership education/ personalized contents and continuous improvement

In line with the trend	Selecting ‘hot skills’ topics such as AI, DX, and Agile and increase relevant training
Employee immersion	Increase training focused on the MZ generation and emotional caring (focusing on diversity and inclusion)
Leadership in coaching	Demonstrating communicative leadership and expanding personalized leader coaching to form a coaching-based organizational culture

Employees

Strategic Direction for Talent Cultivation

Reinforce Employee Competency and Career Development

One-on-One Caring System

- Set up standard career development map for entrepreneur/function leader/expert track and establishing a CDP plan suitable for each individual's desired role
 - Step 1: Setting the mid- to long-term development direction (set the development path and position; summarize existing jobs and job requirements)
 - Step 2: Identify strengths/desired improvements
 - Step 3: Establish a development action plan (establish a training plan; and a job competency development plan)
- Check grievances and support issues in the first and second half, and collecting coaching/feedback from the superior

Design a Learning Journey to Improve the Employee Learning Experience

- Building a learning ecosystem that supports self-directed learning, participation, and collaboration
 - Expand the contact points between learning and work for field work application
 - Promote changes in the recognition/reward system to promote self-directed learning
- Learner-led 'On-Demand Education System'
 - Operate a support system that enables prior/repeated learning regardless of location and time
 - Operate a platform-based learning system to provide digital learning materials for each module by competency/level (e-library)

Bolster Global Business Capabilities

- Establishing monthly global development monitoring automation and self-inspection process for each subsidiary affiliate's development health
- Selecting themes related to job/leadership capabilities and supporting for training/education

BLP¹⁾	Establishing customized development plans, and presenting the vision for future growth through individual competency and propensity diagnoses with 1:1 coaching
Leadership	Developing leaders as coaches/mentors with people skills
Sales subsidiaries	Maximize sales by establishing a support system for internalizing subsidiary capabilities (i.e. online brand shop, go-to markets, digital marketing, etc.)
Production subsidiaries	Providing job training related to the company's policies, processes, and channels for the 5 major production jobs of purchasing, materials, SCM, quality control, manufacturing

1) Business Leader Pool






'Studio341' to Foster In-House Ventures




- Studio341 contributes to the formation of a creative corporate culture by encouraging members to take on challenges and advocating innovation

Classification	Details
Stuio341 overview	<ul style="list-style-type: none"> • In-house development system to spread the "organizational culture that takes on challenges" • Securing a 'future innovation business pool' in synergy with LGE on the strength of various ideas from executives and employees
Activities	<ul style="list-style-type: none"> • Competition for new business ideas that can significantly change the efficacy/utility of customers by reinventing existing business assets and business lines of LGE • To face the social and industrial changes of the future, we define new problems and hold a contest to formulate solutions accordingly.
Process	<ul style="list-style-type: none"> • Top 12 teams were selected through application interview screening, Top 5 teams were selected based on mock IR • Teams selected in the top 5 receive support from the company for external office space, autonomous work setup, subsidies, and accelerating, with a view to carrying out a project materialization process for 3 to 4 months • Presented with an opportunity to secure independence as a startup, depending on the business feasibility prospects and ambition of the relevant in-house venture team, with the option to return to the company in case of business failure

Social Contribution



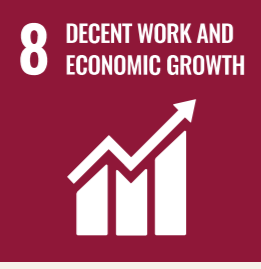
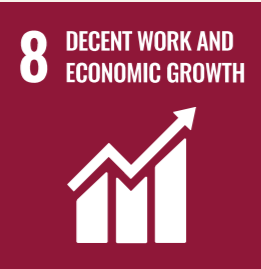


Balanced Growth for Local Communities

Program	UN SDGs	Details
One Company, One Post (2015-)		<ul style="list-style-type: none"> Established a sisterhood with the 3rd ROK Special Forces Brigade and delivering consolation funds and necessary products
LG Ambassador Challenge (2017-)		<ul style="list-style-type: none"> Organized a contest program since 2017 to support 'Resolving Local Social Issues' Select plans to resolve local issues submitted by customers and residents, and appointing selected people as LG Ambassadors to promote activities aimed at solving these local community problems with LGE's support Expand our LG Ambassador program to 6 countries in 2022
Residential Improvement Project for the Ethiopian Veterans Village (Hope Village) (2021-2023)		<ul style="list-style-type: none"> In collaboration with Community Chest of Korea and Habitat for Humanity Korea, started a residential improvement project in the Ethiopian Veterans Village Used a budget of KRW 700 million (about USD 612,000) to renovate homes for veterans and low-income families, built community kitchens and toilets, installed drainage facilities, and built communal shower facilities Conduct training on CCTV, camera repair and maintenance, which is a specific course within the electronic device repair course
LG ComeHome Challenge (2020-)		<ul style="list-style-type: none"> Launched a campaign in 25 countries where participants upload videos on social media that show the importance and value of homes, depicting how people can maintain healthier lifestyles while staying at home in this era of the new normal By filming and sharing short videos displaying a daily pleasure felt while staying at home, we built new homes for low-income families in India, Vietnam, and Kenya in response, where residential facilities are often inadequate Building community centers for communal living (with communal kitchens, communal toilets and drainage facilities) together with Habitat
Agricultural Cooperation Fund (2020-)		<ul style="list-style-type: none"> Through a sisterhood with villages, supplied home appliances to underprivileged neighborhoods, in addition to delivering laptops to underprivileged college freshmen living in sister villages Volunteer work during busy farming seasons or when labor is needed Participating in recovery work following disasters such as earthquakes and floods

Program	UN SDGs	Details
Cholera Vaccinations in Ethiopia (2021-)		<ul style="list-style-type: none"> Participated in a cholera vaccination campaign (conducted by International Vaccine Institute (IVI)) from 2010 to 2015 Planning to inoculate 40,000 people with inexpensive and easy-to-carry oral vaccines over three years from 2021
LG Hope School (2021-)		<ul style="list-style-type: none"> Utilized a solar-powered charging system in order to create an environment for children, who had previously been unable to attend school due to child labor, to go to school Collaborated with a korean start up company 'YOLK' in 2021 to install solar-powered charging system at three schools in Goma. A total of 750 auxiliary batteries that are capable of being recharged during class were provided to the children
Support for cataract surgery in India (2022-)		<ul style="list-style-type: none"> Cooperated with 5 ophthalmology hospitals in India to support 8,700 cataract eye surgeries Supported easy access to eye health services for the socially underprivileged, given that cataract is the leading cause of blindness in India, accounting for about 80%

Social Contribution

Balanced Growth for Local Communities

Program	UN SDGs	Details
LG Hope Screen (2011~)		<ul style="list-style-type: none"> Using LG billboards, Provided free advertisements to UN international organizations and non-profit organizations located in New York Times Square and London Piccadilly Square During the 'general meeting' event of the 2022 15th World Forestry Program co-hosted by the Korea Forest Service and the United Nations Food and Agriculture Organization (UN FAO), a campaign was launched to publicize the importance of environmental protection through a promotional video on the electronic display board
Global IT Challenge for Youth with disabilities (Global IT Challenge, GITC) (2011~)		<ul style="list-style-type: none"> Designed to create a foundation for social advancements, such as admittance to college and employment, and to contribute to improving awareness regarding people with disabilities in participating countries by bridging the information gap among young people with disabilities GITC is the world's only IT festival for young students with disabilities, and adolescents with various types of disabilities (physical, hearing, visual, or developmental) from twenty countries participate in five individual events at the IT Paralympics
Ethiopia LG-KOICA Hope Vocational Training School (2014~)		<ul style="list-style-type: none"> Assisted development of young manpower by providing quality vocational training programs and equipment to 3 local vocational training centers in Ethiopia in cooperation with the Korea International Cooperation Agency (KOICA) and Good Neighbor Provided vocational education for ICT jobs for self-reliance of youths and women
Cambodia LG-KOICA Hope Vocational Training School (2021~)		<ul style="list-style-type: none"> Assisted development of young manpower by providing quality vocational training programs and equipment to 3 local vocational training centers in Cambodia in cooperation with the Korea International Cooperation Agency (KOICA) and Good Neighbor Provided vocational education for ICT jobs for self-reliance of youths and women
'One Heart' psychological stability and self-reliance support for children whose institutional care has ended (2021~)		<ul style="list-style-type: none"> In partnership with the Community Chest of Korea (CCK) and Korea Food for the Hungry International (KFHI), LGE developed and launched the 'One Heart' application, an online and offline psychological counseling platform, so that young people preparing for their independence (children whose institutional care has ended) can stand on their own feet (October 2021) LGE donated 500 microwave ovens to help young people become self-reliant, and over the next three years, it will provide professional counseling to about 1,000 people, including young people preparing for an independent life and young people whose institutional case is about to end
Support of 'Stand by Me' for the youth with disabilities (2022)		<ul style="list-style-type: none"> Supported of digital accessibility by providing LG Stand by Me products to the youth challenged by impaired mobility due to rare muscle diseases or disabilities Made 'LG Stand by Me' donations among those in their 60s for the Seoul Rehabilitation Hospital, a public children's rehabilitation hospital in Seoul, through the LG Stand by Me donation campaign

Others Social Contribution Activities

Program	UN SDGs	Details
Executive social contribution fund in operation (Korea: 2004~/ Overseas: 2019~)		<ul style="list-style-type: none"> Voluntary participation of Korean executives contributing 0.5% of their salary for social contribution activities Conducting various activities both Korea and overseas by matching 50% of executive donations with grants Providing support through the Steering Committee (1 chairperson and 5 members) determining the appropriateness of activities
Employee Volunteer Group (2010~)		<ul style="list-style-type: none"> Activities in which LGE employees give back to the local community by using their talent Product inspection and free repair for social welfare facilities, development of interactive chatbots for non-profit organizations, etc.
Menu items for donation (2011~)		<ul style="list-style-type: none"> Donating the saved amount of budget when employees select menus with reduced portions for donation in the company cafeteria

Building Social Contribution Fund (Korea)

Classification	Unit	2020	2021	2022
The Executive Social Contribution Fund	USD	295,120	292,796	294,345
The Ussuri Fund ¹⁾		224,632	195,198	178,931

1) Nominal amounts below KRW 1,000 are deducted and accumulated from the basic salary of participating executives and employees since 1995, to be used for a social contribution fund

Number of Employee Volunteers Participated by year (Korea)

Classification	Unit	2020	2021	2022
No. of Volunteers	Person	708	520	513

Types of Social Contribution Cost

Classification	Unit	2020	2021	2022
Community Investment	USD millions	1.6	0.2	2.9
Donation		12.5	22.5	19.6
Commercial Initiative		6.0	9.2	35.6

* Data for 2020 and 2021 have been corrected due to a change in data classification standards

Participation in Voluntary Activities

Unit	Employees in Korea	Employees in Overseas Countries	The Use of Workday Volunteer Program
Person	1,984	583	52

Governance

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Privacy Protection

Corporate Governance

BOD-Centered Responsible Management

Composition of the BOD

• The BOD is composed of seven members in order to facilitate efficient decision-making

• The BOD comprehensively evaluates independence, expertise, and diversity when appointing directors (As of April 2023)

Classification	Name	Gender	Position/Major Career Experience	Last Appointed	Note
Non-executive Director	Bong-Seok Kwon	Male	COO of the Holding Company	March 2020	<ul style="list-style-type: none"> Chairman of the Board Independent Director Candidate Recommendation Committee Management Committee
Executive Directors	William (Joo-Wan) Cho	Male	CEO	January 2022	<ul style="list-style-type: none"> Chairman of the Management Committee ESG Committee
	Doo-Yong Bae	Male	CFO	March 2020	<ul style="list-style-type: none"> Internal Transaction Committee Management Committee
Independent Directors	Sang-Goo Lee	Male	Professor, Department of Computer Science and Engineering, Seoul National University	March 2019	<ul style="list-style-type: none"> Chairman of the Independent Director Candidate Recommendation Committee Audit Committee ESG Committee Internal Transaction Committee
	Soo-Jin Kang	Female	Professor, School of Law, Korea University	March 2021	<ul style="list-style-type: none"> Chairman of the Internal Transaction Committee Audit Committee ESG Committee
	Chung-Yuel Ryu	Male	Associate Professor, Graduate School of Finance, KAIST	March 2022	<ul style="list-style-type: none"> Chairman of the Audit Committee ESG Committee Internal Transaction Committee
	Seung-Woo Seo	Male	Professor, Department of Electrical and Computer Engineering, Seoul National University	March 2023	<ul style="list-style-type: none"> Chairman of the ESG Committee Audit Committee Independent Director Candidate Recommendation Committee

* In the case of re-election, the date of initial appointment is stated * BOD gender ratio: Six males (86%), one female (14%)

* BOD composition: Four independent directors (57%), two executive directors (29%), one non-executive director (14%)

Operation of the BOD

• The BOD fulfills its role of managerial supervisory by accurately evaluating, and proposing a wide spectrum of opinions on major management issues and work conducted by management

• BOD: Explores new growth engines and measures aimed at corporate growth

• Management: Focuses on its professional roles such as product and strategy development

• Independent director system: Independent directors are given the opportunity to participate in the business operations of the company by serving as external experts in terms of monitoring and checking management

Activities of BOD in 2022

Unit	Number of Meetings Held	Approved Agenda Items	Briefed Agenda Items
Cases	9	45	11

Attendance Rate of BOD in 2022

Unit	Average Attendance Rate	Attendance Rate of Executive Directors	Attendance Rate of Independent Directors
%	96.8	89	100

Appointment of BOD Chair

• BOD Regulations: The Chair of the BOD may be appointed from the executive directors including the CEO, other non-executive directors, and independent directors

• The BOD seeks to facilitate the implementation of responsible management and improve the transparency of its own operations through the appointment of a Chairman who is separate from the CEO

• The Chairman of the BOD leads the deliberation and resolution of matters approved by the AGM¹⁾, the approval of financial statements, revisions to the Articles of Association, financing, and others major business matters

1) AGM: Annual General Meeting

Diversity of the BOD

Guidelines on the Expertise and Diversity of the Board of Directors

To facilitate reasonable decision-making, LGE Inc. ensures that the board is composed of directors with significant experience in a range of fields, and that it can consider a diversity of stakeholder perspectives when making critical decisions for the company.

LGE Inc. uses the following criteria to ensure director expertise

- Whether or not s/he possesses expertise in any of the following areas: management (organizational operations), economy, law, accounting, and environment;
- Whether or not s/he possesses expertise and work experience in the industries in which LGE and its key affiliates operate, and
- Whether or not s/he possesses a sufficient understanding of the duties of an independent director.

LG Electronic Inc. uses the following criteria to ensure director diversity

- Gender: Adhering to the principle of gender equality so that the board of directors may benefit from diverse perspectives
- Age: Enhancing the efficiency of the board by combining flexible responses with experience and knowledge to respond to the changing management environment
- Professional experience & background: Appointing directors with diverse backgrounds in consideration of the characteristics of global business
- Other: Pursuing diversity including the country of origin, nationality, race, religion, ethnicity, etc.

Corporate Governance

BOD-Centered Responsible Management

Recommendation Process

- Use of recommendation process for diverse, independent directors to improve outcomes for a wide range of stakeholders

The board of directors shall consider expertise and diversity in deciding its composition, and it should ensure that its membership reflects such requirements in a balanced manner. LGE Inc. ensures that the board consists of expert directors holding a diversity of experiences and perspectives. All relevant factors are considered during this process, unless otherwise limited by South Korean laws.

Independence of the BOD

Guidelines on Independent Directors' Independence

The board of directors at LGE Inc. is majority independent, and systems are in place to ensure independent directors' independence.

LGE Inc. complies with the Commercial Act and other applicable South Korean laws concerning matters of independent directors' independence. Pursuant to these laws and regulations, efforts are made to monitor and strengthen the independence of current directors and board member candidates. Independent directors constitute a majority of the board.

LGE Inc. uses the following criteria to ensure independent directors' independence

- Whether or not s/he has worked for the company, as an employee, within the past 5 years;
- Whether or not his/her immediate family member has worked for either the company or its affiliates within the past 3 years;
- Whether or not the independent director or his/her immediate family member has received compensation in excess of 100 million won (US \$ 60,000) during the current fiscal year from the company or its affiliates, except for remuneration for performing independent director's duties;
- Whether or not s/he is in an employment relationship with the company's external auditor;
- Whether or not s/he is an employee of a corporate entity with which the company has signed an agreement on consulting services and technical partnerships;
- Whether or not s/he is an advisor or consultant for the company or its management;
- Whether or not s/he is an employee of a corporate entity whose total transactions with the company over the past 3 fiscal years accounted for 10% or more of the company's total assets or gross sales or who has signed a single transaction contract equivalent to 10% or more of the company's total sales in the recent business years
- Whether or not s/he has any significant conflict of interest concerning matters that may be decided upon by the board

To ensure director independence, the board takes a holistic approach in determining the existence of any material relationship between a director and the general affairs of the company.

Committee under the BOD

Classification	Responsibilities and Activities
ESG Committee (1 executive director, 4 independent directors)	<ul style="list-style-type: none"> • Achieve long-term and sustainable growth through the enhancement of Environmental, Social, and Governance (ESG) management • Establish basic policies and strategies aimed at ESG management • Establish mid- to long-term ESG goals • Discuss agenda items such as carbon emission and environmentally hazardous substance management, eco-friendly product development, and fair trade in the work environment
Internal Transaction Committee (1 executive director, 3 independent directors)	<ul style="list-style-type: none"> • Enhance the fairness of transactions and the transparency of company management by strengthening the company's internal control over internal transactions • Decide on matters related to internal transactions
Audit Committee (4 independent directors)	<ul style="list-style-type: none"> • Conduct audits of business matters, accounting, etc. • Review and presenting opinions on matters that may affect the independence of external auditors • Hold the authority to request appointment, change, or dismissal of external auditors • Ensure independence by being composed of only independent directors, and secure expertise via the inclusion of at least one accounting/finance expert as a member
Management Committee (2 executive directors, 1 non-executive director)	<ul style="list-style-type: none"> • Deliberate and make resolutions on daily business matters that do not require collective decision-making by all members of the Board of Directors • Prepare a board-level control apparatus for business affairs decided by the Management Committee, each director is notified of the resolution details, and the Board of Directors can revisit the resolution on business affairs deliberated and decided by the Management Committee
Independent Director Candidate Recommendation Committee (1 non-executive director and 2 independent directors)	<ul style="list-style-type: none"> • Recommend candidates when appointing new independent directors • Conduct substantial reviews of recommended candidates in accordance with the Commercial Act, others relevant laws and regulations, and the regulations of the Independent Director Candidate Recommendation Committee • Secure impartiality and independence by ensuring that the majority of the committee is composed of independent directors

Corporate Governance

BOD-Centered Responsible Management

Expertise of the BOD

- Independent directors have expertise in the fields of management/accounting, R&D, and legal
- Provide independent directors with an overview of LGE and offer training on the operation, role, and legal responsibilities of the BOD so as to facilitate a quick understanding of the current status of the management of LGE
- Independent directors visit and inspect our business sites in Korea and overseas for a better understanding of our business operations
- Deliver training on trends in accounting supervision and business support through the Audit Support Team (an body dedicated to supporting the Audit Committee) to enhance the expertise of the Audit Committee
- Established a Board Secretariat with a view to support the activities of the BOD and its subcommittees, and to provide the necessary support to the BOD in order to enable it to fulfill its duties
- Designate the secretariat of the Board of Directors to support the board’s activities and its subcommittees, and carry out requests required for performing duties

Board Skills Matrix

(As of March 2023)

Classification	Bong-Seok Kwon	William Cho	Doo-Yong Bae	Sang-Goo Lee	Soo-Jin Kang	Chung-Yuel Ryu	Seung-Woo Seo	Rate
Leadership	●	●	●	●			●	71%
– CEO experience	●	●						29%
– CFO experience			●					14%
Management/Accounting	●	●	●			●		57%
R&D	●	●		●			●	57%
Legal			●		●			29%
Appointed Year	2020	2022	2020	2019	2021	2022	2023	Average of 2.1 years
Independence				●	●	●	●	57%
Subcommittees*	A, B	A, E	A, C	B, C, D, E	C, D, E	C, D, E	B, E	–
Age	59	60	57	61	52	52	59	Average of 57.1
Gender	Male	Male	Male	Male	Female	Male	Male	Female 14.3%

Evaluation of Management Performance

- The financial and non-financial performance of the management is evaluated using quantitative and qualitative indicators
- Performance is evaluated for up to three years due to the purpose of incentive payment
- The criteria and methods for calculating compensation for top-tier management are publicly disclosed

Classification	Indicators
Quantitative	Sales, operating profit, etc.
Qualitative	Cash flow, liquidity, product, risk, etc.

