LG ESG REPORT 2025

RESPONSIBLE
BUSINESS
SUSTAINABLE
FUTURE

LG

LG ESG REPORT **2025**

RESPONSIBLE BUSINESS SUSTAINABLE FUTURE

Disclaimer

This report includes matters concerning projections, outlooks, and estimates for the future, in addition to current or past activities and performance for the Company's sustainable growth and value creation.
In this report, expressions including the words or phrases "outlook," "anticipate," "estimate," "expect," "plan," "target," and "scheduled," or other similar expressions, are matters concerning projections, outlooks, and estimates for the future.
These are prepared based on the Company's reasonable assumptions, projections, and expectations as of the date of preparation of this report, involve known or unknown material risks and uncertainties, and actual results for such projections, outlooks, and estimates may differ in material respects from what was projected.
The Company does not guarantee the accuracy or completeness of the judgments, estimates, or assumptions used in this report. In addition, the Company assumes no obligation to provide further notice of changes in the information on which projections, outlooks, and estimates for the future were based after the publication of this report. Please note that this report may not, under any circumstances, be used as evidence in determining legal liability for investors' investment outcomes.

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Overview

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General Information

1. General Information

① Overview	LG Corp. (the "Company") strives to create a better life for all by securing sustainable future competitiveness by responsibly delivering value to customers across all business processes. This report is prepared to share the status of the Company's sustainability management and to enhance communication with stakeholders with respect to the requirements of Korean Sustainability Disclosure Standards No. 1, 'General Requirements for Disclosure of Sustainability-related Financial Information', and No. 2, 'Climate-related Disclosures', enacted and promulgated by the Korea Sustainability Standards Board (KSSB) under the Korea Accounting Institute.
② Reporting Boundary	As a pure holding company that does not directly engage in a separate business, the Company includes in its reporting boundary 2 subsidiaries (LG CNS, D&O), determined by financial materiality on a consolidated financial statement basis for the assessment scope of the business model, and 3 affiliates that operate its main businesses (LG Electronics, LG Chem, LG Uplus). Where the reporting boundary differs due to reasons such as the absence of information, this is indicated in separate footnotes.
③ Reporting Period	The reporting period of this report is from January 1, 2025 to December 31, 2025, which is identical to the reporting period of the Company's consolidated financial statements. For some data, data from the first half of 2026 is included to provide timely information. The reporting cycle is once a year, with publication in the second half of each year.
④ Reporting Standards	This report has been prepared with reference to Korean Sustainability Disclosure Standards No. 1, 'General Requirements for Disclosure of Sustainability-related Financial Information', and No. 2, 'Climate-related Disclosures', and is prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021 criteria, the international reporting standards for sustainability management.
⑤ Report Assurance	To ensure the accuracy, objectivity, and reliability of the report preparation process and all information prepared, an independent third-party assurance provider completed an assurance engagement in accordance with ISAE (International Standards on Assurance Engagements) 3000, the international assurance standard. The Independent Assurance Statement is included in pages 73-74.
⑥ Presentation Currency	The presentation currency of this report is Korean won.
⑦ Comparative Information	In accordance with the requirements of the Korean Sustainability Disclosure Standards, this report discloses comparative information for the preceding period for the quantitative information available.

General Information

2. Judgments and Uncertainties

① Judgments with Significant Impact

A. Identification of Sustainability-related Risks and Opportunities

The Company identified sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of the Company and its 5 main subsidiaries and affiliates (LG CNS, D&O, LG Electronics, LG Chem, LG Uplus), and selected 'Climate Change', 'Compliance Management', and 'Health and Safety' as material topics by comprehensively considering the magnitude, scope, and likelihood of potential impacts over the short, medium, and long term.

B. Identification of Material Information

In accordance with management's judgment, the Company distinguished between information necessary for primary users and information that is not material, and excluded immaterial information from the disclosed information.

C. Reassessment of the Scope of Sustainability-related Risks and Opportunities across the Value Chain

The Company plans to reassess sustainability-related risks and opportunities affecting the entire value chain when significant events or changes in circumstances occur. Significant events or changes in circumstances may occur even without the Company's direct involvement, and may also occur as a result of changes in what the Company has assessed as material to users of general-purpose financial reports. Such significant changes in circumstances include changes in the value chain and changes in the business model, activities, or structure of consolidated companies. However, given the Company's nature as a pure holding company, only main affiliates are included in the value chain, and the main affiliates' own value chains are not included.

② Measurement Uncertainty

A. Expected Impacts of Sustainability-related Risks and Opportunities on Financial Information by Period

This report includes quantitative and qualitative information on the impacts that the Company's sustainability-related risks and opportunities are expected to have on the entity's financial position, financial performance, and cash flows over the short, medium, and long term. This information was measured using all reasonable and supportable information available as of the reporting date; however, significant uncertainty exists because assumptions about future events are included in the measurement process.

B. Scope 1 and 2 GHG Emissions of Subsidiaries and Affiliates

The 'Climate Change' topic disclosures in this report include Scope 1 and 2 GHG emissions information for the 2 main subsidiaries (LG CNS, D&O) and 3 main affiliates (LG Electronics, LG Chem, LG Uplus). LG CNS, LG Electronics, LG Chem, and LG Uplus are designated as companies subject to the domestic GHG Emissions Trading Scheme, calculating their Scope 1 and 2 emissions each year and performing third-party verification thereon. For D&O, the 'Gonjiam Resort & Golf Club' site is designated as a site subject to the domestic GHG and Energy Target Management System, and the GHG emissions of that site are calculated and verified.

Governance

1. Board of Directors

① Board Composition

In accordance with Article 23, Paragraph 1 of its articles of incorporation, the Company composes its board of directors with 3 executive directors (Kwang Mo Koo, Bong Seok Kwon, Beom Jong Ha) and 4 independent directors (Soo Young Lee, Jong Su Park, Do Jin Jeong, Hwan Soo Kim). This satisfies the independent-director appointment requirements set forth in Article 542-8, Paragraph 1 of the Commercial Act, through which the Company secures the independence of the board. In addition, when appointing independent directors, the Company comprehensively reviews conflicts of interest, experience, and expertise. In March 2026, to enhance the independence and transparency of the board of directors, the company separated the representative director and board chair roles and appointed independent director Jong Su Park as board chair.

Board Composition of LG Corp.

As of the end of June 2026

Category	Name	Gender	Key Career	Field of Expertise	Date of First Appointment	Scheduled Expiry Date	Date of Change
Executive Director	Kwang Mo Koo	Male	• (Current) Representative Director & Chairman, LG Corp. • Managing Director, Corporate Strategy Team, LG Corp.	General Corporate Management	2018.06.29	2027 At the conclusion of the Annual General Meeting	2024.03.27
Executive Director	Bong Seok Kwon	Male	• (Current) Representative Director & Vice Chairman, LG Corp. • President & CEO, LG Electronics	General Corporate Management	2022.01.07	2028 At the conclusion of the Annual General Meeting	2025.03.26
Executive Director	Beom Jong Ha	Male	• (Current) President, Head of Corporate Management Support Division, LG Corp. • Vice President, Financial Management Division, LG Chem	Finance	2019.03.26	2028 At the conclusion of the Annual General Meeting	2025.03.26
Independent Director	Soo Young Lee	Female	• (Current) Advisor, Law Firm Hwawoo • Executive Officer, Eco Management Korea Holdings Inc.	Environment, Management	2021.03.26	2027 At the conclusion of the Annual General Meeting	2024.03.27
Independent Director	Jong Su Park	Male	• (Current) Professor, Korea University School of Law • President, Korean Academic Society of Taxation	Law, Taxation, Administration	2023.03.29	2029 At the conclusion of the Annual General Meeting	2026.03.26
Independent Director	Do Jin Jeong	Male	• (Current) Professor, School of Business Administration, Chung-Ang University • (Current) Vice President, Korean Accounting Association	Accounting, Audit	2025.03.29	2028 At the conclusion of the Annual General Meeting	2025.03.29
Independent Director	Hwan Soo Kim	Male	• (Current) Representative Attorney, Law Firm Baeksong • Presiding Judge, Seoul High Court	Law	2026.03.26	2029 At the conclusion of the Annual General Meeting	2026.03.26

Governance

1. Board of Directors

② Board Expertise and Diversity

Board Expertise

The Company composes its Board with directors possessing competencies in diverse fields, enabling the board to make reasonable decisions.
The factors the Company considers when assessing directors' expertise are as follows.

