
RESPONSIBLE BUSINESS SUSTAINABLE FUTURE

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BUSINESS
SUSTAINABLE
FUTURE

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Disclaimer

This report encompasses not only the Company’s current and past activities and performance, aimed at achieving sustainable growth and value creation, but also forward-looking statements regarding future forecasts, outlooks, and estimates.

Expressions such as “outlook,” “anticipate,” “estimate,” “expect,” “plan,” “target,” “scheduled,” and similar terms or phrases found in this report refer to forward-looking information.

These statements are based on reasonable assumptions, projections, and expectations as of the date of publication and are subject to known and unknown material risks and uncertainties. As such, actual outcomes may differ significantly from those anticipated.

The Company does not guarantee the accuracy or completeness of any judgments, estimates, or assumptions used in this report. Furthermore, the Company assumes no obligation to update or revise the forward-looking information should there be changes in the underlying circumstances after the publication of this report. Please note that this report may not, under any circumstances, be used as evidence for determining legal responsibility regarding the results of investor decisions.

General Information

1) Overview	LG Corp. (hereinafter referred to as “the Company”) strives to create a better life for all by securing future competitiveness for a sustainable future through responsible customer value practices in all aspects of its business operations. This report is intended to share the Company’s current sustainability management status and enhance communication with stakeholders in accordance with the requirements of Korean sustainability disclosure standards No. 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and No. 2 “Climate-related Disclosure,” as established and announced by the Korea Sustainability Standards Board (KSSB).
2) Reporting Entity and Scope	This report includes two main subsidiaries (LG CNS and D&O) and three main associates (LG Electronics, LG Chem, and LG Uplus). Where reporting scopes differ due to the unavailability of information or other reasons, explanatory footnotes have been provided accordingly. Due to adjustments in the reporting entities and scope, LG Management Development Institute, LG Sports, and LG Holdings Japan Co., Ltd. were included in the previous year but are excluded from this year’s reporting scope.
3) Reporting Period	The reporting period of this report covers the sustainability-related activities and performance of consolidated entities from January 1, 2024, to December 31, 2024. Some data, where relevant and timely, includes information up to the first half of 2025. This reporting period is aligned with that of the Company’s consolidated financial statements. The reporting cycle is annual, with the report published in the second half of each year.
4) Reporting Standards	This report has been prepared in accordance with Korean sustainability disclosure standards No. 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and Korean sustainability disclosure standards No. 2 “Climate-related Disclosure.” Additionally, this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, which is a globally recognized standard for sustainability reporting.
5) Report Assurance	To ensure the accuracy, objectivity, and reliability of the report development process and the information disclosed herein, the report has been assured by an independent third-party assurance provider in accordance with the international assurance standard ISAE 3000.
6) Reporting Currency	All monetary values in this report are presented in South Korean won (KRW).
7) Comparative Information	In accordance with the requirements of Korean sustainability disclosure standards, the report provides comparative data from the prior year for all quantitative information that could be reasonably obtained.

Judgments, Uncertainties, and Errors

1) Judgments that have Significant Effect on the Information	<p>A. Identification of Sustainability-related Risks and Opportunities</p> <p>The Company analyzed the financial effects of sustainability-related factors on itself and five main subsidiaries and associates (LG CNS, D&O, LG Electronics, LG Chem, LG Uplus) to identify sustainability-related risks and opportunities that are expected to influence its business outlook. As of the end of the reporting period, the Company reasonably identified sustainability-related issues that are expected to affect its business outlook over the short, medium, and long term. Based on the identification of these issues and the analysis of related financial information, the Company has determined that the three topics of “Climate Change,” “Compliance Management,” and “Health and Safety” are of high materiality and has selected these as key reporting topics.</p> <p>B. Identification of Material Information</p> <p>The Company identified material information by considering the magnitude, scope, and likelihood of potential impacts on its business outlook across short, medium, and long-term horizons. In accordance with Korean sustainability disclosure standards, the Company has distinguished between material and immaterial information and excluded immaterial information from disclosure.</p> <p>C. Reassessment of the Scope of Sustainability-related Risks and Opportunities throughout the Value Chain</p> <p>In the event of significant incidents or changes in circumstances, the Company will reassess the sustainability-related risks and opportunities that may affect its entire value chain. Such significant changes may arise even if the Company is not directly involved and may also result from a reassessment of materiality for users of financial reports for general purposes. Examples of such changes include shifts in the value chain, or changes in the business model, activities, or structure of consolidated entities.</p>
2) Measurement Uncertainty	<p>A. Anticipated Effects of Sustainability-related Risks and Opportunities on Financial Information Over Different Time Horizons</p> <p>This report includes both quantitative and qualitative information on the expected effects of the Company’s sustainability-related risks and opportunities on its financial position, financial performance, and cash flows over the short, medium, and long term. These disclosures are based on information reasonably available as of the reporting date. However, as the measurement process involves assumptions about future events, there is significant uncertainty in these estimates.</p> <p>B. Scope 1 and 2 Greenhouse Gas Emissions of Subsidiaries and Associates</p> <p>The “Climate Change” section of this report includes Scope 1 and 2 greenhouse gas emissions data for two main subsidiaries (LG CNS and D&O) and three main associates (LG Electronics, LG Chem, and LG Uplus). LG CNS, LG Electronics, LG Chem, and LG Uplus are designated entities under Korea’s national emissions trading scheme and annually calculate and undergo third-party verification of their Scope 1 and 2 emissions. D&O’s Konjiam Resort and Golf Club is designated under Korea’s Greenhouse Gas & Energy Target Management Scheme, and its emissions are also calculated and verified accordingly. For 12 sites operated by D&O, including the Gangseo office building, estimates have been used for certain data points such as fuel consumption and waste emissions, where exact measurements are difficult to obtain.</p>

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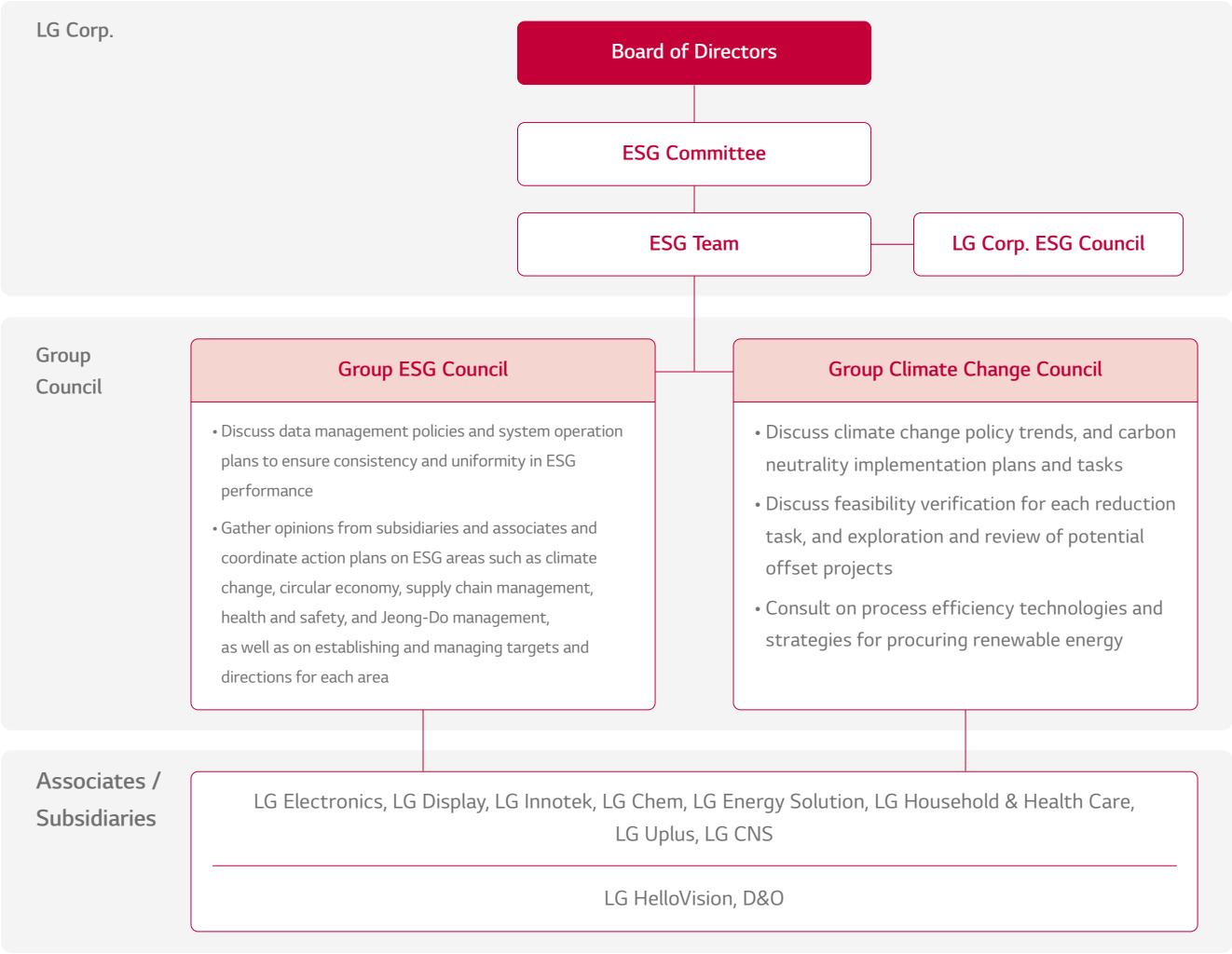
Governance

1. Decision making Body Responsible for Oversight of Climate Risks and Opportunities

① Roles and Authority

The ESG Committee under Board of Directors (the “Board”) is the highest governance body that deliberates, resolves, and oversees medium- to long-term strategies, targets and plans, risks and opportunities, response measures, and progress related to sustainability, including climate change. The ESG Committee, through the ESG team, establishes and updates sustainability management targets and strategies, manages progress against targets, and addresses risks related to climate change. In addition, the ESG Committee deliberates and advances sustainability-related policies and agenda items requiring management through the Group ESG Council, and reviews and implements matters related to climate change policies and management, including carbon and renewable energy, through the Group Climate Change Council. As of the reporting period, the Group ESG Council includes relevant departments from a total of eight affiliates, while the Group Climate Change Council additionally includes relevant departments from LG HelloVision and D&O, bringing the total number of participating affiliates to ten.

*ESG Committee Organizational Chart



The roles and authority of the ESG Committee are defined in the Company’s “ESG Committee Regulations” and “ESG Information Management and Disclosure Regulations.”

Category	Roles and Authority
ESG Committee Regulations	Article 3 (Authority) ① The Committee shall resolve matters listed in Article 10 to fulfill the Company’s responsibilities and roles concerning the environment and society, establish a foundation for transparent governance and compliance management, and achieve long-term sustainable growth. ② The Committee may report to the Board of Directors if deemed necessary regarding matters resolved or reported.
	Article 10 (Items Placed for Consideration) ① The following items shall be placed before the Committee for consideration: 1. Establishing of basic policies and strategies for ESG management, etc. 2. Setting medium- to long-term ESG targets 3. Establishing basic policies for compliance management 4. Other matters either delegated by the Board of Directors or deemed necessary by the Committee ② The following items shall be reported to the Committee: 1. Plans and progress relating to ESG management activities 2. Matters concerning the occurrence and response to ESG-related risks 3. Material matters concerning internal control, including the management of Core Compliance Risk, etc. 4. Other matters deemed necessary by the Committee
	Article 12 (Support Department) ① The Committee may establish a support department to assist with its administrative affairs and support its operations. ② The support department performs the following functions: 1. Assisting in the establishment of key ESG medium- to long-term targets and management metrics 2. Supporting the evaluation of ESG activities and performance management 3. Handling external communications related to ESG 4. Notifying committee meetings, preparing and distributing agenda items, preparing meeting minutes, and following up on agenda items, etc. 5. Providing practical support for the overall Committee’s administrative affairs
ESG Information Management and Disclosure Regulations	Article 4 (ESG Committee) 1. The ESG Committee shall oversee matters relating to the disclosure of ESG information, such as ESG disclosure plans and the identification of ESG-related risks, etc. 2. The ESG Committee shall review, on a regular and ad hoc basis, matters concerning the operation of internal control over ESG and improvement plans, as well as the occurrence of ESG-related material risks.

Governance

② Competency Assessment and Development

The ESG Committee is composed of four outside directors and one executive director*. In accordance with the Guidelines for Board Expertise and Diversity the Company appoints directors who possess expertise in sustainability issues, including climate change. Based on these guidelines, Director Soo Young Lee, who has expertise in environmental and corporate management, has been appointed as the chair of the ESG Committee to oversee overall sustainability issues, including climate change. To enhance the competencies of the ESG Committee, the Company provides the following training programs:

Training Date	Training Organizer	Attending Outside Directors	Key Training Topics
2024. 02.05	Board Secretariat	Jong Soo Han, Sung Wook Cho, Soo Young Lee, Jong Su Park	Business Performance Workshop
2024. 04.18	Board Secretariat	Jong Soo Han, Sung Wook Cho, Soo Young Lee, Jong Su Park	Business Environment Workshop
2024. 10.08	ESG Committee Secretariat	Jong Soo Han, Sung Wook Cho, Soo Young Lee, Jong Su Park	Global Policy Trends and Corporate Response to the Implementation of the EU Corporate Sustainability Due Diligence Directive
2024. 12.12	Board Secretariat	Jong Soo Han, Sung Wook Cho, Soo Young Lee, Jong Su Park	Group Strategy Workshop

* As of the end of December 2024

③ Reporting Methods and Frequency to Decision making Body

The Company holds the ESG Committee semiannually, but additional meetings may be convened as needed. The ESG Committee receives reports from the ESG Team on climate change-related risks and opportunities and reports the outcomes of the ESG Committee meetings, including deliberations and resolutions, to the Board at the subsequent meeting. The ESG Secretariat supports the ESG Committee members by providing advanced briefings and relevant materials on sustainability-related agenda items to enhance their understanding and ensure effective performance of their roles.

Category	Board of Directors	ESG Committee
Reporting Entity	ESG Committee	ESG Team
Reporting Frequency and Period	• At least once every quarter (additional meetings as needed)	• At least once every half year (additional meetings as needed)
Reporting Content	• Results of deliberations and resolutions on sustainability-related agenda items, including climate change-related risks and opportunities	• Sustainability-related agenda items, including climate change-related risks and opportunities

④ Consideration of Climate Risks and Opportunities in Key Decisions and Oversight

The Company's ESG Committee establishes ESG management policies and strategies, and sets medium- to long-term targets by considering climate change-related risks and opportunities. The Committee also reports agenda items reflecting climate change-related perspectives to the Board. For details on the climate change agenda items reported to the Board by the ESG Committee, refer to "2. Board Operations." in IV. Appendix.

The Company has established investment review criteria and procedures for seven sustainability areas, including carbon and energy, resource circulation, health and safety, and ethics/compliance. These criteria are designed to comprehensively consider costs, economic feasibility, production impacts, regulatory risks, and reputational risks. Depending on the investment type and stage of review, the scope of discussion and coordination of assessment results is adjusted so that sustainability risks are appropriately reflected in investment decision-making processes.

⑤ Management and Oversight of Target-Setting and Progress

The Group Climate Change Council inspects the Company's carbon neutrality implementation targets and plans and regularly reports the results to the ESG Committee. In addition, the Group Climate Change Council monitors the progress of monthly targets for key metrics, including greenhouse gas emissions and renewable energy transition, and reports to the management.

2. Roles of Management in Overseeing Climate Risks and Opportunities

① Roles Delegated to Management and Oversight

The Company assigns roles and responsibilities for responding to climate-related risks and opportunities to the Board, the ESG Committee, the management, and working-level teams. To manage and oversee climate-related risks and opportunities, management receives regular reports from the ESG Team on climate tasks and implementation status. Key climate change-related agenda items are reported to the Board through the ESG Committee.

② Controls and Procedures

The Company has established the ESG Information Management and Disclosure Regulations, which define departmental responsibilities for managing and disclosing ESG information, including climate change, as well as internal control processes for managing such information. In accordance with these regulations, the ESG Team selects material ESG information, including climate change-related items, and identifies and assesses related risks and opportunities. The management reviews and oversees the ESG disclosure implementation plan and the monitoring and adequacy of ESG internal control system operation.

Strategy

1. Climate-related Risks and Opportunities

① Identification of Risks and Opportunities	The Company regularly identifies transition risks, physical risks, and opportunities that may arise from climate change based on the recommendations of the TCFD ¹⁾ and IFRS S2 ²⁾ . Transition risks include increased costs due to changes in policies, laws, and markets, as well as the burden of shifting business models. Physical risks include potential production disruptions and asset damage caused by acute and chronic natural disasters. The Company also identifies strategic opportunities arising from climate response efforts, such as innovation in eco-friendly technologies, market expansion, and green financing. Due to the nature of the “climate change” issue, the scope of reporting includes LG Corp. and main subsidiaries designated as national greenhouse gas management entities (LG CNS, D&O), as well as main associates (LG Electronics, LG Chem, LG Uplus). The following key risks and opportunities have been identified as potentially affecting this reporting scope:				
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Category	Description	Scope of Inclusion			Time Horizon
		LG Corp.	Subsidiaries	Associates	
Transition Risk	Policy		●	●	Short-term
	Law	●	●	●	Short-term
	Technology			●	Long-term
	Market	●	●	●	Short-term
Physical Risk	Acute			●	Long-term
	Chronic	●	●	●	Long-term
Opportunity	Market			●	Medium-term

1) Task Force on Climate-related Financial Disclosures
2) International Financial Reporting Standards Sustainability 2

② Time Horizon of Effects	The Company defines the time horizon in which the effects of climate-related risks and opportunities are expected to occur as follows, aligned with the Company's business planning horizon:				
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Time Range	Definition	Relevant Periods as of Current Period
Short-term	Within 1 year	Up to 2025
Medium-term	More than 1 year, up to 5 years	2026–2029
Long-term	Over 5 years	From 2030

2. Business Model and Value Chain

① Current and Anticipated Effects	The Company has identified “transition risks,” “physical risks,” and “opportunities” related to climate. The current and anticipated effects of each of these risks and opportunities on the Company's business model and value chain are as follows:				
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Transition Risk		
Category	Effects	Details
Policy	Current	Increase in carbon credit purchase costs due to rising demand and market prices
	Anticipated	Increase in production costs from investment in low-carbon facilities and transition of operations due to strengthened domestic and international carbon regulations
Law	Current	Regulatory compliance costs from participation in Korea's Emissions Trading Scheme (K-ETS) and the Greenhouse Gas/Energy Target Management Scheme ^{1) 2)}
	Anticipated	Increased legal risk management costs associated with the growing demand for credible sustainability disclosures
Technology	Current	Increased costs for process improvements, technology development, and facility investments due to expanded low-carbon product manufacturing
	Anticipated	Increase in production costs for manufacturing products with enhanced carbon-reduction performance and in operating costs for high-efficiency facilities
Market	Current	Increased facility operating costs due to higher industrial electricity rates
	Anticipated	Increase in manufacturing and operation costs due to energy and raw material supply instability and stricter product carbon regulations

1) Companies designated under K-ETS: LG Electronics, LG Chem, LG Uplus, LG CNS
2) Companies designated under the Greenhouse Gas/Energy Target Management Scheme: D&O

Physical Risk		
Category	Effects	Details
Acute	Current	Recovery costs due to flood damage to products and facility structures from typhoons
	Anticipated	Damage to assets and increased recovery costs due to natural disasters, and revenue loss from disruption of logistics systems
Chronic	Current	Cost of building and operating adaptive measures at some associates to address chronic physical risks
	Anticipated	Damage from flooding of facilities due to rising sea levels and increased operating costs due to higher average temperatures

Opportunity		
Category	Effects	Details
Market	Current	No current impact, as new market opportunities are being explored to meet rising demand for low-carbon products
	Anticipated	Increased revenue and operating profit from low-carbon products due to diversification of portfolio aligned with the K-Taxonomy ¹⁾

1) A green economic activity standard developed by the Ministry of Environment to guide investment toward domestic green technologies and projects and prevent greenwashing

Strategy

② Concentrated Effects

To understand the concentrated effects of identified climate-related risks and opportunities, the Company conducts regular analyses using climate scenarios provided by the IPCC, the S&P Climanomics methodology, and the K-Taxonomy.