BOD Compensation

(AS of 2022)

Classification	Unit	Remuneration	Bonus	Total	Average per Person
William Cho		1,196,747	182,029	1,379,551	–
Doo-Yong Bae		483,346	230,054	713,400	–
Bong-Seok Kwon	USD	–	676,995	676,995	–
Independent Directors		–	–	302,866	75,910

Compensation System for Top-Tier Management

- Compensation for top-tier management is paid in accordance with the criteria established by the BOD, taking into account positions and duties held, and is within the amount approved by the AGM
- Bonuses corresponding to 0-150% of the total remuneration are based on the evaluation of quantitative and qualitative indicators and are in accordance with the executive remuneration regulations

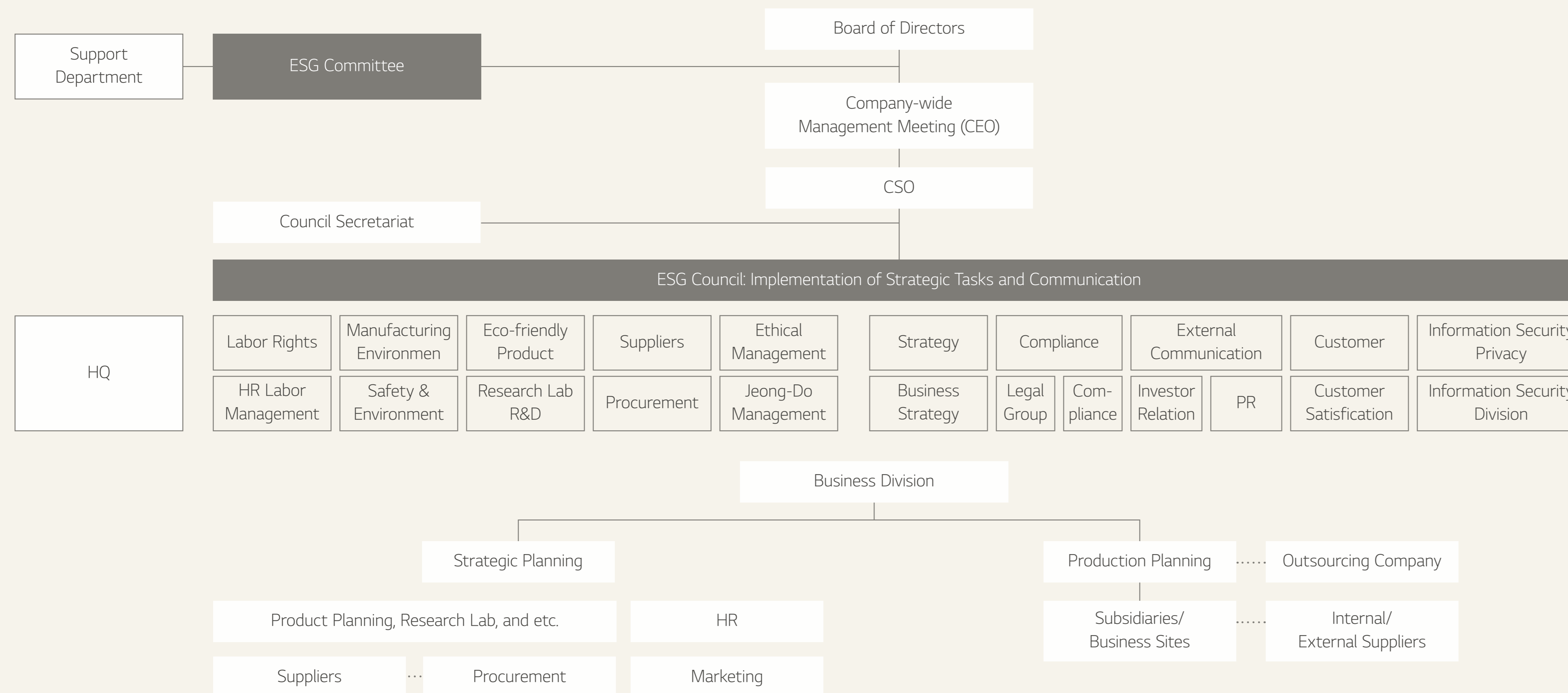
* A: Management Committee
 B: Independent Director Candidate Recommendation Committee
 C: Internal Transaction Committee
 D: Audit Committee
 E: ESG Committee

Corporate Governance

Sustainability Propulsion Organization

We established a rational and transparent ESG decision-making system by establishing a system that leads to 'Stakeholder > Business Department > ESG Council > Management Meeting > ESG Committee > Board of Directors'. The ESG Committee, which consists of four independent directors and one executive director (CEO), deliberates and decides on agenda related to ESG management twice a year. In addition, the existing Sustainability Management Consultative Body is expanded to ESG Council organized by CSO and is held quarterly meeting. The direction of ESG management activities discussed in the council, progress status, and major issues have been reported to the ESG Committee for discussion.

Sustainability Propulsion Organization Chart



ESG Committee

Classification	Details
Foundation of Establishment	Article 33 of the Articles of Association, Articles 13 and 14 of the Board of Directors Regulations
Member	4 Independent directors and 1 Executive director (CEO)
Goal	Strengthen ESG management on Environmental, Social, Governance and realizing long-term and sustainable growth
Main Agenda	<ul style="list-style-type: none"> Establish ESG basic policy and mid- and long-term goals ESG management activity planning and performance supervision Supervise ESG-related risk responses

ESG Council

Classification	Details
Member	CSO and related departments by headquarters division
Main Agenda	Short-, mid-, and long-term plans, progress, and improvements related to environmental, social, and governance

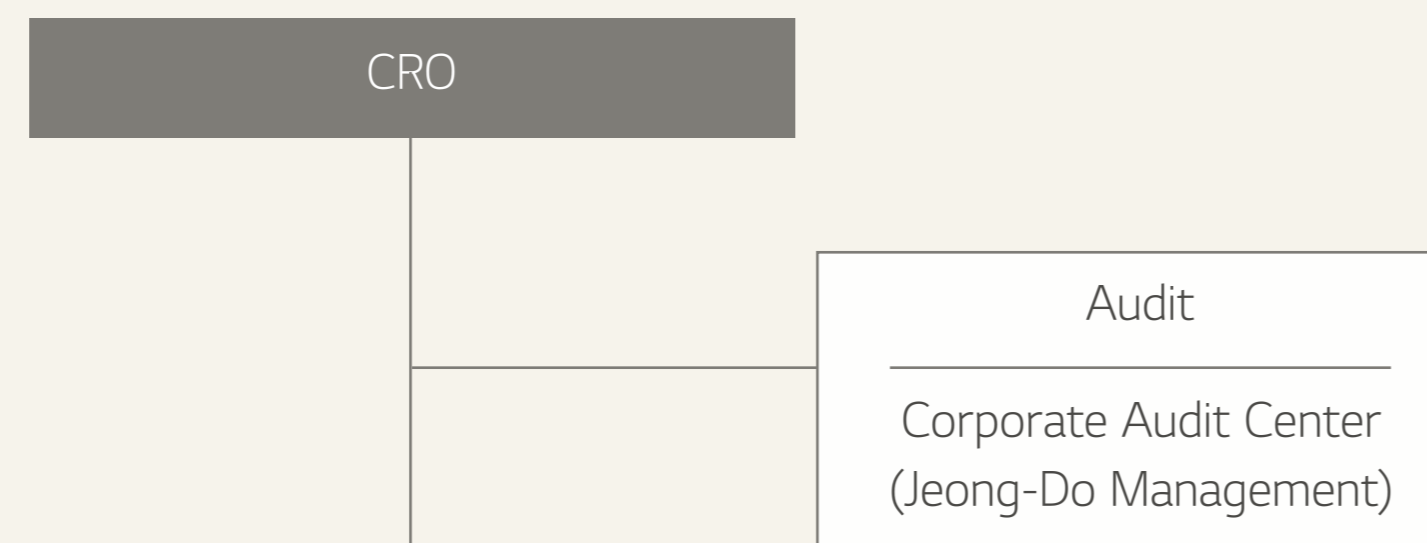
Risk Management

Risk Governance

Aim to establish a regular monitoring system by selecting key risks by business area, establishing scenarios for abnormal symptoms, and selecting a risk management department for each area

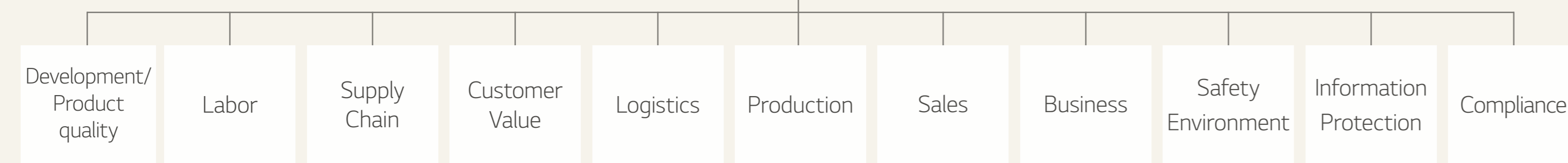
Company-Wide Crisis Management Council

* Cycle: On a semi-annual basis



Council by Division

* Cycle: On a quarterly basis, but supply chain on a semi-annual basis



Risk Management Process

Framework

- Risk Management Team: Conduct inspections of abnormal symptom scenarios and improvement activities
- CRO Risk Management Team & Jeong-do Management: Preemptive management of key risks

- Monthly**
- (Each Functional Department) Conducting inspections by key risk scenario
 - (Jeong-Do management/PMO) Checking whether the risk management department is conducting inspections.

- Quarterly**
- (Each Functional Department) Implement working-level councils for each division
 - (Jeong-Do Management) Formulate a mid- to long-term audit roadmap

Goal Agreement and KPI Reflection

- First half: Collect and analyze standard data
- Second half: Institute and reflect improvement goals and mid- to long-term goals for the next year

Risk Management Scope

Analyze and monitor financial/ non-financial sensitivity levels by establishing a 'round-the-clock inspection system' for 12 areas

- Key risk selection criteria: ① Damage to brand value, ② Social reputation issues
- General risk: Prevent recurrence of internal risk

Area	Core Risk	General Risk	
Total	11	52	
Operational Domains	Development	1	–
	Quality	3	–
	Purchasing	1	3
	Manufacturing /Materials	–	5
	SCM/Logistics	–	2
	Marketing	1	3
	Sales	2	14
	Customer value	–	3
Professional Function	Safety environment	–	12
	Information protection	2	2
	Compliance	–	8
	Corporate culture	1	–

Risk Management

Emerging Risks

LGE identifies and continuously monitors significant risk factors that can have a major impact on its business environment. We update mitigation strategies as necessary and conduct regularly reviews the effectiveness of mitigation measures to minimize business uncertainties.

Risk	Specifics	Financial impact	Non-financial impact	Mitigation measures
Supply chain risks	Disruptions in the global supply chain due to reinforced regulations such as the anticipated Corporate Sustainability Due Diligence Directive and human rights violations, labor issues, environmental impacts, geopolitical tensions, natural disasters, or other unforeseen events	Supply chain disruptions can lead to increased production costs, product launch delays, and potential revenue losses from unfulfilled customer orders	Can negatively impact the company's reputation, potentially resulting in long-term customer relationship deterioration	<ul style="list-style-type: none"> LGE proactively manages potential supply chain risks by continuously monitoring and managing its supply chain as an RBA member It diversifies the supply chain and identifies alternative suppliers while optimizing inventory management Emergency plans are established to quickly resolve issues and facilitate recovery if problems arise
Enhanced environmental regulations	Increased stakeholder demand for sustainable products, high raw material prices, production disruptions due to supply shortages, and increased environmental regulations such as regulations placing responsibility on manufacturers for a portion of recycling and disposal costs and higher plastic taxes on non-recyclable plastics.	Compliance with stricter environmental regulations and sustainability requirements, such as regulations placing responsibility on manufacturers for a portion of recycling and disposal costs and higher plastic taxes on non-recyclable plastics, may require significant	Failure to address environmental issues and meet expectations for sustainability can damage reputation and customer trust, leading to reduced market demand for the company's products	<ul style="list-style-type: none"> Execution of sustainability strategies aligned with regulatory requirements and consumer expectations Implementation of energy-efficient manufacturing processes and expansion of renewable energy usage Minimization of waste generation Enhanced communication regarding the company's sustainability strategy, performance, and execution
Cybersecurity threats (Product-related)	Increased cybersecurity threats targeting the company's Internet of Things (IoT) devices	Significant cybersecurity breaches can result in potential lawsuits, customer compensation claims, financial losses due to damage to the company's brand and reputation	May severely impact trust, leading to customer distrust and reduced purchase or usage of IoT devices, resulting in decreased market share and difficulties in attracting new customers	<ul style="list-style-type: none"> Strong cybersecurity measures Education on best practices and regular software updates Establishment of dedicated teams for immediate response to cybersecurity incidents
Trade policies and tariffs	Changes in trade policies, tariffs, or international trade agreements that can impact the import or export of components and finished products	Increased import/export costs, tax hikes, and supply chain disruptions can negatively affect profitability and market competitiveness	Difficulties in adapting and responding to dynamic market changes	<ul style="list-style-type: none"> Continuous monitoring of country-specific policies where the company operates to enhance productivity and production efficiency Establishment and operation of efficient and flexible import/export strategies aligned with the international business environment and geopolitical changes

Jeong-Do Management

Willing to Practice Jeong-Do Management

Code of Ethics

- Established in 1994
- The Code of Ethics is composed of the preamble – the public declaration of our ethical values rooted in “customervalue creation” and “people-oriented management” – and the ‘Practical Guidelines’ which provides detailed guidelines on employee conduct
- Published the Code of Ethics and the Practical Guidelines on our website (<https://www.lg.com/global/about-our-brand#jeongdo-management>)
- Reinforcement of ethical standards regulations and lower practice guidelines through continuous revision (7 revisions, ~2023)
- Distributed to 120 global subsidiaries

Whistleblower System

- Established a whistleblower system as a means of reporting violations of Jeong-Do Management by our employees
 - Jeong-Do Management portal
 - Online whistleblower system (<http://ethics.lg.co.kr>)
 - Mobile reporting system
 - Win-win channel for suppliers (reporting of grievances experienced by external stakeholders)
- All reports received through the whistleblower system are thoroughly protected via the internal reporting system
- Any matters related to corruption and illegalities are subject to disciplinary action in accordance with the seriousness of the violation

Number of Cases Reported

Unit	2020	2021	2022
Case	457	270	225

Types of Cases Reporting in 2022

Classification	No. of Cases	Ratio (%)
Complaints (Customer complaints, supplier grievances etc.)	108	48
Corruption & Irregularities	27	12
Others (HR issues, unfair trade etc.)	90	40
Total	225	100

Jeong-Do Management Risk Prevention System and Process

- Established a risk diagnostic system to prevent risks
- Implemented a two-track process where both the business department and the audit department can jointly manage issues relating to receivables, expenses etc.
- In 2021, LGE established a pre-assessment system and process for vulnerable areas of overseas subsidiaries, strengthened preventive activities, and developed scenarios (21 cases) for checking abnormal symptoms with system construction

Measures Taken in 2022

Classification	No. of Cases	Ratio (%)
Severe disciplinary action	101	43.5
Light disciplinary	120	51.7
Disciplinary dismissal & resignation	11	4.7
Total	232	100

LGE Code of Ethics

- Chapter 1. Responsibilities and Duties to Customers
- Chapter 2. Fair Competition
- Chapter 3. Fair Transactions
- Chapter 4. Basic Ethics for Employees
- Chapter 5. Corporate Responsibilities for Employees
- Chapter 6. Responsibilities to the Nation and Society

LGE Code of Conduct

- Chapter 1. HONESTY AND INTEGRITY for Our Customers
- Chapter 2. THE BEST ORGANIZATION for Our Employees
- Chapter 3. FAIR DEALING for Our Business Partners & The Market
- Chapter 4. CARING for Our Communities
- Chapter 5. SUPERIOR RETURNS for Our Shareholders

Jeong-Do Management Counseling Center

Classification	Details
Counseling Channel	<ul style="list-style-type: none"> • The Jeong-Do Management Counseling Center offers various channels for providing one-on-one counseling to employees <ul style="list-style-type: none"> – Online system using intranet (chatbot, etc.) – Telephone Counseling – E-mail Counseling
Confidentiality	The content of any counseling conducted is kept confidential (such information can be disclosed at the discretion of the person receiving the counseling)
Education and Sharing	Share contents and cases related to Jeong-Do Management with Korea and overseas executives and employees through training/educational programs or online channels

Jeong-Do Management

Willing to Practice Jeong-Do Management

Types of Inquiries Made at the Jeong-Do Management Counseling Center in 2022

Inquiry	No. of Cases	Ratio (%)
Interpretations of the Code of Ethics	7	7.1
Cash gifts for congratulatory or condolatory events	4	4.1
Procedures for receiving gifts or conflicts of interest	36	36.7
Business expenses	30	30.6
Others	20	21.4
Total	97	100.0

Jeong-Do Management training and activities aimed at increasing awareness

Classification	Details
Training	<ul style="list-style-type: none"> Conduct collective and online training for our employees in Korea and overseas Training/education and disclosure of cases of Jeong-Do Management violations for all employees Provide company-wide training for technicians
Awareness	<ul style="list-style-type: none"> Distribute information on cases that violate Jeong-Do Management through the Jeong-Do Management newsletters and webtoons for employees
Survey	<ul style="list-style-type: none"> Conduct surveys on Jeong-Do Management for suppliers and employees Conduct awareness check and analyze results to prevent recurrence of unfair practices and establish directions for improvement

2022 Participation in the Jeong-Do management Training

- Provide online/offline Jeong-Do Management training for all employees in Korea

Jeong-Do Management Online/Offline Training

Classification	Unit	2021	2022
Online		15,895	36,070
Offline	Person	1,480	4,065
Total		17,375	40,675

Expansion of Workplace Harassment/Sexual Harassment Prevention Training

- Conduct workplace harassment and sexual harassment prevention education

Workplace/Sexual Harassment Prevention Training

Classification	Unit	2021	2022
Number of Trainees	Person	3,231	6,783

* Targets for new and vulnerable organizations

Protection of Informants and Reward System for Reporting Irregularities

- Enact and comply with informant protection regulations and operating a reward system for reporting corruption in order to eradicate corruption

Classification	Details
Information Protection as a Top Priority	<ul style="list-style-type: none"> Do not disclose any information that reveals or suggests the identity of the informant without consent Carry out investigations by a limited number of people who have committed to adhering to strict principles of confidentiality
Reporting system	<ul style="list-style-type: none"> Operate a safe security system If it is recognized that an informant suffered a negative consequences as a result of submitting a report, take measures to redress these consequences or provide equivalent compensation
Reward system for reporting irregularities	<ul style="list-style-type: none"> Implement a reward system for reporting on the corruption of our employees and people Submit documents that support the claims of misconduct that they are reporting Irregularities that require immediate attention may be reported without the submission of supporting documents

Voluntary Reporting System

- LGE prohibit the reception of gifts or others valuables. Any employees who unavoidably receive such gifts must submit a report, and then we handle the issue in accordance with the relevant guidelines and regulations

Classification	Details
Reporting and Return Measures	<ul style="list-style-type: none"> Gifts or others valuables unavoidably accepted by employees should be self-reported and returned
Items that Cannot Be Returned	<ul style="list-style-type: none"> Items that cannot be returned are donated to social welfare institutions. Following this, our Code of Ethics, a letter of request for cooperation, and a document which verifies the donation are sent to stakeholders and the head of the company in question Items that cannot be donated are put up for in-house auction, all proceeds of which go toward social contribution causes

Compliance Management

Compliance Risk Management

Compliance Risk Management System

Compliance Office	<ul style="list-style-type: none"> Under immediate control of CEO
Compliance Planning Team	<ul style="list-style-type: none"> Supporting business by monitoring global regulatory trends and providing advices on compliance Providing legal solutions for compliance risks such as corporate policy review and/or process improvement
Compliance Team	<ul style="list-style-type: none"> Preventing and improving compliance risks through activities such as designing and operating compliance programs, and sensing emerging compliance risks Monitoring risk levels, improving business processes, and raising awareness by compliance training, etc.
Compliance Investigation Team	<ul style="list-style-type: none"> Minimizing compliance risks through occasional/regular compliance investigation in both Korea and overseas

Commitment to Compliance

- LGE has operate Compliance Management page on our website (<https://www.lg.com/global/compliance>)

Goals and Plans for Compliance Risk Management

Mid- to Long-Term Goals	
Enhancement of corporate transparency and reliability	Early sensing of compliance risks and establishment of a preemptive response system
Enhanced management level on compliance risk	Establishment of autonomous management systems at business-site level
Implementation Plans	
Advanced case analysis and benchmarking	Strengthening monitoring and responses to internal and external issues (laws, global standards, etc.)
Evaluating performance on worksite self-management activity and providing customized consulting	Strengthening preemptive check on social issue and compliance check for overseas subsidiary

Compliance Program Cycle



Compliance Risk Management Organization



1) Manage compliance matters at the corporate level	Personnel in Compliance Organization:	Compliance Managers	151
2) Operate and support compliance programs at each business site level		Risk Owners	533
3) Department representative at the corporate level who is in charge of each risk			
4) Responsible for managing risks at each business site level			

Compliance Management Standards



Compliance Management

Compliance Risk Management

Compliance Self-Check Surveys

- Employees voluntarily check their level of compliance in terms of risks that are prioritized on a corporate level
- Target risks: Bribery, discrimination, sexual harassment, privacy, competitive information, contacting competitors, cartel, intellectual property rights, internal transaction, advertising, and quality

(As of 2022)

Classification	Unit	Total	Korea	Overseas
Targets	Person	45,152	25,827	19,325
Participants		33,555	20,406	13,149

Customized Online Compliance Training for Employees

- Online compliance pledge submission requested to employees who have completed the online compliance training (2 versions available for organizational leaders and general employees)

Feature	Details
Customized by position	• Organization of training/educational courses for general employees and organizational leaders
Customized by region/language	• Training/education provided in 7 languages including Korean, English, Spanish and Portuguese • Specialized course for Central Asia, Central&South America, and Southeast Asia
Expertise	• Develop courses in collaboration with a trusted external compliance education institution

Advanced Training Course on Fair-Trade Compliance

- Advanced fair-trade compliance course additionally operated for employees in overseas sales area
- 1,499 employees completed the course in 2022 (Overseas sales employees in Korea: 1,244 employees, Project Managers in overseas subsidiaries: 255 employees)