Factors for Assessing Directors' Expertise

Field of Expertise	Industry	Others
Whether the director possesses expertise in management (organizational operation), economics, law, accounting, environment, etc.	Whether the director possesses industry expertise, including work experience in the industries in which the Company and its main affiliates operate	Whether the director possesses an understanding of the duties of an independent director

Board Diversity

In accordance with the Financial Investment Services and Capital Markets Act and other laws, the Company ensures that the board is not composed of only one gender, and enhances the board's diversity by considering various factors such as age, experience, background, and other relevant factors.
The factors the Company considers when assessing directors' diversity are as follows.

Factors for Assessing Directors' Diversity

Gender	Age	Experience and Background	Others
Reflect the principle of gender equality to operate the Board based on diverse perspectives	Enhance Board efficiency by balancing flexible responses to changes in the business environment with seasoned experience	Consider the characteristics of Korean society while avoiding concentration of particular backgrounds	Consider other diversity factors such as nationality, race, religion, and ethnicity

Gender Composition of Independent Directors of LG Corp.

As of the end of June 2026

Category	Female	Male	Total
No. of Independent Directors	1	3	4

Corporate Governance Report

For other board-related details — such as the appointment and evaluation of independent directors, board remuneration, board operations, and the stability of management leadership — please refer to the Company's Corporate Governance Report disclosed on the Financial Supervisory Service's electronic disclosure system (DART).

Governance

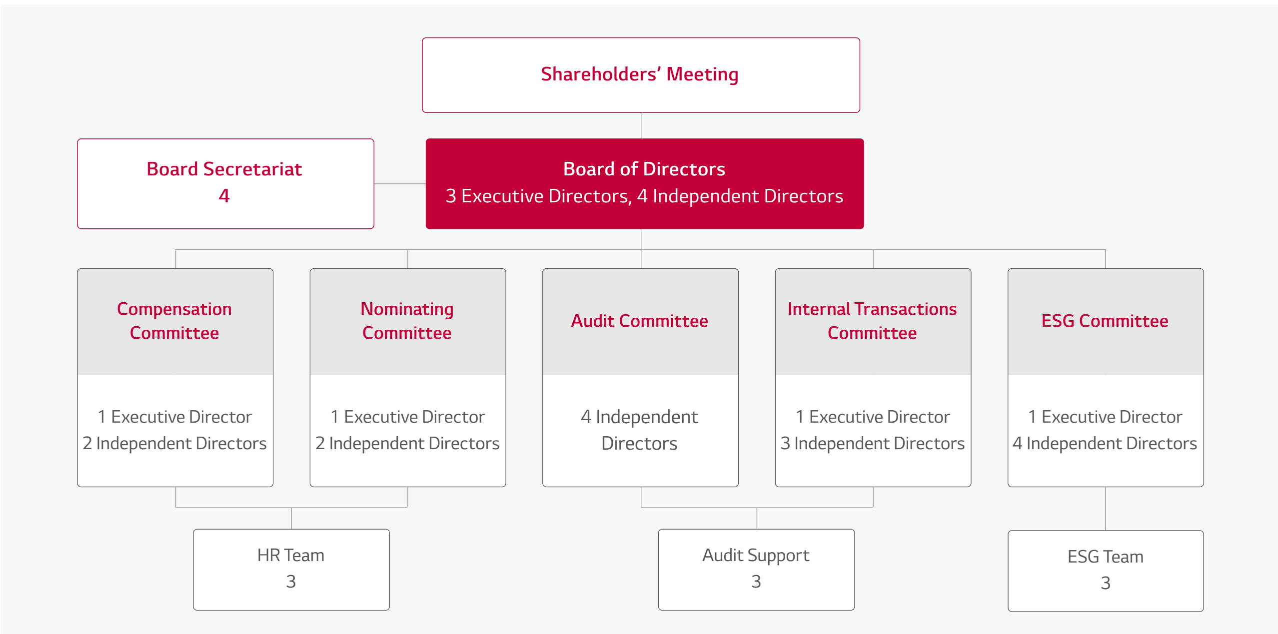
1. Board of Directors

③ Composition of Committees under the Board

In accordance with Article 27-2, Paragraph 1 of the Articles of Incorporation and Article 13, Paragraph 1 of the Board Regulations, the Company has established the Compensation Committee, the Nominating Committee, the Audit Committee, the Internal Transactions Committee, and the ESG Committee under the Board. The Compensation Committee consists of 1 executive director and 2 independent directors, and the Nominating Committee is composed of 2 independent directors among its total of 3 members to enhance fairness and independence. The Audit Committee includes members with expertise in finance and accounting and is composed entirely of independent directors (4 in total), satisfying Articles 415-2 and 542-11 of the Commercial Act. The Internal Transactions Committee consists of 1 executive director and 3 independent directors, and the ESG Committee consists of 1 executive director and 4 independent directors.

Committee Organization under the Board of LG Corp.

As of the end of June 2026



Committee Membership under the Board

Committee	Kwang Mo Koo	Bong Seok Kwon	Beom Jong Ha	Soo Young Lee	Jong Su Park	Do Jin Jeong	Hwan Soo Kim
Compensation Committee			●		●	●	
Nominating Committee		●				●	●
Audit Committee				●	●	●	●
Internal Transactions Committee			●	●	●		●
ESG Committee		●		●	●	●	●

Governance

2. ESG Committee

① Roles and Authority of the ESG Committee

In accordance with Article 13, Paragraph 1 of the Board Regulations, the Company has established and operated an ESG Committee under the Board since May 2021. As the highest deliberative body for ESG management, the ESG Committee deliberates and resolves on the establishment of policies and strategies for ESG management, the setting of medium- to long-term targets, the establishment of basic policies for compliance management, the management of core compliance risks, and material matters related to compliance control, in accordance with Article 10 of the 'ESG Committee Regulations'. The roles and authority of the ESG Committee are governed by the Company's 'ESG Committee Regulations'.

Regulations on the Roles and Authority of the ESG Committee

Category	Roles and Authority
ESG Committee Regulations	**Article 3 (Authority)** ① The Committee shall resolve the matters listed in Article 10 so that the Company may fulfill its responsibilities and roles with respect to the environment and society, establish the foundation for transparent governance and compliance management, and achieve sustainable growth over the long term. ② The Committee may report to the Board on matters it has resolved or received reports on, where it deems necessary. **Article 10 (Matters for Deliberation)** ① Matters to be submitted to the Committee are as follows. 1. Plans and implementation performance of ESG management activities 2. Matters relating to the occurrence of, and response to, material ESG-related risks 3. Material matters relating to compliance control, such as the management of core compliance risks 4. Other matters deemed necessary by the Committee ② Matters to be reported to the Committee are as follows. 1. Plans and implementation performance of ESG management activities 2. Matters relating to the occurrence of, and response to, material ESG-related risks 3. Material matters relating to compliance control, such as the management of core compliance risks 4. Other matters deemed necessary by the Committee **Article 12 (Support Department)** ① The Committee may have a support department to assist with the Committee's affairs and support its operation. ② The support department performs the following duties. 1. Supporting the setting of key ESG medium- to long-term targets and management indicators 2. Supporting the evaluation of ESG activities and performance management 3. External communication relating to ESG 4. Notifying Committee meetings; preparing and distributing agenda items; preparing minutes; and following up on agenda items, etc. 5. Practical support for the Committee's administrative affairs as a whole

Governance

2. ESG Committee

② ESG Committee Operation

Between January 1, 2025 and June 30, 2026, the ESG Committee was held a total of 4 times and discussed 13 agenda items, all of which were reported to the Board of Directors.