Using data from the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS), the Company analyzed transition risks and found that concentrated effects could potentially occur where the core operations of main associates (LG Electronics, LG Chem, and LG Uplus) are located in carbon-regulated regions such as South Korea and Poland. However, it was confirmed that potential additional costs related to rising electricity prices and the transition to renewable energy would not have a material effect on the business activities of the Company, its main subsidiaries (LG CNS, D&O), or its associates.

Physical risk analysis using S&P Climanomics indicated no significant natural disaster effects on the Company and its main subsidiaries and associates. However, intensified chronic hazards such as abnormal temperature rises could result in some direct and indirect effects, including increased operating costs and reduced productivity in core business sites. No other significant effects were identified related to asset types or geographic characteristics of asset locations.

To assess the effect of climate-related opportunities, the Company applied the K-Taxonomy to review the revenue and investment status related to low-carbon products and services of main subsidiaries (LG CNS) and associates (LG Electronics, LG Chem, LG Uplus). The assessment revealed that core material production for secondary batteries and electric vehicle component manufacturing represent the largest portion of revenue from green economic activities, confirming these as key opportunity factors. Related capital expenditures were also found to be high, indicating that substantial future investments are expected in these activities.

3. Strategy and Decision-Making

① Response and Plans

As of the reporting date, the Company’s main subsidiaries and associates are actively engaged in mitigating and adapting to climate change risks through initiatives such as transitioning to low-carbon fuels and raw materials, improving process efficiency, utilizing renewable energy, and implementing disaster prevention measures. None of the main subsidiaries or associates is currently undergoing, or is expected to undergo, a business model transformation specifically to respond to climate-related risks or leverage related opportunities.

② Mitigation and Adaptation Efforts

The following table outlines the ongoing efforts by the Company’s main subsidiaries and associates to directly and indirectly mitigate and adapt to climate-related risks:

Direct Mitigation and Adaptation Efforts

Category	Type	Details	Notes
Transition Risk	Transition to low-carbon fuel	Development of by-product hydrogen	• Reducing fossil fuel use in NCC plants by utilizing by-product hydrogen generated in production processes. • Expanding the share of clean fuels in NCC operations through the construction of a hydrogen plant scheduled to begin operations in 2025. LG Chem
		Transition to biofuel	• Constructing a biomass power plant scheduled to begin operations in the first half of 2027 that uses waste wood to generate industrial steam and electricity. LG Chem
	Transition to low-carbon raw material	Transition to recycled raw material	• Diversifying plastic recycling technologies to secure recycled raw materials. LG Chem
		Transition to bio-based raw material	• Extracting bio-based raw materials from renewable sources and expanding product portfolios using such materials. • Securing bio-based raw materials through partnerships with raw material suppliers. LG Chem
	Process efficiency	Replacement with high-efficiency equipment	• Replacing aged equipment such as air conditioners and communication devices with high-efficiency equipment. • Replacing fluorescent lights with high-efficiency LED lighting. LG Uplus LG CNS
		Technology transition	• Reducing electricity consumption by upgrading network infrastructure from “Hybrid Fiber Coax” to “Fiber to the Home.” LG Uplus
	Utilization of renewable energy	Introduction of renewable energy	• Introducing and expanding renewable energy facilities such as solar power, wind power, and geothermal heat pumps to secure renewable energy. LG Electronics LG Chem LG Uplus LG CNS
Physical Risk	Disaster prevention measures	Establishment of disaster recovery systems	• Minimizing service interruption during disasters through redundancy and diversification of key communication centers, base stations, and connection routes. • Ensuring emergency service in remote islands by checking fuel supply for backup generators and establishing disaster roaming systems. LG Uplus
		Strengthening disaster response capabilities	• Preventing or minimizing equipment flooding through the installation of water barriers and stands. • Establishing emergency communication systems and maintaining communication quality, possessing equipment for disaster response, and conducting disaster response drills. LG Uplus
Opportunity	Market entry into low-carbon products	EV charging station platform business	• Operating EV charging station platform services based on existing communication infrastructure. LG Uplus

Strategy

Indirect Mitigation and Adaptation Efforts

One of the Company’s main associates, LG Chem, is promoting supply chain collaboration activities to mitigate climate change risks. LG Chem conducts LCA for all domestically and internationally produced products and is working to establish a decarbonized supply chain from suppliers to customers. It also supports carbon reduction efforts of small and medium-sized suppliers by leveraging mutual growth funds and linking them with government-supported programs. In the cases of LG Electronics and LG Uplus, under their eco-friendly procurement policies and strategies, they are supporting suppliers through carbon reduction consulting and inventory development, while also contributing to climate change mitigation efforts by covering the costs of related training and eco-certifications.

③ Transition Plan and Plans to Achieve Targets

Transition Plan

In 2022, LG Group established a comprehensive carbon neutrality roadmap targeting Scope 1 and 2 emissions of seven main associates¹⁾, including LG Electronics, LG Chem, and LG Uplus, to achieve carbon neutrality by 2050. This roadmap is based on greenhouse gas emission regulations and electricity price forecasts derived from International Energy Agency (IEA) and Network for Greening the Financial System (NGFS) scenarios. It also assumes key conditions such as the commercialization of future innovative technologies, including CCUS and green/blue hydrogen, and the stable procurement of renewable energy. According to the roadmap, LG Group plans to reduce greenhouse gas emissions by 34% by 2030, 52% by 2040, compared to the base year 2018, and to achieve net-zero emissions by 2050. To this end, the share of renewable energy is targeted to reach 76% by 2030, 89% by 2040, and 100% by 2050.

1) LG Electronics, LG Display, LG Innotek, LG Chem, LG Energy Solution, LG Household & Health Care, LG Uplus

Plans to Achieve Targets

To achieve carbon neutrality by 2050, LG Group is promoting greenhouse gas reductions through the elimination of process gases, process efficiency improvements, fuel and raw material conversion to hydrogen and bio-based sources, and electrification. For residual emissions that are technically difficult to reduce, external carbon offset credits will be used on a limited basis. The Company continuously reviews and updates the integrated roadmap, considering changes in market environments, business plans by affiliate, and the speed of implementing reduction measures. Considering the varying pace and regulatory intensity of carbon neutrality policies across countries and regions, the Company plans to establish customized regional management strategies based on a comprehensive analysis of financial effects, ensuring a cost-effective and strategic implementation of carbon neutrality.

④ Resource Procurement and Utilization Plans for Executing the Strategy

As of June 2024, LG Electronics, one of the Company’s main associates, is preparing to issue global green bonds.

⑤ Progress Against Plans the Entity Has Disclosed in the Previous Reporting Periods

For detailed information on the Company’s carbon neutrality targets and achievement status, refer to “Metrics and Targets” under “I. Climate Change” of this report.

⑥ Trade-offs Between Climate Risks and Opportunities

No trade-offs between climate-related risks and opportunities have been identified.

4. Financial Effects of Climate-related Risks and Opportunities

① Financial Effects Within the Reporting Period

The Company has identified that activities being undertaken by main subsidiaries and associates to mitigate and adapt to climate change risks may have financial effects on climate-related risks and opportunities.

Considering the uncertainty in measuring quantitative information, the financial effects of each activity by the Company are presented below based on qualitative information.

Category	Type	Financial Effect Pathway		Notes
Transition Risk	Transition to low-carbon fuel	Development of by-product hydrogen	• Increase in operating expenses and operating cash outflows due to the use of by-product hydrogen in NCC processes. • Increase in property, plant, and equipment (PPE) and investment cash outflows due to investment in a hydrogen plant.	LG Chem
		Transition to biofuel	• Increase in PPE and investment cash outflows due to investment in a biomass power plant.	LG Chem
	Transition to low-carbon raw material	Transition to recycled raw material	• Increase in operating expenses and operating cash outflows due to the development of plastic recycling technologies to secure recycled raw materials.	LG Chem
		Transition to bio-based raw material	• Increase in operating expenses and operating cash outflows due to product development based on bio-based raw materials and procurement costs of bio-based raw materials.	LG Chem
	Process efficiency	Replacement with high-efficiency equipment	• Increase in PPE and investment cash outflows due to investment for transition to high-efficiency equipment.	LG Uplus LG CNS
		Technology transition	• Increase in PPE and investment cash outflows due to equipment investment for transition to high-efficiency communication networks.	LG Uplus
	Utilization of renewable energy	Introduction of renewable energy	• Increase in PPE and investment cash outflows due to investment in facilities for the use of renewable energy.	LG Electronics LG Chem LG Uplus LG CNS
Physical Risk	Disaster prevention measures	Establishment of disaster recovery systems	• Increase in PPE and investment cash outflows due to infrastructure investment aimed at speeding up recovery and normalization of operations after a disaster.	LG Uplus
		Strengthening disaster response capabilities	• Increase in PPE and investment cash outflows due to infrastructure investment to strengthen disaster response capabilities.	LG Uplus
Opportunity	Market entry into low-carbon products	EV charging station platform business	• Increase in operating revenue and operating cash inflows due to the expansion of the EV charging platform business in response to growing EV demand.	LG Uplus

② Climate-related Risks and Opportunities that May Cause Material Adjustments in the Next Annual Reporting Period

No significant climate-related risks and opportunities have been identified that are likely to cause material adjustments to the carrying amounts of assets and liabilities in the financial statements for the next annual reporting period.

Strategy

③ Investment and Disposal
Plans for Strategy Execution

One of the Company’s main associates, LG Chem, is undertaking investments to achieve its transition targets, including the construction of a by-product hydrogen plant and a biomass power plant as part of its transition to low-carbon and process fuels, and it plans to continue investing in R&D for innovative technologies. LG Uplus is making capital investments related to communication network technology transitions, and LG Electronics is expanding its investments in renewable energy utilization, such as the installation of solar energy equipment. For detailed information on the innovative technology investments by main associates, including low-carbon products, refer to the “K-Taxonomy Performance Results of Key Affiliates” table in the “④ Results and Implications of Resilience Assessment” under “5. Climate Resilience.”

④ Financial Effects by Time
Horizon due to the Execution
of the Strategy

The Company expects the financial effects of implementing its strategy to address climate-related risks and opportunities to occur across short-, medium-, and long-term time horizons. Through the medium term, investment cash outflows are expected to increase due to spending on plant and power facility construction and equipment purchases, as well as operating expenses and cash outflows related to the development of technologies and equipment for carbon reduction. From the medium term onward, an increase in operating cash inflows is anticipated as a result of reduced greenhouse gas emissions and energy cost savings.

Category	Type		Short-term	Medium-term	Long-term	Notes
Transition Risk	Transition to low-carbon fuel	By-product hydrogen/ Biofuel	• Construction of low-carbon power plants and infrastructure → Increase in investment cash outflows	• Reduction of energy use and greenhouse gas emissions by operating power plant and infrastructure → Increase in operating cash inflows	• Reduction of energy use and greenhouse gas emissions by operating power plant and infrastructure → Increase in operating cash inflows	LG Chem
	Transition to low-carbon raw material	Recycled raw materials/ Bio-based raw materials	• R&D costs for transition to low-carbon raw materials → Increase in operating cash outflows	• Reduction of greenhouse gas emissions and energy use by applying developed technologies → Increase in operating cash inflows	• Reduction of greenhouse gas emissions and energy use by applying developed technologies → Increase in operating cash inflows	LG Chem
	Improvement in process efficiency	Replacement with high-efficiency equipment/ Technology transition	• Investment for transition to high-efficiency facilities and technologies → Increase in investment cash outflows	• Reduction of energy use and greenhouse gas emissions by adopting high-efficiency equipment and technology → Increase in operating cash inflows • Expansion of investment in equipment and technology → Increase in investment cash outflows	• Reduction of energy use and greenhouse gas emissions by adopting high-efficiency equipment and technology → Increase in operating cash inflows • Expansion of investment in equipment and technology → Increase in investment cash outflows	LG Chem LG Uplus LG CNS
	Utilization of renewable energy	Introduction of renewable energy	• Investment in facilities to introduce renewable energy → Increase in investment cash outflows	• Reduction of energy use and greenhouse gas emissions by operating renewable energy facilities → Increase in operating cash inflows	• Reduction of energy use and greenhouse gas emissions by operating renewable energy facilities → Increase in operating cash inflows	LG Electronics LG Chem LG Uplus
Physical Risk	Disaster prevention measures	Disaster recovery/ Strengthening prevention capabilities	• Investment in infrastructure for disaster prevention and emergency response → Increase in investment cash outflows	• Investment in infrastructure for disaster prevention and emergency response → Increase Wse in investment cash outflows	• Investment in infrastructure for disaster prevention and emergency response → Increase in investment cash outflows	LG Uplus
Opportunity	Market entry into low-carbon products	EV charging station platform business	• Investment in EV charging infrastructure → Increase in investment cash outflows	• Operation of EV charging infrastructure → Increase in operating cash inflows	• Operation of EV charging infrastructure → Increase in operating cash inflows	LG Uplus

⑤ Explanation for Not
Providing Quantitative
Information

The financial effects resulting from the execution of strategies to respond to climate-related risks and opportunities are subject to uncertainties, such as changes in business plans and completion timelines of main subsidiaries and associates. Therefore, this information has been provided in qualitative form.

5. Climate Resilience

① Resilience Assessment

The Company has conducted a resilience assessment of climate-related transition and physical risks for itself, main subsidiaries (LG CNS, D&O), and associates (LG Electronics, LG Chem, and LG Uplus) using climate scenarios provided by the IPCC, IEA. In addition, assessments of climate-related opportunities were conducted using the K-Taxonomy.

Scenario Analysis of Transition Risks

The Company recognizes carbon emission regulations, rising electricity rates, and the expansion of renewable energy (RE100*) as key transition drivers, and conducted transition risk scenario analyses for three main associates based on IEA and NGFS scenarios. As the Company and its main subsidiaries, LG CNS and D&O, account for less than 1% of LG Group's total carbon emissions, they were excluded from the transition risk scenario analysis.

The transition risk analysis was conducted using future outlook data provided by the IEA and NGFS, as well as LG Group's carbon neutrality roadmap. To assess the financial effects of carbon emission regulations, projected carbon prices from the IEA's World Energy Outlook (WEO) were used. Industrial electricity price forecasts by country from NGFS were applied to assess the impact of rising electricity rates. The additional costs arising from the expansion of renewable energy specified in the Company's integrated carbon neutrality roadmap were referenced using country- and region-specific implementation cost data by method of procurement.

Category	Transition Risk	
Risk	Carbon emission regulations	Increase in electricity rate
Scenarios used for analysis	IEA(STEPS, APS, NZE 2050)	NGFS(NDCs, NZE 2050)
Reason for selecting the scenario	IEA and NGFS are credible institutions that provide climate scenarios and are widely used by key domestic and international organizations and companies. The IEA's carbon price outlook and NGFS's industrial electricity price outlook by country provide projections that reflect current and future climate policies.	
Time Range	Up to 2025, Up to 2030, Up to 2050	
Scope of Analysis	LG Electronics, LG Chem, LG Uplus (3 companies)	

* The RE100 implementation costs were cited from the pre-calculated RE100 implementation costs in the LG Integrated Carbon Neutrality Roadmap

Strategy

Scenario Analysis of Physical Risks

The Company selected the scope of analysis based on key domestic and international business sites that are expected to be significantly impacted by physical risks, considering factors such as “sales volume,” “number of employees,” and “whether the site is a strategic asset.” For physical risk analysis, the Company applied the Shared Socioeconomic Pathways (SSPs)¹⁾ scenarios provided by the IPCC, and assessed the financial effects of acute and chronic physical risks over short-term (Up to 2025), medium-term (Up to 2030), and long-term (Up to 2050) timeframes.

To analyze the potential financial effects of major disasters, the Company considered the location and value of target assets, asset types, and the presence or absence of adaptive measures as vulnerability factors. The Company utilized the S&P Climanomics platform to categorize and assess financial effects based on transmission pathways for each major disaster.

The Company classified the exposure to acute and chronic physical disasters into four levels (low, moderately low, moderately high, and high).

Category	Physical Risk	
Risks ²⁾	Acute risks (coastal flooding, river flooding, flash flooding, typhoons, wildfires, droughts, landslides)	Chronic risks (abnormal temperatures, water stress)
Scenarios used for analysis	Source: IPCC SSP Scenarios (SSP1-2.6, SSP3-7.0, SSP5-8.5)	
Reason for selecting the scenario	To identify differences in the level of financial effects compared to the current level of climate policy, a baseline scenario (SSP3-7.0) was compared with a low-carbon scenario (SSP1-2.6) and a high-carbon scenario (SSP5-8.5).	
Time Range	Up to 2025, Up to 2030, Up to 2050	
Scope of Analysis	32 production subsidiaries ³⁾ of LG Corp., LG CNS, D&O, LG Electronics, LG Chem, and LG Uplus (6 companies) * Located in South Korea, Mexico, the United States, Poland, Indonesia, Thailand, Vietnam, and China	

1) Shared Socioeconomic Pathways (SSPs): These are scenarios used in the IPCC’s Sixth Assessment Report, composed of five pathways that reflect both the level of greenhouse gas mitigation (based on radiative forcing intensity, a concept used in the previous RCPs) and future socioeconomic structures. The names of the scenarios reflect the degree of social development, greenhouse gas reduction, and expected radiative forcing (by 2100); the higher the number, the more carbon-intensive the society

2) The classification of types of natural disasters may vary depending on the data provider, but major disasters related to precipitation and temperature are shared. The Company has applied the disaster classification standards used in the S&P Climanomics platform

3) Changes related to the sale of certain main associates’ business sites have been reflected

Opportunity Analysis

Based on the 84 economic activities defined in the K-Taxonomy¹⁾, the Company analyzed climate-related opportunity factors. This involved reviewing the revenue, capital expenditures, and R&D investments associated with low-carbon products and services of its main associates, including LG Electronics, LG Chem, LG Uplus, and LG CNS.²⁾

Corporate economic activities that fall under the 84 green economic activities defined in the K-Taxonomy are considered “K-Taxonomy eligible” activities. If such activities meet all four criteria (activity, recognition, exclusion, and protection), they are defined as “K-Taxonomy aligned” activities.

Meanwhile, as official disclosure guidelines for K-Taxonomy have not yet been established, this report applied the EU Taxonomy Delegated Regulation ((EU) 2021/2178). Based on this, the revenue, capital expenditures (CapEx), and operating expenditures (OpEx) for aligned activities have been calculated.

Environmental Objective	K-Taxonomy Aligned Economic Activities	LG Electronics	LG Chem	LG Uplus	LG CNS
Common	Manufacturing of innovative products	●	●		●
	Manufacturing of materials, components, and equipment for innovative products	●	●	●	●
	Research, development, and demonstration		●		●
Green Category: Greenhouse Gas Reduction	Manufacturing of materials, components, and equipment for core technologies to reduce greenhouse gas emissions	●	●		
	Manufacturing of organic chemicals with relatively low emission intensity		●		
	Development and implementation of ICT-based energy management solutions				●
	Construction and operation of low-carbon internet data centers			●	●
Green Category: Transition to a Circular Economy	Production of recycled raw materials and circular resources		●		
	Waste recycling and reuse		●		
Transitional Category: Greenhouse Gas Reduction	Production of hydrogen (blue hydrogen) from liquefied natural gas (LNG)		●		

1) A classification system for green economic activities developed by the Korean government to direct funding toward domestic green technologies and projects, and to prevent greenwashing

2) The analysis was conducted on domestic and overseas subsidiaries directly managed by each associate, within the scope of available data

Strategy

② Key Assumptions Used in the Analysis

The Company assesses the risk levels of transition and physical risks with reference to the materiality assessment criteria provided by the International Auditing and Assurance Standards Board (IAASB)¹⁾. The materiality criteria classify the risk level of each factor into four categories (Low, Moderately Low, Moderately High, High), and the level is assessed based on quantified ratios (1%, 4%, 10%) relative to the expected operating profit or loss of the assessment target.

Risk Level by Factor	Risk Level Assessment Criteria by Factor (%)
Low	0 or higher ~ less than 1.0
Moderately Low	1.0 or higher ~ less than 4.0
Moderately High	4.0 or higher ~ less than 10.0
High	10.0 or higher

The Company performs scenario analysis to assess transition and physical risks. The assumptions used for the scenario analysis are as follows.