Online Compliance Training Result

Classification	Unit	2020	2021	2022
Korea	Number of persons scheduled to attend	29,304	28,451	25,827
	Number of persons trained	27,531	26,868	24,731
Overseas	Number of persons scheduled to attend	18,801	18,921	19,325
	Number of persons trained	18,043	17,651	18,438
Total	Number of persons scheduled to attend	48,105	47,372	45,152
	Number of persons trained	45,574	44,519	43,169

Offline Compliance Training Result

Classification	Unit	2020	2021	2022
For New Team Leaders	Person	201 (5)	116 (2)	208 (1)
For Expatriate Employees		154 (5)	196 (5)	126 (5)
For New Business Leaders	Person	31 (2)	42 (1)	24 (2)
For New Expatriate Management Leaders		24 (2)	30 (2)	29 (1)

* During COVID-19 pandemic period, the offline training was delivered online instead

* The number in parentheses indicates the number of trainings

Channel for Reporting Non-Compliance and Breach of LGE CoC

Classification	Details
Channel	• Online whistleblower system (http://ethics.lg.co.kr)
Features	• Reporting non-compliances such as any corruptive/illegal behaviors including receiving/providing money, goods, gifts, and/or entertainment, and sexual harassment
Type of report	• Solicitation/Graft • Embezzlement/Misappropriation • Environmental/Safety accidents • Unfair trade practices • Document manipulation • Workplace harassment

Compliance Advice on Laws and Regulations

- Giving compliance advice and/or business guide through Korean/Foreign Laws and regulations analysis
- Ongoing monitoring on relevant law's enactment and revision and holding an explanation session to help employees be aware of important updates/matters

Strengthening Anti-Corruption Compliance Activities

- Corporate policy/principle on anti-corruption in place to do our business fairly and prevent from obtaining or maintaining business through illegal method such as giving bribery

Classification	Details
Efforts to raise anti-corruption awareness among employees and prevent violations of related laws and regulations	• Risk (likelihood and impact) and control self-assessment conducted at each business site
	• Survey on individual compliance of LGE code of conducts such as anti-bribery
of related laws and regulations	• Corporate-wide online training and compliance pledge on anti-corruption
	• Engaged in anti-corruption pledge and anti-corruption working group activities organized by the "Business Integrity Society" of UN Global Compact in 2022

Compliance Key Performance Indicator (KPI)

- Key performance indicators in 2022: Adherence to implementation of compliance risk prevention activities, online training completion rate, compliance committee meeting fidelity, risk mitigation action plan, progress report, and compliance violation cases

Compliance Management

Compliance Risk Management

Compliance Committee

- Reinforce commitment to compliance and promote a culture of compliance within the organization
- Review major legal regulations and sanctions by country and discuss practical issues/ risks at each business site
- Establish an annual plan for compliance risk mitigation and share its progress at their own business-site level compliance committee

Corporate-level Compliance Committee Meetings

- Members of top management meeting at HQ
- Department representative at HQ who is in charge of each risk

Business Site-level Compliance Committee Meetings

- Company/Subsidiary President and its CFO
- Compliance managers
- Risk Owners and others related

Acquired ISO 37301 (Compliance Management System) Certification

- Create a sustainable legal compliance culture through the adoption of ISO 37301, which stipulates requirements and recommendations for an effective compliance management system
 - Certified business sites: All LGE business sites in Korea
 - Certified compliance areas: Corporate governance, fair trade, anti-corruption, human resources & labor relations, product liability, health & safety, environment & energy, information security & privacy, capital market law, export regulations, intellectual property rights

Status check on current Compliance Management System/ Program and Promoting improvement

- Prepare evaluation criteria for the design, application, and operation of the current compliance management system/program, and establish detailed improvement plans
 - 1) Design: Legal risk assessment, policies and procedures, education/communication, whistleblowing/investigation
 - 2) Application: Senior and middle management commitment, independence and support, incentives and disciplinary measures
 - 3) Operation: Monitor compliance, fraudulent acts investigation, fundamental analysis and improvement measures

Fair Trade Compliance

Promote and Internalize Awareness of Fair Trade

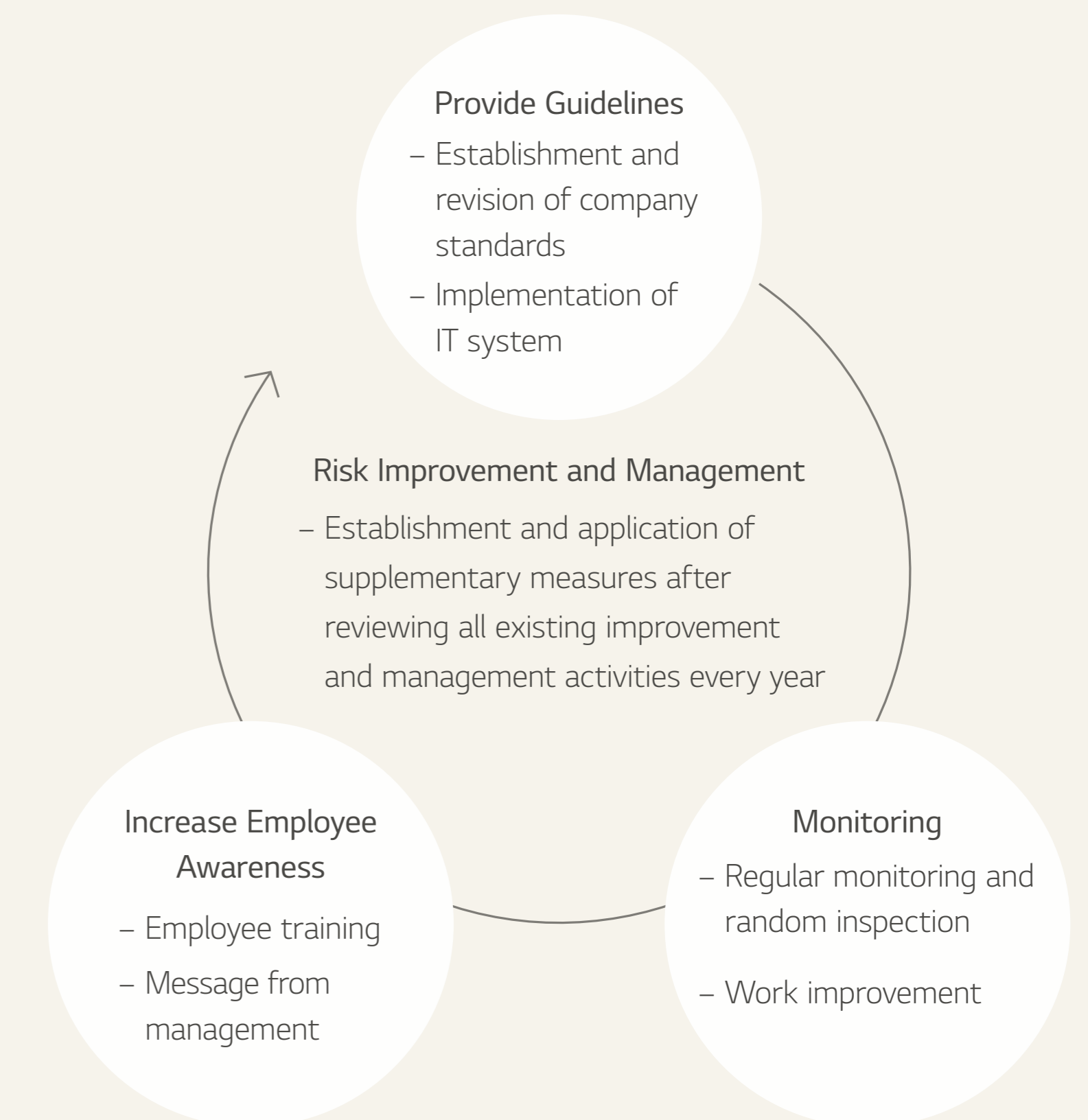
- Build a strong sense of trust with customers and suppliers through fair competition and transactions
- Prevent financial losses, reputational damage, and a decrease in corporate credit rating, through establishment of a fair trade culture

Classification	Details
Training	Conduct mandatory fair trade education for all employees every year (occasional training by business division and organization)
Message from management	To spread awareness of fair trade through a message from management such as CEO letter
Newsletter	Distribute fair trade newsletter to all employees at Korea and global business sites every month

Fair Trade Compliance Program

- Undertake periodic activities aimed at raising the awareness of our employees in terms of cartels, unfair trade practices, unfair labeling and advertising, and unfair subcontracting practices
- Manage risk of violation with follow-up monitoring

Fair Trade Risk Assessment and Management



Compliance Management

Fair Trade Compliance

Inspection and Management of Fair Trade Risks

Select Risks

- Unfair trade, labeling & advertising
- Unfair subcontracting practices
- Cartels



Evaluate Risks

- Identify fair trade violations
- Identify key risk factors
- Evaluate violations by classification



Establish a Risk Management Plan

- Summarize risk assessment results
- Select key risks
- Establish a risk management plan



Implement Measures to Mitigate Risks

- Analyze causes and results of violations
- Identify and prioritize improvement measures
- Perform and monitor improvement activities

Eradication of Unfair Trade and Unfair

Labeling and Advertising

- Execute business activities following a preliminary review by the relevant departments in accordance with the enactment and amendment of laws and changes in the business environment
- Examine corporate systems in accordance with the guidelines of the relevant departments in an effort to prevent unfair trade practices
- Conduct thorough reviews of labelling and advertising from the product planning stages to the final stage when advertising is exposed to the public, through our legal system
- Conduct improvement activities such as frequent inspection and follow-up monitoring of labelling

Pursuit of Fair Subcontracting Practices

- Pursure fair subcontracting practices in order to achieve win-win growth with our suppliers through mutual cooperation
- In order to ensure fairness and transparency in subcontracting transactions, we provide education on related laws and regulations, check the status of and improve subcontracting practices, and implement new systems, etc.
- In order to protect the technologies of our suppliers, we engage in improvement activities such as implementing a supplier data request system and enacting joint development contracts

Cartel Prevention

- To prevent cartel formation contacting competitors is prohibited
- In unavoidable cases, employees are permitted to contact competitors after a prior report is submitted
- Implementation of internal control procedure for preventing the formation of cartels
 - Improvements and training in line with enactment and amendment of laws, changes in the business environment
 - Monitoring through our system
 - Self-administered surveys conducted by heads of organizations prone to cartel formation
 - On-site inspection without prior notice, etc.

Information Security & Privacy Protection

Privacy Protection and Product Security

Foundational System for Privacy Information Protection

- In response to the implementation of the EU General Data Protection Regulation (EU GDPR)¹⁾, and the strengthening of consumer privacy protection regulations (United States, Brazil, and India), we are striving to proactively identify and improve risk factors in privacy information
- We strictly adhere to the five basic principles of privacy protection
 - Minimum data collection
 - Protection of the rights of customers to be informed
 - Measures to ensure security
 - Only using data for the purpose for which it was collected
 - Safe disposal
- We operate an organization dedicated to information security and provide mock training and education
- We disclose the safe and legal process of privacy information handling in a transparent manner
- Provide guidelines related to privacy protection, such as the 'Privacy Handling Consent Guideline' and 'Pseudonymized Information Handling Guidelines', and conduct training for personnel handling privacy

* In 2022, no fines were imposed for privacy data breaches or violations
 1) GDPR: General Data Protection Regulation

Measures for Privacy Protection

- Notify customers of the use of privacy once a year
- In the case of privacy leakage issue, share it with customers

* In 2022, there is one case of employee privacy leakage
 * Management of a person who is in violation of privacy protection in accordance with the procedures

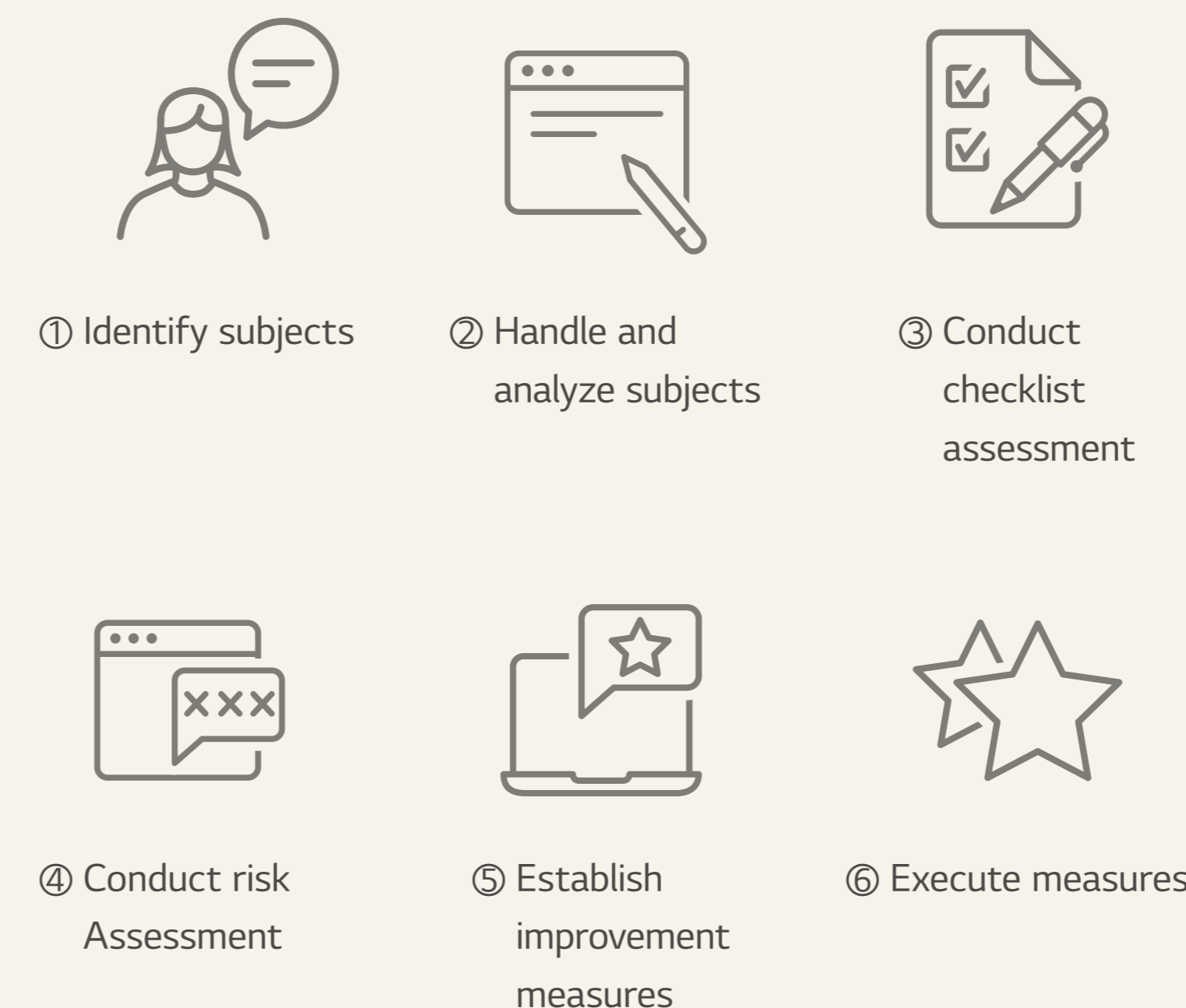
Technical Measures	<ul style="list-style-type: none"> • Encryption of communication interval • Access control measures • One-way encryption storage • Minimization of printing privacy • Pre-inspection before product/ system/ app release • Inspection of access records
Managerial Measures	<ul style="list-style-type: none"> • Limited personnel with access privileges • Controlled entry into Information Security Office • Manage access privileges • Security of information processing PCs • Documentation of the purpose of collecting information • Separation of privacy information servers
Measures to Protect Customer Rights	<ul style="list-style-type: none"> • Measures enabling search/change of privacy information and cancellation of membership • Inquiries by phone or e-mail • Observance of the information usage period • Response to request for revocation of consent

Impact Assessment of Privacy

- Privacy protection measures, risk factors and appropriateness evaluation, and improvement points are supplemented through privacy impact assessment and internal audit
- We make continuous upgrades to our impact assessment framework of privacy so that we can respond to changes in laws and regulations, as well as technology trends

* Internal Audit: Inspection of technical and administrative protective measures of the privacy processing system through regular status inspection

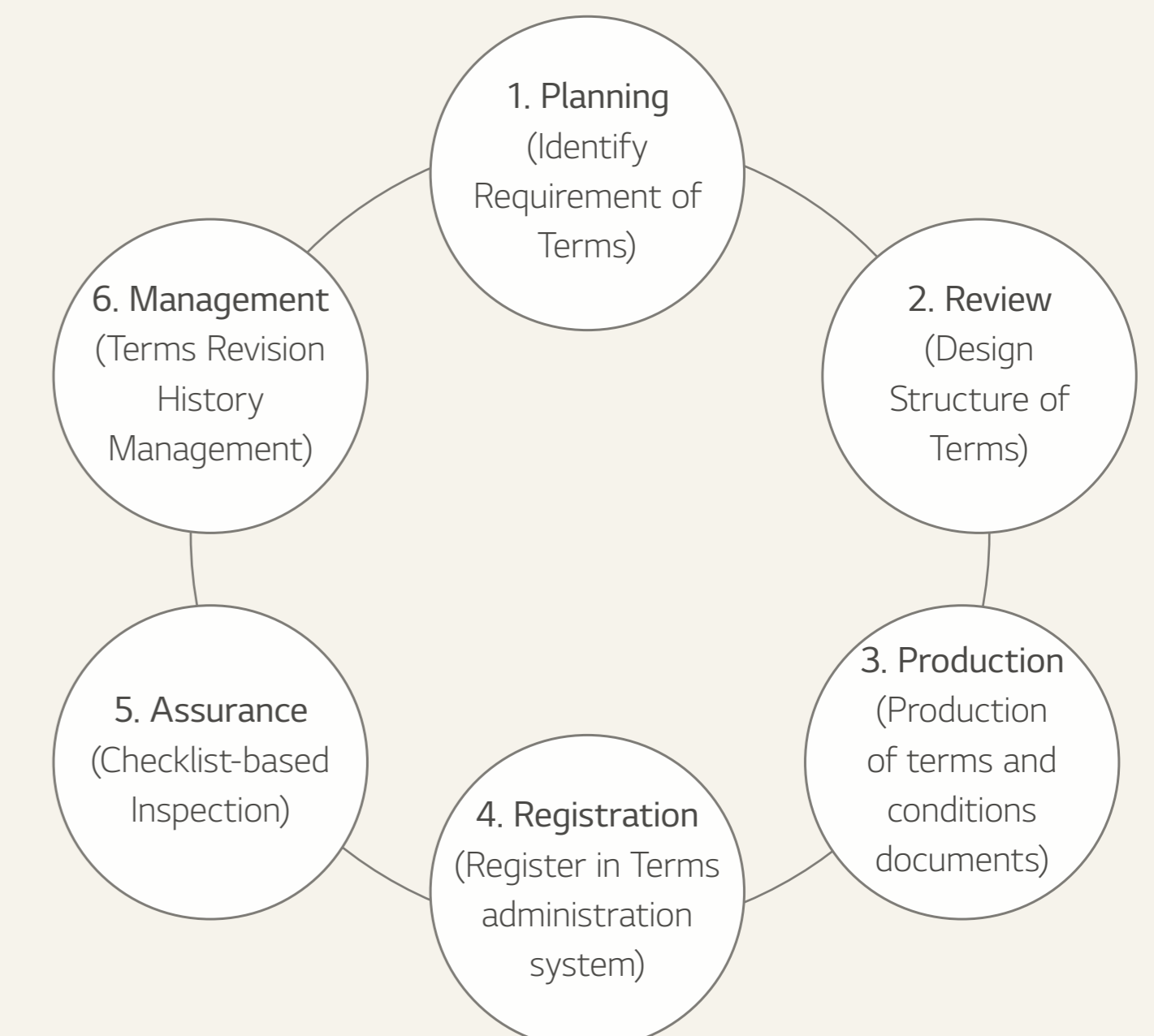
Impact Assessment Framework of Privacy



Terms & Privacy Compliance Management System

- Integrate and manage Individual Terms concerning LGE products and services
- Reduce duplicated consent to prevent policy conflicts between services and customer confusion
- Provide the lawful evidence when using combined data collected from different channel
- Prevent compliance issues in advance through continuous system improvement

Life Cycle of Terms & Privacy Compliance Management System



* Regular revision of LG Integrated-Terms (quarterly), emergency revision (legal changes, response to regulatory agencies, and major obstacles/ claims, etc.)
 * Control the Individual Terms, whenever separate terms and conditions are required, such as CIC (company-in-company) service