ESG Committee Operation Status

As of the end of June 2026

Session	Date	Attendees / Total	Category	Details	Approval Status	Board of Directors Reporting Status
1	2025. 05.08	5/5	Report	1. Group carbon-neutrality implementation status and plan	-	○
			Report	2. Progress and plan for responding to mandatory ESG disclosure	-	○
			Report	3. Analysis and inspection results of supply-chain ESG regulations	-	○
			Report	4. Progress and plan for improving the compliance risk management system	-	○
2	2025. 10.02	4/5	Report	1. ESG management performance and future direction	-	○
			Report	2. Operation status of the Group's carbon-neutrality and climate-adaptation framework	-	○
			Report	3. Progress and plan for improving LG Corp.'s health and safety management system	-	○
			Report	4. Report on the results of implementing compliance risk management improvement measures	-	○
3	2025. 11.14	5/5	Report	1. Corporate value-up plan (FY2025 implementation status (draft))	-	○
4	2026. 05.07	5/5	Report	1. Status and plan for responding to the institutionalization of ESG disclosure	-	○
			Report	2. Carbon-neutrality implementation strategy and strengthening of risk management	-	○
			Report	3. Plan to utilize climate-finance policies and establish a procurement framework	-	○
			Report	4. Progress and plan for improving the compliance risk management system	-	○

3. Composition and Roles of Delegated Management

The Company has delegated to management the roles and responsibilities required to effectively manage and oversee sustainability-related risks and opportunities. In support of management, the ESG Team establishes and updates sustainability management targets and strategies, reviews key indicators and implementation performance, and reports regularly to the ESG Committee. It also discusses sustainability policies and key agenda items through consultations with relevant departments.

Governance

4. Group ESG Operating Framework

① Composition of Group Councils

The Company operates councils between the Group and its affiliates in key areas, and details of the group councils are as follows.

Key Group Councils and Roles

Group Council	Role
Group ESG Council	• Discusses data-management policies and system-operation measures to secure the consistency and uniformity of ESG performance
Group Climate Change Council	• Discusses overall climate-change matters, such as climate-change policy trends and carbon-neutrality implementation plans and tasks
Group Safety and Environment Council	• Reviews and discusses key safety- and environment-related policies and matters requiring management

② Group ESG Information Management System

To systematically manage and transparently disclose ESG information, the Company has established the ‘ESG Information Management and Disclosure Regulations’. These regulations include the authority, responsibilities, and the internal control process of the responsible and relevant departments, which apply global non-financial information disclosure standards and guidelines.
In addition, the Company collects and manages group ESG data through the ‘LG ESG Intelligence’ platform, and utilizes non-financial information in management decision-making and disclosures based on its ESG information management system.

Materiality Assessment

1. Definition and Process of the Materiality Assessment

To proactively identify and respond to sustainability-related risks and opportunities that have a material impact on its management activities, the Company performs a materiality assessment every year, comprehensively considering the impact of the external environment on the Company's financial performance.

External Environment → **Financial Materiality** Impact of the external environment on the Company's financial performance (Outside-in) → Company

Through analysis of the internal and external environment related to LG Corp.'s reporting boundary[1], the Company prepared an RO[2] topic pool consisting of 43 topics, from which 24 topics were derived in the first round. Thereafter, the 2025 material topics were finally confirmed by comprehensively reviewing the financial materiality assessment results and the prior-period assessment results. Details of the materiality assessment process are as follows.

Materiality Assessment Process of LG Corp.

RO Topic Pool Formation

- Main Subsidiaries: LG CNS, D&O
- Main Affiliates: LG Electronics, LG Chem, LG Uplus

\+

Internal and External Environment Analysis
1) Domestic and international disclosure standards (KSSB[3], subsidiaries' and affiliates' industry-specific SASB[4])
2) Domestic and international rating indices (MSCI[5], KCGS[6])
3) BM[7] company analysis, regulatory and legal analysis, media analysis

▼

RO Topic Pool Formation

Derivation of First-round Assessment Topics

Exclude topics with relatively low financial impact within the RO topic pool

▼

First-round Assessment Topics

Assessment of Material Topics

Financial Materiality Assessment
- Analysis of external investor requirements
- Analysis of industry regulations and laws
- Analysis of ESG Committee agenda items
- Analysis of affiliates' materiality assessment results

▼

Prioritization of topics by materiality assessment score

Selection and Confirmation of Material Topics

Materiality assessment score Selection of material topics by priority

▼

Validity Review of the Selection of Material Topics

▼

Final Confirmation of Material Topics

1) As a pure holding company that does not directly engage in a separate business, the Company identified and assessed 2 subsidiaries (LG CNS, D&O) and 3 affiliates (LG Electronics, LG Chem, LG Uplus) as key stakeholders for the assessment scope of the business model
2) RO (Risk & Opportunity): risks and opportunities that the external environment poses to a Company's financial performance
3) KSSB (Korea Sustainability Standards Board): domestic sustainability disclosure standards established by the Korea Sustainability Standards Board
4) SASB (Sustainability Accounting Standards Board): useful for investor decision-making based on financial materiality across 77 industries an international disclosure standard requiring the disclosure of ESG information
5) MSCI (Morgan Stanley Capital International): a global ESG rating standard developed by MSCI that assigns grades by evaluating a Company's environmental, social, and governance risks and management level according to industry-specific criteria
6) KCGS (Korea Corporate Governance Service): a domestic ESG rating standard established by the Korea Institute of Corporate Governance and Sustainability that assigns grades by evaluating a Company's environmental, social, and governance performance with item-specific indicators
7) BM (Benchmark): companies within the same industry or comparison targets selected by the Company for the materiality assessment

Materiality Assessment

2. Materiality Assessment Results

Based on the materiality assessment, the Company selected[1] 'Climate Change', 'Health and Safety', and 'Compliance Management' as its 2025 material topics. There were no significant changes in the materiality assessment results compared with the previous year, and the material topics derived were also identical to those of the previous year. The Company intends to identify the impacts of the material topics on its management activities, set specific implementation targets, and manage them systematically.

Materiality Assessment Results (Top 15 Topics)

Classification	Sustainability Topic	Financial Impact	Material Topic
Environment	Climate Change		○
Social	Health and Safety		○
Social	Compliance Management		○
Social	Information Security		
Social	Own Workers' Equal Treatment and Opportunities		
Environment	Energy		
Social	Own Workers' Labor Rights		
Social	Value Chain Workers' Occupational Health and Safety		
Governance	Compliance Risk		
Social	Product and Service Quality		
Social	Own Workers' Working Environment		
Environment	Waste		
Environment	Biodiversity Loss		
Social	Value Chain Workers' Equal Treatment and Opportunities		
Governance	Disclosure Risk		

1) Criterion for selecting material topics: a materiality assessment score of 60 or higher

Topics

I. Climate Change 16
II. Compliance Management 41
III. Health and Safety 54

I.Climate Change

Governance 17

Strategy 19

Risk Management 34

Metrics and Targets 36

Governance

1. Decision-making Body that Manages and Oversees Climate-related Risks and Opportunities

① Roles and Authority

The ESG Committee is the decision-making body that deliberates on and oversees climate-change-related strategies, targets and plans, risks and opportunities, response measures, and implementation performance, and receives reports on matters reviewed by the Group Climate Change Council through the ESG Team.