Scenarios and Assumptions of Transition Risk

1) IEA APS Scenario (considers voluntary greenhouse gas reduction targets and emissions trading schemes of countries where business sites are located)

This scenario assumes that all announced policy measures of each country are fully achieved within their respective timelines. Even in countries without emission targets, it assumes a similar pathway and projects that the global average temperature will rise by at least 1.7°C by 2100.

2) IEA STEPS Scenario (considers voluntary greenhouse gas reduction targets and emissions trading schemes of countries where business sites are located)

This scenario reflects only the energy and climate policies that are currently executed or announced and deemed effective. It projects that the global average temperature will rise by at least 2.4°C by 2100.

3) IEA NZE 2050 Scenario (considers voluntary greenhouse gas reduction targets and emissions trading schemes of countries where business sites are located)

This scenario assumes “net-zero” carbon dioxide emissions in the global energy sector by 2050 and outlines a pathway to limit the rise in global temperature to within 1.5°C.

4) Korea’s NDCs Scenario

This scenario refers to the Korean government’s NDCs reduction pathway (40% reduction from 2018 levels by 2030).

The variables used in the Company’s transition risk analysis were determined based on the national or regional environments in which the Company’s and its main subsidiaries’ and associates’ business sites are located. Quantified historical data was incorporated into the assumptions where available.

When estimating the potential financial effect of carbon emission regulations, the greenhouse gas reduction targets and the operational methods of emissions trading schemes of the respective countries or regions were reviewed²⁾. For countries without such regulations³⁾, it was assumed that the country would linearly reduce greenhouse gas emissions to net zero by 2050.

In estimating the potential financial effect of rising electricity prices, the electricity pricing structure, product types, and historical unit prices of the respective countries or regions were considered. Future electricity prices applicable to each site were assumed based on country-level projections provided by NGFS.

To estimate the additional costs incurred in the transition to renewable energy, country- or region-specific renewable energy procurement methods and historical data on cost for additional implementation⁴⁾ were used.

- 1) A global standard-setting body that develops and revises ESG-related assurance standards (such as ISAE 3000), including audits, reviews, and other assurance engagements
- 2) Comply with the domestic emissions allowance allocation process (e.g., 4% reserve allocation under the 3rd planning phase of the Emissions Trading Scheme (2021–2025))
- 3) Countries not implementing emissions trading schemes (e.g., Morocco, Saudi Arabia) were excluded
- 4) Domestic standards, such as the average bid price of the Green Premium and the Levelized Cost of Electricity (LCOE) for solar and wind power, were reflected in the assumptions

Scenarios (IPCC) and Assumptions of Physical Risk

1) SSP3-7.0 Scenario (Baseline Scenario)

This scenario assumes a socially vulnerable structure to climate change due to passive climate change mitigation policies and delayed technological development.

2) SSP1-2.6 Scenario (Low-carbon Scenario)

This scenario assumes environmentally sustainable economic growth with minimal use of fossil fuels, driven by advances in renewable energy technologies.

3) SSP5-8.5 Scenario (High-carbon Scenario)

This scenario assumes rapid development of industrial technologies, high fossil fuel usage, and unregulated expansion of urban-centered development.

The Company extracts and utilizes data necessary for physical risk analysis through the S&P Climonomics platform, and there may be separately defined assumptions associated with the intellectual property (impact functions for each disaster type) owned by S&P.

Frequency and Scope of Scenario Analysis

The Company has been conducting climate scenario analysis annually since 2023 for the core business sites of its key subsidiaries and associates. Through regular scenario analysis, the Company aims to respond proactively to changes in the business environment and expects that managing data at the business site level will enable more advanced forms of analysis.

③ Significant Areas of Uncertainty Considered in Resilience Assessment

The Company selects scenarios for transition and physical risks to identify the potential impacts of climate change and conducts systematic analysis based on credible data. However, climate scenario analysis may involve uncertainties due to variations in future transition and physical environments depending on the factors input into the models and the scope of assumptions. To address these uncertainties, the Company limits the range of non-financial factors subject to quantitative evaluation during transition and physical risk analysis and supplements the analysis by utilizing data provided by global data providers such as S&P.

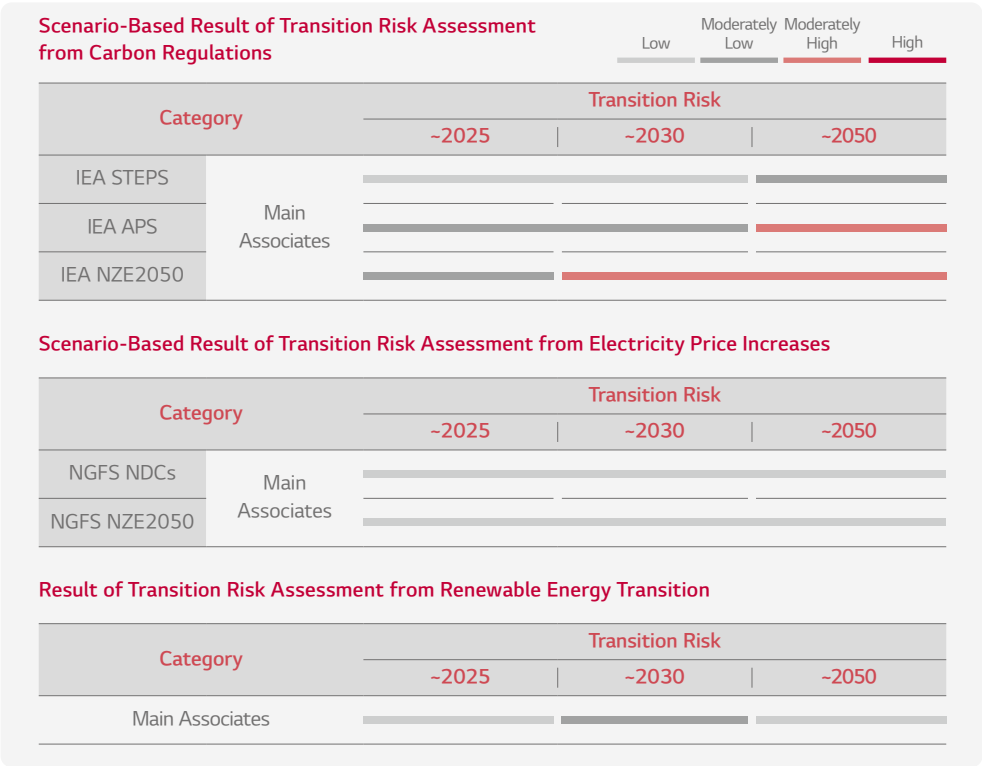
Strategy

④ Results and Implications of Resilience Assessment

Result of Scenario Analysis and Response Capabilities for Transition Risks

The Company selected “carbon regulation,” “electricity price increases,” and “renewable energy transition” as the transition risk factors for analysis and reviewed various future environments using multiple scenarios (IEA STEPS, APS, NZE2050, NGFS NDCs). Among the key transition risks, carbon regulation was identified as the factor with the highest potential impact, while the impacts of electricity price increases and renewable energy transition were assessed as relatively low. The impact of carbon regulation was found to be higher in the long term compared to the short term, and the level of impact may vary depending on the carbon emission regulatory policies in the regions where key business sites are located.

To minimize the impacts that may arise during the transition process and systematically move toward carbon neutrality, the Company established the LG Group 2050 Carbon Neutral Roadmap in 2022 and regularly monitors the levels of short- and medium-to-long-term implementation. The Company, together with its key subsidiaries and associates, aims to minimize the potential impacts of transition risks by implementing effective mitigation measures.

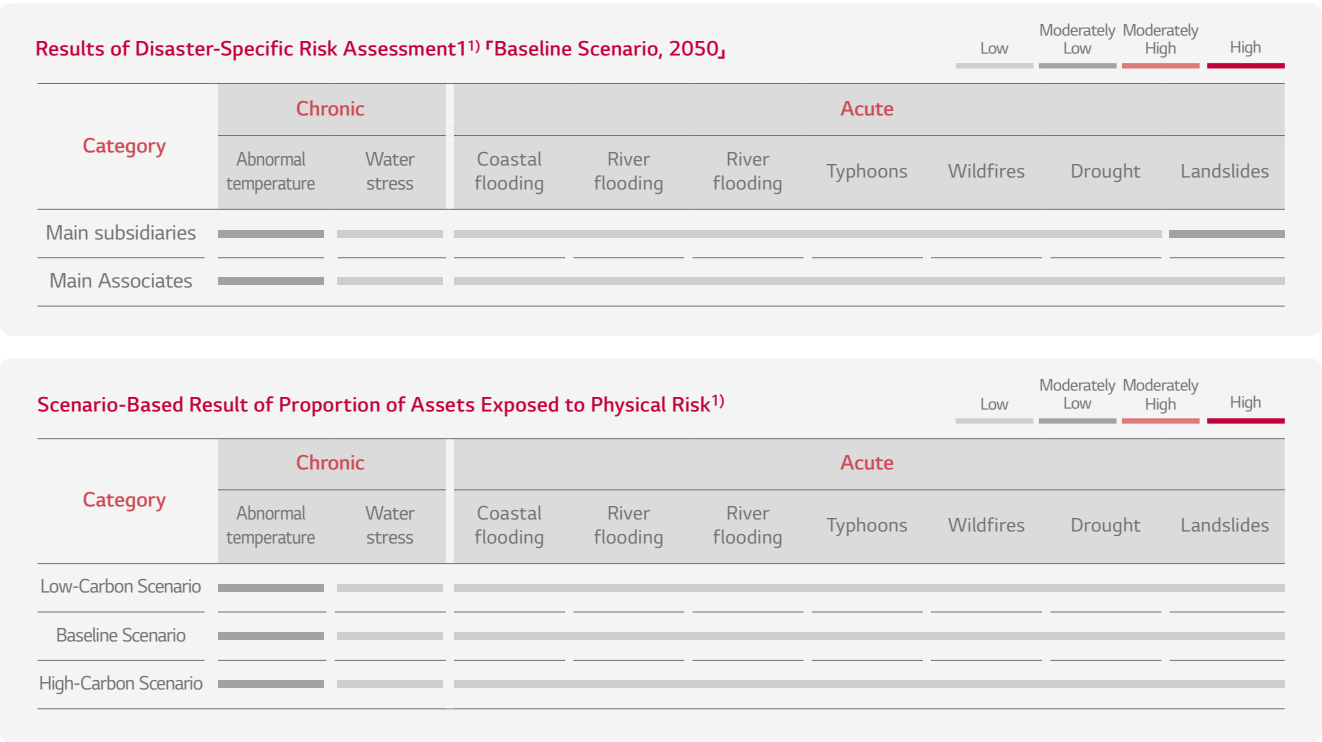


Result of Scenario Analysis and Response Capabilities for Physical Risks

The Company assessed physical risks by categorizing 9 types of natural disasters into chronic risks (abnormal temperature, water stress) and acute risks (coastal flooding, river flooding, flash floods, typhoons, wildfires, droughts, and landslides), and analyzed their impacts under different scenarios using the S&P Climanomics. As a result of analyzing physical risks through 2050, it was confirmed that no natural disasters generated significant impacts under any of the scenarios. Most disaster factors are expected to gradually increase in risk under the high-carbon scenario by 2050. Among chronic disasters, abnormal temperatures were evaluated to present relatively higher risk levels compared to other disaster factors.

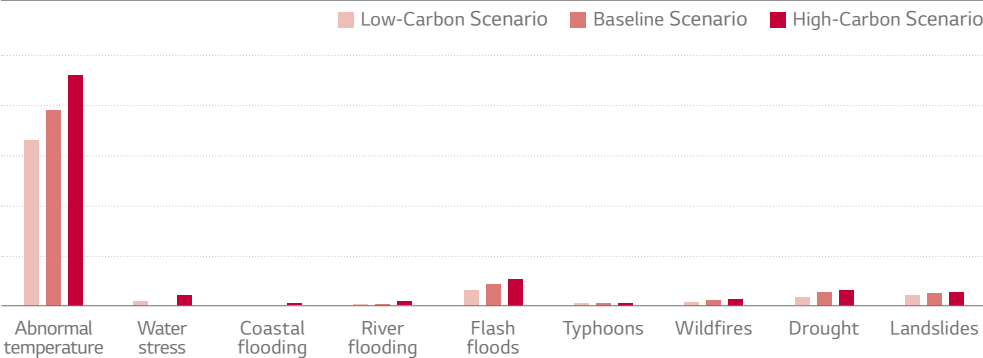
Potential impacts from abnormal temperatures include deterioration in air-conditioning system performance, increased cooling costs, and decreased productivity, which may lead to increased operating costs and revenue loss. However, the Company's disaster-specific risk assessment results represent the level of expected future or current risks to assets, not actual financial losses incurred. Physical risk scenario analysis is used to pre-identify possible damage pathways and to establish plans that enable proactive responses.

The Company is reviewing the applicability of adaptation measures for each disaster at key business sites within its main subsidiaries and associates and is establishing adaptation plans to assess and manage these risks. Adaptation methods are referenced from technical classifications provided by key domestic and international institutions, as well as best practices in peer industries. The Company is developing a framework to evaluate the feasibility of applying these technologies based on the current status of adaptation measures at key sites, estimated costs of new adaptations, and the benefits of risk avoidance.



1) Risk levels by disaster are based on score thresholds from key assumptions

Comparison of Scenario-Based Results of Physical Risk Scores (2050)



Strategy

Results of Opportunity Analysis	
The Company calculated the revenue ¹⁾ , CapEx ²⁾ , and OpEx ³⁾ related to green economic activities of its four main affiliates (LG Electronics, LG Chem, LG Uplus, LG CNS) based on the K-Taxonomy. The detailed analysis results are as follows:	

K-Taxonomy Alignment of Main Associates							(Unit: KRW 100million, %)	
Category	K-Taxonomy Economic Activities	Product/Service	Revenue		CapEx		OpEx	
			Amount	Percentage	Amount	Percentage	Amount	Percentage
Green Economic Activity	Manufacturing of innovative materials, components, and equipment	Cathode materials, separators, and other lithium-ion battery materials, solar materials, ventilation systems, etc.	42,471	3.8%	8,109	11.3%	1,578	5.0%
	Manufacturing of materials, components, and equipment to leverage key technologies for the reduction of GHG emissions	Electric vehicle parts and materials	25,978	2.3%	2,026	2.8%	321	1.0%
	Manufacturing of innovative products	Air purifiers, HVAC ⁴⁾ systems, heat pumps, smart factories, ESS, logistics robots, etc.	12,431	1.1%	453	0.6%	516	1.6%
	Waste recycling (reuse)	Circular balanced materials and products	1,889	0.2%	649	0.9%	67	0.2%
	Building and operating low-carbon internet data center ⁵⁾	IDC	1,067	0.1%	150	0.2%	558	1.8%
	Production of recycled raw materials and circular resources	PCR products	637	0.1%	27	0.0%	4	0.0%
	Manufacturing of organic chemicals with relatively low emission intensity	Butadiene	56	0.0%	1	0.0%	0	0.0%
	Development and implementation of ICT based energy management solutions	Smart city, smart logistics, and renewable energy solutions	8	0.0%	0	0.0%	12	0.0%
	Production of hydrogen (blue hydrogen) from liquefied natural gas (LNG)	LNG-based blue hydrogen production plant	4	0.0%	0	0.0%	202	0.6%
	Research, development, and testing	Air pollution management ICT solutions, CCS, water electrolysis technologies, etc.	0	0.0%	719	1.0%	0	0.0%
	Subtotal			84,541	7.6%	12,135	16.8%	3,258
Other Economic Activities ⁶⁾			1,021,444	92.4%	59,919	83.2%	28,274	89.7%
Total			1,105,985	100.0%	72,054	100.0%	31,532	100.0%

1) Revenue: Net of sales allowances, returns, and discounts from total sales

2) CapEx: Acquisition cost of PPE, intangible assets, right-of-use assets, and investment properties

3) OpEx: R&D expenses and repair costs included in cost of goods sold and SG&A. For certain data not internally managed, estimated values derived using appropriate methods, such as the cost approach, are applied

4) AI-equipped HVAC stand models and chillers for data centers and nuclear power plants

5) Data centers are considered to meet the eligibility criteria if they have previously obtained Green Data certification

6) Includes eligible but not aligned activities and non-eligible activities under the K-Taxonomy

Risk Management

1. Processes and Related Policies for Managing Climate Risks

① Input Variables and Parameters Used	Input Variables and Parameters	Data Source	Scope		
			LG Corp.	Subsidiaries	Associates
	Energy consumption	Internally managed data, such as ERP ¹⁾ of each company	●	●	●
	GHG emission factors	Guidance on greenhouse gas reporting and certification for the Ministry of Environment's K-ETS	●	●	●
	Industry trends	Sustainability reports of peer companies, reports from research institutes, etc.	●	●	●
	Extreme weather data	S&P Climonomics platform		●	●
	Physical asset value	Book value of assets from financial statements		●	●
				●	●
1) Enterprise Resource Planning: An integrated corporate information system					
② Scenario Analysis for Risk Identification	The Company conducts climate scenario analysis to assess how transition risks and physical risks impact the Company and its main subsidiaries and associates. For details on climate scenario analysis, refer to “5. Climate Resilience.”				
③ Criteria Used for Risk Assessment	For details on risk assessment criteria, refer to “5. Climate Resilience.”				
④ Prioritization of Climate Risks	The Company prioritizes climate risks by including the topic of “climate change” as one of the Group's core sustainability agendas. The Group Climate Change Council, which includes the Company's three main associates, establishes climate-related policies, promotes implementation tasks, and regularly reports progress on carbon neutrality and plans to the ESG Committee to manage climate issues. Additionally, the Company has established and manages a review process for climate-related impacts such as carbon emissions, energy use, and relevant regulations when making investment decisions, in order to take climate-risks and opportunities into consideration.				
⑤ Monitoring	The Company and its main associates have established climate-related management systems that span from each company's working-level departments to the Group Climate Change Council and ESG Committee, and they monitor climate-related risks. The Climate Change Council regularly reports key agenda items to the management and the ESG Committee, including each company's climate risk assessment results and key metrics such as greenhouse gas emissions and renewable energy transition rates.				
⑥ Changes in the Risk Management Process	There were no significant changes to the climate-related risk management process during the reporting period.				

Risk Management

2. Processes and Related Policies for Managing Opportunities

The Company reviews the product manufacturing and business activities of its main associates based on the K-Taxonomy economic activities to identify climate-related opportunity factors. Through this approach, the Company aims to systematically manage various opportunity elements.

3. Integration into the Overall Risk Management Process

The Company has established a dedicated body for climate risk response management for a total of 14 affiliates¹⁾, including its main subsidiaries LG CNS and D&O, and three key associates such as LG Electronics, LG Chem, and LG Uplus. Each company appoints a Chief Risk Officer (CRO) and organizes a dedicated body for risk management to prevent potential risks across all business operations, including climate change, and to respond swiftly in the event of any incidents. The risk management process is divided into “business as usual” and “crisis” periods. During the “business as usual” period, the focus is on risk sensing, prevention, and preparedness. During the “crisis” period, the emphasis is on response and recovery. The process also includes identifying and assessing risks that require a group-level response and preparing proactive countermeasures. For risks related to climate change, the Group Climate Change Council manages various agendas through discussions, including policy changes, energy price fluctuations, processing technologies, and energy procurement strategies.