Information Security & Privacy Protection

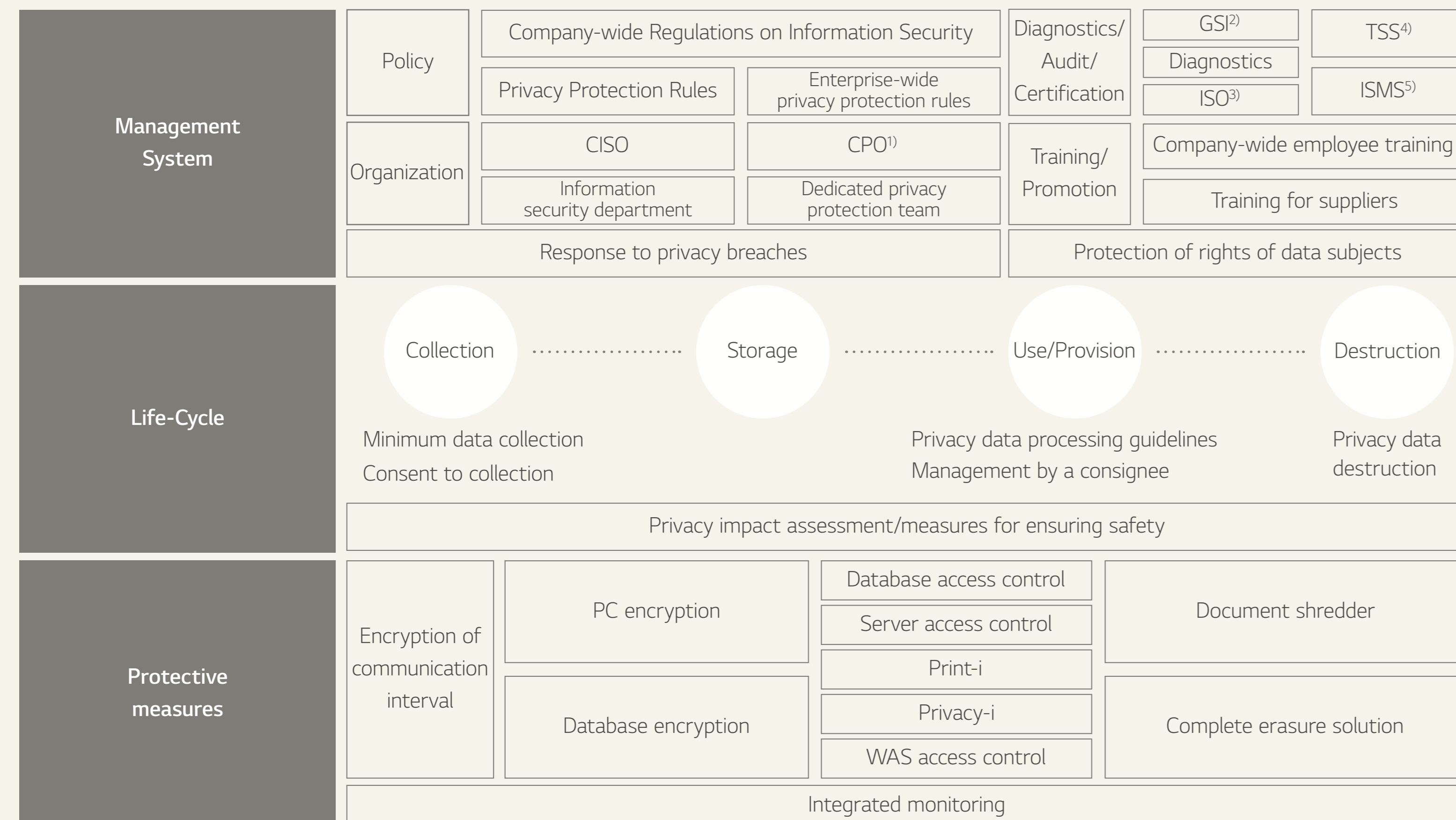
Privacy Protection and Product Security

Integrated Information Security Management System

- Established a framework for integrated management of the privacy information of our customers in order to promote the efficient use and prevent information leakage
- Acquired Korean and international certifications for our privacy protection system, thereby certifying the security of data protection
- Acquired ISO 27001, ISO 27018, ISO 27701, international certifications for information security integrated management system, and ISMS a domestic certification

- 1) CPO (Chief Privacy Officer)
- 2) GSI (Global Security Index)
- 3) ISO (International Organization for Standardization)
- 4) TSS (Team Security Score)
- 5) ISMS (Information Security Management System)

Framework for Information Security & Privacy Protection



Information Security Awareness Training

- Mandatory e-learning for all employees (once a year)
 - Details: Disseminate information security violation cases and information security regulations/rules training/education
- Implementation of customized security training
 - Conduct information security training for persons in charge of information protection
 - Conduct corporate information security regulation/rule training for all employees
 - Conduct information security compliance training for employees who handle specific information
 - Conduct specialized security training for manufacturing process managers, participants in national projects, and those involved in important projects for each business site
- Weekly security message (once a week) and security letter (once a month)
 - Publicize major information security policy contents and violation cases in the form of a poster and distribute it to executives and employees on a regular basis

Software Security Training

- Conduct awareness training for product cybersecurity for all software developers
- Foster develop security experts through partnerships with KAIST and Carnegie Mellon University in the U.S. to lead software security engineering and secure core security technology development capabilities
- Host a hacking contest to raise awareness of the importance of cybersecurity and improve software developers' capabilities
- Organize supplier cybersecurity workshops with LGE partners to strengthen security throughout the product supply chain

Information Security & Privacy Protection

Privacy Protection and Product Security

Product Security Management System

• In accordance with LG-SDL(LGE product security standard), product development is carried out in compliance with security activities at each development stage

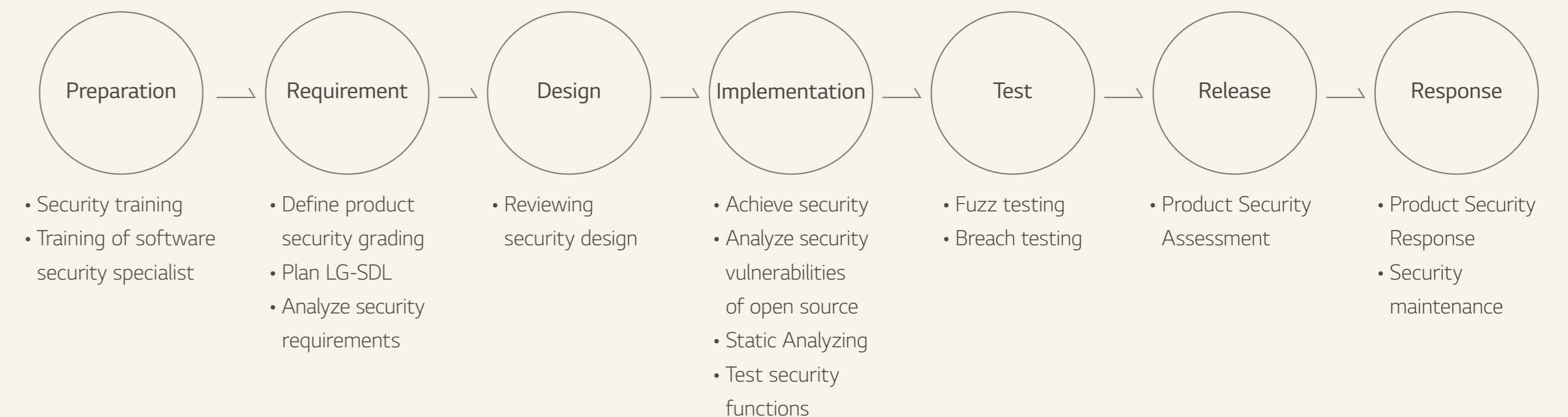
Policy	LGE Product Security Standard	LGE Product Security Guideline
	LGE Product Security Certification	Supplier Product Security Policy
Organization	Corporate-wide Product Security Team, Product Security Team in each Business Division	Security Audit Team, Security Regulation and Compliance Team
	Product development team	Quality team
Training	Security awareness training	Secure coding training
	Cybersecurity engineering training	Product Security Technique Training
Cybersecurity response	Cyber breach response process	Security event classification criteria
	Security update	Bug Bounty Program
Global security standards	NIST Cybersecurity Framework ¹⁾	NIST 800-53 ²⁾
	ESTI EN 303 645 ³⁾	ISO/SAE 21434 ⁴⁾

1) National Institute of Standards and Technology's Cyber Security Improvement Framework
 2) Security controls for security and privacy guidelines required by the U.S. government and critical infrastructure
 3) European Telecommunications Standards Association's Security Requirements for IoT Products
 4) Cyber Security Engineering Standards for Vehicles made by ISO International Organization and Society of Automotive Engineers(SAE)

LGEs' Product Security Standard: LG-SDL

- Establish cooperate-wide standard for core security activities at each stage of the software development process and applied them throughout product development lifecycle
- Ensure the security of LGE products by detecting and removing potential security vulnerabilities from the early stages of software development
- Strengthen surveillance through annual product cybersecurity audit

Core Activities Performed at Each Stage of the LG-SDL Software Development Process



Product Cybersecurity Measures to Enhance Product Security

Classification	Details
LG PSRT	<ul style="list-style-type: none"> • Specialized product security incident response team to improve the security quality of LGE products and respond promptly to every security issues • Establish preemptive incident prevention and improve security measures through security diagnosis conducted by internal/external security experts
LG BUG Bounty	<ul style="list-style-type: none"> • Operating product security reward program • Offering rewards for reporting software security vulnerabilities
LG DevSecOps	<ul style="list-style-type: none"> • Monitoring and providing feedbacks of product security outputs from each development stage • Operating up-to-date product security risk & compliance monitoring system

LGE Product Security Certification

International certifications
<ul style="list-style-type: none"> • UK SafeShark IoT Security Certification • System certification for automobile cybersecurity certification (TUV Rheinland) • ISO/IEC DIS 18974 (compliance for Open Chain Security Assurance Specification) Certification

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Statement

Sustainability Management Performance Data

Economic data

Financial Performance (Consolidated)

Classification	Unit	2020	2021	2022
1. Net sales		44,288.2	57,248.6	64,653.2
2. Cost of sales		32,401.5	42,610.9	48,978.3
3. Gross profit		11,886.8	14,637.7	15,674.8
4. Selling and marketing expenses		8,909.7	11,494.3	12,924.2
5. Operating income		2,977.0	3,143.2	2,750.5
6. Financial income		455.1	456.2	804.1
7. Financial expense		664.6	511.6	954.1
8. Equity method profit (loss)	USD million	(18.7)	347.6	(904.7)
9. Others non-operating income		1,808.4	1,443.8	2,984.4
10. Others non-operating expenses		1,989.8	1,905.7	2,712.9
11. Profit before income tax		2,567.5	2,973.5	1,967.3
12. Income tax expense		458.5	819.3	412.3
13. Net income from continuing operations		2,108.9	2,154.2	1,555.0
14. Net income (loss) from discontinued operations		(510.3)	(1,058.2)	(111.8)
15. Profit for the year		1,598.5	1,096.0	1,443.1

* 2020 and 2021 data were re-reported due to the withdrawal of the MC, Energy companies

Summary of Consolidated Statements of Financial Position

Classification	Unit	2020	2021	2022
I. Current Assets		18,001.1	21,291.8	21,292.2
Trade receivables		5,542.1	6,325.6	6,364.5
Inventories		5,768.5	7,555.4	7,272.5
Others current assets		6,690.4	7,410.7	7,655.2
II. Non-current assets		19,337.6	20,134.6	21,431.4
Investments in jointly controlled entities and associates		3,463.6	3,988.5	3,070.1
Tangible assets		10,824.1	11,387.1	12,263.2
Intangible assets		2,431.5	1,892.5	1,901.5
Others non-current assets		2,618.2	2,866.3	4,196.4
Total assets		37,338.7	41,426.3	42,723.6
I. Current liabilities	USD million	15,652.5	18,295.7	17,298.6
II. Non-current liabilities		8,098.1	7,562.7	8,002.7
Total liabilities		23,750.7	25,858.6	25,301.4
I. Paid-in capital		3,092.4	3,092.4	3,092.4
Capital stock		700.3	700.3	700.3
Share premium		2,392.0	2,392.0	2,392.0
II. Retained earnings		10,575.4	11,180.1	12,264.9
III. Accumulated others comprehensive loss		(1,547.6)	(857.2)	(580.6)
IV. Others components of equity		(162.4)	(68.6)	(65.6)
V. Non-controlling interest		1,630.2	2,221.0	2,710.9
Total equity		13,588.0	15,567.8	17,422.1
Total liabilities and equity		37,338.7	41,426.3	42,723.6

Sustainability Management Performance Data

Economic data

Economic Value Generated Distributed and Retained (Separated)

Classification	Unit	2020	2021	2022
Sales		18,624.1	21,003.3	21,527.3
Economic value generated (A)		18,624.1	21,003.3	21,527.3
Operating expenses		14,604.0	17,092.8	17,797.0
Wages & Fringe benefit expenses		3,017.4	3,425.2	3,644.5
Capital costs	USD million	397.5	701.8	720.2
Taxes & Dues		27.6	31.5	18.3
Donations		7.3	7	6.3
Economic value distributed (B)		18,053.8	21,258.3	22,186.3
Economic value retained (A-B)		57.3	(255)	(659)

* 2020 and 2021 data were re-reported due to the withdrawal of the MC, Energy companies

Earnings of Governments Funded Subsidies

Classification	Unit	2020	2021	2022
Tax relief and tax credits		73.7	63.4	0
Investment grants, R&D grants, and others relevant types of grant ¹⁾	USD million	531	500.7	408

1) Amount of investment in major facilities states in LGE's operating report

Defined Benefit Plan Obligations and Others Retirement Plans (Korea)

Classification	Unit	2020	2021	2022
Expected amount	USD million	2,236.5	2,459.1	2,275.3
Expected ratio	%	99.8	99.9	101.3
The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them	USD million	2,231.4	2,457.9	2,676.0
Percentage of salary contributed by employee or employer	%	100	100	100

Amount of Direct Purchase from Local Suppliers

Classification	Unit	2022
Korea		8.2
Asia		6.8
China	USD billion	4.0
Americas		3.7
Europe, CIS		2.2
MEA		0.2

Percentage of Direct Purchases by Classification

Classification	Unit	2022
Display Components		29.4
Mechanical Parts		33.8
Circuits	%	18.0
Semi-Conductors		9.1
Raw Materials		6.7
Others		3.0

Sustainability Management Performance Data

Economic data

Purchase Amount of Key Subsidiaries by Product

Classification	Unit	Total Purchase of 2022	Local Purchase of 2022
Korea		8.4	6.0
Nanjing New Technology Co. Ltd, China	Monitor	1.2	0.6
Taizhou, China	Refrigerator	0.7	0.6
Nanjing, China	Washing Machine	0.6	0.5
Hai Phong, Vietnam	Washing Machine	1.5	0.5
Cibitung, Indonesia	TV	1.5	0.6
Reynosa, Mexico	TV	2.1	0.0
Mexicali, Mexico	TV	0.7	0.1
Mlawa, Poland	TV	2.6	0.9
Others		5.6	3.3
Total		24.9	13.2

Environmental data

Within Organization Energy Consumption

Classification	Unit	2020	2021	2022
Non-renewable sources	LNG (Korea)	879	632	548
	LNG (Overseas)	741	948	845
	Coal (Korea)	0	0	0
	Coal (Overseas)	0	0	0
	Others (Korea)	74	70	67
	Others (Overseas)	588	500	450
Subtotal		2,281	2,150	1,910
Renewable Energy	Solar power	6	19	33
	Wind power	0	0	212
	Biomass	0	0	-
	Others	79	233	115
	Subtotal	85	252	360
Energy purchased	Electricity (Korea)	2,904	2,508	1,736
	Electricity (Overseas)	2,726	2,942	2,678
	Steam (Korea)	394	397	335
	Steam (Overseas)	3	3	2
Energy intensity (basic unit)	TJ/USD 100 million	4.14	3.25	2.71

* Applicable business site

- Korea: Business sites in Korea under the operational control of LGE

- Overseas: Overseas production subsidiaries of LGE (27 subsidiaries)

* Energy subject to verification: Energy used at combustion facilities and externally supplied power and heat at business sites

* Calculation of energy consumption: Based on net calorific value, steam includes steam consumption through waste heat recovery in Korea

* Verification status: Third-party assurance was completed on all Korean and overseas production sites (Korea excludes refrigerant fugitive emissions, and overseas includes refrigerant fugitive emissions)

* 2020 and 2021 non-renewable fuel consumption data were re-reported due to additional calculation of data for US operations

Sustainability Management Performance Data

Environmental data

GHG Emissions (Scope 1, 2)

Classification	Unit	2020	2021	2022
Direct GHG emissions (Scope 1)	Korea	293	173	110
	Overseas	136	160	155
Indirect GHG emissions (Scope 2)	Korea	381	325	224
	Overseas	484	494	438
Total (Scope 1 + Scope 2)		1,294	1,152	927
GHG emissions intensity (Unit USD)	1,000 tCO ₂ eq / USD 100 million	2.05	1.54	1.12

* Applicable business sites

– Korea: Korea Business sites in Korea under the operational control of LGE

– Overseas: Overseas production subsidiaries of LGE (30 subsidiaries)

* Basis of Assessment

– Korea: GHG Trade Scheme for quantification and reporting of GHG emissions, Guideline for GHG Trade Scheme management

– Overseas: ISO 14064-3:2006 (GHG - Part 3: Specification with guidance for the validation and verification of GHG assertions)

* Assessment

– Korea: LGE's GHG Inventory Report, LGE's Process of managing and collecting GHG Data, calculating and reporting emissions

– Overseas: LGE's GHG Emission Report, LGE's Process of managing and collecting GHG Data, calculating and reporting emissions

* Corrected/adjusted 2020 indirect GHG emissions (Scope 2) due to change in data calculation standards

GHG Emissions (Scope 3)

Classification	Unit	2020	2021	2022
Others indirect GHG emissions (Scope 3)	Business trip	20,692	11,538	19,746
	Use of sold products	58,976,000	63,154,000	60,980,857
	Purchase	–	9,352,276	Scheduled to be aggregated (second half of 2023)
	In-house suppliers (Korea)	5,067	4,827	4,484

Air Emissions

Classification	Unit	2020	2021	2022
NOx (Nitrogen Oxide)	Korea	37.2	15.9	15.9
	Overseas	21.8	34.9	24
	Total	59.0	50.9	39.9
SOx (Sulfur Oxides)	Korea	0	4.8	0.4
	Overseas	3.4	5.0	6
	Total	3.4	9.8	6.3
VOCs (Volatile Organic Compounds)	Korea	265.5	23.9	20.3
	Overseas	187.0	231.5	194.9
	Total	452.5	255.4	215.2
Dust	Korea	11.0	12.4	4.9
	Overseas	35.0	29.1	32.9
	Total	46.0	41.5	37.8

* Cheongju business site was sold to LG Chem in 2021, therefore it is excluded from the 2021 data scope

* 2021 Nox(Nitrogen oxide) and Sox(Sulfur oxide) data were re-reported due to the change of data calculation mode

* Verification status: Third-party assurance was completed on emissions from business trips by employees

* 2020 indirect GHG emissions from expended use and indirect 2021 GHG emissions from business trips and expended use data were re-reported due to adjustment in GHG calculation standards and of verification data

Sustainability Management Performance Data

Environmental data

Waste by Type and Disposal Method

Classification		Unit	2020	2021	2022
Recycling	Korea	Ton	2,870	499	785
	Overseas		-	-	1,216
	Total		2,870	499	2,001
Incineration	Korea		670	436	286
	Overseas		-	-	1,703
	Total		670	436	1,989
Landfill	Korea	-	5	15	
	Overseas	-	-	262	
	Total	-	5	276	
Total	Korea	3,540	940	1,086	
	Overseas	-	-	3,180	
	Total	3,540	940	4,266	

* All the wastes generated from the business sites of LGE are treated by certified a local waste treatment service provider
 * Cheongju business site was sold to LG Chem in 2021, therefore it is excluded from the 2021 data scope
 * GumiA2 business site has not produced starting 2021 and is being used as a warehouse, therefore it is excluded from the 2021 data scope
 * Aggregated not only production sites, but also the performance of all domestic and foreign business sites, including R&D sites from 2022
 * Aggregated designated waste classifications according to host country regulations for overseas business site from 2022

Classification		Unit	2020	2021	2022
Recycling	Korea	Ton	52,906	44,647	35,909
	Overseas		142,427	166,315	164,638
	Total		195,333	210,962	200,547
Incineration	Korea		6,776	4,394	499
	Overseas		7,196	7,211	3,104
	Total		13,972	11,605	3,602
Landfill	Korea	174	699	248	
	Overseas	8,372	5,655	5,586	
	Total	8,546	6,354	5,834	
Total	Korea	59,856	49,740	36,656	
	Overseas	157,995	179,181	173,328	
	Total	217,851	228,921	209,983	
Waste discharge amount	Total	221,391	229,861	214,249	

Significant Spills

Classification	Unit	2020	2021	2022
Number of Spills	Cases	0	0	0
Volume of Spills	Ton	0	0	0

Sustainability Management Performance Data

Environmental data

Water Withdrawal by Source

Classification	Unit	2020	2021	2022
Surface water		N/A	N/A	0.3
Ground water		1,091	963	822
Municipal water supplies or others public or private water		11,553	9,505	6,255
Wastewater from other organization	1,000 Tons	198	44	-
Total		12,842	10,512	7,078
Reuse of in-house utility water		541	667	447
Total		541	667	447

* Cheongju business site was sold to LG Chem in 2021, therefore it is excluded from the 2021 data scope

* Applicable business sites: Korea 9 (Production and R&D business sites), Overseas 30 (Production sites)

* Scope 2 (Indirect water consumption) excluded

Waste Water Treatment

Classification	Unit	2020	2021	2022
Water reused		541	667	447
Internal Treatment Facility (Korea)	1,000 Tons	4,863	4,151	1,282
Internal Treatment Facility (Overseas)		1,248	1,134	993
External Treatment Facility & Others		11	0	0

* Applicable business site: Korea business sites

* Cheongju business site was sold to LG Chem in 2021, therefore it is excluded from the 2021 data scope