② Competency Assessment and Development

Based on the ESG Committee expertise guidelines, the Company appointed director Soo Young Lee, who possesses expertise in environment and corporate management, as the chair, managing and overseeing issues across sustainability, including climate change.

③ Method and Frequency of Reporting to the Decision-making Body

The ESG Committee regularly receives reports on climate-related agenda items and was held a total of 4 times within the reporting period.
Group-level climate-change response tasks and key pending issues are regularly discussed once a quarter through the Group Climate Change Council, and matters requiring consultation are reported to the ESG Committee through the ESG Team.

Method and Frequency of Reporting on Climate-related Agenda Items

As of the end of June 2026

Category	Date	Agenda Type	Key Agenda Items
1st ESG Committee	2025.05.08	Report	• Group carbon-neutrality implementation status and plan
2nd ESG Committee	2025.10.02	Report	• Operation status of the Group's carbon-neutrality and climate-adaptation framework
4th ESG Committee	2026.05.07	Report	• Carbon-neutrality implementation strategy and strengthening of risk management • Plan to utilize climate-finance policies and establish a procurement framework

④ How Climate-related Risks and Opportunities Are Considered in Key Decision-making and Management/Oversight

The ESG Committee deliberates on and oversees climate-related risks and opportunities, strategies, targets, and implementation performance, and reports key matters to the Board. It also operates investment deliberation criteria and procedures for sustainability items such as carbon and energy and resource circulation, reviewing cost and economic feasibility, production impacts, and regulatory and reputational risks according to investment type and deliberation stage.

⑤ Management and Oversight of Target Setting and Progress

The ESG Committee continuously monitors implementation performance against climate-related targets. In addition, the monthly target-achievement rates of key indicators, including carbon emissions and renewable-electricity conversion volume, are managed by the Group Climate Change Council, and the results are reported to the ESG Committee to support decision-making.

Governance

2. Management's Role in the Oversight of Climate-related Risks and Opportunities

① Roles Delegated to Management and Oversight Methods	To effectively manage and oversee climate-related risks and opportunities, the Company assigns roles and responsibilities to the Board, the ESG Committee, management, and working-level staff. Management regularly receives reports from the ESG Team on climate-related initiatives and implementation status and continuously monitors them.
② Controls and Procedures	Through the 'ESG Information Management and Disclosure Regulations' and the internal control process, the Company strengthens its management and oversight of climate-change-related risk and opportunity factors. In accordance with these regulations, climate-change-related risks and opportunities are proactively identified and assessed, and management continues monitoring and verifies and oversees the appropriateness of operations.

Strategy

1. Climate-related Risks and Opportunities

① Identification of Risks and Opportunities

In accordance with Korean Sustainability Disclosure Standard No. 2, 'Climate-related Disclosures', the Company identifies transition risks, physical risks, and opportunities that may arise from climate change. Given the nature of the 'Climate Change' topic, the reporting boundary of this disclosure is limited to the Company and its main subsidiaries (LG CNS, D&O) and main affiliates (LG Electronics, LG Chem, LG Uplus) designated as subject to national GHG management. The key risks and opportunities that may affect this reporting boundary are as follows.

Identification and Analysis of Climate-change-related Risks and Opportunities

Category		Description	Scope of Inclusion			Period
			LG Corp.	Subsi-diaries	Affiliates	
Transition Risk	Policy	Increase in GHG emission allowance purchase costs due to strengthened GHG regulations		●	●	Short-term
	Law	Failure to meet legal requirements or occurrence of litigation due to strengthened related laws	●	●	●	Short-term
	Technology	Increase in new-technology development and process-facility investment costs due to the transition to low-carbon products			●	Long-term
	Market	Increase in production costs due to rising energy and raw-material costs	●	●	●	Short-term
Physical Risk	Acute	Asset damage and business losses caused by extreme weather events			●	Long-term
	Chronic	Increase in operating costs due to gradual changes in climate patterns	●	●	●	Long-term
Opportunity	Market	Increase in low-carbon product revenue and expansion of opportunities to enter new markets			●	Medium-term

② Impact Period

Considering the potential impacts of climate-related risks, the Company classifies the expected timing of occurrence into short-term (within 1 year), medium-term (over 1 year and within 5 years), and long-term (over 5 years), and identifies and manages risks accordingly. These time horizons are identical to those used for business planning.

Definition of Impact Periods

Time Horizon	Definition	Target Period (Current Basis)
Short-term	Within 1 year	~2026
Medium-term	Over 1 year and within 5 years	2027~2030
Long-term	Over 5 years	2031~

Strategy

2. Business Model and Value Chain

① Current and Anticipated Impacts

The Company analyzed the current and anticipated impacts of climate-related risks and opportunities on its business model and value chain. For details, please refer to the following 'Transition Risk', 'Physical Risk', and 'Opportunity' tables.

Risk and Opportunity Types

Type	Classification	Category	Details
Transition Risk	Policy	Current Impact	Increase in GHG emission allowance purchase costs due to rising demand for GHG emission allowances and higher market prices
		Anticipated Impact	Increase in production costs from low-carbon facility investment and operational transition due to strengthened domestic and international carbon regulations
	Law	Current Impact	Regulatory response costs from participation in the GHG Emissions Trading Scheme and the GHG and Energy Target Management System[1] [2]
		Anticipated Impact	Increase in costs of responding to legal risks regarding disclosed information due to growing demands for the reliability of sustainability information
	Technology	Current Impact	Increase in process improvement, technology development, and production-facility investment costs from expanded low-carbon product production
		Anticipated Impact	Increase in production costs and high-efficiency facility operating costs from producing new products with enhanced carbon-reduction performance
	Market	Current Impact	Increase in production-facility operating costs due to higher industrial electricity rates
		Anticipated Impact	Increase in manufacturing costs and operating costs due to instability in energy and raw-material supply and strengthened product-carbon regulations
Physical Risk	Acute	Current Impact	Recovery costs from product flooding and structural damage caused by typhoons
		Anticipated Impact	Impairment of asset value and increased recovery costs from natural disasters, and revenue losses from logistics-system paralysis
	Chronic	Current Impact	Costs to build and operate adaptation measures against chronic physical risks at some affiliates
		Anticipated Impact	Site flooding damage from sea-level rise and increased operating costs from rising average temperatures
Opportunity	Market	Current Impact	New market opportunities responding to growing demand for low-carbon products are being identified; no current impact
		Anticipated Impact	Increase in low-carbon product revenue and operating profit from diversification of the K-Taxonomy[3]-aligned business portfolio

1) Companies subject to the GHG Emissions Trading Scheme: LG Electronics, LG Chem, LG Uplus, LG CNS
2) Company subject to the GHG and Energy Target Management System: D&O
3) Green economic activity criteria developed by Korea's Ministry of Environment to channel funds into domestic green technologies and projects and to prevent greenwashing

Strategy

2. Business Model and Value Chain

② Concentrated Impacts

To identify the concentrated impacts of climate risk and opportunity factors, the Company regularly performs analyses using domestic and international climate-related methodologies and assessment criteria, such as IPCC[1)] climate scenarios, the S&P Climanomics methodology, and the Korean green taxonomy (K-Taxonomy).

The Company analyzed transition risks based on data provided by international organizations and specialized institutions (IEA[2)], NGFS[3)]). As a result, it confirmed that some risks may be concentrated at the core sites of its main affiliates (LG Electronics, LG Chem, LG Uplus) located in Korea and Poland, where carbon-emission regulations apply. However, the financial impact of anticipated future electricity-rate increases or additional costs arising in the course of the renewable-energy transition on the overall business activities of the Company and its main subsidiaries (LG CNS, D&O) and affiliates was assessed as not material.