1) LG Electronics, LG Display, LG Innotek, LG Chem, LG Energy Solution, LG Household & Health Care, LG Uplus, LG HelloVision, HSAD, LG CNS, D&O, FarmHannong, LG Sciencepark, Inhwawon

Metrics and Targets

1. Climate-related Metrics

① Greenhouse Gas Emissions The Company, along with its main subsidiaries (LG CNS, D&O) and main associates (LG Electronics, LG Chem, LG Uplus), calculates and manages its greenhouse gas emissions. The Scope 1 and 2 greenhouse gas emissions by company are as follows:

Scope 1 and 2 Greenhouse Gas Emissions ^{1) 2)}				
(Unit: thousand tCO ₂ eq)				
Indicator	Category	Emissions		
		2022	2023	2024
Scope 1 Greenhouse Gas Emissions	LG Corp. and main subsidiaries	6	6	7
	Main associates ³⁾	1,954	1,782	1,946
	LG Electronics	90	71	77
	LG Chem	1,861	1,708	1,866
	LG Uplus	3	3	3
	Subtotal	1,960	1,788	1,953
Scope 2 Greenhouse Gas Emissions	LG Corp. and main subsidiaries	150	148	146
	Main associates ³⁾	2,068	2,057	1,955
	LG Electronics	225	226	232
	LG Chem	1,294	1,273	1,220
	LG Uplus	549	558	503
	Subtotal	2,218	2,205	2,101

1) The Scope 1 and 2 greenhouse gas emissions of LG Corp’s main subsidiaries and affiliates for 2024 are subject to change based on the results of greenhouse gas verification statement
2) Emissions are calculated in units of thousand tCO₂eq and rounded to the nearest hundred
3) Greenhouse gas emissions from main associates reflect the Company’s equity ownership (as of the end of December 2024: LG Electronics 34%, LG Chem 33%, LG Uplus 38%)

Metrics and Targets

② Method of Measuring Greenhouse Gas Emissions

The Company applies the “Operational Control Approach”¹⁾ to calculate the greenhouse gas emissions of the Company and its consolidated subsidiaries, LG CNS and D&O. The “Equity Share Approach”²⁾ is applied to calculate the greenhouse gas emissions of main associates, including LG Display, LG Chem, and LG Uplus. The Company applied the following standards and guidelines for the measurement of greenhouse gas emissions:

Category	Details
Scope 1, 2 Greenhouse Gas Emissions	<ul style="list-style-type: none">Guidance of Reporting and Verifying Emissions from K-ETS (Ministry of Environment, Notice: 2023-22)ISO 14064-1 (2018)IPCC Guidelines for National Greenhouse Gas Inventories (2006)

1) Involves accounting for 100% of GHG emissions from associates over which the company has operational control
2) Involves accounting for GHG emissions based on the company's share of equity in the operation

Input Variables and Assumptions

The input variables used for measuring the Company’s Scope 1 and 2 greenhouse gas emissions are as follows. The Company’s activity data, calorific values, and emission factors may differ from those provided by each subsidiary or associates.

Category	Input Variable	Details
Scope 1 Greenhouse Gas Emissions	Stationary Combustion	<ul style="list-style-type: none">Activity Data: Usage of LNG, diesel, kerosene, and propaneCalorific Value: Country-specific net calorific value by fuel typeEmission Factor: Default emission factors from 2006 IPCC Guidelines for National Inventories
	Mobile Combustion	<ul style="list-style-type: none">Activity Data: gasoline, diesel, LPGCalorific Value: application of fuel-specific calorific valuesEmission Factor: application of default emission factors by fuel type and greenhouse gas for mobile combustion (road)
Scope 1 Greenhouse Gas Emissions	Purchased Electricity	<ul style="list-style-type: none">Activity Data: power usageEmission Factor: application of country-specific electricity emission factors
	Purchased Steam	<ul style="list-style-type: none">Activity Data: Steam usageEmission Factor: application of steam emission factors by year and average steam emission factors by country

③ Assets and Business Activities Vulnerable to Climate-related Transition Risk

The Company considers that climate-related transition risks may affect the production and business activities of its main associates. Accordingly, the main associates of the Company are mitigating climate-related transition risks by investing in process optimization and fuel switching, future innovative technologies such as hydrogen adoption, renewable energy, and carbon credits. For related details, refer to the sustainability reports of each main associate.

④ Assets and Business Activities Vulnerable to Climate-related Physical Risk

The Company has identified no vulnerable assets or business activities in the physical risk assessment conducted for the key sites of its main subsidiaries and associates within the reporting boundary. For detailed information regarding the Company’s physical risk assessment, refer to “④ Results and Implications of Resilience Assessment” under “5. Climate Resilience.”

⑤ Assets or Business Activities Aligned with Climate-related Opportunities

The Company has calculated the revenue from the production of core materials for secondary batteries and the manufacturing of materials, components, and equipment related to electric vehicles and renewable energy, which are aligned with the K-Taxonomy green economic activities. It is expected that relevant revenues will increase as the market size expands. For related details, refer to “④ Results and Implications of Climate Resilience Assessment” under “5. Climate Resilience.”

⑥ Capital Deployment

For information on capital deployment related to climate-related risks and opportunities, refer to “4. Financial Effects of Climate Risks and Opportunities.”

⑦ Internal Carbon Pricing

Among the Company’s main associates, LG Chem has introduced an internal carbon pricing system to assess the economic feasibility of investments and establish medium- to long-term business plans by considering regulatory costs associated with carbon emissions. The Company utilizes internal carbon pricing while comprehensively considering emission allowance price scenarios from IEA and NGFS, as well as domestic and international carbon ETS prices. Through this approach, the Company proactively manages uncertainties related to domestic emission allowance allocations and changes in carbon regulations at key global production sites and encourages active investment in carbon reduction.

⑧ Executive Remuneration

Among the Company’s main associates, LG Uplus links executive incentive compensation to Scope 1 and 2 greenhouse gas reduction performance through the KPI of the head of the network division, which accounts for over 90% of total greenhouse gas emissions. The KPI of the network division head consists of 60% non-financial targets, of which 5% is allocated to greenhouse gas emission reduction.

Metrics and Targets

2. Climate-related Targets

① Quantitative and Qualitative Targets for Greenhouse Gas Emissions

To implement LG Group’s Carbon Neutral Integrated Roadmap, each affiliate within the LG Group has es-
tablished and is managing detailed reduction targets by considering their key emission sources and charac-
teristics. The carbon neutrality targets of each affiliate are established for Scope 1 and 2 net greenhouse
gas emissions based on the six key greenhouse gases defined by the IPCC (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆).
The base year is set as 2018, in accordance with the national carbon neutrality base year, and interim and
final targets are set for 2030 and 2050, respectively. This report discloses greenhouse gas emission tar-
gets for three main associates included within the reporting boundary.

(Unit: thousand tCO₂eq)

Target	Indicator	Scope	Target Type	Key Milestones			
				2018 Base Year	2030 Interim Target	2040	2050 Final Target
2050 Integrated Carbon Neutral Roadmap ¹⁾	Scope 1 Greenhouse Gas Emissions	Main associates ²⁾	Absolute target	6,140	5,602	4,188	0
	Scope 2 Greenhouse Gas Emissions		Absolute target	5,675	3,362	2,841	0
	Total Greenhouse Gas Emissions		Absolute target	11,815	8,964	7,029	0

1) LG Electronics plans to achieve carbon neutrality by 2030

2) LG Electronics, LG Chem, LG Uplus

② Target-Setting Approach

Method of Target-Setting

As of 2022, the Company established the 2050 LG Group Carbon Neutral Integrated Roadmap by re-
flecting the individual carbon neutrality targets and implementation plans of seven main associates (LG
Electronics, LG Display, LG Innotek, LG Chem, LG Energy Solution, LG Household & Health Care, and
LG Uplus), which account for 99% of LG Group’s greenhouse gas emissions. This integrated roadmap
includes each company’s annual emission targets and reduction plans through 2050, and it is regularly
updated in accordance with the principle of progress toward carbon neutrality, considering changes in
market conditions, each company’s business plans, and the pace of reduction.

Target Review and Progress Monitoring

The Company monitors carbon neutrality performance every month and reports the results to top
management. To monitor carbon neutrality performance, the Company has selected items subject to
monitoring, such as monthly carbon emissions (Scope 1, 2), greenhouse gas emission intensity, invest-
ments in energy efficiency equipment, renewable energy transition costs, and the amount of renew-
able energy converted. In addition, the Company ensures the accuracy and completeness of data by
utilizing the LG Group’s ESG data management platform, “LG ESG Intelligence,” to perform a process
of data input–closure–approval–verification¹⁾ for source data.

1) Through the operation of a data reliability verification system, the Company blocks rule violations,
verifies anomalies based on statistics, and compares and verifies input values with AI model predictions

Performance Against Each Target

During the reporting period, the Company’s main associates—LG Electronics, LG Chem, and LG Uplus—
emitted 11,585 thousand tons of greenhouse gases, representing a 2% reduction compared to the
base year. Main associates are expanding the use of renewable energy through REC purchases, PPA
contracts, and the installation of solar power generation facilities. In the case of LG Chem, greenhouse
gas emissions from business sites are being directly reduced through the adoption of hydrogen and
biofuels. For the Company’s and its main associates’ base-year greenhouse gas emissions and perfor-
mance, refer to “① Greenhouse Gas Emissions,” under “1. Climate-related Metrics”

(Unit: thousand tCO₂eq)

Category	Scope	2018	2023	2024
Greenhouse Gas Emissions (Scope 1+2)	Main associates ¹⁾	11,815	11,362	11,585

1) LG Electronics, LG Chem, LG Uplus

③ Additional Information on Targets for Greenhouse Gas Emission Reduction

Plan for Use of Carbon Credits

The Company is promoting offset projects to contribute to greenhouse gas reduction and achieve its
carbon neutrality targets. Main associates LG Electronics and LG Chem have secured carbon credits
that have been third-party verified through Clean Development Mechanism (CDM) certification. LG
Electronics, with approval from the United Nations Framework Convention on Climate Change (UNF-
CCC), implemented a CDM project in India based on the sales of high-efficiency refrigerators, through
which it secured approximately 560,000 tCO₂eq of carbon credits by 2020. However, the recognition
of international carbon credits is subject to official registration approval by the Indian government,
and due to delays in the approval process, it is currently difficult to secure a cumulative total of 2
million tons of carbon credits by 2025. Accordingly, the Company is continuing consultations with the
local government while simultaneously reviewing its medium- to long-term reduction strategy, includ-
ing alternative measures.

Meanwhile, LG Chem launched a cookstove distribution project in Uganda in 2020 and is currently
pursuing international approval for the project under Article 6.4 of the Paris Agreement through a
transition application submitted in 2023. If the project is approved by 2025, it is expected that LG
Chem will be able to secure carbon credits through a more stable mechanism. In addition, LG Chem is
also making various efforts to revitalize the system, such as supporting the abolition of the validity
period of carbon credits and the expansion of submission limits within the K-ETS.

II .Compliance Management

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Governance

1. Decision making Body Responsible for Oversight of Compliance Management-related Risks and Opportunities

① Roles and Authority

The Company oversees risks and opportunities related to compliance management by the Board, and carries out decision-making on key matters. For deliberation with an enhanced expertise, the Board of Directors delegates its compliance management function to the ESG Committee in accordance with the ESG Committee Regulations. With the authority to establish the compliance program conferred on it, the ESG Committee deliberates/decides on establishing basic policy, and receives reports on key compliance guideline matters including management of Core Compliance Risks. Additionally, the ESG Committee periodically identifies the Company’s Core Compliance Risk and discusses corresponding risk-specific control measures and implementation status. The roles and delegated responsibilities of the ESG Committee regarding compliance management are clearly outlined in the ESG Committee Regulations. Furthermore, the Company has established and operates a systematic compliance management governance, based on the compliance guidelines, which involves the Board, the ESG Committee, the Representative Director, the Compliance Officer, the Compliance Manager, and the entire organization and employees.

Category	Role and Responsibility
Board of Directors	Enacts and revises compliance guidelines, appoints Compliance Officer, inspects the operation status of compliance system, and determines key compliance-related matters
ESG Committee	Establishes compliance policies and discusses and determines key risk management plans
Representative Director	Establishes, maintains, operates, and oversees the compliance system
Compliance Officer	Oversees operations related to compliance
Compliance Manager	Supports compliance implementation and dissemination within each responsible department
All Organizations & Employees	Identify department-specific risks, plan and perform management activities

Group Compliance related Governance Framework

As the holding company of the LG Group, the Company has been advancing a group-wide compliance program since 2022. In 2022, it inspected the overall compliance program, including the compliance governance of the group companies, and analyzed global standards and best practices. Based on the foregoing activities, a ‘compliance governance framework centered on the Board’ applicable across the group was established through discussions in 2023. This governance framework is designed to place the Board, the ESG Committee, the Representative Director, and the Compliance Officer to perform the key roles. In addition, for main affiliates, in-house compliance committee composed of relevant departments managing key risks and compliance officers is operated to conduct practical discussions and to strengthen the capability for execution.

To uphold this group-wide compliance governance, main affiliates have introduced governance framework that assigns the responsibility for overseeing risks and opportunities related to compliance management to their respective Boards and ESG Committees. Specifically, some of the main listed affiliates including LG Electronics, LG Chem, and LG Uplus have formalized this framework by stating in their ESG Committee regulations.

Moreover, the Company holds compliance committee at least twice a year for compliance departments of main LG affiliates to review their compliance operations, discuss improvement measures, and enhance the competency and expertise of responsible personnel by sharing best practices and others.

② Competency
Assessment and
Development

The ESG Committee, authorized by the Board, makes key decisions regarding compliance management and is composed of management and outside directors with expertise and competencies in this field. Specifically, an outside director with legal expertise participates as a ESG Member, providing professional insight on compliance matters in collaboration with the Chair of the ESG Committee, thereby enhancing the Committee’s expertise.

③ Reporting Methods and
Frequency for
Decision making Body

For at least 2 times a year, the ESG Committee receives reports from the Compliance Officer on matters such as key compliance program, progress updates and results on risk management for the promotion of compliance program, as well as matters on core issues related to compliance system that needs attention at the BOD level on a non-regular basis.

The Board receives annual reports from the Compliance Officer on the establishment and effectiveness of operation of the compliance program, status on the operation of the compliance system and results on improvements, examine conformance to the compliance guidelines, and the results of effectiveness evaluations on the system. The Compliance Officer reviews and evaluates conformance with the compliance guidelines and the compliance program based on LG Group’s standard assessment criteria. Once the outcome is verified by external experts, it is subsequently submitted to the Board.

Moreover, the Board receives reports from the ESG Committee on the results of committee meetings and engages in discussions on compliance-related items that requires focused attention, such as the appointment of the Compliance Officer and the enactment or revision of the compliance guidelines. If necessary, further discussions are made on compliance items at a complete Board meeting where directors who are not ESG Committee members are also present.

Category	Board of Directors	ESG Committee
Reporting Entity	Compliance Officer	Compliance Officer
Reporting Frequency and Period	• At least 3 times per year	• At least 2 times per year
Reporting Items	• Detailed status on the operation of the compliance program • Results of compliance with the Compliance Guidelines and corrective measures • Outcome on the effectiveness of the compliance program and improvement measures • Compliance Officer’s key activities and work plans • ESG Committee key reporting matters	• Key compliance risk management systems • Progress and results of key compliance activities • Risk signals and ad-hoc compliance issues related to key risks • Medium- to long-term plans for compliance management

Governance

④ Consideration of compliance related Risks and Opportunities in Key Decisions and Oversight

In light of the business nature of the holding company, the ESG Committee of the Company has selected Core Compliance Risks out of 34 risk factors (118 type of acts) that were identified within the reporting period, and these Core Compliance Risks are being intensively managed by the BOD. For details on the compliance risk items reported to the Board by the ESG Committee, refer to “Board Operations.” in IV. Appendix.

In addition, the Company has established the standard and procedure for evaluating 7 sustainability risk items, including ethics and compliance, within its investment review process, and is operating thereunder. Each item is designed to comprehensively consider costs, economic feasibility, production impacts, regulatory and reputational risks, and to reflect sustainability risks in key decisions making process by distinguishing the scope of discussion and cooperation on the assessment results, based on the nature of investment and the stage at review.

⑤ Management and Oversight on Target-Setting and Progress

The Company’s compliance management goals and implementation status are established through the Board and ESG Committee, and the latter regularly monitors the goal implementation progress. Authorized by the Board, the ESG Committee reviews the adequacy and effectiveness of various aspects of the compliance framework, including the content of the compliance guidelines, legal risk assessment and compliance program, compliance inspection and reporting procedures, the independence of the Compliance Officer’s operations, and sanction systems for acts of violations. Based on this review, the ESG Committee evaluates the performance of risk-specific management efforts and continuously oversees detailed improvement plans, goals, and progress.

2. Roles of Management in Overseeing Compliance Management-related Risks and Opportunities

① Roles Delegated to Management and Oversight

To effectively manage and oversee risks and opportunities related to compliance management, the Company has established a governance framework within its highest governance body and assigned clear roles and responsibilities to the management. In accordance with the compliance management governance framework, the Representative Director takes responsibility on establishing, maintaining, and operating a compliance system appropriate to the Company’s size and business characteristics, in line with the compliance guidelines and guidelines decided by the Board, and continues to oversee its operation status. Additionally, the Company is establishing a system to ensure smooth communication between the Representative Director and the Compliance Officer on legal risks and compliance issues that employees may encounter during the performance of their duties, and regularly evaluates the effectiveness of compliance guideline framework, and performs corrective measures.

② Guidelines and Procedures

The Company operates Legal/Compliance Team as its responsible department for compliance, and operates to reinforce the effectiveness of compliance program by designating a Compliance Manager (the “CM”) in each department, in order to effectively support the compliance activities of the Compliance Officer. CMs assist the Compliance Officer in performing compliance duties and perform the role of assisting the relevant department on adherence, education and training on compliance obligations, policies, procedures, and process. Also, each CM serves the role of promptly sharing compliance issues occurred within the Company to the Legal/Compliance Team, and discusses on the appropriate measures to be taken. Furthermore, the Company designates and operates responsible departments for managing key risks and Core Compliance Risk. The Company systematically monitors risks and status on management thereof, and carries out practical responsive activities by designating a department with expertise in Core Compliance Risks, including key compliance risks, as its dedicated managing department.

Strategy

1. Compliance Management-related Risks and Opportunities

① Identification of Risks and Opportunities

The Company regularly identifies and systematically manages compliance risks that may arise in its operations by taking into account its founding purpose, business characteristics, and the most recent trends on regulations in its entirety.. In accordance with the compliance guidelines, the Company annually analyzes the magnitude and frequency of legal risks and creates the so called, “LG Corp. Risk Profile.” Based on this analysis, the Company evaluates and categorizes Core Compliance Risk that requires Board-level oversight, using criteria such as “likelihood of occurrence” and “level of impact.” The appropriateness of the Core Compliance Risk selected for the oversight is updated annually through re-evaluation.

In 2024, total of 34 risk categories and 118 behavioral types were identified and are currently under management. Among them, the Board focused on the use of material non-public information, unfair instructions to affiliates, and unfair support to affiliates, and profit-taking practices against affiliates as the Core Compliance Risks.

Category		Description	likelihood of occurrence	Level of impact	Period
Risk	Use of Material Nonpublic Information	Legal sanctions, litigation costs, and monetary penalties resulting from the Company or its employees using material non-public information	Medium	Low	Medium-term
		Non-financial impact due to reputation and credibility decline of the Company and the Group arising from the use of nonpublic information by the Company or its employees	Medium	High	Short-to long-term
	Unfair Instructions to Affiliates	Costs incurred in response to and resulting from a finding of civil/criminal liability of the Company for providing unfair instructions to an affiliate or an employee of such affiliate, or commencement of an investigation related to unfair instructions	Medium	High	Medium-term
		In case of finding of civil/criminal liability of the Company for providing unfair instructions to an affiliate or an employee of such affiliate, or investigation related to unfair instructions, the non-financial impact due to reputation and credibility decline of the Company and the Group	Medium	High	Short-to long-term
	Unfair Support or Profit-Taking Practices against Affiliates	Criminal punishment or administrative penalties incurred due to violations of Fair Trade Act or any other relevant laws and regulations for unfair support or profit-taking practices against affiliates	Medium	High	Medium-to long-term
		Non-financial impact resulting from reputation decline of the Company and the Group and worsened relationship with interested parties due to the Company’s unfair support or profit-taking practice	Medium	High	Short-to long-term

② Effect Period

The anticipated time frame for impact to occur from compliance related risks and opportunities is classified by short term (within 1 year), mid-term (over 1 year, within 5 years), and long-term (over 5 years)

Strategy

2. Business Model and Value Chain

① Current and Anticipated Effects	Compliance Risks		
	Category	Current Effect	Anticipated Effect
	Use of Material Nonpublic Information	No fines imposed during the current period for violations of legal requirements related to the use of material non-public information, and no related lawsuits have been filed	Potential risk of indirect financial loss due to penalties or fines, and related litigation costs resulting from decline in corporate reputation
	Unfair Instructions to Affiliates	No fines imposed during the current period for violations of any law in the course of involving in business management of affiliates, and no related lawsuits have been filed	Liability for violation of Fair Trade Act/Labor Law, accomplice for occupational breach of trust under the Criminal Act, liability of a person who instructs other person to conduct business (damages) under the Commercial Act may be imposed, and potential grave negative impact on the reputation of the Group, in the event of losing shareholder derivative suits or court findings of prosecution/guilty
② Concentrated Effects	Unfair Support or Profit-Taking Practices against Affiliates	No fines imposed during the current period due to violations of any laws relating to business with affiliates, and no related lawsuits have been filed	Potential risk of penalty imposition and criminal punishment of related perpetrator for violation of related regulations, and negative impact on the reputation and decrease in credibility across the entire Group
	The risk associated with the use of material nonpublic information, unfair support or profit-taking practices against affiliates has been identified as having an identical impact across the entire organization, for its comprehensive impact on the compliance program, corporate credibility, and sustainable management framework as a whole. On the other hand, the risks arising from unfair directions to affiliates were identified as having a more concentrated impact, particularly on specific sectors, especially in strategic planning and group management sectors. There exists a possibility that such risks may directly pose a threat to the management’s decision-making structure, internal compliance guidelines framework, and corporate governance transparency.		