* Waste water treatment amount does not include water reused

Water Pollutants Emissions

Classification	Unit	2020	2021	2022
Water drainage (Limited to treatment facilities at the company)	Korea	4,860,870	4,151,137	1,282,505
	Overseas	1,247,527	1,134,492	992,538
	Total	6,108,397	5,285,629	2,275,043
COD	Korea	32.0	17.4	12.6
	Overseas	265.0	167.3	174.1
	Total	297.0	184.7	186.7
SS	Korea	21.2	17.2	3.9
	Overseas	46.2	66.9	79.1
	Total	67.4	84.1	83
Wastewater quality	Korea	81.8	66.3	12.8
	T-N	11.9	29.8	29.3
	Total	93.7	96.1	42.1
T-P	Korea	0.6	0.4	0.2
	Overseas	3.9	1.7	1.9
	Total	4.5	2.1	2.1

* Cheongju business site was sold to LG Chem in 2021, therefore it is excluded from the 2021 data scope

Non-compliance with Environmental Laws and Regulations

Classification	Unit	2020	2021	2022
Total monetary value of significant fines	USD	0	178,156	1,331
Total number of non-monetary sanctions	Cases	0	0	0

* Summary of violations of regulations subject to fines over KRW 10 million (about USD 7,746 in accordance with the annual report)

Sustainability Management Performance Data

Social Data

Ratio of Partners Subject to Social Impact Assessment Screening

Classification	Unit	2020	2021	2022
Ratio of partners subject to social impact assessment screening	%	100	100	100

Local Personnel at Major Business Sites

Classification	Unit	2020	2021	2022
Number of local employees	Employees	7,744	15,326	15,670
Senior management		114	160	156
Ratio	%	1.5	1.0	1.0

* Senior employees: Personnel who have been assigned duties

Negative Social Impacts in the Supply Chain and Actions Taken

Classification	Unit	2020	2021	2022
Number of suppliers assessed for social impacts (Suppliers that have performed self-assessment by year)	Suppliers	1,416	1,289	1,231
Number of suppliers identified as having significant actual and potential negative social impacts		0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	%	100	100	100
Number of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	Suppliers	0	0	0

* The number of partner/suppliers (conducting yearly self-inspection) that received a social impact evaluation in 2021 data was re-reported due to data actualization

Free Training for Suppliers (Korea)

Classification	Unit	2020	2021	2022
Number of suppliers	Suppliers	562	456	690
Number of participating employees	Employees	1,201	2,610	2,767

Amount of Funding for Suppliers (Korea)

Classification	Unit	2020	2021	2022	
Direct Funding	Number of funded suppliers	Suppliers	29	26	34
	Fund Amount	USD million	26.6	22.0	25.2
Win-win growth fund	Number of funded suppliers	Suppliers	122	120	152
	Fund Amount	USD million	84.3	80.0	135.6
Win-win payment	Number of funded suppliers	Suppliers	1,552	1,527	1,538
	Fund Amount	USD million	5,537.1	6,220.8	5,618.3

Safety Data

Classification	Unit	2020	2021 (LGE)	2021 ³⁾	2022 (LGE)	2022 ³⁾
LTIFR ¹⁾	%	0.67	1.32	0.81	2.08	0.83
OIFR ²⁾	%	0	0	0	0	0
Fatality (No. of case)	Fatality	0	0	2	0	1
Lost-time Injuries (No. of case)	Case	92	162	48	254	58
Total Hours Worked	Hours	138,173,948	122,279,784	59,167,558	122,362,978	62,729,744

1) LTIFR: Lost-Time Injuries Frequency Rate (Number of lost-time injuries x 1,000,000) / (Total hours worked in accounting period)

LTIFR (Lost-Time Injuries Frequency Rate) is an accident index that differs from occupational accident rate and Frequency Rate of Injury (FR) and includes not only industrial accidents, but also all labor losses of more than one day.

2) OIFR: Occupational Injuries Frequency Rate (Number of occupational illness cases x1,000,000) / (Total hours worked in accounting period)

LGE has employees who work in special conditions or who work with special materials undergo a special medical checkup on an annual basis.

The results indicate that none of our employees contract-ed occupational diseases for the period between 2020-2022.

3) In-house partner company, excluding construction companies

* Applicable employees: All employees home and abroad including those in overseas production subsidiaries of LGE.

* For LTIFR and OIFR, calculation is based on average figures for Korean and overseas employees

* The number of labor losses and total working hours data in 2021 were re-reported due to the change in the standards for the number of labor loss accidents at overseas subsidiaries/affiliates

Sustainability Management Performance Data

Social Data

The Number of Employees by Region

Classification	Unit	2020	2021	2022
Korea	Employees	39,745	36,499	34,645
China		6,060	5,720	5,978
Asia		8,219	7,973	8,470
CIS		1,507	1,490	1,316
North America		3,350	3,559	3,393
Europe		4,488	4,470	4,488
India		4,431	4,344	4,540
Japan		268	221	236
Central and South America		6,550	8,738	8,179
Middle East and Africa		1,270	1,323	1,407
Total			75,888	74,337

Current Status of Domestic Workforce by Nationality

Classification	Unit	2020	2021	2022	Remarks (as of 2022)	
Korea	Employees	39,595	36,365	34,509	3,761 managers (99.6% of total managers)	
North America		62	54	53	12 managers (0.32% of total managers)	
China		35	30	29		
Canada		8	9	11		
Australia		6	4	4		
New Zealand		5	7	6	1 manager (0.03% of total managers)	
United Kingdom		5	3	3		
France		4	4	6	1 manager (0.03% of total managers)	
Others		25	23	24		
Total			39,745	36,499	34,645	

Number of Employees by Employment Contract

Classification	Unit	2020	2021	2022	
Number of employees by employment contract and gender	Permanent	Male	59,106	57,102	55,874
		Female	14,864	15,525	15,671
	Temporary	Male	1,544	1,421	914
		Female	374	289	193

Sustainability Management Performance Data

Social Data

New Recruitment and Turnover

Classification	Unit	2020	2021	2022
Total No. of new recruitments	Employees	11,450	19,381	20,065
Number of new recruitments by age group	29 or under	7,869	12,093	12,563
	30-49	3,210	6,863	7,076
	50 and over	371	425	426
Ratio of new recruitments by age group	29 or under	69	62	63
	30-49	28	35	35
	50 and over	3	2	2
Total number of new recruitments by gender	Male	8,709	12,910	13,535
	Female	2,741	6,471	6,530
Ratio of new recruitments by gender	Male	76.1	66.6	67
	Female	23.9	33.4	33
Total No. of turnovers	Employees	9,486	20,894	21,431
Number of turnover by age group	29 or under	4,468	9,693	10,971
	30-50	3,884	9,860	8,394
	50 and over	1,134	1,341	2,066
Turnover ratio by age group	29 or under	47	46	51
	30-50	41	47	39
	50 and over	12	6	10
Number of turnover by gender	Male	7,254	14,965	14,872
	Female	2,232	5,929	6,559
Turnover ratio by gender	Male	76.5	71.6	69
	Female	23.5	28.4	31

Voluntary Retirement Status

Classification	Unit	2020	2021	2022
Full-time voluntary resignation/retirement rate	%	4.9	8.4	10.7
	Number of full-time voluntary retirees	3,247	5,824	7,625
	Average number of full-time employees	66,529	69,671	71,187
	%	4.3	7.1	9.2
Male voluntary resignation/retirement rate	Number of male voluntary retirees	2,332	3,968	5,146
	Average number of full-time male employees	53,669	55,590	55,773
Female voluntary resignation/retirement rate	%	7.1	13.2	16.1
	Number of female voluntary retirees	915	1,856	2,479
	Average number of full-time female employees	12,860	14,081	15,414
	%	13.3	24.7	29.9
Voluntary resignation/retirement rate for those aged 29 or under	Number of voluntary retirees aged 29 or under	1,294	2,547	3,492
	Average number of full-time employees aged 29 or under	9,715	10,304	11,676
	%	3.7	6.1	7.8
	Number of voluntary retirees aged 30 to 49	1,785	3,047	3,886
Voluntary resignation/retirement rate for those aged 30 to 49	Average number of full-time employees aged 30 to 49	48,724	50,254	50,131
	%	2.1	2.5	2.6
Voluntary retirement rate for those aged 50 and over	Number of voluntary retirees aged 50 and over	168	230	247
	Average number of full-time employees aged 50 and over	8,091	9,114	9,381

* Applying to employee's resignation based on his/her own judgement not pertaining to the company's position (Resignation, voluntary retirement, etc. due to personal circumstances)

Sustainability Management Performance Data

Social Data

Governance and Employee Diversity

Classification	Unit	2020	2021	2022
Gender ratio of the BOD	Male	100	86	86
	Female	0	14	14
Number of employees by gender	Male	60,650	58,523	56,790
	Female	15,238	15,814	15,862
Number of employees by age	29 or under	12,427	12,877	12,974
	30-49	54,416	51,727	49,951
	50 and over	9,045	9,733	9,727

* The number of employees data in 2020 was re-reported due to the data actualization

Workers with Disabilities (Korea)

Classification	Unit	2020	2021	2022
Number of disabled workers	Direct employment	487	440	410
	Indirect employment	376	271	271
	Total	863	831	817
Employment rate of people with disabilities	%	2.2	2.3	2.4

* Employment rate: It is the combined employment rate of disabled workers in LGE and Hanuri. It is calculated as "converted number of workers with disabilities/ number of workers subject to application"

- Hanuri: It is a business established by LGE to expand employment of workers with disabilities, where workers are in charge of managing cafes, environmental restoration, dishwashing and dormitories, etc.

Usage and Return Status

Classification	Unit	2020	2021	2022
Total number of employees who took parental leave	Male	280	221	283
	Female	338	310	330
	Total	618	531	613
Total number of employees who came back to work after parental leave	Male	206	229	216
	Female	319	281	219
	Total	525	510	435
Ratio of employees who came back to work after parental leave	Male	92.0	89.6	86.5
	Female	82.5	90.2	82.7
Total number of employees that returned to work after parental ended that were still employed 12 months after their return to	Male	146	172	171
	Female	316	273	256
	Total	462	445	427
Ratio of employees that returned to work after parental ended that were still employed 12 months after their return to	Male	65.2	70.8	68.1
	Female	82.5	81.7	80.5

* Entire 2021 data was re-reported due to change in parental leave data calculation standards

Internal Recruitment Status

Classification	Unit	2020	2021	2022
Internal recruitment ratio	%	25.5	27.7	26.0

* Internal recruitment ratio: Ratio of vacancies filled through internal transfers rather than external recruitment

Sustainability Management Performance Data

Social Data

Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage (Korea)

Classification	Unit	2020	2021	2022
Male entry-level employee	Office position	166	175	178
	Technical position	106	118	133
Female entry-level employee	Office position	166	175	178
	Technical position	106	118	133

Percentage of Employees receiving Regular Performance and Career Development Reviews

Classification	Unit	2020	2021	2022
Male	%	100	100	100
Female		100	100	100
Office position		100	100	100
Technical position		100	100	100

Average Employee Training Hours

Classification	Unit	2020	2021	2022
Korea	Male	47.4	53.0	78.1
	Female	48.1	58.1	73.1
Overseas	Male	13.3	8.6	13.9
	Female	12.7	8.7	15.4
Total	Male	32.7	32.1	47.5
	Female	24.9	23.5	33.1

* Reduced training/education hours in 2022 due to reduced long-term online training due to easing of COVID-19 restriction

* Entire 2021 data was re-reported due to calculation criteria changes

Average Training Hours by Age

Classification	Unit	2020	2021	2022	
Korea	29 or under	85.5	88.8	147.9	
	30-34	60.2	66.1	102.2	
	35-39	55.9	69.5	98.0	
	40-44	57.6	71.1	83.4	
	45-49	52.4	64.5	76.9	
	50-54	39.3	46.3	54.9	
	55-59	35.4	25.7	42.5	
	Over 59	18.4	5.1	1.1	
	Overseas	29 or under	27.6	21.9	31.9
		30-34	19.6	14.2	23.5
35-39		20.0	14.2	22.0	
40-44		18.1	13.2	19.5	
45-49		18.0	14.1	18.2	
50-54		17.9	12.6	17.5	
Total	55-59	19.0	11.2	16.9	
	Over 59	17.5	2.0	24.3	

Classification	Unit	2020	2021	2022
Total	29 or under	59.7	45.9	63.0
	30-34	48.1	37.3	64.2
	35-39	40.8	45.5	65.5
	40-44	41.6	46.8	57.2
	45-49	36.4	53.3	58.3
	50-54	28.7	41.2	42.9
	55-59	21.8	26.1	31.5
	Over 59	34.0	1.1	7.4

* Entire 2020, 2021 data was re-reported due to calculation criteria changes

Sustainability Management Performance Data

Social Data

Average Training Hours by Position

Classification	Unit	2020	2021	2022
Korea	P3	55.7	60.2	77.0
	P2	58.4	65.9	99.5
	P1	84.1	111.1	199.2
	Others	43.2	28.4	25.1
Overseas	G4	14.6	6.1	9.2
	G3	21.3	14.0	22.7
	G2	21.9	15.8	24.4
	G1	22.3	16.9	27.0
	Others	15.4	0.2	2.2
	Hours			
Total	P3	55.7	60.2	77.0
	P2	58.4	65.9	99.5
	P1	84.1	111.1	119.2
	G4	14.6	6.1	9.2
	G3	21.3	14.0	22.7
	G2	21.9	15.8	24.4
	G1	22.3	16.9	27.0
	Others	25.9	7.3	20.2

* P1: Junior, P2: Senior, P3: Manager

* Overseas business sites have different classification criteria by country

* Reduced training/education hours in 2022 due to reduced long-term online training and easing of COVID-19 restriction

* Entire 2021 data was re-reported due to the calculation criteria standard

Average Training Hours by Program (Offline)

Classification	Unit	2020	2021	2022
Korea	Leadership	30.0	12.5	33.2
	Job Duty	9.3	17.9	9.9
	Others	19.8	17.5	16.6
Overseas	Leadership	4.4	4.8	7.8
	Job Duty	9.8	4.2	5.2
	Others	8.4	5.5	7.5
Total	Leadership	24.1	9.9	24.8
	Job Duty	9.4	12.0	8.4
	Others	12.6	9.8	11.1

* Reduced training/education hours in 2022 due to reduced long-term online training due to easing of COVID-19 restriction

* Entire 2021 data was re-reported due to data actualization

Training Expenses per Employee

Classification	Unit	2020	2021	2022
Korea	USD	735.1	951.2	1,286.6
Overseas		235.5	353.2	385.0

Average Training Hours by Program (Online)

Classification	Unit	2020	2021	2022
Korea	Leadership	3.3	6.0	6.0
	Job Duty	2.9	2.8	8.4
	Others	2.0	2.7	2.1
Overseas	Leadership	2.3	4.2	5.3
	Job Duty	1.6	1.3	2.1
	Others	1.4	1.1	2.1
Total	Leadership	3.1	5.1	5.6
	Job Duty	2.4	2.3	6.6
	Others	1.9	2.4	2.1

* Reduced training/education hours in 2022 due to reduced long-term online training due to easing of COVID-19 restriction

* Entire 2021 data was re-reported due to data actualization

Impact Assessment of Local Community

Classification	Unit	2020	2021	2022
Ratio of business sites subject to social impact assessments (including gender impact assessments) based on participatory processes	%	0	0	0
Number of community development programs based on community needs		0	0	2 ¹⁾
Number of countries which held stakeholder consultation on CSR		1	1	1
Number of local community consultation committees and processes that include vulnerable groups	EA	1	1	1 ²⁾
Number of representative bodies to deal with impacts		0	0	0
Ratio of formal local community grievance processes	%	0	0	0

* Held Accessibility Stakeholder Advisory meeting in 2021 related to accessibility

1) LG Ambassador Program and One Company-One Village sisterhood relationship with farming and fishing villages

2) Held Accessibility Stakeholder Advisory meeting in 2021-2022 related to accessibility

Sustainability Management Performance Data

Social Data

Incidents of Violations Involving Rights of Indigenous People

Classification	Unit	2020	2021	2022
Incidents of violations involving rights of indigenous people	Case	0	0	0

Number and Percentage of Workplace Assessment for Corruption Risk

Classification	Unit	2020	2021	2022
Number of business sites	Sites	106	101	95
Ratio of business sites	%	100	99	99

Communication and Education on Anti-corruption Policies and Procedures

Classification	Unit	2020	2021	2022	
Korea	Number and ratio of the members of the Board of Directors who received a notice or training	Employees (%)	7 (100)	7 (100)	7 (100)
	Number and ratio of members who received a notice or training		27,531 (94)	26,868 (94)	24,731 (95.8)
	Number and ratio of suppliers who received a notice or training	Suppliers (%)	1,416 (100)	1,289 (100)	1,231 (100)
Overseas	Number and ratio of members who received a notice or training	Employees (%)	18,043 (96)	17,651 (93)	18,438 (95.4)

* The number and ratio of suppliers who received a notice or training in Korea in 2021 data was re-reported due to data correction

Confirmed Incidents of Corruption and Actions Taken

Classification	Unit	2020	2021	2022
Number of Corruption Cases		0	0	1
Confirmed incidents in which employees were dismissed or disciplined for corruption	Case	0	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption		0	0	0

Ratio of Security Personnel Trained in Human Rights Policies and Procedures (Korea)

Classification	Unit	2020	2021	2022
Security personnel trained in human rights policies or procedures	Employees (%)	472 (100)	365 (100)	364 (100)

Business Sites Subject to Human Rights Impact Assessments

Classification	Unit	2020	2021	2022
Number of business sites where the company operates	Business sites	38	33	30
Number of businesses subject to the assessment of human rights impact	sites	38	33	30
Ratio of business sites subject to the assessment of human rights impact	%	100	100	100

* Evaluation of global production sites

Training on Human Rights Policies and Procedures (Korea)

Classification	Unit	2020	2021	2022
Number of hours of training on the Human Rights Policy and procedures related to the business	Hours	487	831	1,264
	By position	433	831	1,264
	By job type	Employees	0	0
Number of employees who received training on the Human Rights Policy and procedures related to the business	Online	433	831	1,264

* Education by job type includes procurement, marketing, expatriate leadership, and corporate head education, and has not been conducted in 2020 and 2021 due to COVID-19

Employee Training on Major Environmental and Social Issues (2022)

Classification	Unit	Completion of training	Target	Completion rate
Korea		20,471	25,853	79%
Overseas	Employees	8,638	20,730	42%
Total		29,109	46,583	62%

Sustainability Management Performance Data

Social Data

Incidents of Discrimination and Corrective Actions Taken (Korea)

Classification	Unit	2020	2021	2022
Number of cases of discriminatory incidents	Case	0	0	0

Health and Safety Assessment of Product and Services

Classification	Unit	2020	2021	2022
Percentage of major product and service categories for which health and safety impacts are assessed	%	100	100	100

Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data (Korea)

Classification	Unit	2020	2021	2022
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	1

Violation of Regulations Concerning the Health and Safety Impacts of Products and Services

Classification	Unit	2020	2021	2022
Incidents of non-compliance with regulations resulting in a fine or penalty	Case	0	0	0
Incidents of non-compliance with regulations resulting in a warning		0	0	0
Incidents of non-compliance with voluntary codes		0	0	0

SHEE-Quality Certification Status

(As of July 2023)

Region	Country	Subsidiary	Environmental Management	Health and Safety	Energy	Quality
North America	USA	LGETN (Tennessee)	-	ISO 45001	-	-
	Mexico	LGEMM (Monterrey)	ISO 14001	ISO 45001	-	ISO 9001
South, Central America	Mexico	LGERS (Reynosa)	ISO 14001	ISO 45001 (To be acquired in August 2023)	-	ISO 9001
	Mexico	LGEMX (Mexicali)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Brazil	LGESP_M (Manaus)	ISO 14001	ISO 45001	-	ISO 9001 IATF 16949
Europe/CIS	Poland	LGEMA (Mlawa)	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16949
	Poland	LGEWR (Wroclaw)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Russia	LGERA (Ruza)	ISO 14001	ISO 45001	ISO 50001	CIG-023
Middle East Asia	Egypt	LGEEG (10th of Ramadan)	ISO 14001	ISO 45001	-	ISO 9001
	Saudi Arabia	LGESR (Riyadh)	ISO 14001	ISO 45001	-	ISO 9001
	Turkey	LGEAT (Istanbul)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
India	India	LGEIL_N (Noida)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	India	LGEIL_P (Pune)	ISO 14001	ISO 45001	-	ISO 9001
Southeast Asia	Thailand	LGETH (Rayong)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Vietnam	LGEVH (Haiphong)	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16949
	Indonesia	LGEIN_C (Cibitung)	ISO 14001	ISO 45001	-	ISO 9001
	Indonesia	LGEIN_T (Tangerang)	ISO 14001	ISO 45001	-	ISO 9001

Region	Country	Subsidiary	Environmental Management	Health and Safety	Energy	Quality	
China	China	LGEPN (Nanjing)	ISO 14001	ISO 45001	ISO 50001	IATF 16949	
	China	LGENT (Nanjing)	ISO 14001	ISO 45001	ISO 50001	ISO 9001	
	China	LGENV (Nanjing)	ISO 14001	ISO 45001	-	ISO 9001 IATF 16949	
	China	LGETR (Taizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001	
	China	LGETA (Tianjin)	ISO 14001	ISO 45001	ISO 50001	ISO 9001	
	China	LGEQA (Qingdao)	ISO 14001	ISO 45001	-	ISO 9001	
	China	LGEQH (Qinhuangdao)	ISO 14001	ISO 45001	-	ISO 9001	
	China	LGEHZ (Huizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001	
	Korea	Korea	Changwon1	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		Korea	Changwon2	ISO 14001	ISO 45001	ISO 50001	ISO 9001
Korea		Gumi	ISO 14001	ISO 45001	ISO 50001	ISO 9001	
Korea		Pyeongtaek	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16949	
Korea	Pyeongtaek (Chiller)	ISO 14001	ISO 45001	ISO 50001	ISO 9001		