In the physical-risk analysis using S&P Climanomics, no asset-damage risks from acute natural disasters such as typhoons and floods were identified. However, chronic hazards such as intensifying extreme temperatures were found to be potential factors that could cause higher operating costs and lower productivity over the long term. No other material impacts by asset type or geographical characteristics were identified.

To assess the impact of climate-change-related opportunities, the Company applied the Korean green taxonomy (K-Taxonomy) and comprehensively analyzed the revenue and investment status related to low-carbon products and services of its main subsidiary (LG CNS) and affiliates (LG Electronics, LG Chem, LG Uplus). The analysis reconfirmed that the production of key secondary-battery materials and the electric-vehicle components business account for the largest share and are the Company's core business areas. It also confirmed that revenue and investment related to low-carbon services supporting energy-efficiency improvements in manufacturing processes, such as AI-based smart-factory solutions, are increasing, and that strategic investment in these green economic activities for future growth is expanding.

1) IPCC (Intergovernmental Panel on Climate Change)
2) IEA (International Energy Agency)
3) NGFS (Network for Greening the Financial System)

Strategy

3. Strategy and Decision-making

① Responses and Plans for Risks and Opportunities

To mitigate and adapt to climate-change risks, the Company's main subsidiaries and affiliates carry out activities including low-carbon fuel and feedstock conversion, process efficiency improvement, renewable-energy utilization, and disaster-prevention measures. Among the Company's main subsidiaries and affiliates, no company has experienced, or is expected to experience, a material change in its business model to respond to climate-related risks and utilize opportunities.

② Measures for Mitigation and Adaptation

The efforts being made by the Company's main subsidiaries and affiliates to directly and indirectly mitigate and adapt to climate-related risks are as follows.

Measures for Direct Mitigation and Adaptation

Category	Type		Details	Remarks
Conversion Risk	Low-carbon fuel conversion	By-product hydrogen Development	• Reduce fossil-fuel use in NCC plant cracking furnaces by using by-product hydrogen generated at the plant • Expand the share of clean fuel used in the NCC process from 2027 through construction of a hydrogen production plant	LG Chem
		Bio fuel Conversion	• Produce industrial steam and electricity from waste wood through establishment of a biomass power plant targeted to begin operation in the first half of 2027 • Secure a stable bio-feedstock supply system through global partnerships	LG Chem
	Process efficiency	High-efficiency equipment replacement	• Replace aging equipment such as air conditioners and network equipment with high-efficiency equipment • Reduce GHG emissions through the introduction of high-efficiency equipment	LG Uplus LG CNS
		Eco-friendly IDC construction	• Build eco-friendly internet data centers through cooling-system efficiency improvements	LG Uplus
	Renewable Energy Utilization	Renewable-energy introduction	• Secure renewable energy by introducing and expanding renewable-energy facilities such as solar power, wind power, and geothermal heat pumps	LG Electronics LG Chem LG Uplus LG CNS
Physical Risk	Disaster prevention Measures	Disaster-recovery system establishment	• Send disaster text alerts and establish a disaster-roaming system among the three telecom carriers • Build and operate control systems • Strengthen backup-path redundancy to secure service continuity	LG Uplus
		Disaster prevention capability Reinforcement	• Introduce and maintain waterproofing facilities at key facilities such as electrical and mechanical equipment rooms • Establish a focused management system for vulnerable assets based on flood-damage history data	LG Uplus
Opportunity	Entry into low carbon product markets	EV charging station platform business	• Operate EV charging-station platform services based on the telecom infrastructure already in place	LG Uplus
	Operational efficiency	Digital distribution structure transition	• Efficiency improvement through digital transformation of the distribution structure • Reduce carbon footprint by expanding contactless channels and reducing paper bills	LG Uplus

Strategy

3. Strategy and Decision-making

Measures for Indirect Mitigation and Adaptation

The Company's main affiliates carry out the following activities as measures for indirect mitigation of, and adaptation to, climate-related risks and opportunities.

LG Chem has established an LCA[1] implementation and data-management system for all its products and is pursuing supply-chain cooperation activities. LG Electronics supports its suppliers with carbon-reduction consulting and inventory establishment in accordance with its eco-friendly purchasing policies and strategies.

1) LCA (Life Cycle Assessment): a methodology for assessing the environmental impacts arising throughout the entire life cycle of a product or service

③ Transition Plan and Plan for Achieving Targets

Transition Plan

In 2022, LG Group established an integrated roadmap for achieving 2050 carbon neutrality for its 7 main affiliates[2], targeting a 34% reduction by 2030 and a 52% reduction by 2040 versus 2018 Scope 1 and 2 emissions, and Net-Zero by 2050. As a core implementation strategy, it aims to convert 100% of the electricity used at all sites to renewable energy, with conversion rates of 76% in 2030 and 89% in 2040, reaching 100% in 2050. The roadmap reflects projections of regulatory and electricity-rate changes under IEA and NGFS climate scenarios, and sets the commercialization of future innovative technologies such as CCUS[3] and green/blue hydrogen and a stable supply of renewable energy as preconditions for successful implementation.

Plan for Achieving Targets

To achieve carbon neutrality by 2050, LG Group is pursuing GHG reductions through process-gas removal, process efficiency improvement, hydrogen and bio fuel/feedstock conversion, and electrification, and plans to use external offset credits only on a limited basis for residual emissions subject to technological limitations. In addition, LG Group's integrated carbon-neutrality roadmap will be operated as a flexible system responding to internal and external environmental changes, and will be regularly reviewed and supplemented to reflect market conditions, each affiliate's business plans, technological progress, and the pace of reduction implementation.

In particular, to prepare for carbon-cost risks under the 4th planning period of the domestic Emissions Trading Scheme (through 2030), effective from 2026, the Company plans to closely examine the need to revise the roadmap and strengthen financial-impact analysis.

2) LG Electronics, LG Display, LG Innotek, LG Chem, LG Energy Solution, LG H&H, LG Uplus
3) CCUS (Carbon Capture, Utilization, Storage): a carbon-reduction technology that captures carbon dioxide generated in industrial processes and then utilizes it or stores it in underground strata to reduce atmospheric emissions

④ Plan for Procuring and Utilizing Resources for Strategy Implementation

LG Chem, one of the Company's main affiliates, issued green bonds in 2021–2022 and complies with the ICMA[4]'s Green Bond Principles[5]. The funds raised through the green bonds will be used for environmental improvement projects such as renewable energy, the circular economy, and EV battery materials.

4) ICMA (International Capital Market Association): an international association that establishes and operates standards and guidelines for the international bond and capital markets
5) Green-bond issuance guidelines established by the ICMA, presenting core principles to be observed when issuing green bonds, including use of proceeds, project evaluation and selection, management of proceeds, and post-issuance reporting

⑤ Progress of Previously Established Plans

For details on the carbon-neutrality targets established by the Company and their achievement, please refer to 'Metrics and Targets' in 'I. Climate Change' of this report.

Strategy

3. Strategy and Decision-making

⑥ Trade-offs between Climate-related Risks and Opportunities

No trade-off factors between climate-related risks and opportunities were identified.

4. Financial Impacts from Climate-related Risks and Opportunities

① Financial Impacts within the Reporting Period

The Company recognizes that the climate-change response activities of its main subsidiaries and affiliates may have financial impacts. At present, however, significant uncertainty exists in quantitatively measuring these impacts due to limitations in data availability and forecasting models. Accordingly, the Company analyzed each company's key response activities and the potential financial risk and opportunity factors that may accompany them, focusing on qualitative information.