3. Strategy and Decision-Making

① Response and Planning	To prevent the occurrence of the use of material non-public information, unfair instructions to affiliates, and unfair support or profit-taking practices against affiliates, the Company has established and operates both a preemptive compliance program that handles potential risks in advance, and a responsive program which addresses risks that have occurred. In 2022, the Company led a Group-wide evaluation project. As a result, as the holding company, the Company established governance for compliance management with main affiliates, identified Core Compliance Risk, and established risk management systems or established improvement measures on existing system and is currently executing thereunder.
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For all identified risks, the Company has prepared internal policies and procedures in the Risk Profile Manual, which outlines key compliance considerations for employees and is regularly updated. The Company also provides various training programs to employees and regularly inspects and monitors the status of compliance management.	
Each Core Compliance Risk is addressed through targeted preventive measures tailored to its specific characteristics. In particular, the Company reviews the status of risk-specific management for Core Compliance Risks on a regular basis, and reports to the Board through the ESG Committee upon establishing an improvement plan based on the review results.	
Category	Details
Use of Material Nonpublic Information	<ul style="list-style-type: none">• Conduct in-person training to all employees on regulatory trends by outside experts• Provide a detailed code of conduct by providing FAQ related to material nonpublic information, and the 8 Behavioral Principles to all employees• Periodic communications utilizing banners and pop-ups on internal portal for 4 times a year, during the period where dealings of material nonpublic information is frequent.• Publish newsletters on the latest regulatory trends• Make cautionary statements in emails and documents containing material non-public information mandatory• Manage departmental lists of documents containing material non-public information• Conduct annual in-depth self-inspections for compliance monitoring
Unfair Instructions to Affiliates	<ul style="list-style-type: none">• Conduct regular interviews with employees responsible for relevant tasks and diagnose risks through monitoring• Provide detailed guidelines to employees based on risk diagnosis• Conduct customized in-person training and communication for high-risk departments• Distribute updates on regulatory trends to all employees• Conduct annual in-depth self-inspections for compliance monitoring
Unfair Support or Profit-Taking Practices against Affiliates	<ul style="list-style-type: none">• Develop checklists to review the appropriateness of affiliate transactions related to unfair support or Profit-Taking Practices• Implementation of an automated process system for prior review of affiliate transactions by the relevant department• Conduct tailored in-person training and communication for high-risk departments• Distribute regulatory trends to all employees• Conduct annual in-depth self-inspections for compliance monitoring
② Plans to Achieve Objectives	To advance beyond company-wide compliance management governance framework and further minimize the risk of legal violations throughout all stages of business operations, the Company plans to identify high risks by department, establish preventive activities led by each department and employees, and prepare the implementation process. Establishment of a risk-based Compliance Guidelines Plan for important domestic/foreign laws and regulations is under regularization. In addition, self-inspections are conducted through the legal support system, and early monitoring and reporting frameworks are being established by utilizing governance including Compliance Managers. To respond swiftly to the evolving regulatory landscape, the Company will continue to refine its compliance roadmap, while concurrently conducting regular inspections of employee compliance practices and the effectiveness of training, followed by continuous corrective actions.
③ Status on the Ongoing Plan	Details on the objectives established to address risks related to compliance management and the progress toward achieving those objectives are presented in “Metrics and Targets” under “II. Compliance Management” of this report.

Strategy

4. Financial Effects resulting from Compliance Risks & Opportunities

① Financial Effects within Reporting Period	No financial effect was recognized during the reporting period stemming from key risks related to compliance management. However, if fines or litigation costs arise from such risks in the future, financial effect may arise. As these legal expenses are not directly related to operating activities, they would be recorded under other expenses or non-operating expenses in the financial statements, potentially reducing net income. This reduction could in turn lead to a decrease in retained earnings. Furthermore, if legal expenses are paid in cash, this may result in a reduction in cash assets.
② Compliance Management-related Risks & Opportunities that may lead to Material Adjustments for the following Fiscal Year	Upon review of risks related to compliance management that could cause material adjustments to the Company's financial state in the following fiscal year, potential risk of use of material non-public information, unfair instructions to affiliates and unfair support/profit-taking practices against affiliates was identified. In the event litigation occurs due to a violative act, financial effect may arise for contingencies such as litigation contingent liabilities and expected legal costs. In addition, financial effect may arise due to increase in selling and administrative expenses for restructuring regulations and establishing system as part of internal control improvement to prevent recurrence in the future.

5. Compliance Management Resilience

The Company maintains a systematic and continuously evolving compliance risk management system by annually updating its Risk Profile related to compliance management, analyzing the status of key risk management and corrective measures, and reporting the findings to the highest governance body, i.e., the ESG Committee. As the holding company, the Company also supports the advancement and group-wide dissemination of this program to continuously strengthen its response competencies and resilience against risks related to compliance management.	
① Resilience Assessment	<p>The Company considers the following elements as part of its resilience assessment. Based on periodic inspections of these elements, the Company determines that it possesses adequate resilience capacity against compliance management risks.</p> <p>1. External Verification on the Operation of the Compliance System: The Company expects to enhance effectiveness of its compliance system by conducting an independent review every year on conformance to the compliance system and effectiveness of the compliance system, and have that result to be verified by an external expert. Notably, in 2024, the Company prepared a checklist based on latest compliance related regulations and precedents to verify the operation status of the compliance system, and have set a process to conduct periodic evaluation based on such checklist. The Company expects to verify the improvement status of the system objectively, and also to make improvements thereafter.</p> <p>2. Internal Audit against Global Certification Standards: With support from external experts, the Company conducted an internal audit to assess whether its compliance system meets global certification standards (ISO 37301). Based on the audit findings, the Company has identified practical areas for improvement and is currently making improvements, which are expected to further advance its compliance management framework.</p> <p>3. Improvement Measures for Illegal Acts & Risk Signals: When non-compliance is found or red flag on risks are detected through internal whistleblowing, semiannual self-review by employees, or sensing activities by Compliance Managers, the Company determines that it could effectively respond to compliance risk, by analyzing cause of the issue and improving the Compliance Program.</p>

Risk Management

1. Processes and Related Policies for Managing Compliance Risks

The Company has established and operates a compliance risk management process based on the Evaluation of Corporate Compliance Programs issued by the U.S. Department of Justice (DOJ) in 2017 and revised several times thereafter. The Company’s compliance risk management process consists of risk assessment, policies and procedures, training and communication, and compliance inspections and monitoring. Each component is regularly inspected and refined in response to changes in the business environment and applicable regulations.

① Risk Assessment

Led by the Board, the Company has developed and operates a comprehensive company-wide legal risk assessment and management system under its compliance guidelines. In accordance with these standards, the Compliance Officer regularly evaluates legal risks based on their magnitude, likelihood, and frequency, and systematically categorizes key legal risk activities by type for efficient oversight. The compliance officer also analyzes the need for specific risk responses and coordinates with relevant departments and employees. All departments are expected to respond promptly and in good faith, thereby strengthening the foundation of the Company’s compliance management. The standards and procedures for risk assessment are continuously enhanced through periodic reviews and updates to ensure their appropriateness and effectiveness.

Recognizing that compliance risks arising within main affiliates can have both financial and non-financial effects on the Company, group-level oversight is implemented. To that end, key group-wide risks requiring centralized management are designated as “Group Core Compliance Risks.” The Company evaluates each affiliate’s risk level and current management status and reinforces the effectiveness of relevant control systems accordingly. In 2025, the Company plans to designate “collusion” as a Group Core Compliance Risk, planning to elevate the overall level of compliance risk management across the group.

② Policies and Procedures

The Company distributes a “Risk Profile Manual” to all employees to communicate all identified risks, along with internal policies and procedures that must be followed in the course of their work. This manual is regularly updated to reflect new risks and regulatory changes. In 2024, to ensure appropriate review of unfair support and profit-taking practices issues before entering into transactions with affiliates, the Company developed and distributed the “Checklist Appropriateness Review of Transaction Terms when Dealing with Affiliates,” along with accompanying guidelines. Additionally, the Company integrated this checklist into its LG Legal Support System, making it a mandatory step in the contract execution process to incorporate risk prevention directly into operational workflows. Internal training sessions were conducted to ensure smooth implementation and application of these procedures.

The following policies and guidelines have been developed and distributed by the Company about key risks and Core Compliance Risk:

Category		Description
Key Risk		• Key Risk Manual
Core Compliance Risk	Use of Material Nonpublic Information	• FAQ on the Use of Material Non-Public Information • Code of Conduct for Handling Material Non-Public Information
	Unfair Support or Profit-Taking Practices against Affiliates	• Compliance Manual on Internal Transactions • Review Standards for Internal Transactions • Internal Transactions Committee Regulation • Checklist for Evaluating the Appropriateness of Transaction Terms in Affiliate Dealings

③ Training and Communication

The Company operates a variety of programs to strengthen compliance management training and internal communication. To raise company-wide awareness of compliance, the Company conducts compliance session for each department. These sessions are customized to the characteristics and key risks of each department, focusing on high-risk factors and incorporating case-based training and in-depth discussions. The Company also promotes a culture of compliance through active participation of employees. As part of these efforts, the Company hosts “Compliance Week” to build organizational consensus on the importance of compliance. During Compliance Week, actual cases are shared, and “Compliance Talk” sessions are held, where management directly communicates the importance of compliance and conveys their commitment to embedding a culture of compliance across the organization.

In addition, the Company publishes a weekly newsletter titled “Weekly Compliance News”, which provides employees with updates on Core Compliance Risk and the latest regulatory trends and uses internal banners, pop-ups, and warning messages to raise ongoing awareness regarding the risks associated with the use of material non-public information.

Furthermore, all employees are required to sign the “Pledge on the Use of Material Nonpublic Information” once a year. To improve understanding of compliance management within the holding company, the Company plans to implement a structured compliance training program for all new employees starting in 2025. In parallel, the Company conducts compliance training sessions for department CM and those with overall supervisory officers to ensure that compliance is embedded in day-to-day operations.

④ Compliance Inspections and Monitoring

Through the ESG Committee, the Company conducts annual inspections of compliance with the compliance guidelines and assesses the effectiveness of the compliance system. To ensure objectivity in assessment, the Company engages external legal advisory firms to conduct independent legal reviews of the compliance system. The results of these reviews are regularly reported to the Board. To further verify that the Company’s compliance system meets international standards, the Company is actively pursuing certification for its compliance management system (ISO 37301) by 2025.

To systematically inspect the status of risk management across all areas, the Company conducts an annual compliance evaluation for employees. This allows the Company to quantitatively evaluate the level of risk management for each identified risk. The inspection is conducted using a five-point scale, and accurate and objective responses are ensured by maintaining anonymity. Where necessary, follow-up interviews are conducted to carry out an in-depth analysis of specific risk areas.

Additionally, the Company has developed checklists for Core Compliance Risk, enabling employees to perform self-inspections and thereby enhance their understanding of compliance obligations, as well as support self-monitoring. Designated departments are assigned to monitor each risk category on an ongoing basis, and Robotic Process Automation (RPA) is utilized to track key domestic and international compliance issues in real time. They compile these findings into a “Weekly Compliance News” and share them regularly with employees.

⑤ Integration into the Overall Risk Management Process

To strategically manage risks related to compliance management, the Company’s Legal/Compliance collects relevant risk data, evaluates and analyzes the data to identify risks, submits identified risks to the Compliance Officer for review, and reports them to senior management and the ESG Committee. Any issues discussed by the ESG Committee that are deemed significant are subsequently reported to the Board.

Metrics and Targets

1.Compliance Management Metrics

① Legal Violations,
Employee Training,
and Self-Inspections

To effectively respond to risks related to compliance management across the group, the Company established and manages key indicators in 2024 regarding Core Compliance Risk violations, employee trainings, and implementation of self-inspections. These indicators are based on “2-27. Compliance with Laws and Regulations” under the GRI Standards 2021. Over the past three years, no violations¹⁾ or fines have been confirmed in any of the core risk areas. To enhance employees’ awareness of compliance management, the Company has conducted regular company-wide training sessions. These trainings were conducted in person, and as of 2024, more than 80% of all employees have completed the training. Additionally, to advance the Company’s company-wide voluntary compliance self-inspection system, business units are actively encouraged to participate. In 2024, more than 85% of all departments conducted self-inspections.

1) LG Corp. has no cases of legal sanctions, while LG CNS and D&O have 4 and 5 cases, respectively

② Methods to Manage Metrics

All notifications of legal violations received by the Company are periodically collected and managed by relevant departments. Furthermore, compliance violation cases are aggregated through internal compliance inspections, while employee and department participation rates in self-assessments are tracked using the Company’s legal support system. Going forward, the Company is considering centralizing the management of compliance risk violations reported through the Jeong-Do Management Whistleblower System.

2. Compliance Management Targets

① Quantitative and
Qualitative Targets

The Company has established and is pursuing specific quantitative targets to manage risks related to compliance management. To enhance the company-wide voluntary compliance self-inspection system, the Company is striving to achieve a departmental participation rate of at least 85% for general self-inspections and an employee participation rate of at least 85% for in-depth self-inspections related to Core Compliance Risk. To improve employees’ compliance awareness, the Company recommends that at least 75% of employees complete in-person compliance training and targets an attendance rate of at least 85% for training programs conducted for Compliance Managers.

In addition, the Company has set a target of zero incidents related to Core Compliance Risk and is strengthening regular inspections and preventive activities to achieve this target.

② Target-Setting Approach

Method of Target-Setting

The Company sets targets related to compliance management by reviewing past performance and conducting a comprehensive analysis of performance achievement using both quantitative and qualitative metrics. It also reflects key domestic and international regulatory requirements related to compliance management, enabling the determination or revision of targets for the following year.

Target Review and Progress Monitoring

Each year, under the leadership of the Legal/Compliance Support Team, the Company systematically inspects and monitors, across all departments, the participation rates in voluntary compliance self-inspections, compliance training completion status for all employees, progress in identifying department-level risks, and occurrence of any violations related to Core Compliance Risk.

The results of these inspections are regularly shared with management and relevant departments. If necessary, areas for improvement are identified and follow-up actions are implemented. Through this process, the Company manages performance against compliance management targets and proactively prevents the likelihood of key risks to continuously enhance the overall level of compliance.

Performance Against Each Target

In December 2024, the departmental participation rate for voluntary compliance self-inspections reached 100%, and the participation rate for in-depth self-inspections on Core Compliance Risk exceeded 85%. Additionally, all employees received at least one compliance training session in 2024.

③ Revisions to Targets and
Explanations for
Those Revisions

During the reporting period, there were no revisions to the Company’s targets related to compliance management.

III. Health and Safety

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Governance

1. Decision making Body Responsible for Oversight of Health and Safety-related Risks and Opportunities

① Management and Oversight of Risks and Opportunities	Decision making Body responsible for overseeing the Company’s health and safety management system is the ESG Committee. For details on the roles and authority of the ESG Committee, please refer to “Governance” under “I. Climate Change.” In addition, the ESG Committee reviews and addresses key climate-related issues, including carbon and renewable energy policies, through the Group Safety and Environment Council.								
② Competency Assessment and Development	The ESG Committee is composed of members with expertise and competency in overall corporate management, including health and safety. The Company supports the committee members in fulfilling their duties by operating a dedicated ESG Committee Secretariat, which includes health and safety-experts.								
③ Reporting Methods and Frequency to Decision making Body	<p>The ESG Committee receives reports from the ESG Team, which oversees the Company’s health and safety management, regarding the operational status and plans of the health and safety management system, as well as information on related risks. The ESG Committee is held semiannually, but additional meetings may be convened as needed. In 2024, the ESG Committee was convened four times, and the status and plans for the health and safety management system were reported as part of the agenda items related to ESG management progress and future direction.</p> <table><tr><th>Category</th><th>Date</th><th>Type</th><th>Key Agenda Items</th></tr><tr><td>2nd ESG Committee</td><td>2024.10.08</td><td>Reported agenda</td><td>Progress and Future Direction of ESG Management : Operation Status of LG Corp. Health and Safety Management System and Plan</td></tr></table>	Category	Date	Type	Key Agenda Items	2nd ESG Committee	2024.10.08	Reported agenda	Progress and Future Direction of ESG Management : Operation Status of LG Corp. Health and Safety Management System and Plan
Category	Date	Type	Key Agenda Items						
2nd ESG Committee	2024.10.08	Reported agenda	Progress and Future Direction of ESG Management : Operation Status of LG Corp. Health and Safety Management System and Plan						
④ Consideration of Health and Safety-related Risks and Opportunities in Key Decisions and Oversight	The ESG Committee oversees and reviews the adequacy of medium- to long-term roadmaps and other measures to manage and improve safety and health risks reported by the ESG Team. The Company has established and operates a sustainability risk assessment framework and procedures covering seven areas, including health and safety, carbon and energy, ethics and compliance, within its investment review process. Each item is designed to consider cost and economic feasibility, impact on production, regulatory requirements, and reputational risk. ESG risks are incorporated into investment decision-making process through a structured review and evaluation framework, which is applied in accordance with the nature of the investment and its respective stage within the approval process.								
⑤ Management and Oversight of Target-Setting and Progress	The Company reports to the ESG Committee on goals and performance related to health and safety, including the results of risk assessments, budget allocations and expenditures, and medium- to long-term improvement plans. Through this process, the ESG Committee oversees and monitors the Company’s goal-setting and performance in relation to occupational health and safety.								

2. Roles of Management in Overseeing Health and Safety-related Risks and Opportunities

① Roles Delegated to Management and Oversight	Management receives regular and, when necessary, ad-hoc reports from the Company’s ESG team on the operation status of the safety and health management system, inspection results, and action plans. Through these reports, management continuously oversees health and safety-related activities. In addition, management oversees the establishment of the health and safety management system, emergency response systems, and compliance with legal requirements to fulfill its duty to ensure occupational health and safety.
② Controls and Procedures	<p>Designation and Operation of the Responsible Department</p> <p>The Company has designated the ESG team as the department responsible for health and safety management, and its roles and responsibilities are clearly defined in the health and safety management regulations.</p> <p>The ESG team establishes and operates the health and safety management system by ensuring compliance with relevant laws and regulations, formulating and implementing health and safety policies, identifying and assessing risk types to prevent accidents, establishing and managing emergency response systems, and managing supplier competencies.</p> <p>Furthermore, the Company conducts biannual safety inspections and supplier evaluations through external institutions. These inspections assess compliance with legal obligations under health and safety laws and the adequacy of risk management. Based on identified potential risk factors, the Company develops response plans and continuously improves the level of health and safety management.</p> <p>Operation of the Emergency Response Committee</p> <p>The Company defines response procedures by organizational unit (personnel) to prepare for various emergencies, including those related to safety and health, through the “LG Corp. Emergency Response Manual.” In the event of an actual emergency, the Company conducts scenario-based drills to minimize harm to human life and property. When an emergency occurs, the Company convenes a Company-wide Emergency Response Committee based on the level of the emergency. The committee makes decisions on response measures, including the timing of evacuation, based on reports from the Emergency Response Headquarters (ESG Team), and terminates the emergency situation after completion of all necessary actions.</p> <p>Control and Procedure by Management</p> <p>To support management’s oversight of health and safety-related risks and opportunities, the ESG team regularly reports relevant issues to the ESG Committee, a management committee. Through this process, the ESG Committee exercises oversight of the Company’s health and safety related risks and opportunities.</p>

Strategy

1. Health and Safety-related Risks and Opportunities

① Identification of Risks and Opportunities

The Company regularly identifies and manages potential health and safety risks associated with its business operations, taking into account the nature of its business and owned assets. In accordance with the Safety Management Policy and Occupational Health and Safety Management Regulations, the Company conducts regular safety inspections to identify types of risk factors, assess the likelihood of occurrence, and evaluate key risks requiring focused management.