Membership-Awards & Recognition

Membership

Korea Electronics Association	Responsible Business Alliance	Korea Chemicals Management Association
Korea Chamber of Commerce and Industry	Korea Display Industry Association	GS1 Korea
Korea International Trade Association	Korea Products Safety Association	Korea Authorized Economic Operator Association
Fair Competition Federation	The National Academy of Engineering of Korea	Korea Electronics Association (International Trade Cooperation)
Korea Association of Information & Telecommunication	Korea Employers Federation	Korea Listed Companies Association
Korea Radio Promotion Association	Korea Association of Industrial Technology Security	Korea Investor Relations Service
Trade related IPR Protection Association	Professionals in Business Industrial Health Association	Target Gender Equity
UN Global Compact	Maekyung Safety & Environment	Responsible Minerals Initiative
BNBP (Biz N Biodiversity Platform)	RE100 (RE(Renewable Energy)100)	AOM (Alliance for Open Media)
HCA (Home Connectivity Alliance)	CSA (Connectivity Standards Alliance)	SBTi (Science-based Target Initiative)
MicroLED Industry Association	IBM Quantum Network	AHRI (Air-Conditioning, Heating & Refrigeration Institute)

Global External Assessments Results

External Assessments	Major Achievements	Assessment Agency
DJSI ¹⁾	Listed on DJSI World for 11 consecutive years	S&P Global Sustainable ¹
	Listed on DJSI Asia Pacific for 13 consecutive years	
	Listed on DJSI Korea for 14 consecutive years	
MSCI ²⁾ ESG Ratings	Grade A	MSCI
CDP Climate	Grade A - in Climate Change 2022 Grade D - in Water Security in 2022	CDP

Awards & Recognition

Date	Awarded Awards & Recognitions	Awarded by
2023.05	2023 Brand Loyalty Awards	Kcforum
2023.04	Red Dot Design Award 2023 (24 models)	Red Dot of Germany
2023.04	iF Design Award Gold Medal	International Forum Design GmbH of Germany
2023.03	"Excellence in Sustainability" Award at the Energy Star Award 2023	U.S. Environmental Protection Agency
2023.03	31st Annual Supplier of the Year Awards	GM (General Motors)
2023.03	Performance Award	AHRI (The Air-Conditioning, Heating, and Refrigeration Institute)
2023.02	BPW Gold Award	BPW Korea
2023.01	VGP (Visual GrandPrix) 2023 Award Gold Medal	Visual Grand Prix
2022.11	CES 2023 Innovation Award (28 models)	Consumer Technology Association
2022.09	Autosens 2022 Silver Award	AutoSens
2022.07	Energy Winner of the Year Award	Consumers Korea
2022.05	"Excellence in Sustainability" Award at the Energy Star Award 2022	U.S. Environmental Protection Agency
2022.04	iF Design award (20 models)	International Forum Design GmbH of Germany
2022.03	Gold Tier at the SMM Award 2021	U.S. Environmental Protection Agency
2022.03	Red Dot Design Award 2022 (25 models)	Red Dot of Germany
2022.01	CES 2022 Innovation Award	Consumer Technology Association

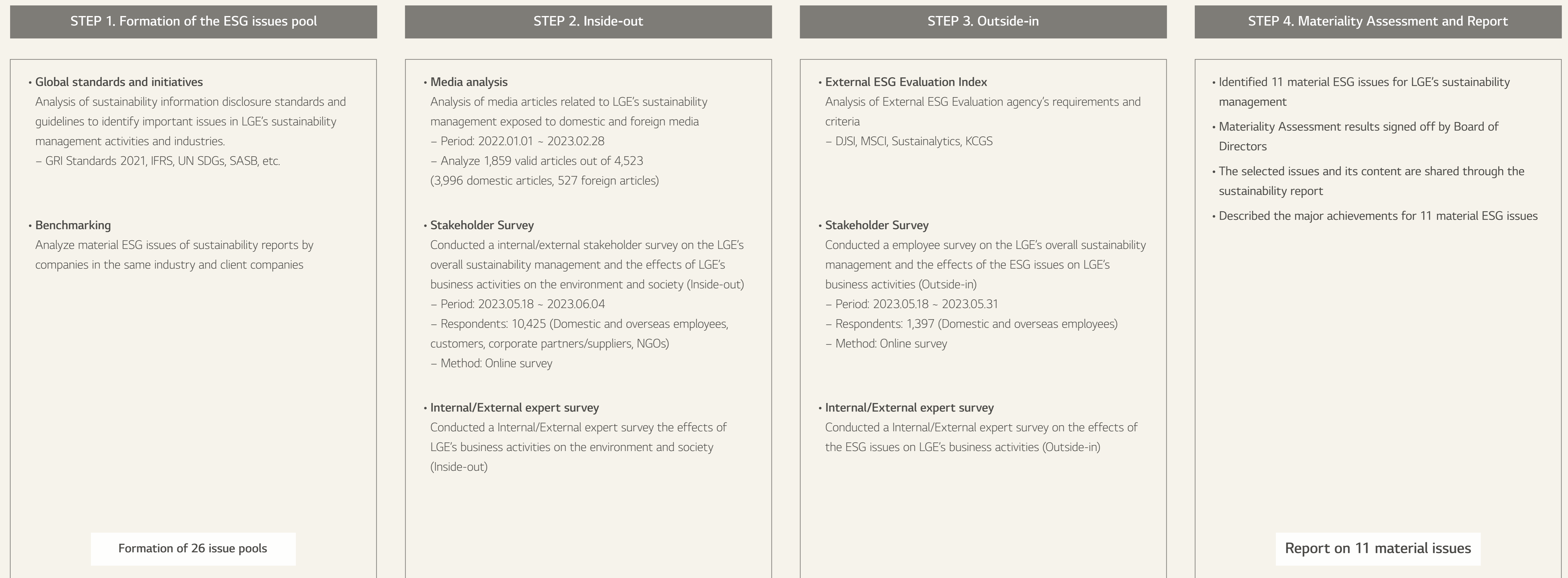
External Assessments	Major Achievements	Assessment Agency
EcoVadis ESG Rating	Gold Grade	EcoVadis
KCGS	Comprehensive Grade A	KCGS
FTSE Russell's ESG Ratings	Listed in FTSE4Good for 9 consecutive years	FTSE Russell

1) DJSI: Dow Jones Sustainability Index

2) MSCI: Morgan Stanley Capital International

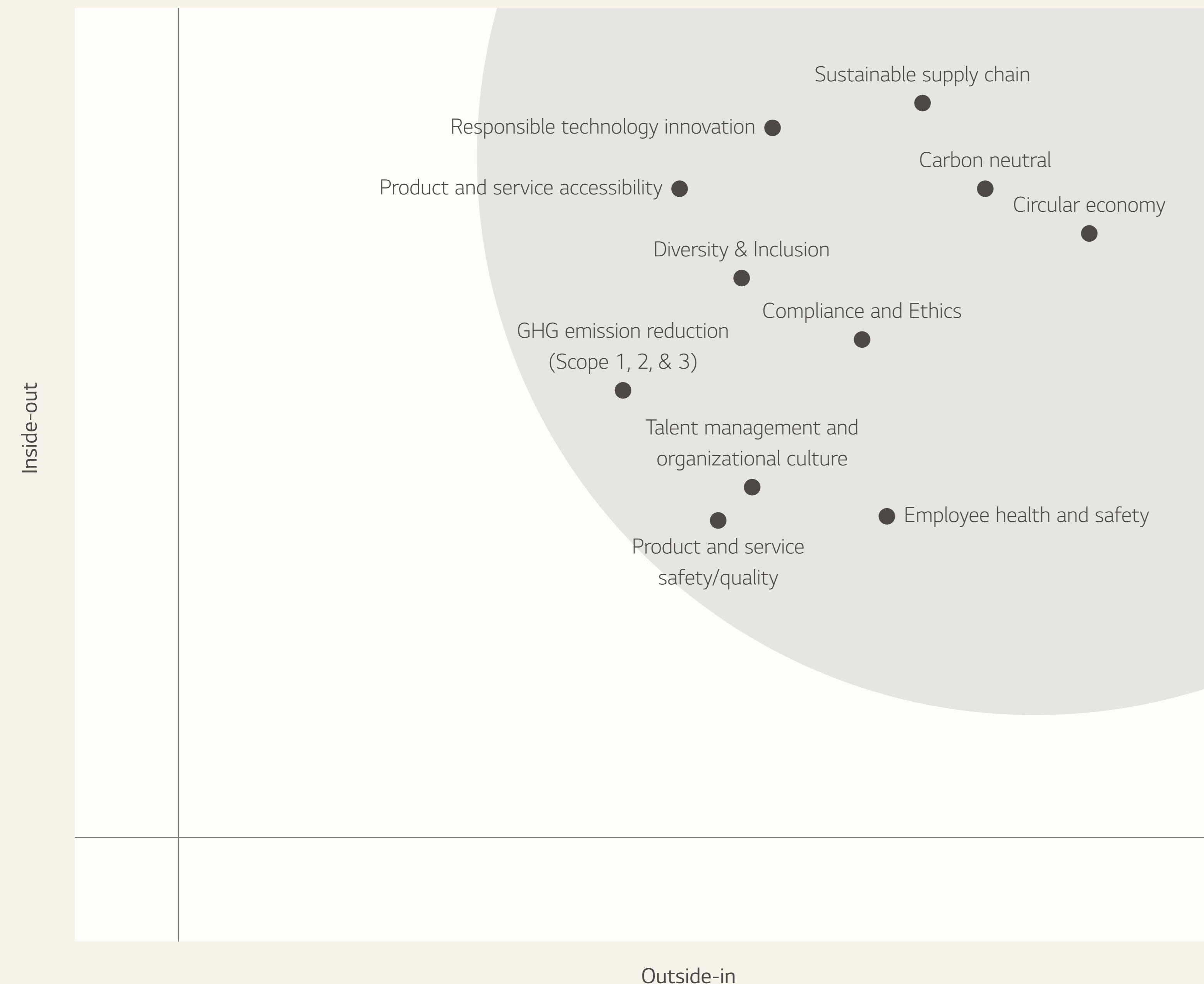
Double Materiality Assessment

LGE conducts a materiality assessment to identify and manage our ESG issues at least annually. For 2022, a materiality assessment conducted is based on the principle of double materiality. In order to form an ESG issues pool appropriately, we analyzed major issues in the business environment and industry, and reviewed sustainability information disclosure standards and guidelines. Based on this, we identified the effects of our business activities on the environment and society (Inside-out) and the effects of the ESG Issues on our business activities (Outside-in) by conducting internal/external stakeholder survey, media research, and ESG expert survey. We also integrated our materiality assessment with the ERM (Enterprise Risk Management) process. Through the ERM process, we identified major risks that could have a significant impact on our business environment, and conducted a materiality assessment in consideration of the financial and non-financial impacts of those risks. In addition, material ESG issues are monitored and managed in connection with those major risks.



Double Materiality Assessment

Based on result of the double materiality assessment, a total of 11 issues were selected as the material issues for LGE's sustainability management in 2022. Activities and achievements related to the 11 selected material issues are faithfully contained throughout the 2022-2023 LGE sustainability report. In addition, among the 11 material issues, we identified the top-3 material issues for external stakeholders (Inside-out) and enterprise value creation (Outside-in)



The Top-3 Material Issues for External Stakeholders

No.	Issues	Value Chain	Impact area	Type	Metric
1	Sustainable supply chain	Supply Chain	External employees	Negative	Ratio of production sites with no critical non-conformance, etc.
2	Responsible technology innovation	Products/Services	Consumers/end-users	Positive/Negative	Carbon emissions during use of 7 major products, etc.
3	Carbon neutral	Operations	Environment	Positive/Negative	GHG emissions, renewable energy ratio, etc.

* Set up and implement KPIs reflecting the contents of the top-3 issues with high environmental and social impact (Inside-out)

The Top-3 Material Issues for Enterprise Value Creation

No.	Issues	Impact	KPI	Achievement (End of 2022)	2030 Target
1	Circular economy	Risk	Increase waste recycling rate at production sites	94.5%	95%
			Expand a cumulative collection amount of e-waste (2006 to 2030)	3.99 million tons	8 millions tons
2	Carbon neutral	Cost/Revenue	Achieve carbon neutral (54.6% reduction in emissions in the production phase)	52% compared to base year (2017)	Carbon neutral
			Complete transition to renewable energy (goal of 100% renewable energy use by 2050)	8.2%	60%
3	Sustainable supply chain	Risk	Acquire/Maintain Health and Safety management system (ISO 45001) certification for production sites	93.3%	100%
			Ratio of Production sites with no critical non-conformance	77%	100%
			Keep the proportion of high risk at 0.5% or lower for suppliers' self assessment factors	0.7%	0.5% or lower

Double Materiality Assessment




Areas	Material ESG issues	Inside-out	Outside-in	GRI Standards 2021	Pages
Economic/ Governance	Responsible technology innovation	● ● ●	● ●	301	14-15
	Compliance and Ethics	● ●	● ●	205 206	37-40, 51
Environmental	GHG emission (Scope 1, 2, and 3)	● ●	● ●	302 305	10, 46
	Carbon neutral	● ●	● ●	302 305	10, 46
	Circular economy	● ●	● ● ●	303 306	11, 47
Social	Diversity and Inclusion	● ●	● ●	405 406	49, 52
	Sustainable supply chain	● ● ●	● ●	408 409 414	20, 48
	Product and service accessibility	● ●	● ●	Non-GRI	25
	Employee health and safety	● ●	● ●	403	22-23, 49
	Product and service safety/quality	● ●	● ●	416	53
	Talent management and organizational culture	● ●	● ●	401 404	26-30, 49-50

* ● ● ● : High, ● ● : Medium, ● : Low

Double Materiality Assessment

Key Management Issues in 2022




Among the core issues identified through the double materiality assessment, LGE selected issues related to ESG strategic tasks as key management issues in 2022. As for the selected issues for priority management, we identified risks and opportunities and formulated LGE’s response strategies, major activities, and mid- to long-term goals to be systematically managed.

Key management issues in 2022	Risks and opportunities	Response strategies	Main activities	KPI	Achievement (As of 2022)	2030 Target	Compensation
Carbon neutral/ GHG emission (Scope 1, 2, and 3) 	<ul style="list-style-type: none"> Growing public demand for reduction in greenhouse gas emissions and energy consumption in the production process due to the international community’s demand for carbon neutrality 	<ul style="list-style-type: none"> Process improvement and energy saving technology Purchase of renewable energy and expansion of solar power installation 	<ul style="list-style-type: none"> Operating high-energy efficiency facilities and carbon emission reduction devices in the production process to reduce greenhouse gas emissions in the product production stage by 50% compared to 2017 Joined the Renewable Energy 100 (RE100) Initiative (June 2023) to cover 100% renewable energy for all domestic and all global business sites by 2050 * Page 10 	Achieving carbon neutrality (54.6% ¹⁾ reduction in emissions in the production phase by 2030 <hr/> Complete transition to renewable energy (goal of 100% renewable energy use by 2050)	52% compared to base year (2017) <hr/> Achieved 8.2%	Carbon Neutrality <hr/> 60%	
Responsible technology innovation 	<ul style="list-style-type: none"> Amid increased customer/consumer interest in eco-friendly products and services, viewed as a long-term opportunity factor for increasing corporate sales 	<ul style="list-style-type: none"> Reduction of carbon carbon emissions during use stage of 7 major product groups by 2030 as a result of improved energy efficiency, and expanding the application of recycled plastics 	<ul style="list-style-type: none"> Analysis and management of environmental impacts throughout the product life cycle using product life cycle evaluation techniques Reduction of carbon emissions and improvement of power consumptions in 7 major product groups which account for about 90% of the carbon emissions generated from the use of LGE products * Page 15 	Reduction of carbon emissions during use of 7 major products ²⁾ product groups (compared to 2020) <hr/> Expanding accumulative use of recycled plastics (2021 to 2030)	13.1% <hr/> 59,000 tons	20% <hr/> 600,000 tons	Set up and operate KPIs reflecting key management issues
Circular economy 	<ul style="list-style-type: none"> Increasing stakeholder demand for environmental, social, and financial risk management through formation of a circular ecosystem 	<ul style="list-style-type: none"> Creation of a zero-waste landfill business site Collection and recycling of used household appliances 	<ul style="list-style-type: none"> Conducting research based on eco-friendly product design with a focus on resource circulation from product planning and recovery of waste home appliance Evaluation of waste companies regularly and check legitimacy at least once a year * Page 13 	Increasing waste recycling rate at production sites <hr/> Expanding accumulative collection amount of e-waste (2006 to 2030)	94.5% <hr/> 3.99 million tons	95% <hr/> 8 million tons	

1) We established a goal of 54.6% in reduction by 2030 and completed verification with Science Based Targets initiative (SBTi)

2) 7 major product categories: TV, Refrigerators, Washing Machines, Dryers, Residential Air Conditioner (RAC), System Air Conditioner (SAC), Monitors

Double Materiality Assessment

Key management issues in 2022	Risks and opportunities	Response strategies	Main activities	KPI	Achievement (As of 2022)	2030 Target	Compensation
Diversity and Inclusion 	• Ramp-up efforts to build an inclusive and sustainable society in order to respond to the rapidly changing external economy and secure business competitiveness centered on the EU social taxonomy	• Expanding female talent recruitment and nurturing female leaders	• Systematizing development programs to strengthen the pipeline for women leaders	Ratio of disabled persons in employment (Korea)	2.4%	3.5%	
		• Providing more opportunities for people with disabilities through the standard workplace for people with disabilities (Hanuri) and the expansion of in-house employment	• Expanding employment opportunities for people with disabilities by diversifying suitable job positions	* Page 38	Ratio of female employees (Korea)	14.3%	20%
Product and service accessibility 		• Equipped with accessibility features and universal design for all product categories	• Launching KakaoTalk chat and sign language consultation service	Incorporate accessibility features and universal design into all product lines (by 2025)	Home appliance products, TV	100%	Set up and operate KPIs reflecting key management issues
		• Application of specialized manuals for people with disabilities	• Application of accessibility improvement function by type of disability concerned	* Page 32-33	Introduction of the manuals for use by people with disabilities for all products	Creating voice, video, and sign language manuals	
Sustainable supply chain 	• Imperative to devise preemptive responses to the risks posed across corporate value chain, amid growing demand from stakeholders for compliance with corporate social responsibility • Imperative to create opportunities for shared growth across corporate value chain through support for enhancing the sustainability of partners/suppliers	• Expanding on-site audits for production sites as well as developing and supporting experts for each sites to meet management standards required by international community	• Strengthening risk inspections in labor/human rights, health/safety, environment and business ethics for suppliers as well as our own production sites (30) according to RBA standards.	Acquire/Maintain Health and Safety management system (ISO 45001) certification for production sites	93.3%	100% ³⁾	
		Strengthening ESG risk management for suppliers	• Monthly monitoring of conflict minerals and cobalt information from suppliers	* Page 24-27	Ratio of Production sites with no critical non-conformance (based on RBA ⁴⁾ audit requirements)	77%	100%
				Keep the proportion of high risk at 0.5% or lower for suppliers' self-assessment factors	0.7%	0.5% or lower	

3) Achieve/maintain 100% by 2025

4) Responsible Business Alliance

Stakeholder Communication

LGE strives to communicate transparently with various stakeholders to enhance ESG management. We share the company's major activities through communication channels including sustainability websites, and listen to stakeholders' opinions through SNS channels, service centers, surveys, and VOCs. LGE will improve the transparency and efficiency of ESG management through continuous communication with stakeholders.