Analysis of Climate-change-related Risks and Opportunities

Category	Type		Financial Impact Path	Remarks
Transition Risk	Low-carbon fuel conversion	By-product hydrogen Development	• Increase in operating expenses and operating cash outflows from the use of by-product hydrogen in the NCC process • Increase in property, plant and equipment and investing cash outflows from investment in the by-product hydrogen plant	LG Chem
		Bio fuel Conversion	• Increase in property, plant and equipment and investing cash outflows from investment in the biomass power plant • Increase in operating expenses and operating cash outflows due to higher costs of developing bio-feedstock-based products and procuring bio feedstocks	LG Chem
	Process efficiency	High-efficiency equipment replacement	• Increase in property, plant and equipment and investing cash outflows from investment aimed at converting to high-efficiency equipment	LG Uplus LG CNS
		Technology transition	• Increase in property, plant and equipment and investing cash outflows from facility investment for the transition to high-performance networks	LG Uplus
	Renewable Energy utilization	Renewable Energy introduction	• Increase in property, plant and equipment and investing cash outflows from facility investment for renewable-energy use	LG Electronics LG Chem LG Uplus LG CNS
		Disaster recovery System establishment	• Increase in property, plant and equipment and investing cash outflows from infrastructure investment aimed at recovering from disaster damage and accelerating the normalization of operations	LG Uplus
Physical Risk	Disaster prevention Measures	Disaster prevention capability Reinforcement	• Increase in property, plant and equipment and investing cash outflows from infrastructure investment aimed at strengthening disaster-response capabilities	LG Uplus
Opportunity	Entry into low-carbon product markets	EV charging station platform business	• Increase in property, plant and equipment and investing cash outflows from investment in EV charging infrastructure	LG Uplus
	Operational efficiency	Digital distribution structure transition	• Increase in intangible assets and investing cash outflows from the digital distribution-structure transition	LG Uplus

② Climate-related Risks and Opportunities That Could Cause Material Adjustments in the Next Fiscal Year

No significant climate-related risks or opportunities that could cause material adjustments to the carrying amounts of assets and liabilities in the next fiscal year's financial statements were identified.

Strategy

4. Financial Impacts from Climate-related Risks and Opportunities

③ Investment and Disposal Plans for Strategy Implementation

LG Chem, one of the Company's main affiliates, is implementing low-carbon fuel conversion and process-fuel conversion investments, such as construction of a by-product hydrogen plant and a biomass power plant, to achieve its transition targets, and plans to continue R&D investment in innovative technologies. LG Uplus is making facility investments related to network technology transition, and LG Electronics is expanding investment for renewable-energy utilization, such as installing solar power facilities. For details on the main affiliates' innovative-technology investments, please refer to the 'K-Taxonomy Performance Calculation Results of Main Affiliates' table in '(4) Resilience Assessment Results and Implications' within '5. Climate Resilience'.

The Company forecasts, by short, medium, and long term, the financial impacts of implementing its climate-related risk and opportunity response strategies. The carbon-neutrality implementation strategies of its main subsidiary LG CNS and main affiliates LG Chem and LG Uplus entail short-term cost inputs but are expected to lead to financial-performance creation over the long term. Up to the medium term, investing cash flows are expected to increase from plant and power-plant construction and the adoption of high-efficiency equipment, and operating cash outflows are expected to expand due to the development of new carbon-reduction technologies and facilities. Conversely, from the medium term onward, the GHG-reduction and energy-cost-saving performance achieved through investment is expected to lead to increased operating cash inflows, creating long-term financial effects.

Analysis of Anticipated Financial Impacts of Climate-change Risk and Opportunity Response Strategies

Category	Type		Short-term	Medium-term	Long-term	Remarks
Transition Risk	Low-carbon fuel conversion	By-product hydrogen / bio fuel	• Construction of low-carbon power plants and infrastructure → Increase in investing cash outflows	• Energy and GHG reduction through operation of power plants and infrastructure → Increase in operating cash inflows	• Energy and GHG reduction through operation of power plants and infrastructure → Increase in operating cash inflows	LG Chem
	Low-carbon feedstock conversion	Recycled feedstock / bio feedstock	• Technology development costs for conversion to low-carbon feedstocks → Increase in operating cash outflows	• GHG and energy reduction through application of developed technologies → Increase in operating cash inflows	• GHG and energy reduction through application of developed technologies → Increase in operating cash inflows	LG Chem
	Process efficiency	High-efficiency equipment replacement/ Technology transition	• Investment for conversion to high-efficiency equipment and technologies → Increase in investing cash outflows	• GHG and energy reduction from application of high-efficiency equipment and technologies → Increase in operating cash inflows • Expansion of equipment and technology investment → Increase in investing cash outflows	• GHG and energy reduction from application of high-efficiency equipment and technologies → Increase in operating cash inflows • Expansion of equipment and technology investment → Increase in investing cash outflows	LG Uplus LG CNS
	Renewable Energy Utilization	Renewable Energy introduction	• Facility investment for renewable-energy introduction → Increase in investing cash outflows	• GHG and energy reduction through operation of renewable-energy facilities → Increase in operating cash inflows	• GHG and energy reduction through operation of renewable-energy facilities → Increase in operating cash inflows	LG Electronics LG Chem LG Uplus LG CNS
Physical Risk	Disaster prevention Measures	Disaster recovery / disaster-prevention capability reinforcement	• Infrastructure investment for disaster prevention and response to disaster situations → Increase in investing cash outflows	• Infrastructure investment for disaster prevention and response to disaster situations → Increase in investing cash outflows	• Infrastructure investment for disaster prevention and response to disaster situations → Increase in investing cash outflows	LG Uplus
Opportunity	Entry into low-carbon product markets	EV charging station platform business	• Investment in EV charging infrastructure → Increase in investing cash outflows	• Operation of EV charging infrastructure → Increase in operating cash inflows	• Operation of EV charging infrastructure → Increase in operating cash inflows	LG Uplus

Strategy

4. Financial Impacts from Climate-related Risks and Opportunities

④ Reasons for Not Providing Quantitative Information

The financial impacts of implementing strategies to respond to climate-related risks and opportunities were prepared as qualitative information because uncertainty exists depending on changes in the business plans and completion timing of the main subsidiaries and affiliates.

5. Climate Resilience

① Resilience Assessment

Using climate scenarios provided by international organizations and specialized institutions (IEA, IPCC), the Company performed a resilience assessment of climate-related transition risks and physical risks for the Company and its main subsidiaries (LG CNS, D&O) and main affiliates (LG Electronics, LG Chem, LG Uplus). It also assessed climate-related opportunity factors based on the Korean green taxonomy (K-Taxonomy).

1) Transition Risk

To systematically assess the financial impacts that may arise in the transition to a low-carbon economy, the Company performed scenario analysis of key transition risk factors.

Analysis Targets and Scope

This analysis was performed on the main affiliates LG Electronics, LG Chem, and LG Uplus. The Company and its main subsidiaries (LG CNS, D&O), which account for less than 1% of the Group's total carbon emissions, were excluded from the analysis in consideration of their relative share of emissions. The analysis period applied a medium- to long-term perspective encompassing the key milestones of the Group's carbon-neutrality roadmap, such as 2026, 2030, and 2050.

Scenarios Applied in the Analysis

To secure the objectivity and reliability of the analysis, the IEA and NGFS climate scenarios widely used by domestic and international institutions and companies were applied as the core framework, and the analysis was performed based on LG Group's carbon-neutrality roadmap. The analysis method for each transition risk factor is as follows.

- **Carbon-emission regulation:** financial impacts were analyzed using the future carbon-price outlooks (STEPS, APS, and NZE 2050 scenarios) provided by the IEA's WEO[1].
- **Electricity-rate increases:** risks were assessed by reflecting the country-level industrial electricity-rate outlooks (NDCs and NZE 2050 scenarios) provided by the NGFS.
- **Renewable-energy expansion (RE100 implementation[2]):** related costs were calculated based on the Company's integrated carbon-neutrality roadmap, applying the implementation unit costs of procurement means by country and region.