As a pure holding company that does not engage in independent business operations, the Company's primary sources of income consist of dividend income from associates, royalty income from licensing the LG brand, and rental income from owned properties. Among these, rental activities involving owned buildings are considered to present relatively higher health and safety risks. The key health and safety risks related to these activities are as follows:

Category	Risk	Description	Time Horizon		
			Short-term	Medium-term	Long-term
Risk	Aging of facilities and equipment	Increased maintenance costs and replacement expenses due to the aging tangible assets such as facilities and equipment	●	●	●
	Insufficient emergency response systems and preventive measures	Increased recovery costs from potential human and material damage caused by insufficient emergency response systems and training in the event of disasters or emergencies	●	●	●
	Non-compliance with occupational health and safety regulations by suppliers	Fines and penalties arising from inadequate occupational health and safety management systems and non-compliance with regulations by suppliers	●	●	●
	Occurrence of safety incidents within the workplace	Increase in industrial accident compensation insurance premiums and injury insurance premiums due to the occurrence of serious accidents or industrial safety incidents	●	●	●
	Legal proceedings related to safety incidents	Legal expenses, including litigation costs and compensation for damages, arising from lawsuits related to personal injury	●	●	●

② Time Horizon of Risks and Opportunities

The anticipated time horizons in which health and safety related risks are expected to have an impact are classified as short-term (within 1 year), medium-term (over 1 year and within 5 years), and long-term (over 5 years).

2. Business Model and Value Chain

① Effects on Business Model and Value Chain

The current and anticipated effects of key health and safety risks associated with the Company's leasing activities of owned properties on its business model and value chain are as follows:

Risk Name	Effects	Details
Aging of facilities and equipment	Current	Incurred maintenance costs for aging facilities and equipment during the current fiscal year
	Anticipated	Potential legal costs if aging facilities and equipment fail to meet criteria for statutory inspections
Insufficient emergency response systems and preventive measures	Current	No significant impact, as the Company recorded zero key incidents in 2024
	Anticipated	Potential costs for building repairs and compensation in the event of an incident
Non-compliance with occupational health and safety regulations by suppliers	Current	No significant impact due to insufficient supplier safety and health management systems
	Anticipated	Potential for accidents and liability for damages within buildings due to poor supplier safety management
Occurrence of safety incidents within the workplace	Current	No significant current impact, as the Company recorded zero key incidents in 2024
	Anticipated	Potential increase in industrial accident compensation and future premiums for workers' compensation and corporate liability insurance, in the event of a key accident
Legal proceedings related to safety incidents	Current	No significant current impact, as the Company recorded zero key incidents in 2024
	Anticipated	In the event of personal injury on business premises, potential legal expenses and compensation claims may arise, leading to legal and financial liabilities

Strategy

3. Strategy and Decision-Making

① Response and Plan

As of the reporting date, there have been no actual or expected impacts that would lead to fundamental changes in the Company's business model due to health and safety related risks and opportunities. The Company is carrying out the following activities to address these risks:

Response Activity	Details
Elimination of risk factors within facility and equipment	<ul style="list-style-type: none">Establish/distribute safety management standards tailored to each type of facility and equipmentFocus on improvement initiatives targeting four core high-risk areasAdvance the technologies for preemptive detection and monitoring of hazardous and risk factors by facility/equipment typeIntroduce digital innovations applicable to high-risk tasks, facilities, and equipment
Enhancement of the safety and health management system	<ul style="list-style-type: none">Establish/operate an integrated emergency response system for systematic building managementDevelop a system to manage a Health Promotion Index to prevent employee health incidentsIntegrate safety and health risk assessment and improvement feedback processes at business sites
Strengthening supplier safety and health competencies	<ul style="list-style-type: none">Develop a tool to evaluate supplier health and safety competenciesConduct regular competency assessments and implement corrective measuresProvide safety and health training programs to support the development of skilled professionals among suppliersEstablish an integrated IT-based safety management system for suppliers
Strengthening safety and health organization and competency	<ul style="list-style-type: none">Deploy dedicated safety and health teams and managers at each business site, with clear on-site accountability structuresImplement tailored safety and health training and hands-on experiential programs by job level and functionOperate the ENDP to strengthen safety leadership among executives and managers

② Plans to Achieve Objectives

To systematically manage company-wide health and safety-related risks, the Company strives to strengthen inspections and improvement measures for risk factors, while also enhancing response competencies through prompt incident investigation and development emergency action plans in the event of an incident. Additionally, the Company is fostering a culture of proactive health and safety through employee training and communication channels that encourage participation from workers.

③ Progress Against Plans the Entity Has Disclosed in the Previous Reporting Periods

Details on the objectives established to address health and safety-related risks and the progress toward achieving those objectives are presented in “Metrics and Targets” under “III. Health and Safety” of this report.

4. Financial Effects of Health and Safety-related Risks and Opportunities

① Financial Effects Within the Reporting Period

Risk prevention and response strategies related to health and safety, such as eliminating facility and equipment risk factors, enhancing the health and safety management system, and strengthening supplier health and safety competencies, may affect the Company's financial position, performance, and cash flows. This report provides qualitative information, considering the uncertainty associated with quantitatively measuring such financial effects.

Response Activity	Effect	Details
Elimination of risk factors within facility and equipment	Current	• Increased outflow of operating cash due to maintenance of aging facilities and equipment
	Anticipated	• Increased outflow of investing cash and recognition of intangible assets due to the adoption of new technologies applicable to facilities and equipment
Enhancement of the safety and health management system	Current	• Increased operating expenses and outflow of operating cash due to the operation of the health safety management system
	Anticipated	• Increased operating expenses and outflow of cash investments due to the establishment of a corporate health promotion index management system
Strengthening supplier safety and health competencies	Current	• Increased operating expenses and outflow of operating cash due to supplier training support
	Anticipated	• Increased operating expenses and outflow of operating cash due to inspections and reinforcement of supplier management systems
Strengthening safety and health organization and competencies	Current	• Increased operating expenses due to higher training program costs
	Anticipated	• Increased labor costs and operating expenses due to the deployment of dedicated teams and safety and health managers

② Health and Safety-related Risks and Opportunities that May Cause Material Adjustments in the Next Annual Reporting Period

As a result of reviewing health and safety-related risks that may cause significant adjustments to the Company's financial position in the next fiscal year, the aging facilities and equipment, as well as inadequate operation of the emergency response system and lack of preventive management, were identified as potential sources of damage and increased costs. Due to aging facilities and equipment, continuous maintenance is necessary, which may result in ongoing financial effects, including repair expenses and operating cash outflows. Additionally, in the event of an incident caused by inadequate emergency response operations or lack of preventive measures, there may be a temporary increase in selling, general and administrative expenses and outflow of operating cash due to recovery costs.

③ Investment and Disposal Plans for the Strategy

To implement its health and safety risk prevention and response strategies, the Company has increased its health and safety-related budget compared to the previous year and established investment plans for facility improvements, inspections of risk factors, and management systems.

④ Financial Effects by Time Horizon due to the Execution of the Strategy

From the short term (within 1 year) to the medium term (over 1 year to within 5 years), the Company expects an increase in investing cash outflows due to investments in aging facilities and equipment, and an increase in operating cash outflows due to the increased expense for enhancing the safety and health management system and building supplier competency. However, through such investments in the short to medium term, improvements in the Company's health and safety management system and management for suppliers are expected to reduce certain infrastructure operation and labor costs in the long term (beyond 5 years).

5. Health and Safety Resilience

① Resilience Assessment	<p>The Company has established an Emergency Response Committee and developed organization-specific response plans to minimize casualties and damage to assets in the event of an emergency. It has also established an emergency response process tailored to scenario-specific situations. Incidents that occur or are reported within the workplace during normal operations are shared in real time. The Company verifies and ensures its readiness and resilience of the emergency response manual, incident classification standards, and the continuous response system through semiannual inspections.</p> <p>Resilience Assessment</p> <p>The Company assesses its resilience to health and safety risks based on the following factors:</p> <p>1. Regular Inspections of the Crisis Response System: The Company conducts periodic risk assessments to ensure the feasibility of immediate decision-making and incident response procedures in emergencies and verifies the effectiveness of organization-specific response manuals and communication systems.</p> <p>2. Enhancement of Suppliers' Occupational Health and Safety Competency: The Company evaluates the overall competency of its supply chain based on health and safety risk assessments of key suppliers, checks on compliance with relevant standards, and result of corrective and preventive actions.</p>
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Risk Management

1. Processes and related Policies for Managing Health/Safety Risks

① Risk Identification	<p>The Company complies with occupational health and safety-related laws and regulations such as the Serious Accidents Punishment Act, the Occupational Safety and Health Act, and the Fire Services Act. In alignment with the requirements of these laws, the Company has established policies, regulations, and procedures for operating its occupational health and safety management system, which are regularly updated.</p> <p>The Company has established the “Safety Management Policy,” “Health and Safety Management Regulations,” and “Supplier Management Regulations” to oversee the establishment and operation of occupational health and safety systems for both its internal operations and those of its suppliers. Accordingly, the Company periodically identifies and improves hazardous and risk factors at business sites. Additionally, the Company operates manuals such as the “Risk Assessment Manual” and the “Emergency Response Manual,” which define detailed operational procedures for each task.</p>
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	<p>The Company operates the “LG SHEC¹⁾” to raise awareness and embed a culture of safety and environmental awareness among all employees of the Group, enhance the competencies of safety and environmental professionals, and build collaborative models across the public, private, and academic sectors. LG SHEC features expert lectures, exhibitions of the latest safety and environmental technologies, and awards for outstanding business sites. Companies with advanced technologies related to areas such as industrial safety, firefighting, environment, health, and AI/DX participate in the exhibition to showcase their products and provide technical consultations.</p> <p>Furthermore, to promote proper leadership awareness and improve leadership roles in building a safety culture, the Company organizes and operates a safety and environmental training program as part of the mandatory “EnDP²⁾” for Group executives and related personnel. This program helps leaders in each organization understand their roles in on-site safety management.</p> <p>1) SHEC: LG Safety, Health, Environment Conference 2) EnDP : Entrepreneur Development Program</p>
② Criteria used for Risk Assessment	<p>The Company conducts semiannual on-site occupational health and safety inspections of its real estate assets through professional safety and health organizations. Four assets subject to inspection include LG Twin Towers, LG Gwanghwamun Building, LG Seoul Station Building, and LG Gasan Digital Center. Inspections are conducted to identify potential risks in facilities and equipment. Moreover, the Company assesses the materiality of risks by considering their nature, likelihood, and impact.</p>
③ Prioritization of Health and Safety-related Risks	<p>The Company has identified “Health and Safety” as a core sustainability agenda item for the Group. The Company formulates related policies and promotes implementation tasks through the Group CSEO Council, which includes main subsidiaries and associates. To ensure focused management of health and safety issues, plans and performance outcomes related to health and safety are regularly reported to the ESG Committee. In addition, to prioritize risks and opportunities related to occupational health and safety, the Company has established and operates evaluation standards and procedures for incorporating occupational health and safety considerations into investment decision-making processes.</p>
④ Monitoring	<p>The Company develops and implements corrective action plans for hazardous risk factors identified during on-site health and safety inspections, as well as deficiencies in the management systems of building operation and management suppliers. The appropriateness and implementation status of corrective measures are verified and revised during the subsequent inspection cycle.</p>
⑤ Changes in the Risk Management Process	<p>There were no significant changes to the climate-related risk management process during the reporting period.</p>

2. Integration into the Overall Risk Management Process

The Company integrates the health and safety risk management process through the ESG Committee. The ESG Committee receives reports from the ESG Team, which is responsible for health and safety management, regarding the current status and plans of the health and safety management system, as well as information on health and safety risks. Key risks discussed by the ESG Committee are reported to the management and the Board. The ESG Team operates the health and safety management system to strategically manage health and safety risks.

Metrics and Targets

1. Health and Safety Metrics

① Lost-Time Injuries Frequency Rate (LTIFR)	The LTIF is an indicator that represents the proportion of lost-time injuries per one million working hours. Many global companies use this metric as a key indicator of safety performance. The Company uses this indicator as a safety management metric to identify the frequency and severity of safety incidents and to quantitatively evaluate and manage performance.
② LTIFR Calculation Method	The Company calculates the LTIFR using the number of lost-time injury cases collected through on-site inspections and the total working hours obtained from the internal work hour management system.
③ Assets and Business Activities Vulnerable to Risk	The Company considers aging rental buildings as assets vulnerable to health and safety risks. These properties have a relatively higher likelihood of electrical or fire-related incidents, requiring intensive management. In particular, there are risks of on-site accidents involving subcontractor workers during construction and maintenance activities. The Company is therefore focusing on monitoring these risks, conducting regular safety inspections, and strengthening emergency response drills, along with reinforcing management procedures for assets vulnerable to health and safety risks.
④ Capital Deployment	For information on capital deployment related to health and safety risks and opportunities, please refer to “Financial Effect of Safety and Health Risks and Opportunities.”
⑤ Executive Remuneration	One of the Company’s main associates, LG Electronics, links the performance of its executives and senior management to occupational health and safety indicators. Key performance indicators (KPIs) for executives and senior management include serious accidents, key industrial incidents, legal violations (number and details), LTIFR, and accident prevention activities.

2. Health and Safety Targets

① Quantitative and Qualitative Targets

The Company has set an annual target of “0” lost-time injury frequency rate (LTIFR) and has established a medium- to long-term safety and health improvement roadmap to achieve this systematically. By 2025, the Company aims to establish a management foundation to mitigate risks associated with fire, electric shock, suffocation, and falls. From 2026 to 2027, it will focus on strengthening its prevention and response systems and enhancing operational effectiveness. By 2030, the Company plans to establish a digitally integrated (DX-based) health and safety management system to continually improve its safety and health management standards.

② Target-Setting Approach

Method of Target-Setting

The Company sets its health and safety targets based on trend analysis of LTIFR and through regular safety inspections conducted by external expert agencies. Although the Company is not subject to mandatory requirements such as training, education, or appointment of legally designated personnel under the Occupational Safety and Health Act and other relevant regulations, it is actively committed to preventing serious industrial accidents by establishing a safety and health management system, conducting regular safety inspections, and supporting capacity building for its suppliers.

Target Review and Progress Monitoring

The Company's safety and health management team regularly reviews and monitors progress and performance related to the LTIFR and the implementation of health and safety corrective action plans, and the findings are reported to senior management.

Performance against Each Target

Through continuous improvements to its management systems, the Company has maintained a LTIFR of “0” over the past three years. However, one of its main subsidiaries, D&O, has reported minor lost-time injuries due to the nature of its leisure business operations. To address this, D&O is actively working to reduce LTIFR through ongoing enhancements to its health and safety management system, improvements to work procedures, and initiatives to raise employee safety awareness.

(Unit: Incidents/million working hours)

Indicator	Classification	2022	2023	2024
LTIFR ¹⁾	LG Corp.	0.00	0.00	0.00
	Main subsidiaries			
	LG CNS	0.09	0.09	0.08
	D&O	1.08	0.98	1.39

1) LTIFR is rounded to the second decimal place

③ Revisions to Targets and Explanations for Those Revisions

During the reporting period, there were no revisions to the Company's health and safety-related targets

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Governance

1. Overview of the Board of Directors

① Structure of Board of Directors

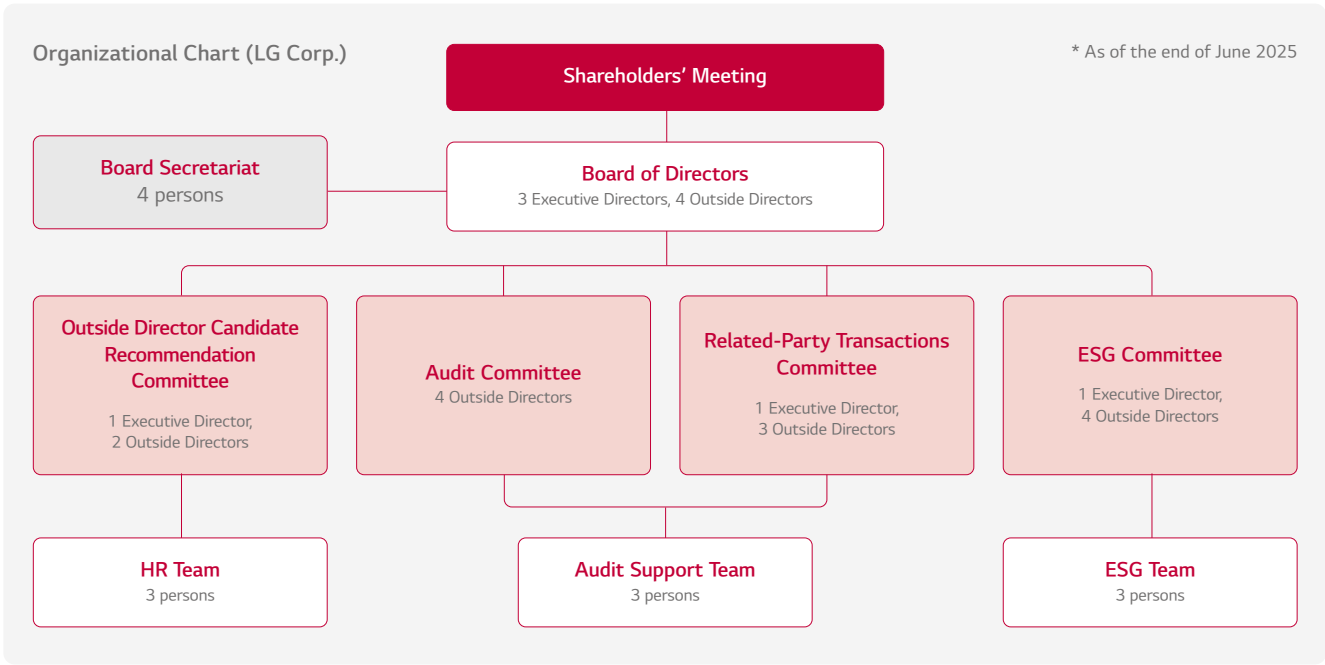
Board Structure

In accordance with Article 23, Paragraph 1 of its Articles of Incorporation, the Company has established the Board composed of four outside directors and three executive directors. This composition meets the requirements for the appointment of outside directors as outlined in Article 542-8, Paragraph 1 of the Commercial Act. With outside directors constituting the majority of the Board, the Company ensures its independence in Board decision-making. When appointing outside directors, the Company carefully evaluates candidates based on potential conflicts of interest, experience, and professional expertise, and other such factors. The Board is chaired by Executive Director Kwang Mo Koo, who concurrently serves as Chair to ensure efficient and accountable governance. At the March 2024 general shareholders’ meeting, Directors Kwang Mo Koo and Soo Young Lee were reappointed. In March 2025, Outside Director Do Jin Jeong was newly appointed, while Directors Bong Seok Kwon and Beom Jong Ha were reappointed, extending their terms until the conclusion of the 2028 general shareholders’ meeting.

* As of the end of June 2025

Board Committees

Under Article 27-2, Paragraph 1 of the Articles of Incorporation and Article 13, Paragraph 1 of the Board Regulations, the Company has established four committees under the Board: the Audit Committee, the Outside Director Candidate Recommendation Committee, the Related-Party Transactions Committee, and the ESG Committee. The Audit Committee is composed entirely of four outside directors, including members with expertise in finance and accounting, and complies with Articles 415-2 and 542-11 of the Commercial Act. To enhance fairness and independence, the Outside Director Candidate Recommendation Committee is composed of three members, two of whom are outside directors. The Related-Party Transactions Committee consists of two outside directors and one executive director. The ESG Committee is composed of all outside directors along with one executive director.