Interests and Participation Channels by Stakeholder

Stakeholder	Interest	Communication Channel
Customer	<ul style="list-style-type: none"> Quality of product and service Environmental impact throughout the product lifecycle Value consumption Transparent communication 	<ul style="list-style-type: none"> Voice of customer SNS channel Product exhibition Website Customer satisfaction survey Service center
Employee	<ul style="list-style-type: none"> Safe and healthy working environment DE&I Healthy organizational culture Employment benefits Education and career development 	<ul style="list-style-type: none"> Conversation with management Internal communication channel Jeong-Do management website Junior board Labor management council
Shareholder/Investor	<ul style="list-style-type: none"> Business performance Risk Management Stock prices and dividends Sustainability agenda 	<ul style="list-style-type: none"> Regular meeting of shareholders Earnings conference call and disclosure Electronic voting system Investors meeting
Supplier	<ul style="list-style-type: none"> Supplier support program Fair contract Prohibition of unfair trade practices Win-win growth activities 	<ul style="list-style-type: none"> Shared growth support fund ESG consulting Supplier education Regular operation of the cooperative association
Government/Institution/Community	<ul style="list-style-type: none"> Social responsibility to the community Minimize environmental impact by reducing GHG emission and expanding renewable energy Community contribution 	<ul style="list-style-type: none"> Social contribution to the community Government meeting NGO meeting

GRI Standards Index

GRI Standard 2021	Note	
	Explanation	LGE reports data from January 1 to December 31, 2022 based on the GRI Standards 2021. For some major activities and achievements, some of the contents before 2022 or the first half of 2023 are included
GRI 1: Foundation 2021	GRI 1	GRI 1: Foundation 2021
	GRI sector standards	Currently unavailable since the standard for the industry to which LGE applies has not been announced

GRI Standard 2021	Title	Page	Note	
General disclosures				
GRI 2: General Disclosures 2021	2-1	Organizational details	6	
	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	-	
	2-5	External assurance	100-101	
	2-6	Activities, value chain and other business relationships	6-7, 20-28	Annual Report
	2-7	Employees	6, 69-71	
	2-8	Workers who are not employees	69	
	2-9	Governance structure and composition	46-49	
	2-10	Nomination and selection of the highest governance body	46	
	2-11	Chair of the highest governance body	46	
	2-12	Role of the highest governance body in overseeing the management of impacts	49	
	2-13	Delegation of responsibility for managing impacts	49	
	2-14	Role of the highest governance body in sustainability reporting	49, 78	
	2-15	Conflicts of interest	46-47	
	2-16	Communication of critical concerns	49	

GRI Standard 2021	Title	Page	Note
General disclosures			
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	46-48
	2-18	Evaluation of the performance of the highest governance body	48
	2-19	Remuneration policies	48
	2-20	Process to determine remuneration	48
	2-21	Annual total compensation ratio	-
	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	20, 24-28, 41, 52, 54
	2-24	Embedding policy commitments	20-28, 38-41, 52-57
	2-25	Processes to remediate negative impacts	-
	2-26	Mechanisms for seeking advice and raising concerns	21, 52
	2-27	Compliance with laws and regulations	52-57, 67, 74-75
	2-28	Membership associations	77
	2-29	Approach to stakeholder engagement	-
	2-30	Collective bargaining agreements	37

GRI Standards Index

GRI Standard 2021	Title	Page	Note
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	78-80
	3-2	List of material topics	79-80
Responsible technology innovation			
GRI3: Material Topics 2021	3-3	Management of material topics	78-83
GRI 301: Materials	301-1	Materials used by weight or volume	-
	301-2	Recycled input materials used	-
	301-3	Reclaimed products and their packaging materials	16-18
			LGE is promoting product development using recycled materials and eco-friendly packaging materials
Compliance and Ethics			
GRI3: Material Topics 2021	3-3	Management of material topics	78-83
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	74
	205-2	Communication and training about anti-corruption policies and procedures	74
	205-3	Confirmed incidents of corruption and actions taken	74
GRI 206: Aati-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	52-57
Carbon neutral/GHG emission reduction (Scope 1, 2, & 3)			
GRI3: Material Topics 2021	3-3	Management of material topics	78-83
GRI 302: Energy	302-1	Energy consumption within the organization	64
	302-2	Energy consumption outside of the organization	64
	302-3	Energy intensity	64
	302-4	Reduction of energy consumption	9-10, 64
	302-5	Reductions in energy requirements of products and services	9-10, 64

GRI Standard 2021	Title	Page	Note	
Carbon neutral/GHG emission reduction (Scope 1&2&3)				
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	65	
	305-2	Energy indirect (Scope 2) GHG emissions	65	
	305-3	Other indirect (Scope 3) GHG emissions	65	
	305-4	GHG emissions intensity	65	
	305-5	Reduction of GHG emissions	9	
	305-6	Emissions of ozone-depleting substances (ODS)	-	N/A
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	65	
Circular economy				
GRI3: Material Topics 2021	3-3	Management of material topics	78-83	
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	11	
	303-2	Management of water discharge-related impacts	11	
	303-3	Water withdrawal	11, 67	
	303-4	Water discharge	11, 67	
	303-5	Water consumption	67	
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	14-15	
	306-2	Management of significant waste-related impacts	14-15	
	306-3	Waste generated	14-15, 66	
	306-4	Waste diverted from disposal	14-15, 66	
	306-5	Waste directed to disposal	14-15, 66	

GRI Standards Index

GRI Standard 2021	Title	Page	Note
Employee health and safety			
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	29-31
	403-2	Hazard identification, risk assessment, and incident investigation	29-31
	403-3	Occupational health services	29-31
	403-4	Worker participation, consultation, and communication on occupational health and safety	29-31
	403-5	Worker training on occupational health and safety	31
	403-6	Promotion of worker health	30
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29-31
	403-8	Workers covered by an occupational health and safety management system	29-31
	403-9	Work-related injuries	68
	403-10	Work-related ill health	68
Diversity and inclusion			
GRI3: Material Topics 2021	3-3	Management of material topics	78-83
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	71
	405-2	Ratio of basic salary and remuneration of women to men	- Annual report
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	75
Sustainable supply chain			
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	26
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	26
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	68
	414-2	Negative social impacts in the supply chain and actions taken	68

GRI Standard 2021	Title	Page	Note
Product and service safety/quality			
GRI 416: Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	75
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	75
Talent management and organizational culture			
GRI 401: Employment	401-1	New employee hires and employee	70
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	37-42
	401-3	Parental leave	71
GRI 404: Training and Education	404-1	Average hours of training per year per employee	72
	404-2	Programs for upgrading employee skills and transition assistance programs	41-42
	404-3	Percentage of employee receiving regular performance and career development reviews	72
GRI 200 Economic Topics			
GRI 201: Economic	201-1	Direct economic value generated and distributed	7, 63
	201-3	Defined benefit plan obligations and other retirement plans	63
	201-4	Financial assistance received from government	63
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	72
	202-2	Proportion of senior management hired from the local community	68
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	63

GRI Standards Index

GRI Standard 2021	Title	Page	Note
GRI 300 Environmental Topics			
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	67	
GRI 400 Social Topics			
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	74	
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	74	
GRI 412: Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	74	
	412-2 Employee training on human rights policies or procedures	74	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	74	
	413-2 Operations with significant actual and potential negative impacts on local communities	74	
GRI 415: Public Policy	415-1 Political contributions	-	
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	-	None incident occurred in 2022 (see Annual report)
	417-3 Incidents of non-compliance concerning marketing communications	-	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	-	Annual report

SASB Index

The SASB (Sustainability Accounting Standards Board) Standard is an industry-specific sustainability accounting standard established by the US Sustainability Accounting Standards Boards in 2011. For the first time in the industry, the standard categorized sustainability information with a high level of financial importance into 77 industries in 11 areas in accordance with the “SICS (Sustainable Industry Classification System)”, taking into account the specificity of each industry. LGE has been actively supporting the implementation of the SASB standards by disclosing, since 2020, sustainability-related information corresponding to the Hardware industry group within the Technology and Communications sector, which has high potential to have a significant financial impact on our business.

Topic	Accounting Metric	Classification	Unit	Code	Cross Reference	Page
Product Security	Approach to identify and address data security risks in products	Discussion & Analysis	N/A	TC-HW230a.1	Privacy Protection and Product Security	58-60
Employee Diversity & Inclusion	Percentage of gender and ratio/ethnicity in (1) executive officers, (2) engineers, and (3) others	Quantitative indicator		TC-HW330a.1	Sustainability Performance Data	69
Product Lifecycle Management	Percentage of the sales of products containing IEC 62474 flammable substances	Quantitative indicator	%	TC-HW410a.1	-	-
	Percentage of the sales of products that meet EPEAT requirements or equivalent	Quantitative indicator		TC-HW410a.2	Improving Energy Efficiency	18
	Percentage of the sales of products that meet ENERGY STAR standards	Quantitative indicator		TC-HW410a.3	-	-
Supply Chain Management	Weight of take back and recyclability of expired products and electronic wastes	Quantitative indicator	Ton, %	TC-HW410a.4	Collecting E-waste	15
	Percentage of 1st-tier supplier facilities audited in (a) all facilities and (b) RBA VAP as high-risk facilities or equivalent	Quantitative indicator		TC-HW430a.1		25-27
	Percentage of 1st-tier supplier's (1) RBA VAP or non-conformity with others companies and (2) (a) priority non conformities and (b) others corrective actions for non-conformities	Quantitative indicator	%	TC-HW430a.2	ESG Risk Management for Supply Chain	25-27
Materials Sourcing	Description of risk management related to the use of important raw materials	Discussion & Analysis	N/A	TC-HW440a.1		25-27

TCFD Report

Climate-related Issues and the Role of the International Community

As the intensity and frequencies of extreme weather events caused by global warming are rising, climate change has begun to be perceived as a major threat to society.

Following the signing of the climate change agreement at the 1992 summit in Rio de Janeiro by various world leaders, the international community has emphasized the importance of the agreement and has continued to have discussions and come to agreements on climate change over the fast few decades. Through the Paris Agreement adopted in December 2015 at the United Nations Climate Change Conference, specific reduction targets were established aimed at maintaining the global average temperature rise to below 2°C, and preferably limiting to 1.5°C, compared to pre-industrial levels.

Climate change issues, to which the world is mobilizing in response, are causing major changes not only extreme weather patterns but also to the overall global economy and social structure, such as energy use in our society, production and transportation methods within industries. To respond to these changes and overcome the climate change crisis, governments around the world are introducing various policies and systems, and accordingly, companies are continuing our efforts to respond to changes in social, economic and trade structure by reducing carbon emissions, using renewable energy, developing and investing in low-carbon green technologies, etc.

Here at LGE, we recognize that climate change is a major issue that, not anyone else, but we must take responsibility for and resolve, thus striving to achieve these goals by establishing specific directions and strategies. Starting in 2021, we have been disclosing climate-related information that aligns with the TCFD* guidelines through our sustainability report to satisfy the demands of the international community, and we plan to continuously supplement this information and disclose the results in a transparent manner.

* TCFD (Task Force on Climate-related Financial Disclosures) The TCFD is a task force established by the Financial Stability Board, as mandated by the G20 finance ministers and central bank governors, for the purpose of requesting voluntary and consistent disclosure of climate-related information. TCFD published their 'Recommendations on Disclosure of Climate-related Financial Impacts' in 2017. These recommendations demand that the risks and opportunities that organizations face in relation to climate change be identified, and that the processes, indicators, and goals for managing these risks and opportunities be disclosed in detail.

TCFD Framework



TCFD Report

1. Governance

LGE operates a for effective company-wide decision-making and management regarding climate change issues. In April 2021, we established an ESG Committee which operates under the BOD to supervise. Since 2021, LGE established on ESG committee which operates under the BOD for effective company-wide decision-making and management regarding climate charge issues. The committee supervise and review overall ESG management activities and strategic directions, including climate change issues.



BOD-level Supervision of Climate-Related Risks and Opportunities

LGE established an ESG Committee under the supervision of the BOD in April 2021. In order to realize long-term and sustainable growth by strengthening ESG management regarding Environmental including climate change, Social and Governance, the ESG Committee is responsible for reviewing and making decisions on the foundational policies, goals and necessary strategies throughout the overall ESG management. The ESG Committee, which consists of four independent directors and one executive director, treats issues related to the environment and energy sector including response to climate change, as one of its key areas.

The Role of Top-Tier Management in Assessing and Managing Climate-Related Risks and Opportunities

LGE's top management recognizes that climate change is an important issue that can affect LGE's overall management, and even the international community. LGE's ESG Committee makes decisions on major issues related to climate change, such as checking the implementation of mid- to long-term GHG reduction targets and making investment decisions for large-scale reduction projects. We reflect the decisions made by the committee into the company policies and enforce them.

TCFD Report

2. Strategy

We plan to disclose its strategy for achieving carbon neutrality by 2030, based on long-term climate change scenarios to stakeholders. Additionally, we aim to conduct a more comprehensive analysis of climate change risks and opportunities and establish a systematic response plan to transparently meet the demand for information disclosure regarding our performance. Therefore, we conducted a review of climate change risks and opportunities through the following analysis.

To evaluate the impact of climate change, LGE has evaluated the financial impact of climate change on the company on five scales: “High, Medium High, Medium, Medium-Low, and Low.” This analysis applied the risk evaluation criteria presented in the CDP¹⁾ evaluation methodology, which is a representative disclosure guideline.

1) CDP (Carbon Disclosure Project): An international non-profit organization that helps companies, cities, states, regions and public authorities disclose their environmental impact.

Classification of Risks	Description	Financial Impact	Classification	Effects on LGE	Response plans
Transition Risk	Regulation	High	Short-term	LGE is a company subject to the Korean greenhouse gas emission trading system, and if it emits more than the greenhouse gas emission allowance granted by the Korean government, it is obligated to purchase greenhouse gas emission permits and comply with the laws. LGE may purchase emission permits due to increased production by growth in home appliances, expansion of automobile parts business, etc. There may be an increase in purchase costs due to rising greenhouse gas emission costs in Korea, and the increase in greenhouse gas emissions debt may have an effect on financial solidity.	LGE analyzes the cost of GHG emission permits related to the increase in GHG emissions from existing and new assets due to climate change. Through the evaluation results, the risk of company-wide policy is reviewed and managed. LGE is investing in technology and facilities to reduce GHG emissions to achieve the greenhouse gas reduction target proposed by the government
	Emerging	Medium	Long-term	Regulations related to climate change in Korea and overseas, such as the carbon border adjustment system and the expansion of climate risk/opportunity disclosure obligations, are showing a continuous growth in trend. Since LGE operates a number of facilities overseas, emerging new regulations in countries abroad can pose great risks to business strategies and operations.	LGE is unlikely to be directly affected by the European CBAM (Carbon Border Adjustment Mechanism) which is scheduled to be implemented in October 2023. However, as the regulations are expected to get stricter such as expansion of applicable industries, the ESG Committee monitors and reviews new policies that may influence business operations.
Transition Risk	Legal	High	Short-term	Legal issues including environmental litigation regarding climate change can seriously affect our reputation and brand image. LGE is obligated to report greenhouse gas emissions and energy use to the Korean government every year.	In order to meet legal requirements, LGE is analyzing/responding to major legal risks related to climate change. LGE has completed the construction of the greenhouse gas inventory at all workplaces in accordance with the Korean government’s legal requirements, and has completed the submission of the greenhouse gas emission statement and third party verification report every year.
	Technology	High	Short-term	As customer demands for energy-efficient, low-carbon, eco-friendly products increase, technologies aimed at meeting these demands are also rapidly evolving. Also, with the government of each country demanding response to high-efficient energy such as strengthening energy-efficient standard levels for home appliances, the company requires to keep focusing on technology development in terms of high energy efficiency technology development as a response.	LGE is managing risks that may arise from the failure of technology transfer or new technology development related to climate change response.

TCFD Report

2. Strategy

Classification of Risks	Description	Financial Impact	Classification	Effects on LGE	Response plans
Transition Risk	Market	High	Long-term	Lately in the market, an increasing number of customers and purchasers have been demanding information on carbon emissions and renewable energy use. Failure to meet these demands is a risk that can lead to a loss of business opportunities. As LGE is expanding its vehicle parts business, automotive buyers are requiring specific goals and implementation of the expansion of carbon neutral and renewable energy use.	To actively reflect the market's response to climate change, LGE conducts risk assessments for each business division, and manages risks at the enterprise level through the ESG Committee. In 2021, LGE has implemented a plan to convert 60% of its global production sites, excluding S. Korea, to renewable energy by 2030 and 100% of its production sites, including S. Korea, to renewable energy by 2050.
	Reputation	High	Long-term	Damage to LGEs' reputation due to climate-related issues would result in us being unable to meet the expectations of investors who perceive climate change response as an important element of consideration when making investments, which may, in turn, adversely affect our ability to raise capital.	LGE actively promotes our climate change response activities and manages the performance thereby managing external reputational risks. In 2019, LGE set a goal of achieving carbon neutrality by 2030 and established a roadmap for implementation. In order to verify the adequacy of LGEs' carbon neutral goals, we have joined the Science-Based Target Initiative in 2021 to complete verification of the target level and and joined RE100 initiative in 2023. LGE manages reputational risks to investors, stakeholders and customers by disclosing progress on the implementation roadmap every year.
Physical Risk	Acute	Medium	Short-term	The frequency and intensity of natural disasters caused by climate change are increasing. In particular, natural disasters such as tropical cyclones can directly damage our production facilities, buildings, and others assets in a short period of time. LGE operates an H&A production plant in Changwon, Korea, an area that is frequently damaged by typhoons and torrential rains in summer. In the short term, serious damage is expected due to typhoons caused by abnormal weather.	In order to respond to these acute physical risks, we regularly conduct risk assessments at our various business sites. Every year, we regularly diagnose the status of preparations for risks such as typhoons and floods, and strive to enhance facility safety by preparing facility investments and emergency response manuals.
	Chronic	Medium	Long-term	Chronic physical risks can lead to increased business operation costs. Due to global warming, flood damage is expected due to sea level rise at regions of the company's business sites, and additional energy is required to maintain a constant temperature within the facilities due to temperature rise. In turn, this may result in additional operating costs and an increase in carbon emissions.	LGE primarily manages long-term physical risks, especially risk factors that cause flooding damage and rising energy costs, at each business division, and the ESG Council carries out discussions at an enterprise-wide level.

TCFD Report

3. Risk Management

LGEs' climate-related risks are identified through top-down and bottom-up approaches under the supervision of the corporate-level Safety & Environment Council and are integrally managed as part of the corporate-level risk management process.

Top-Down Risk Identification and Assessment

LGE's ESG Committee is the highest-level decision-making body for overall ESG issues, such as environment and energy/climate change, across all business units and sites. The committee is attended by the CEO and independent directors and manages LGE's large-scale investment decisions aimed at reducing climate change risks, approving new businesses related to climate change, and approving and managing the performance of LGE's mid- to long-term greenhouse gas reduction strategies, as well as expanding the use of renewable power. The climate change policies and strategies of each business unit and management organization are reflected in the overall company's direction, as determined by this committee.

Bottom-Up Risk Identification and Assessment

The Asset level defines the risks and opportunities that need to be managed on a daily basis, based on the assessment of risks and opportunities, and manages the monthly implementation status in accordance with environmental, safety, and energy/greenhouse gas regulations at the operational level. This management is based on the International Organization for Standardization (ISO) 50001 Energy Management System and is carried out through daily, monthly, and annual plans using the Plan, Do, Check, and Act cycle of ISO 50001. In addition, each independent business unit manages the risks and opportunities that correspond to LGE's specific products and solutions and takes appropriate actions.

A Framework for Integrated Management of Climate Change Risks

The ESG Council holds quarterly discussions on the company-wide and integrated management of climate change risks and opportunities. LGE's approach to integrated management of climate change risks effectively manages risks, as all departments and managers discuss problems, solutions, and new opportunities in a single discussion process to identify new opportunities. The ESG Council, led by the CSO, is attended by decision-makers from all departments related to the issues on the agenda. They share assessments of risks or opportunities for each issue and develop necessary measures. The ESG Council is responsible for delegating financial investments, allocating resources, and establishing detailed strategies to mitigate climate change risks and seize new opportunities. Key issues discussed in the council are reported to the CEO and the ESG Committee to establish future directions and make final decisions.

LGE's Risk Management Process

LGE establishes and implements risk management measures by identifying the impact of major risk factors related to climate change and reflecting the results derived through scenario analysis.

1. Definition of Major Risks

LGE categorizes the risks caused by climate change into business impact and reputation impact based on their social awareness implications. Business impact refers to risks caused by the impact of climate change on projects or production/sales, which pose a financial threat. To address this, we establish and manage preemptive response strategies, such as possible financial losses and casualties. Reputation risk is defined as the risk that results in financial loss due to damage to corporate image and legal sanctions and conflicts related to climate change. LGE, whose main product is consumer goods, considers reputation risk a major impact because legal sanctions or a decline in corporate image due to disputes can lead to stagnant or decreased sales. Physical risk refers to the financial risk caused by direct damage to assets such as facilities and buildings, as well as reduced production/sales due to increased operating costs resulting from the higher frequency and intensity of natural disasters caused by climate change.

2. Impact on LGE by Scenario and Countermeasures

To identify the risks and opportunities of climate change and establish mid- to long-term response plans, LGE has conducted quantitative and qualitative analyses of climate change risks and opportunities using NZE2050 and NCD transition scenarios, as well as RCP 1.9, RCP 2.6 and RCP 8.5 scenarios. Furthermore, we have conducted risk/opportunity analyses and established response plans for each scenario, taking into account LGE's production sites, supply chain (upstream), and end-user stage (downstream), with a short-term (0-3 years), mid-term (3-10 years), and long-term (10-25 years) outlook.

TCFD Report

LGE's Risk Management Process

1) Transition Scenario

NZE 2050 Net Zero by 2050 Scenario

This scenario proposes a path towards achieving carbon neutrality by 2050 to limit the increase in the global average temperature to 1.5°C by 2100, thereby averting global climate change. The NZE 2050 scenario offers a narrow but still achievable path towards this goal. To achieve this goal, the scenario proposes the immediate, large-scale deployment of all available clean and efficient energy technologies in the short term, as well as the transformative changes needed to reduce carbon emissions. Specifically, it proposes a global reduction of carbon dioxide emissions by at least 45% compared to 2010 by 2030. In response, LGE has set a target of reducing GHG emissions by 54.6% by 2030 compared to 2017 to meet the 2030 emission reduction plan based on the NZE 2050 scenario, and has completed verification from SBTi¹⁾. (Source: Net Zero by 2050 - A Roadmap for the Global Energy Sector, 2021)

NDC Scenario

NDC (Nationally Determined Contributions) are national greenhouse gas reduction targets set by participating countries in accordance with the Paris Agreement. Korea, where LGE's headquarters and major production sites are located, has enacted the Framework Act on Carbon Neutral Green Growth with the goal of achieving national carbon neutrality by 2050. As part of this effort, Korea has set a goal of reducing greenhouse gas emissions by 40% by 2030 compared to 2018 (including a 11.4% reduction in the industrial sector) and has voluntarily proposed efforts to reduce emissions, respond to climate change, provide financial resources, develop technology and capacity, and increase transparency. Moreover, LGE considers the regulatory aspects of the governments in each country where it operates as a major scenario consideration. Recently, OECD countries, including Korea, have introduced emission trading systems and carbon taxes, with other major non-OECD countries expected to follow suit. It is also expected that investments in carbon reduction will increase in various fields, such as efficiency improvement, renewable energy, and nuclear power, and that energy sources that can replace fossil fuels will expand. Accordingly, LGE plans to continue investing in R&D and launching new products to ensure an efficient production process and maintain competitiveness in decarbonization and energy efficiency. This will help LGE address the risk of rising raw material prices for its products produced through its global supply chain. (Source: UNFCCC and government websites related to each country's NDC)

2) Physical Scenario

RCP²⁾ 1.9 Scenario

This scenario proposes achieving net-zero by 2050 to curb the global average temperature rise below 1.5°C compared to pre-industrial levels. (IPCC 1.5°C Special Report, 2018)

RCP 2.6 Scenario

This scenario limits the concentration of GHG in the atmosphere to about 420 ppm per CO₂ due to human use of fossil fuels by 2100. The RCP 2.6 scenario proposes that the international community use rapid and differentiated reduction measures by 2030 to curb global average temperature rise below 2°C compared to pre-industrial levels. (IPCC Fifth Assessment report, 2014)

RCP 8.5 Scenario

In this scenario, if current policies and efforts to cope with climate change are insufficient and rapid and ambitious goals and strategies are not pursued, the global average temperature rise is expected to reach 3-7°C by 2100. This could lead to catastrophic disasters caused by global warming. In particular, in the RCP 8.5 scenario, attention is paid to the physical risks caused by global warming. It is expected that significant resources will be required to closely examine the possible damage to global production subsidiaries and supply chains, such as damage to coastal businesses due to sea level rise, depletion of regional water resources, and severe storm and flood damage. It will also be necessary to improve preemptive response capabilities.