1) WEO (World Energy Outlook)
2) RE100 implementation reflects the RE100 implementation costs previously calculated in the LG integrated carbon-neutrality roadmap

Strategy

5. Climate Resilience

2) Physical Risk

To assess the potential impacts of climate-change-driven physical risks on business operations, the Company performed scenario analysis in accordance with the following systematic methodology.

Analysis Targets and Scope

The analysis targets are major domestic and overseas sites expected to be significantly affected if physical risks occur, selected by comprehensively considering 'revenue', 'number of officers and employees', and 'whether the asset is strategic'. Accordingly, 32 production entities1) of a total of 6 companies — the Company and its main subsidiaries (LG CNS, D&O) and affiliates (LG Electronics, LG Chem, LG Uplus) — were included in the analysis scope. These production entities are located in 8 countries, including Korea, the United States, and China, and financial impacts were assessed by short-term (~2026), medium-term (~2030), and long-term (~2050) horizons.

Scenarios Applied in the Analysis

To enhance the reliability of the analysis, the global analysis platform S&P Climanomics was used, taking into account various factors such as asset location information, value, type, and whether adaptation measures have been introduced.

- Analyzed risks[2)]: climate-related physical risks were analyzed by dividing them into acute risks (coastal flooding, river flooding, typhoons, wildfires, etc.) and chronic risks (extreme temperatures, water stress).
- Applied scenarios: the IPCC's SSP[3)] scenarios were applied. In particular, the differences in financial impacts under the scenario of a successful transition to a low-carbon economy (SSP1-2.6) and the scenario of continued high-carbon emissions (SSP5-8.5) were comparatively analyzed against the baseline scenario in which current climate policies are maintained (SSP3-7.0).
- Risk-exposure assessment: based on the analysis results, each site's exposure to physical hazards is managed in 4 bands: 'Low', 'Somewhat Low', 'Somewhat High', and 'High'.

1) Reflects changes due to the sale of sites by some main affiliates, etc.
2) The classification of natural-disaster types varies by data provider; the Company reflects the hazard-type criteria within the S&P Climanomics platform
3) SSP (Shared Socioeconomic Pathways): scenarios used in the IPCC's 6th Assessment Report, comprising 5 scenarios reflecting the level of GHG reduction (the existing RCP concept based on radiative-forcing intensity) and future socioeconomic structures. The scenario names indicate the degree of social development and GHG reduction and the expected radiative forcing (as of 2100), with higher-numbered scenarios indicating a more carbon-intensive society

Strategy

5. Climate Resilience

3) Climate-related Opportunities

Based on the Korean green taxonomy (K-Taxonomy) revised in 2025, the Company analyzed climate-related opportunity factors by reviewing the revenue, capital expenditure, and R&D investment related to low-carbon products and services of its main subsidiary LG CNS and affiliates LG Electronics, LG Chem, and LG Uplus.[1] If a company's economic activity falls under one of the 100 economic activities defined in the K-Taxonomy, it is classified as an 'eligible' activity; among these, activities that satisfy all of the recognition, exclusion, and protection criteria are regarded as 'aligned' activities, i.e., green economic activities.

Meanwhile, since official disclosure guidelines for the Korean green taxonomy (K-Taxonomy) have not yet been established, this report applied the EU Taxonomy Disclosures Delegated Act ((EU) 2021/2178) mutatis mutandis, based on which revenue[2], CapEx[3], and OpEx[4] for aligned activities were calculated.

Analysis Status of K-Taxonomy-aligned Economic Activities

Environmental Objective	K-Taxonomy-aligned Economic Activities	LG Electronics	LG Chem	LG Uplus	LG CNS
Common	Manufacture of innovative items	●	-	-	-
	Manufacture of materials, parts, and equipment for innovative items	●	●	●	●
	Research, development, and demonstration	●	●	●	-
	Development of ICT solutions and construction/operation of systems	●	-	-	●
Green sector: GHG reduction	Manufacture for utilization of core GHG-reduction technologies	-	●	-	●
	Manufacture of basic chemicals with relatively low emission intensity	-	●	-	-
	Construction and operation of zero-emission transport infrastructure	-	-	●	-
Green sector: transition to a circular economy	Production of products using recycled feedstocks and circular resources	-	●	-	-
	Decontamination and dismantling of end-of-life products	●	-	-	-
	Chemical recycling of waste	-	●	-	-
Transition sector: GHG reduction	Manufacture of hydrogen (blue hydrogen) based on liquefied natural gas (LNG)	-	●	-	-

1) The analysis was performed on domestic and overseas entities directly managed by each subsidiary and affiliate, within the scope where performance calculation is possible
2) Revenue: gross revenue less sales allowances, returns, and discounts
3) CapEx (Capital Expenditure): acquisitions of property, plant and equipment, intangible assets, right-of-use assets, and investment property
4) OpEx (Operating Expenditure): R&D expenses and repair expenses included in cost of sales and selling, general and administrative expenses. However, for some data not managed internally, estimates derived through appropriate methods such as the cost method were used

Strategy

5. Climate Resilience

② Key Assumptions Used in the Analysis

The Company assesses the risk levels of transition risks and physical risks with reference to the material-impact assessment criteria of the International Auditing and Assurance Standards Board (IAASB[1)]). The material-impact assessment criteria classify the risk level of each risk factor into 4 bands (Somewhat Low, Low, Somewhat High, High), and the risk level of each risk factor is assessed as a quantified ratio (1%, 4%, 10%) relative to the assessment target's expected operating profit or loss.

Material-impact Assessment Criteria

Risk Level by Risk Factor	Risk-level Assessment Criteria by Risk Factor (%)
Low	0 to below 1.0
Somewhat Low	1.0 to below 4.0
Somewhat High	4.0 to below 10.0
High	10.0 or above

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

Assumptions by Transition-risk Scenario

1) **IEA APS scenario (considering the voluntary GHG-reduction targets and emissions trading schemes of the countries where sites are located)**

   This scenario assumes that all policies presented by all countries are fully achieved within their deadlines, assuming the same pathway even for countries without emission targets, and projects that the global average temperature will rise by at least 1.7°C by 2100.

2) **IEA STEPS scenario (considering the voluntary GHG-reduction targets and emissions trading schemes of the countries where sites are located)**

   This scenario reflects only effective policies among the energy- and climate-related policies currently in effect or announced, and projects that the global average temperature will rise by at least 2.4°C by 2100.

3) **IEA NZE 2050 scenario (considering the voluntary GHG-reduction targets and emissions trading schemes of the countries where sites are located)**

   This scenario assumes that net carbon-dioxide emissions from the global energy sector will reach '0' by 2050, presenting a pathway to limit the rise in global temperature to within 1.5°C.

4) **Korea NDCs scenario**

   This scenario refers to the Korean government's NDCs reduction pathway (a 40% reduction by 2030 versus 2018).

When setting the factor-specific variables used in the Company's transition-risk analysis, the national or regional environments where the sites of the Company and its main subsidiaries and affiliates are located were considered, and where quantified historical data existed, it was reflected as part of the assumptions.

1) IAASB (International Auditing and Assurance Standards Board): a global standard-setting body that pursues audit, review, and other assurance work, including revisions of ESG-related assurance standards (such as ISAE 3000)

Strategy

5. Climate Resilience

When calculating potential financial impacts from carbon-emission regulation, the Company reviewed[1] whether the relevant country or region had established GHG-reduction targets and how its emissions trading scheme is operated, and for countries without similar regulations[2], it was assumed that the country would reduce GHG emissions linearly by 2050.
When calculating potential financial impacts from electricity-rate increases, the electricity-rate structures, products, and historical unit-price information within the relevant country or region were considered, and the future electricity rates applied to sites reflected the country-level projections provided by the NGFS in the assumptions.
When calculating the additional costs arising from the transition to renewable energy, the renewable-energy procurement means and historical implementation unit-price information[3] at the country or regional level were used.