Board Composition

Category	Name	Gender	Professional Experience	Expertise	Date of Initial Appointment	Date of Expiration	Date of Change
Executive Director (Chairman)	Kwang Mo Koo	Male	• (Current) Representative Director & Chairman, LG Corp. • Managing Director, LG Corp. Business Strategy Team	General Business Management	2018.06.29	End of the 2027 AGM	2024. 03.27
Executive Director	Bong Seok Kwon	Male	• (Current) Vice Chairman & Representative Director, LG Corp. • Representative Director, LG Electronics	General Corporate Management	2022.01.07	End of the 2028 AGM	2025. 03.26
Executive Director	Beom Jong Ha	Male	• (Current) President and CFO, LG Corp. • Managing Director (Finance & Economics), LG Chemical	Finance	2019.03.26	End of the 2028 AGM	2025. 03.26
Outside Director	Sung Wook Cho	Male	• (Current) Representative Attorney, Law Firm Hwawoo • Chief Prosecutor, Daejeon High Prosecutors’ Office	Law	2020.03.27	End of the 2026 AGM	2023. 03.29
Outside Director	Soo Young Lee	Female	• (Current) Executive Officer, Eco Management Korea Holdings Co., Ltd. • Representative Director, Kolon Water & Energy	Environment, Management	2021.03.26	End of the 2027 AGM	2024. 03.27
Outside Director	Jong Su Park	Male	• (Current) Professor, Korea University Law School • Chairperson, Korean Academic Society of Taxation	Law, Tax, Administration	2023.03.29	End of the 2026 AGM	2023. 03.29
Outside Director	Do Jin Jeong	Male	• (Current) Professor, Chung-Ang University Business School • (Current) Vice President, Korean Accounting Association	Accounting, Audit	2025.03.26	End of the 2028 AGM	2025. 03.26

* As of the end of June 2025

Committee Compositon

Committee	Kwang Mo Koo	Bong Seok Kwon	Beom Jong Ha	Sung Wook Cho	Soo Young Lee	Jong Su Park	Do Jin Jeong
Audit Committee				●	●	●	●
Outside Director Candidate Recommendation Committee		●			●		●
ESG Committee		●		●	●	●	●
Related-Party Transactions Committee			●	●	●	●	

Governance

② Board Expertise and Diversity

Board Expertise

The Company ensures sound and informed decision-making by composing the Board with individuals who possess expertise across a wide range of fields.

The following criteria are considered in assessing a director’s professional qualifications:

Criteria for Assessing Director Expertise

Area of Expertise	Industry	Others
Whether the individual possesses expertise in areas such as management (organizational management), economics, law, accounting, or environmental matters, etc.	Whether the individual possesses industry expertise, including work experience in the sectors relevant to the Company and its main associates	Whether the individual understands the roles and responsibilities of an outside director

Board Diversity

In accordance with the Financial Investment Services and Capital Markets Act and related regulations, the Company ensures that its Board is not composed exclusively of one gender. In addition to gender, the Company also considers age, experience, and background to promote diverse perspectives in board governance. The following criteria are considered in assessing a diversity:

Criteria for Assessing Board Diversity

Gender	Age	Experience & Background	Others
Reflecting gender equality principles to incorporate a range of perspectives in board operations	Balancing experience with the adaptability needed to navigate a changing business environment	Reflecting the diversity of Korean society while avoiding overrepresentation from a single background	Considering additional diversity factors such as nationality, race, religion, and ethnicity

Gender Composition of Outside Directors at LG Corp. (Unit: number of individuals)

Category	Female	Male	Total
Number of Outside Directors	1	3	4

* As of the end of June 2025

③ Fair Execution of Directors’ Duties

The company is committed to preventing conflicts of interest and self-dealing by directors, ensuring fairness in transactions and the proper exercise of oversight by the Board. In accordance with Articles 397-2 and 398 of the Korean Commercial Act and Article 12, Paragraph 1, Subparagraph 4 of the Board Regulations, the Company designates transactions between directors and companies, and the appropriation of corporate opportunities or assets by directors, as matters requiring board approval. Furthermore, under Articles 368 and 391 of the Commercial Act and Article 10, Paragraph 2 of the Board Regulations, any director with a special interest in a resolution is prohibited from exercising voting rights on that matter.

④ Appointment and Evaluation of Outside Directors

Appointment Process and Criteria

In accordance with the Korean Commercial Act (Articles 382 and 542-8) and internal regulations, the Company has established and operates the Outside Director Recommendation Committee. This committee conducts a rigorous review of candidates to assess their suitability for the role of director. Based on the committee’s recommendation, outside directors are formally appointed at the shareholders’ meeting.

Independence of Outside Directors

The company ensures that all outside directors meet the independence requirements stipulated by the Commercial Act and other relevant laws. To further ensure board independence, a majority of the Board members are outside directors. Additionally, to maintain fairness and independence in the appointment process, two out of the three members of the Outside Director Candidate Recommendation Committee are outside directors. The company has established and applies the following Guidelines for Independence of Outside Directors:

Guidelines for Independence of Outside Directors

Clause	Details
1	The outside director must not have worked for the company as an employee within the past 5 years.
2	The outside director's immediate family member must not have worked for either the company or its affiliates within the past 3 years.
3	The outside director must not be in an employment relationship with the company's external auditor.
4	The outside director must not be an employee of a corporate entity with which the company has signed an agreement on consulting services or technical partnerships.
5	The outside director must not be an advisor or consultant for the company or its management.
6	The outside director must not be an employee of a corporate entity whose total transactions with the company over the past 3 fiscal year accounted for 10% or more of the company's total assets or gross revenue.
7	The outside director must not be an employee of a corporate entity that has entered into a single transaction contract with the company amounting to 10% or more of the company's total revenue during the past 3 fiscal years.
8	The outside director must not have any significant conflict of interest concerning matters that may be decided upon by the Board.

Assessment of Outside Directors

The company conducts both quantitative and qualitative assessments of each outside director’s performance. The results of these assessments are comprehensively considered when determining whether to reappoint the director before their term expires. Quantitative assessments include attendance rates at Board meetings, the relevance and effectiveness of contributions to Board discussions, and the director’s role in supporting the internal control and monitoring systems for key financial risks as a member of the Audit Committee. Qualitative assessments reflect feedback from various relevant departments to ensure fairness and objectivity in evaluating the director’s performance.

Governance

⑤ Board Remuneration

Remuneration System

In accordance with Article 388 of the Korean Commercial Act, the Company pays remuneration to directors within the total amount approved at the shareholders’ meeting. During the reporting period, total board remuneration paid amounted to KRW 13,129 million.

Composition of Board Remuneration

Remuneration of Executive Directors	Remuneration of Outside Directors
<ul style="list-style-type: none">• Annual salary reflecting inflation rate, business environment, scope of responsibility, business complexity, and productivity• Role-based pay• Performance-based incentive pay	<ul style="list-style-type: none">• Annual salary based on inflation rate, business environment, scope of responsibility, and business complexity

Board Remuneration

(Unit: number of individuals, KRW million)

Category	Executive Director	Outside Director	Audit Committee Members ¹⁾
Number of Individuals	3	-	4
Total Remuneration ²⁾	12,721	-	408
Average Remuneration/Person	4,240	-	102

* As of the end of December 2024

1) All Audit Committee members are outside directors

2) Total remuneration includes payments made to directors and auditors who retired during the period

2. Board Operations

① Overview of Board Operations

Status of Operations

The Board meets quarterly in principle, and additionally as needed, in accordance with internal regulations. In 2024, the Board held a total of six meetings and deliberated 27 agenda items. The average attendance rate of directors was 100%.

Board Activities

(Unit: meetings/case)

Category	2022	2023	2024
Number of BOD Meetings	7	6	6
Approval	18	13	17
Reporting	13	10	10

Board Attendance

(Unit: %)

Category	2022	2023	2024
Average Attendance	100	97.6	100

ESG Committee Operations

In accordance with Article 13, Paragraph 1 of the Board Regulations, the Company established an ESG Committee under the board in May 2021.

In accordance with Article 10 of the ESG Committee Regulations, the committee is responsible for deliberating on ESG policies and strategies, setting medium- to long-term goals, establishing foundational compliance policies, managing key compliance risks, and other critical matters related to compliance. Between January 1, 2024, and June 30, 2025, the ESG Committee held four meetings, during which it discussed 13 agenda items. The attendance rate for committee members was 100%, and all matters were reported to the board by the ESG Committee.

Governance

Year (Session)	Date	Number of Attendees / Total Members	Category	Agenda	Resolution	BOD Report
2024 1st	2024. 05.02	5/5	Resolution	Appointment of the Committee Chairperson	Approved	0
		5/5	Resolution	Amendment of the Group's 2050 Integrated Carbon Neutral Roadmap	Approved	0
		5/5	Report	Measures to strengthen ESG risk management in the investment process	Other	0
		5/5	Report	Report on implementation of compliance risk management improvement plans	Other	0
2024 2nd	2024. 10.08	5/5	Report	ESG strategy progress and future direction	Other	0
		5/5	Report	Result of climate risk assessments and response plans	Other	0
		5/5	Report	Enhanced ESG risk review standards for investments	Other	0
2024 3rd	2024. 11.11	5/5	Report	Report on value enhancement plans	Other	0
		5/5	Report	Report on implementation of compliance risk management improvement plans	Other	0
2025 1st	2025. 05.08	5/5	Report	Current status of implementation and plans for group carbon neutrality	Other	0
		5/5	Report	Progress and plans for responding to mandatory ESG disclosure	Other	0
		5/5	Report	Results of review and assessment of ESG regulations in the supply chain	Other	0
		5/5	Report	Progress and plans to improve the compliance risk management system	Other	0

3. Stability of Executive Leadership

① Representative Director Succession

Establishment of Representative Director Succession Policy

The Company ensures stability in management by systematically developing key executives with managerial expertise and potential through the “Representative Director Succession Procedure and Candidate Development Principles.” In addition, the Company regularly convenes the “Executive HR Council,” comprising key executives and HR officers, to evaluate the development status and readiness of C-level executives from main affiliates and external candidates selected for the Group’s Representative Director candidate pool.

Selection of Representative Director Candidates

Based on the defined qualifications for the Representative Director role, considering the business environment and strategy, the Company selects both short-term candidates (ready for immediate appointment) and long-term candidates (eligible within 3–5 years), each at a scale of 2 to 3 times the number of actual positions needed. Throughout the year, selected candidates undergo evaluations to assess their competency, experience, and performance, and are added to or removed from the candidate pool as needed (Pool In/Out).

Succession Procedure

When a Representative Director transition occurs, the Company selects a final candidate from the Representative Director candidate pool through assessments by the Executive HR Council and supporting departments. After that, the candidate is then submitted to the Board for approval. The Board evaluates whether the candidate possesses the capabilities to manage the Company in the best interest of shareholders and to embody the Company’s core values and vision. If approved, the candidate is confirmed as a nominee for executive director. Once appointed as an executive director at the shareholders’ meeting, the nominee is officially appointed as Representative Director through a final resolution by the Board, thereby completing the succession process.

Training for Representative Director Candidates

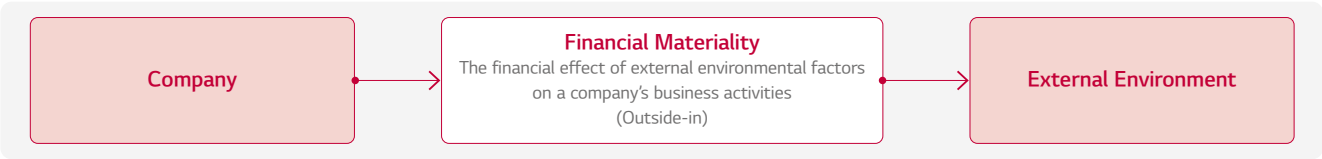
The Company operates a regular job rotation system, allowing successors to gain experience across various business units and roles within the Group. Additionally, the Company runs entrepreneurship development programs in collaboration with the LG Academy to strengthen the candidates’ competencies. Through LG Business Division Manager Course and the Entrepreneur Development Program (EnDP), the Company fosters the business insight, strategic thinking, and market awareness required for future Representative Director leadership.

Materiality Assessment

The Company conducts an annual materiality assessment to identify and address sustainability-related risks and opportunities that have a significant effect on its business operations, thereby enhancing stakeholder trust. The assessment is conducted using the concept of financial materiality as defined by Korean sustainability disclosure standards.

① Definition of Materiality Assessment

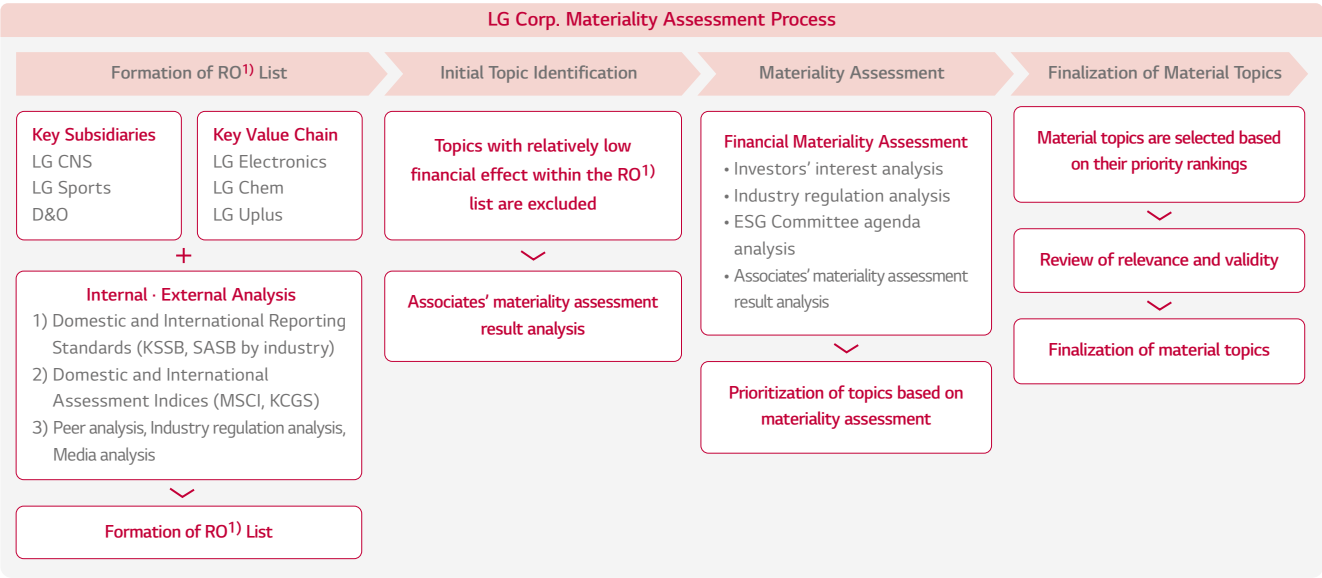
In 2024, the Company conducted a financial materiality assessment, considering the financial effect of external environmental factors on its business operations (outside-in approach).



Materiality Assessment Process

The Company conducted its materiality assessment in five stages: Formation of RO¹⁾ Population, Derivation of Initial Topic, Internal and External Environmental Analysis, Selection of Material Topics, and Validity Review.

During the Formation of RO¹⁾ Population stage, the Company analyzed international standards and evaluation indicators, main subsidiaries and associates, competitors and peers, industry regulations, and media reports. Based on the results of this analysis, an RO¹⁾ population comprising 40 topics was established. In the Derivation of Initial Topic stage, topics from the RO¹⁾ population that were deemed to have relatively low financial effect were excluded, and 35 preliminary topics were selected. During the internal and external environmental analysis stage, the Company conducted a materiality assessment of 35 topics, incorporating industry regulations relevant to the business, investor requirements, ESG Committee agenda items, and the results of materiality assessments conducted by associates. In the Selection of Material Topics stage, topics were prioritized based on the materiality assessment results to determine the final reportable material topics. During the Validity Review stage, the Company compared and reviewed the selected material topics with the 2023 results to finalize the material topics to be reported in 2024. Refer to the table below for a detailed breakdown of the process:



1) RO: external factors that impact corporate financial performance (Risk & Opportunity)

② Result of the Materiality Assessment

Based on the materiality assessment, the Company selected top three topics, “Climate Change Response,” “Occupational Health and Safety of Own Workforce,” and “Ethics and Compliance Management,” as reportable material topics for 2024. The Company will identify¹⁾ the effects of these material topics on business operations and set specific implementation goals to systematically manage them.

Results of the Materiality Assessments (Top 15 Topics)

Category	Sustainability-related Topics	Financial Effect	Material Topic
Environment	Climate Change Response	<div></div>	○
Social	Occupational Health and Safety of Own Workforce	<div></div>	○
Social	Ethics and Compliance Management	<div></div>	○
Social	Information Security	<div></div>	
Social	Equal Treatment and Opportunity of Own Workforce	<div></div>	
Social	Working Conditions of Own Workforce	<div></div>	
Social	Labor Rights of Own Workforce	<div></div>	
Environment	Energy	<div></div>	
Social	Working Conditions of Workers in the Value Chain	<div></div>	
Social	Equal Treatment and Opportunity for Workers in the Value Chain	<div></div>	
Environment	Biodiversity Loss	<div></div>	
Environment	Water Resources	<div></div>	
Governance	Compliance Risk	<div></div>	
Governance	Risk Management	<div></div>	
Social	Labor Rights of Workers in the Value Chain	<div></div>	

1) As a holding company with no direct business operations, the Company derives its primary income from dividends, trademark royalties, and rental revenue. Based on this business model, two subsidiaries (LG CNS, D&O) and three associates (LG Electronics, LG Chem, LG Uplus) were identified and assessed as key stakeholders

Quantitative Data¹⁾

The ESG data presented in this report covers the domestic and overseas business sites of LG Corp.²⁾, two main subsidiaries (LG CNS, D&O), and three main associates (LG Electronics, LG Chem, and LG Uplus), on a non-consolidated basis. Metrics, units, and definitions relating to this data are as follows.