LGE is reviewing its business portfolio and considering changes to its business strategy to improve its ability to adapt to environmental changes and ensure the sustainability of its global production bases and supply chain. We are strengthening investments to improve our ability to respond to physical risks following serious natural disasters, and we recognize the need for additional efforts beyond achieving carbon neutrality by 2030 (LGE's goal). Additionally, we are striving to enhance external communication that can contribute to social change, such as policy changes and customer awareness improvement.

1) Science Based Targets initiative

2) Representative Concentration Pathways

TCFD Report

4. Metrics & Targets

GHG Reduction Goals for Implementing Carbon Neutrality

LG Electronics (LGE) has set a target to reduce its greenhouse gas (GHG) emissions by 54.6% by 2030, based on the 1.5°C scenario. The company has completed SBTi verification for its 2021 GHG reduction target to ensure a scientific approach that takes macroeconomic variables into account. To achieve these goals, LGE is regularly monitoring the amount of GHG emissions and will continue to develop and supplement its reduction programs to actualize the achievement of the goals.

1. Scope 1 & 2: Reduce an absolute amount of 54.6% by 2030 compared to 2017 (SBTi verification completed in 2021)

GHG Emissions (Scopes 1, 2)

Classification	Unit	2020	2021	2022
Direct GHG emissions (Scope 1)	Korea	293	173	110
	Overseas	136	160	155
Indirect GHG emissions (Scope 2)	Korea	381	325	224
	Overseas	484	494	438
Total (Scope 1 + Scope 2)		1,294	1,152	927
GHG emissions intensity (Unit: USD)	1,000 tCO ₂ eq/ USD 100 million	2.05	1.54	1.12

* Business Sites Subject to Verification

– Korea: Business sites in South Korea under the operational control of LGE

– Overseas: Overseas production sites of LGE (30)

* Verification Principles and Standards

– Korea: Guidelines for Emission Reporting and Certification of Greenhouse Gas Emission Trading System, Verification Guidelines for Greenhouse Gas Trading System Operation

– Overseas: ISO 14064-3:2006 (Greenhouse Gas – Part 3: Rules and Usage Guidelines for Feasibility Assessment and Verification of Greenhouse Gas Declaration)

* Verification Method

– Korea: LGE GHG Emissions and Energy Consumption Statement, LGE GHG Data Management and Collection, Emission Calculation and Reporting Process

– Overseas: LGE Greenhouse Gas Emission Report, LGE Greenhouse Gas Data Management and Collection, Emission Calculation and Reporting Process

* 2020 indirect GHG emissions (Scope 2) data was re-reported due to change in data calculation standards

2. Scope3: Reduce by 20% per functional unit compared to 2020 usage emissions by 2030 (Usage-Phase emissions verified by SBTi in 2021)

GHG Emissions (Scope 3)

Classification	Unit	2020	2021	2022
Business trip		20,692	11,538	19,746
	Use of sold products	58,069,372	63,154,027	60,980,857
Others indirect GHG emissions (Scope 3)	Purchase	–	9,352,276	TBD (Second half of 2023)
	In-house suppliers (Korea)	5,067	4,827	4,484

* Verification status: Third-party assurance was completed on emissions from business trips by employees, Use of sold Products and Purchase

* 2020 indirect GHG emissions from expended use and indirect 2021 GHG emissions from business trips and expended use data were re-reported due to adjustment in GHG calculation standards and of verification data

TCFD Report

4. Metrics & Targets

Energy Consumption within the Organization

Classification	Unit	2020	2021	2022
Non-renewable sources	LNG (Korea)	879	632	548
	LNG (Overseas)	741	948	845
	Coal (Korea)	0	0	0
	Coal (Overseas)	0	0	0
	Others (Korea)	74	70	67
	Others (Overseas)	588	500	450
Subtotal		2,281	2,150	1,910
Renewable Energy	Solar power	6	19	33
	Wind power	0	0	212
	Biomass	0	0	-
	Others	79	233	115
	Subtotal		85	252
Energy purchased	Electricity (Korea)	2,904	2,508	1,736
	Electricity (Overseas)	2,726	2,942	2,678
	Steam (Korea)	394	397	335
	Steam (Overseas)	3	3	2
Energy intensity (Unit: USD)	TJ/USD 100 million	4.14	3.25	2.71

* Applicable business site

- Korea: Korea business sites under the operational control of LGE

- Overseas: Overseas production sites of LGE (27)

* Energy subject to verification: Energy used at combustion facilities and externally supplied power and heat at business sites

* Calculation of energy consumption: Based on net calorific value, steam includes steam consumption through waste heat recovery in Korea

* Verification status: Third-party assurance was completed on all Korean and overseas production sites

* Modified non-renewable fuel consumption data for 2020 and 2021 due to additional calculation of data for US operations

Goals for 2030 Carbon Neutrality

1. 54.6% absolute reduction of emissions, in comparison to 2017, by 2030

- Continue to invest in reduction facilities in order to reduce emissions Increasing our investment every year since our initial investment in 2015
 - Energy efficiency improvement, replacement of old equipment with low efficiency, etc.

2 Reduction of greenhouse gas emissions through participation in the UN CDM project

- Contribute to the reduction of emissions from the use of our products by expanding the supply of high-efficiency products such as refrigerators and air conditioners to India
- Acquired authentication and certificate in the form of recognition of our reduction performance from the UN

3. Expansion of renewable energy

- Aim to completely switch to renewable energy by 2050
 - 100% conversion into renewable energy for US production/sales subsidiary, logistics, and Brazilian production subsidiary in 2022

Governance Index

Recognizing that the soundness and transparency of corporate governance as an integral part of sustainable growth, corporate value, and protection of stakeholders’ interests, LGE is committed to board-oriented management and creating sound and transparent governance. In 2022, in accordance with Article 24-2 of the Disclosure Regulations on the Securities Market, a corporate governance report was established to help investors understand our governance. In the report, details of LGE corporate governance policies, as well as the rights, roles, and functions of shareholders and board of directors provided while reporting the status of internal and external auditors. LGE corporate governance report is disclosed to all stakeholders through the Financial Supervisory Service Electronic Disclosure System (<http://dart.fss.or.kr/>)

Key Corporate Governance Indicator Compliance

Classification	Key Indicators	Followed		Description	Remarks
		○	×		
Shareholders	1. Shareholders are informed 4 weeks before the general meeting of shareholders*	√		4 weeks (34days) before the meeting in 2023	Items 1-1
	2. Shareholders can vote electronically*	√		As of 2021 General Shareholders’ Meeting	Items 1-2
	3. The general meeting of shareholders is held outside the busy period*	√		Held on March 27, 2023	Items 1-2
	4. Shareholders are notified of the dividend policy and plan at least once a year**	√		Quarterly performance data and dividend policy is posted on the website	Items 1-4
BoD	5. The CEO succession policy (appointment in case of emergency) is established and implemented	√		Succession policy retained; candidates nominated and fostered every year	Items 3-2
	6. Internal control policies are established and implemented	√		Risk management (board rules), compliance management, internal accounting management and disclosure management policy are established and implemented	Items 3-3
	7. The chairman of the board and CEO are separate	√		As of March 2019	Items 4-1
	8. A concentrated voting system is adopted		√ ¹⁾	–	Items 4-3
	9. A policy is established to prevent the appointment of those who can damage corporate value or violate the rights of shareholders	√		The internal appointment rules and review process are available	Items 4-4
Audit Body	10. No external directors serve more than 6 years	√		–	Items 5-1
	11. Internal audit body is trained at least once a year**	√		External expert training is available	Items 9-1
	12. Independent internal audit department (internal audit support organization) is organized	√		Organized independent internal audit department	Items 9-1
	13. There are accounting or financial experts in the internal audit body	√		There is one accounting expert	Items 9-1
	14. The internal audit body holds a meeting with external auditors without the presence of management at least once a quarter**	√		The body discusses and reports to the auditor on a quarterly basis	Items 10-2
	15. The internal audit body can access important business information	√		There is one accounting expert	Items 9-1

* The items are based on the general meeting of shareholders held right before the submission of the report

** The items determine the performance within the disclosure period

1) There is no plan to introduce a concentrated voting system, as there is a risk that management will deteriorate due to private interests, such as the possibility of seizing the board of directors through speculative capital

GHG Emissions Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by LGE Inc. (“LGE”) to verify the LGE’s Greenhouse Gas Inventory Report for the calendar year 2022 (“the report”) based upon a reasonable level of assurance. LGE is responsible for the preparation of the GHG emissions and Energy consumption data on the basis set out within the guidelines on the operation of GHG emission trading scheme (“ETS”) (Notification No. 2022-279 of Ministry of Environment). Our responsibility in performing this work is to the management of LGE 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 verification opinion.

Scope of Assurance

The GHG emissions data covered by our examination comprise Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions) from LGE boundary of the report;

- Organizational boundary for reporting: Domestic business sites of LGE
- Fugitive emissions from refrigerant are excluded

Verification Approach

The verification has been conducted by DNV on February to March 2023 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2022-279, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2021-112, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process;

- We have reviewed and verified the GHG emissions and energy consumption report for the calendar year 2022
- We have reviewed and verified the process to generate, aggregate and report the emissions and energy data

Conclusions


As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions and energy consumption set out in LGE’s report are not fairly stated. The GHG emissions and energy consumption of LGE for the year 2022 were confirmed as below;

Greenhouse Gas Emissions of LGE Domestic business site for Yr 2022

Unit: ton CO₂ equivalent.

LGE	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Domestic (in Korea)	42,686.676	224,496.283	267,175
Incl. Refrigerant	109,942*		334,430

* Fugitive emission (67,255 tCO₂eq) by purchasing of refrigerant is included in Direct emissions.



June 2023 Seoul, Korea
Jang-Sub Lee

Country Manager DNV Business Assurance Korea Ltd

GHG Emissions Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by LGE Inc. (“LGE”) to verify the LGE’s Greenhouse Gas Inventory Report for the calendar year 2022 (“the report”) based upon a limited level of assurance. LGE is responsible for the preparation of the GHG emissions data on the basis set out within the ‘ISO 14064-1:2006 (Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals). Our responsibility in performing this work is to the management of LGE 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 emissions data covered by our examination comprise Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions) from LGE boundary of the report;

- Organizational boundary for reporting: 26 overseas business sites of LGE

Verification Approach

The verification has been conducted by DNV in April of 2022 and performed in accordance with the verification principles and tasks outlined in the ‘the ‘ISO 14064-3:2006 (Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process;

- We have reviewed and verified the LGE’s GHG inventory report (Excel based)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG assertion is not materially correct and is not a fair representation of GHG data and information, and has not been prepared in accordance with a related standard on GHG quantification, monitoring and reporting The GHG Emissions of LGE for the year 2022 were confirmed as below;

Greenhouse Gas Emissions of LGE overseas business sites for Yr 2022

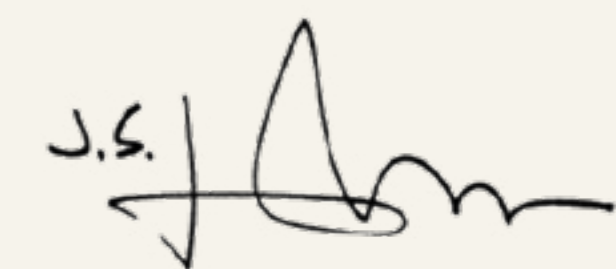
Unit: ton CO₂ equivalent.

LGE	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Overseas business sites	143,489*	437,816	581,305

* Fugitive emission (83,587 tCO₂eq) by purchasing of refrigerant is included in Direct emissions.

※ In order to report the GHG emissions as an integer, the rounded number on the statement might be different with ± 1 tCO₂eq.

※ Total emissions = Direct emissions (Scope 1) + Energy indirect emissions (Scope 2)



28 April 2023
Jang-Sub Lee

Country Manager DNV Business Assurance Korea Ltd

GHG Emissions Verification Statement

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by LGE Inc. (“LGE”) to verify the LGE’s Greenhouse Gas Inventory for the calendar year 2021, based upon a limited level of assurance. LGE is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD’s ‘The Corporate Value Chain (Scope 3) Accounting and Reporting Standard’ and the principles set out in ISO 14064-1:2018. Our responsibility in performing this work is to the management of LGE 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 verification opinion.

Verification Approach

The verification has been conducted by DNV from April to June in 2023 and performed in accordance with the verification principles and tasks outlined in ISO 14064-3:2019. We planned and performed 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, concerning the completeness of the emission inventory as well as the reported emission figures in the unit of ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the Scope 3 Greenhouse Gas Inventory System (Excel based)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Scope of Assurance

The emissions data covered by our examination are for the Other indirect emission (Scope 3 emissions);

- Reporting boundary: Other indirect emissions which are not included in the Direct emissions (Scope 1) and Indirect emissions (Scope 2)
- Reporting category: Category 1: Purchased Goods and Services

Conclusions

Based on the above verification of core elements, it is the DNV’s opinion that nothing comes to our attention to suggest that GHG Emissions are not properly calculated, and a significant uncertainty and error are not included in the other indirect emission of LGE for the year 2021 below.

Other indirect emissions (Scope 3: Category 1) of LGE in Yr. 2021

(Unit: ton CO₂-eq)

Scope 3 Category	GHG emissions
Category 1 Purchased Goods and Services	9,352,276



23rd June 2023
Lee, Jang Sup

Country Manager DNV Business Assurance Korea Ltd

GHG Emissions Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by LGE Inc. (“LGE”) to verify the LGE’s Greenhouse Gas Inventory for the calendar year 2022 based upon a limited level of assurance. LGE is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD’s GHG Protocol:2004, Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the principles set out in ISO 14064-1:2018. Our responsibility in performing this work is to the management of LGE 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 verification opinion.

Scope of Assurance

The emissions data covered by our examination are for the Other indirect emissions (Scope 3 emissions);

- Reporting boundary: LGE’s Other indirect emissions which are not included in the Direct emissions (Scope 1) and Indirect emissions (Scope 2)
- Reporting categories: Category 6: Business Travel

Verification Approach

The verification has been conducted by DNV on June 2023 and performed in accordance with the verification principles and tasks outlined in the ISO 14064-3:2019. We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion, concerning the reported emission figures in ton CO₂ equivalent. As part of the verification process;

- We have reviewed and verified the Scope 3 GHG Inventory Tool (Excel based)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

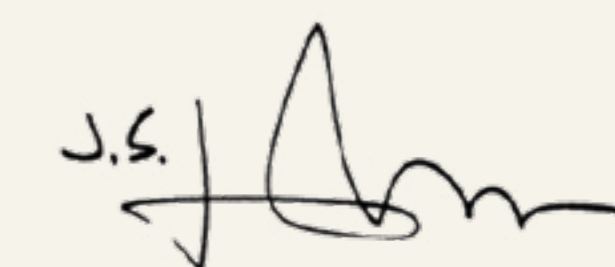
Based on the above verification of core elements, it is the DNV’s opinion that nothing comes to our attention to suggest that GHG Emissions are not properly calculated, and a significant uncertainty and error are not included in the other indirect emission of LGE for the year 2022 below;

Other indirect emissions (Scope 3: Category 6) of LGE in Yr. 2022

Unit: ton CO₂ equivalent.

LGE	Vehicles	Railways	Aviation	Total emissions
Category 6: Business Travel	4,703	611	14,432	19,746

※ In order to report the GHG emissions as an integer, the rounded number on the opinion might be different from the number on the report with ± 1 CO₂eq.



20 June 2023 Seoul, Korea
Jang-Sub Lee

Country Manager DNV Business Assurance Korea Ltd

GHG Emissions Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by LGE Inc. (“LGE”) to verify the LGE’s Greenhouse Gas Inventory for the calendar year 2022, based upon a limited level of assurance. LGE is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD’s ‘The Corporate Value Chain (Scope 3) Accounting and Reporting Standard’ and the principles set out in ISO 14064-1:2018. Our responsibility in performing this work is to the management of LGE 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 emissions data covered by our examination are for the other indirect emissions (Scope 3 emissions) which are not included in the direct emissions (Scope 1) and indirect emissions (Scope 2);

- Reporting category: Downstream scope - Category 11 (Use of sold products; Refrigerator, Washing machine, Dryer, Residential Air Conditioner, Commercial Air Conditioner, TV, Monitor)

Verification Approach

The verification has been conducted by DNV in April 2023 and performed in accordance with the verification principles and tasks outlined in ISO 14064-3:2019. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion, concerning the reported emission figures in ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the Scope 3 Greenhouse Gas Inventory System (Yr. 2022)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the above verification of core elements, it is the DNV’s opinion that nothing comes to our attention to suggest that GHG Emissions are not properly calculated, and a significant uncertainty and error are not included in the other indirect emission of LGE for the year 2022 below.

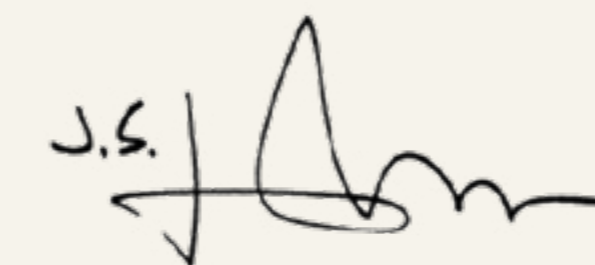
Other indirect emissions (Scope3: Category 11) of LGE in Yr. 2022

(Unit: ton CO₂-eq)

Year	Target Products	Other indirect emission (Scope 3) (Category 11; Use of sold product)
2022	Refrigerator, Washing machine, Dryer, 2022 Residential Air Conditioner, Commercial Air Conditioner, TV, Monitor	60,980,857

※ In order to report the GHG emissions as an integer, the rounded number on the statement might be different from the number on the report with ± 1 t CO₂-eq

※ The details refer to annex 1



18th May 2023

Lee, Jang Sup

Area Manager Korea DNV Business Assurance Korea Ltd

Independent Assurance Statement

To readers of 2022-2023 LG ELECTRONICS Sustainability Report ESG FACT BOOK

Introduction

Korea Management Registrar (KMR) was commissioned by LG ELECTRONICS to conduct an independent assurance of its Sustainability Report ESG FACT BOOK 2022-2023 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of LG ELECTRONICS. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with LG ELECTRONICS and issue an assurance statement.

Scope and Standards

LG ELECTRONICS described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process

- **GRI Sustainability Reporting Standards 2021**
- **Universal standards**
- **Topic specific standards**
 - GRI 205 : Anti-corruption
 - GRI 206 : Anti-competitive Behavior
 - GRI 301 : Materials
 - GRI 302 : Energy
 - GRI 303 : Water and Effluents
 - GRI 305 : Emissions
 - GRI 306 : Waste
 - GRI 401 : Employment
 - GRI 403 : Occupational Health and Safety
 - GRI 404 : Training and Education
 - GRI 405 : Diversity and Equal Opportunity
 - GRI 406 : Non-discrimination
 - GRI 408 : Child Labor
 - GRI 409 : Forced or Compulsory Labor
 - GRI 414 : Supplier Social Assessment
 - GRI 416 : Customer Health and Safety

As for the reporting boundary, the engagement excludes the data and information of LG ELECTRONICS’ partners, suppliers and any third parties.

KMR's Approach

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

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

Limitations and Recommendations

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

Conclusion and Opinion

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

· Inclusivity

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

· Materiality

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

· Responsiveness

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

· Impact

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

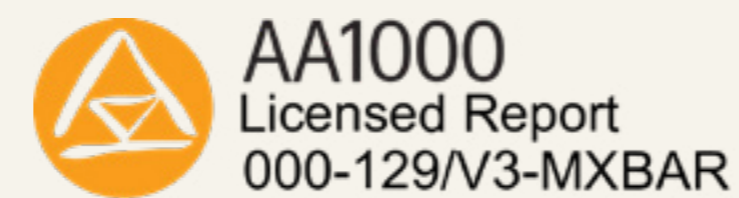
Independent Assurance Statement

Reliability of Specific Sustainability Performance Information

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

Competence and Independence

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



June 2023
Seoul, Korea

CEO

History of sustainability reports publication since 2006



2022-2023
LGE Sustainability Report (July 2023)
ESG STORY BOOK, FACT BOOK

- Disclosure of mid- to long-term ESG 6 Key Initiatives and KPIs
- Apply GRI (Global Reporting Initiative) Standards

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