Data Definition
[Environmental]

Category	Metric	Unit	Definition
Climate Change ³⁾	Greenhouse Gases	Thousand tCO ₂ eq	The sum of Scope 1 and Scope 2 greenhouse gas (GHG) emissions, calculated in accordance with the Guidance on emissions reporting and certification for the K-ETS, as well as the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
			Direct emissions. Greenhouse gases emitted from sources owned and controlled by the organization within the operational boundary
			Indirectt emissions. Greenhouse gases resulting from the use of purchased electricity, steam, etc., that entered the organization from outside its operational boundary
		tCO ₂ eq/100million KRW	The sum of Scope 1 and Scope 2 greenhouse gas emissions per unit revenue
	Energy ⁴⁾	TJ	Internal and external energy usage in the organization Use of renewable and non-renewable (direct) fuels, (indirect) steam/heat, and (indirect) electricity that the organization purchases or produces
			Total fuel usage from non-renewable energy sources
			Total fuel usage from renewable energy sources
		%	Percentage of renewable energy used out of total energy usage

1) 2022 and 2023 data revised to reflect corrections in associates' disclosure
2) In the case of LG Corp., environmental data has been excluded in consideration of its low environmental impact as a pure holding company
3) Scope 2 emissions are based on the market-based method, hence identical to CDP disclosure
4) Energy units converted to TJ for consistency

Category	Metric	Unit	Definition
Resources & Waste	Water Resources	Thousand tons	Total volume of water Withdrawal at business sites, including surface water, groundwater, seawater, municipal water, and other sources
			Total volume of surface water (rivers, dams, reservoirs) withdrawn at business sites
			Total volume of groundwater (springs, subsurface flow, wells) withdrawn at business sites
			Total volume of seawater (ocean water) withdrawn at business sites
			Total volume of municipal water (drinking and domestic use) withdrawn at business sites
			Total volume of other water sources withdrawn at business sites
		%	(Internal water reuse volume + external reused water usage) / (Water withdrawal volume + internal water reuse volume)
		Thousand tons	Volume of water reused within the facility after wastewater treatment
			Volume of treated sewage water reused or purchased externally
			Volume of wastewater discharged outside the operational boundary through internal/external treatment facilities, commissioned treatment, and public sewage systems
	Waste	Tons	Total weight of treated waste (general, hazardous) and method of treatment (recycling, incineration, landfill) *Amount incinerated with heat recovery is separately categorized
		%	The proportion of general and hazardous waste recycled out of the total waste generated
Pollutant Emissions	Air Pollutant Emissions	Tons	Amount of NOx (nitrogen oxides) emissions to air
			Amount of SOx (sulfur oxides) emissions to air
			Amount of VOCs (volatile organic compounds) emissions to air
			Amount of dust emissions to air

Quantitative Data

[Social]

Category	Metric	Unit	Definition
Unit	Human Resources ¹⁾	New Hires	Number of persons
		Voluntary Resignation Rate ²⁾	Percentage of permanent employees who retired voluntarily, excluding involuntary turnover such as retirement and dismissal
		Return Rate from Parental Leave	Percentage of permanent employees who returned to work among those scheduled to return from parental leave
		Average Training Time	Hours / person
		Average Training Costs	10,000 KRW / person
		Employee Gender Composition (Female Rate)	Male and female gender composition among permanent employees
	Diversity / Inclusivity ¹	Permanent Employee Rate ^{2),3)}	Percentage of permanent workers, with no fixed term, among all employees
		Disability Employment Rate	Percentage of directly hired disabled workers, and disabled workers hired through associate-type standard workplaces for disabled people
Health & Safety	Injury Rate	LTIFR	Case / Million hours
			Lost time injuries per million hours worked (number of lost time injuries ⁴⁾ /total hours worked per year × 1,000,000)

1) Some data, relating to human resources and diversity/inclusiveness from certain overseas business sites, has been excluded (disability employment rate is not included)

2) Data relating to voluntary turnover rate and the proportion of regular employees for LG Chem (overseas) has been excluded

3) Non-permanent employees are salaried workers, excluding permanent employees, and are limited to those directly contracted with the company

4) Number of accidents that prevented work, and the number of accidents that caused business suspension exceeding one day

Category	Metric	Unit	Definition
Supply	Suppliers	Self-Assessment Completion Rate	Percentage of suppliers* that completed self diagnosis among all suppliers *Companies with whom we have direct or indirect business relationships that are classified as tier 1 suppliers
		On-site Assessment Completion Rate	Number of high risk key supplier subject to on-site assessment / number of high risk key supplier for whom on-site assessment has been completed* * Among tier 1 suppliers, the decision is made autonomously by the affiliates considering the following factors: ① High Purchase Proportion ② Supply of Key Parts/Services ③ Indispensability ④ High Influence ⑤ Company Size
Community	Social Contribution	Total Social Contribution Amount	Total amount of social contribution by type
		Donations	Donations made for temporary support activities made at the request of charities, local communities, or emergency relief situations, etc.
		Community Investment	Investment in activities that continuously contribute to the community through participation in specific programs planned by the company, NGOs, and local governments
		Commercial Initiatives	Advertising expenses invested in a series of activities conducted in cooperation with charities or local community organizations to promote the corporate brand

Quantitative Data

[Environmental]

Category		Metric	Unit	2022	2023	2024
Climate Change	Greenhouse Gases	Scope 1+2 Emissions	Thousand tCO ₂ eq	12,092	11,429	11,719
		Scope 1		5,907	5,399	5,891
		Scope 2		6,185	6,030	5,828
		Intensity	tCO ₂ eq/100 million KRW	10.94	10.65	10.57
	Energy	Total Usage ¹⁾	TJ	185,980	173,879	183,193
		(Direct) Fuel		109,480	98,217	111,527
		(Indirect) Steam		15,961	13,540	14,672
		(Indirect) Electricity		60,530	59,973	54,636
		Non-renewable energy consumption		182,187	167,046	176,326
		Renewable energy consumption		3,792	6,833	6,867
		Renewable Electricity Transition Rate	%	6.27	11.39	12.57
	Water Resources	Water Withdrawal	Thousand tons	83,358	81,576	80,497
		Surface water		0	0	-
		Ground water		1,348	1,383	1,365
		Seawater		-	-	-
		Municipal Water		81,997	80,048	79,067
		Other		14	145	65
		Water Reuse Rate	%	3.1	3.1	3.8
		Internal Water Reuse Volume	Thousand tons	2,591	2,547	3,072
		External Reuse Water Usage		61	83	81
		Waste Water Discharge		23,465	24,221	23,606

Category		Metric	Unit	2022	2023	2024
Resouces & Waste	Waste	Total Waste	Tons	500,970	436,891	447,639
		General Waste		366,161	308,499	302,148
		Recycling		317,079	274,458	275,975
		Incineration (General)		9,813	5,989	2,842
		Incineration (Heat Recovery)		23,149	13,779	11,577
		Landfill		15,818	14,006	11,550
		Others		302	267	204
		Hazardous Waste		134,809	128,392	145,491
		Recycling		64,253	60,997	87,912
		Incineration (General)		14,853	13,556	8,841
		Incineration (Heat Recovery)		54,361	52,210	48,000
		Landfill		1,343	1,554	738
		Others ²⁾		-	75	-
		Waste Recycling Rate	%	76.1	76.8	81.3
	Pollutant Emissions	Nox	Tons	3,863	3,178	3,126
		Sox		246	125	165
		VOCs		1,421	346	333
		Dust		221	208	201

1) Green Premium purchases by LG Uplus and LG CNS are included in total energy usage
2) For LG Uplus, there was a one-time waste organic solvents were generated due to the removal of generator cooling water

Quantitative Data

[Social]

Category		Metric	Unit	2022	2023	2024
Employees	Human Resources	New Hires ¹⁾		20,675	16,809	13,409
		Male	Number of persons	13,796	11,144	9,337
		Female		6,879	5,665	4,072
		Under 30		11,990	9,681	7,546
		30~49		8,125	6,600	5,360
		Over 50		560	528	503
		Voluntary Resignation Rate	%	8.5	6.2	5.0
		Number of Voluntary Resignation	Number of persons	8,757	6,229	5,464
		Male		5,967	4,236	3,756
		Female		2,790	1,993	1,708
		Under 30		3,805	2,580	2,196
		30~49		4,541	3,372	2,957
		Over 50		411	277	311
		Return Rate from Parental Leave	%	90.6	92.1	92.0
		Number of Returning Employees	Number of persons	1,003	1,101	1,207
		Male		480	533	555
		Female		523	568	652
		Number of Employees Planned to Return		1,107	1,196	1,312
		Male		526	567	592
		Female		581	629	720
		Average Training Time	Hours/ person	41.9	42.7	38.7
		Male		43.7	44.4	40.1
		Female		35.2	36.7	33.5
		Permanent Employee		41.9	42.7	38.7
		Average Training Costs	10,000 KRW/ person	98	108	96
	Diversity/ Inclusivity	Employee Gender Composition (Female Rate)	%	21.0	21.3	21.5
		Male	Number of persons	83,002	83,151	84,179
		Female		22,000	22,493	23,008

Category		Metric	Unit	2022	2023	2024	
Employees	Diversity/ Inclusivity	Permanent Employee Rate	%	98.3	97.9	97.9	
		Number of Permanent Employees	Number of persons	103,182	103,447	104,967	
		Under 30		16,665	16,497	16,498	
		30~49		70,875	70,141	69,771	
		Over 50		15,642	16,809	18,698	
		Number of Temporary Employees		1,820	2,197	2,220	
		Male		1,390	1,651	1,690	
		Female		430	546	530	
		Disability Employment Rate		%	1.4	1.4	1.5
		Direct Employment		Number of persons	696	702	725
		Indirect Employment	725		773	801	
		Health & Safety ²⁾		LTIFR	Cases/ Million hours	1.49	0.71
Supply Chain	Partner Companies ³⁾	Self-Assessment Completion Rate	%	72.6	89.9	83.5	
		Number of suppliers subject to selfassessment	Number of companies	2,834	2,569	2,834	
		Number of suppliers that completed self-assessment		2,057	2,309	2,366	
		On-site Assessment Completion Rate	%	-	14.3	61.3	
		Number of high risk suppliers	Number of companies	1	7	31	
		Number of suppliers that completed on-site assessment		-	1	19	
Community	Social Contribution	Total Social Contribution Amount	Million KRW	105,421	78,253	86,777	
		Donations		50,011	38,077	39,444	
		Community Investment		9,308	7,776	18,240	
		Commercial Initiatives		46,103	32,400	29,093	

1) In the case of LG Chem, only domestic data has been included in the reporting, considering the measurement uncertainty associated with new hires abroad.
2) The number of lost-time accidents decreased in 2023-2024 at three main associates as they strengthened their workplace health and safety risk management and accident prevention activities
3) LG Uplus began conducting on-site assessments for high-risk core suppliers in 2023. Therefore, data newly reflected from 2024

Qualitative Data¹⁾

The 2023 ESG performance of one main subsidiary (LG CNS) and three main associates (LG Electronics, LG Chem, LG Uplus) of LG Group in the environmental and social dimensions is as follows. For more detailed information, please refer to the location of disclosure.

[Environmental]

Category	Affiliate	Details	Location of Disclosure
Climate Change	Greenhouse Gases	LG ElectronicsEstablishment and implementation of greenhouse gas reduction plans	LG Electronics_2024~2025 Sustainability Report p.20
		LG ElectronicsReduction of greenhouse gas emissions during product use and distribution stages	LG Electronics_2024~2025 Sustainability Report p.20
		LG ChemTransition to a low-carbon management system	LG Chem_2024 Sustainability Report p.50~52
		LG ChemDiversification of greenhouse gas reduction strategies	LG Chem_2024 Sustainability Report p.53~56
		LG UplusAnalysis of climate change scenarios	LG Uplus_2024 ESG Report p.36
		LG UplusAnalysis of the financial effect of climate change	LG Uplus_2024 IFRS S1:S2 Report p.12~13
	LG CNS	Strengthening response to the emissions trading system	LG CNS_2024~2025 Sustainability Report p.42
	Energy	LG ElectronicsMonitoring and management of renewable energy status	LG Electronics_2024~2025 Sustainability Report p.25
		LG ChemEnergy reduction activities through innovative technologies	LG Chem_2024 Sustainability Report p.55
		LG UplusEnergy reduction activities and procurement of eco-friendly energy	LG Uplus_2024 ESG Report p.38~39
		LG CNSPromotion of energy efficiency in data centers	LG CNS_2024~2025 Sustainability Report p.52~55
Resources and Waste	Water Resources	LG ElectronicsManagement of water resource efficiency	LG Electronics_2024~2025 Sustainability Report p.39
		LG UplusManagement and reduction of water usage	LG Uplus_2024 ESG Report p.45
		LG CNSWater quality inspection and water usage management	LG CNS_2024~2025 Sustainability Report p.54
	Waste	LG ElectronicsEstablishment and management of waste reduction targets	LG Electronics_2024~2025 Sustainability Report p.29~31
		LG ElectronicsLife Cycle Assessment (LCA)	LG Electronics_2024~2025 Sustainability Report p.35~36
		LG ChemAchievement of zero landfill waste at operational Sites	LG Chem_2024 Sustainability Report p.68
		LG UplusRecycling of waste and management of hazardous waste	LG Uplus_2024 ESG Report p.44~45
		LG CNSPromotion of resource circulation campaigns	LG CNS_2024~2025 Sustainability Report p.56

1) D&O, a main subsidiary, is not included as it does not publish a separate Sustainability Report

[Social]

Category	Affiliate	Details	Location of Disclosure
Employees	Human Resources	LG ElectronicsOperation of talent development programs	LG Electronics_2024~2025 Sustainability Report p.66~67
		LG ChemTalent acquisition and development	LG Chem_2024 Sustainability Report p.89~90
		LG UplusOperation of employee competency development programs	LG Uplus_2024 ESG Report p.100~102
		LG CNSDiversification of recruitment and training programs	LG CNS_2024~2025 Sustainability Report p.58~62
	Diversity/ Inclusivity	LG ElectronicsMeasures to promote diversity and inclusion	LG Electronics_2024~2025 Sustainability Report p.69
		LG ChemSupport activities for growth to enhance diversity	LG Chem_2024 Sustainability Report p.92
		LG CNSOperation of diversity enhancement programs for employees	LG CNS_2024~2025 Sustainability Report p.63~66
	Health and Safety	LG ElectronicsImplementation and Management of Health and Safety Systems and Risk Management	LG Electronics_2024~2025 Sustainability Report p.70~75
		LG ChemExecution and performance management of environmental safety	LG Chem_2024 Sustainability Report p.73~76
		LG UplusOperation of health and safety inspection and management systems	LG Uplus_2024 ESG Report p.86~91
		LG CNSPromotion of health and safety risk management and prevention activities	LG CNS_2024~2025 Sustainability Report p.75~78
Supply Chain	Suppliers	LG ElectronicsESG risk management for partner companies	LG Electronics_2024~2025 Sustainability Report p.77~86
		LG ChemEvaluation and management of suppliers' ESG performance	LG Chem_2024 Sustainability Report p.82~85
		LG UplusPromotion of ESG evaluation and mutual growth with suppliers	LG Uplus_2024 ESG Report p.103~106
		LG CNSSupport for strengthening the capabilities of suppliers	LG CNS_2024~2025 Sustainability Report p.82~84
Local Community	Social Contribution	LG ElectronicsImplementation of social contribution programs for local communities	LG Electronics_2024~2025 Sustainability Report p.99~103
		LG ChemOperation and performance measurement of social contribution projects	LG Chem_2024 Sustainability Report p.95~97
		LG UplusSupport for vulnerable groups and local communities	LG Uplus_2024 ESG Report p.107~116
		LG CNSOperation of social contribution programs for youth	LG CNS_2024~2025 Sustainability Report p.79~81

GRI Standards Index

GRI Disclosure	Disclosure	Description	Location of Relevant Information
General Disclosure	2-1	Organizational details	p.2, Business Report p.3
	2-2	Entities included in the organization's sustainability reporting	p.2
	2-3	Reporting period, frequency and contact point	p.2, 84
	2-4	Restatements of information	p.70-77
	2-5	External assurance	p.82-83
Activities and Workers	2-6	Activities, value chain and other business relationships	Business Report p.4, 37-44
	2-7	Employees	p.76
	2-8	Workers who are not employees	p.77, Refer to the Business Report of Main Associates
Governance	2-9	Governance structure and composition	p.60-61
	2-10	Nomination and selection of the highest governance body	p.60-63, Refer to the Corporate Governance Report Principle 4-2, 4-3, 5-1
	2-11	Chair of the highest governance body	p.60-63, Refer to the Corporate Governance Report Principle 4-1(5)
	2-12	Role of the highest governance body in overseeing the management of impacts	p.6, 34, 48
	2-13	Delegation of responsibility for managing impacts	p.6, 34, 48
	2-14	Role of the highest governance body in sustainability reporting	p.6-9, 34-36, 48-49
	2-15	Conflicts of interest	p.61-63
	2-16	Communication of critical concerns	p.65-66, Business Report p.464
	2-17	Collective knowledge of the highest governance body	p.8, Business Report p.468
	2-19	Remuneration policies	p.64, Refer to the Corporate Governance Report Principle 6-2
	2-20	Process to determine remuneration	p.64, Refer to the Corporate Governance Report Principle 6-2
	2-21	Annual total compensation ratio	Not disclosed due to confidentiality.
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	🔗 LG Corp. Web-site-ESG-Strategy
	2-23	Policy commitments	🔗 LG Corp. Website-ESG-Policy-Human Rights Policy
	2-24	Embedding policy commitments	p.13-14, 25-26, 38-39, 42-43, 52, 54-55
	2-25	Processes to remediate negative impacts	🔗 LG Corp. Ethics site
	2-26	Mechanisms for seeking advice and raising concerns	🔗 LG Corp. Ethics site
	2-27	Compliance with laws and regulations	p.42
	2-28	Membership associations	Refer to the ESG Report of Main Associates
Stakeholder Engagement	2-29	Approach to stakeholder engagement	p.3, 64-65
	2-30	Collective bargaining agreements	Refer to the ESG Report of Main Associates

GRI Disclosure	Disclosure	Description	Location of Relevant Information
Disclosure on material topics	3-1	Process to determine material topics	p.3, 7, 64-65
	3-2	List of material topics	p.3, 64-65
	3-3	Management of material topics	p.10-24, 37-39, 50-52
Economic performance	201-2	Financial implications and other risks and opportunities due to climate change	p.10-12, 15-16, 19-20
Energy	302-1	Energy consumption within the organization	p.74
Water and Effluents	303-4	Water discharge	p.74
Emissions	305-1	Direct (Scope 1) GHG emissions	p.27, 74
	305-2	Energy indirect (Scope 2) GHG emissions	p.27, 74
	305-3	Other indirect (Scope 3) GHG emissions	-
	305-4	GHG emissions intensity	p.74
	305-5	GHG emissions reduction	p.30
Waste	306-3	Waste generated	p.75
	306-4	Waste diverted from disposal	p.75
	306-5	Waste directed to disposal	p.75
Employment	401-1	New employee hires and employee turnover	p.76
	401-3	Parental leave	p.76
Occupational Health and Safety	403-1	Occupational health and safety management system	p.48-49
	403-2	Hazard identification, risk assessment, and incident investigation	p.50-52
	403-5	Worker training on occupational health and safety	p.54-55
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.50-54
	403-9	Work-related injuries	p.57, 77
Training and Education	404-1	Average hours of training per year per employee	p.76
Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to me	Business Report p.476

Independent Assurance Statement



Independent Practitioner’s Limited Assurance Report on LG Corp.’s Sustainability Information
(English Translation of a Report Originally Issued in Korean)

To the Management of LG Corp.

We have undertaken a limited assurance engagement on the Sustainability Report (the “Report”) of LG Corp.(the “Company”) for the year ended 31 December 2024.

Identified Sustainability Information

The Sustainability Information included in the Report and subject to our assurance engagement consists of the following, with the exclusion of greenhouse gas emissions and related information:‘Global Reporting Initiative(GRI) Standard Index’ stated on pages 80-81
Our assurance engagement is for the fiscal year ended December 31, 2024, and we have not performed assurance procedures on prior periods or on other information included in the Report, and accordingly, we do not express any conclusion on such information.

Criteria Used by the Company

The criteria used by the Company to prepare the Sustainability Information (the “Criteria”) are the Global Reporting Initiative(GRI) Standards. As there is no generally accepted framework or established practices for evaluating and measuring sustainability information, various measurement techniques can be acceptable, which may affect comparability between companies and across periods.

Assurance Conclusion – Limited Assurance

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Information in the Report for the year ended 31 December 2024, has not been prepared, in all material respects, in accordance with the Criteria.

Inherent Limitations in Preparing Sustainability Information

The Sustainability Information includes inherent uncertainties based on climate-related scenarios and forward-looking statements. These uncertainties arise from the incomplete nature of scientific and economic knowledge regarding the potential physical and transitional impacts of climate change, their likelihood, timing, and effects.

Responsibilities of the Company

The Company is responsible for selecting and establishing appropriate Criteria for preparing the Sustainability Information, considering relevant laws and regulations, and for the preparation of the Sustainability Information in accordance with these Criteria. This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

We plan and perform our work to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, and to form an independent conclusion based on the evidence obtained, which we then report to the Company’s management. As our role involves forming an independent conclusion on the Sustainability Information prepared by management, our involvement in the preparation of the Sustainability Information would impair our independence and is not permitted.

Standards for Performing Assurance Engagements

We performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 “Assurance Engagements Other than Audits or Reviews

Our Independence and Quality Control

We comply with the independence and other ethical requirements of the Code of Ethics for Professional Accountants. This code is based on principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. We apply International Standard on Quality Management 1(ISQM1), which includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements, to maintain a comprehensive quality control system.

Summary of Procedures Performed as the Basis for Our Conclusion

To identify areas where material misstatements in the Sustainability Information might arise, we planned and performed our work based on professional judgment. Our procedures for the limited assurance engagement included:

- Performing limited verification of the assured Sustainability Information through inquiries and analytical reviews
- Interviewing personnel responsible for aggregating and preparing the Sustainability Information at the corporate level
- Inquiring about the Company’s materiality assessment procedures considering key stakeholders
- Visiting the Company to understand the processes and systems used to manage and report the Sustainability Information

The procedures performed in a limited assurance engagement vary in nature and timing and are less extensive than those for a reasonable assurance engagement. Therefore, the level of assurance obtained in a limited assurance engagement is substantially lower than that which would have been obtained if a reasonable assurance engagement had been performed.

Restricted Use

This report is prepared solely for the management of the Company to assist in understanding the Company’s sustainability performance and activities. Accordingly, we do not accept or assume any responsibility to any other party.

Deloitte Anjin LLC

4 August 2025
Seoul, Republic of Korea

This assurance report is valid as of the date of the report (August 4, 2025). Therefore, events or circumstances occurring between the date of this report and the time it is read could significantly impact the information presented and may require revisions to this report.

LG ESG Reporting 2024

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