Assumptions by Physical-risk Scenario

1) SSP3-7.0 scenario (Baseline Scenario)
This scenario presupposes a social structure vulnerable to climate change, with passive climate-change mitigation policies and slow technological development.

2) SSP1-2.6 scenario (Low-carbon Scenario)
This scenario presupposes environmentally sustainable economic growth with fossil-fuel use minimized through the development of renewable-energy technologies.

3) SSP5-8.5 scenario (High-carbon Scenario)
This scenario centers on rapid industrial-technology development, presupposing high fossil-fuel use and unchecked, city-centered urban expansion.

The Company extracts and utilizes the data required for physical-risk analysis through the S&P Climanomics platform, and intellectual assets owned by S&P (hazard-specific impact functions) and separate assumptions therefor may exist.

Cycle and Scope of Scenario Analysis

Since 2023, the Company has regularly performed climate scenario analysis on the core sites of its main subsidiaries and affiliates. Through regular scenario analysis, the Company responds proactively to changes in the business environment, and pursues more advanced analysis through detailed site-level data management.

1) The domestic allowance-allocation method was applied mutatis mutandis (including reflecting the 4% reserve of the 3rd planning period of the Emissions Trading Scheme (2021–2025))
2) Countries without an emissions trading scheme are excluded (Morocco, Saudi Arabia, etc.)
3) Based on domestic criteria, assumptions such as the average green-premium bid price and the levelized cost of electricity for solar and wind were reflected

Strategy

5. Climate Resilience

③ Significant Areas of Uncertainty Considered in the Resilience Assessment

To quantitatively identify the potential impacts of climate change, the Company selects scenarios for transition risks and physical risks based on credible data and performs systematic analysis. However, the Company recognizes that climate scenario analysis may involve uncertainty in predicting the future environment depending on model input variables and the range of assumptions.
Accordingly, to enhance the reliability of the analysis, the Company has clearly limited the scope of factors among non-financial information that can be quantitatively assessed, and is strengthening supplementary measures for areas of uncertainty by utilizing data from credible global data providers such as S&P.

④ Resilience Assessment Results and Implications

Scenario Analysis Results and Implications for Transition Risks

The Company selected 'strengthened carbon regulation', 'rising electricity rates', and 'renewable-energy transition' as key transition-risk factors and analyzed various future pathways, including the NZE 2050 scenarios of the IEA and NGFS. The analysis identified the direct strengthening of carbon regulation, such as the GHG Emissions Trading Scheme, as the key factor that could have the most material financial impact from a long-term perspective. In contrast, the impacts of rising electricity rates and the renewable-energy transition were assessed as relatively limited. In particular, it was confirmed that the financial impact of carbon regulation tends to intensify over the longer term rather than the short term, and that its magnitude may differ depending on the policy intensity of the countries and regions where the Company's core business sites are located.

To minimize the identified transition risks and achieve the 2050 carbon-neutrality target, the Company has established and is systematically implementing the '2050 Integrated Carbon-Neutrality Roadmap', a concrete action plan. This roadmap functions as a strategic framework that can flexibly respond to the changing policy environment. In particular, the Company is closely monitoring changes in the internal and external environment, including the trend toward strengthened regulation in the 4th planning period (–2030) of the domestic Emissions Trading Scheme, which begins in 2026. By reflecting the environmental changes it collects into the roadmap in a timely manner and continuously advancing it, the Company will further solidify the foundation for sustainable growth through cost-efficient and strategic carbon-neutrality implementation.

Transition Risk Scenario Analysis Results

Low | Somewhat Low | Somewhat High | High

	Category			Transition Risk		
				~2026	~2030	~2050
Transition Risk-level Analysis Results by Scenario due to Carbon Regulation	IEA	STEPS	Main affiliates			
		APS				
		NZE 2050				
Transition Risk-level Analysis Results by Scenario due to Rising Electricity Rates	NGFS	NDCs	Main affiliates			
		NZE 2050				
Transition Risk-level Analysis Results due to Renewable-energy Transition	Main affiliates					

Strategy

5. Climate Resilience

Scenario Analysis Results and Implications for Physical Risks

Using the S&P Climanomics platform, the Company analyzed from multiple angles the impacts that 9 major natural disasters (acute and chronic) would have on its business sites through 2050. The analysis confirmed that there is no single disaster that would cause a material financial loss in the short term. However, under the high-carbon scenario, disaster risk is projected to increase gradually toward 2050. In particular, among chronic risks, 'extreme temperatures' was assessed as a factor that could generate a relatively higher level of potential operational risk than other disasters, as it leads to reduced efficiency of air-conditioning facilities, a surge in cooling costs, and even lower productivity.

Using the analysis results as a foundation for strengthening its practical response capabilities, the Company aims to identify damage pathways in advance and establish optimal adaptation plans. To this end, it is deriving adaptation measures suited to its core business sites with reference to best practices of major domestic and international institutions and peer companies. Furthermore, to systematically assess the effectiveness and feasibility of each measure, the Company comprehensively considers the current status of existing adaptation measures, the expected costs of adopting new measures, and the financial benefits that could be avoided upon adoption, thereby building the most effective and efficient risk-management and response system.

Risk-level[1] Analysis Results by Hazard (Baseline Scenario, 2050)

Low | Somewhat Low | Somewhat High | High

Category	Acute							Chronic	
	Coastal Flooding	River Flooding	Flash Flood	Typhoon	Wildfire	Drought	Landslide	Extreme Temperature	Water Stress
Main Subsidiaries									
Main affiliates									

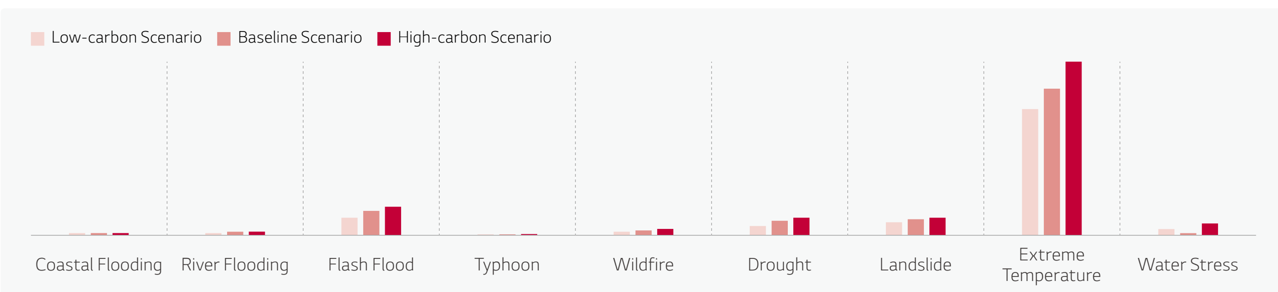
1) Hazard risk-level criteria refer to the hazard-band scores in the key assumptions

Analysis Results of the Share of Assets Exposed to Physical Risk by Scenario

Low | Somewhat Low | Somewhat High | High

Category	Acute							Chronic	
	Coastal Flooding	River Flooding	Flash Flood	Typhoon	Wildfire	Drought	Landslide	Extreme Temperature	Water Stress
Low-carbon Scenario									
Baseline Scenario									
High-carbon Scenario									

Comparison of Physical Risk-level Score Analysis Results by Scenario (2050)



Strategy

5. Climate Resilience

Analysis Results for Opportunities

Based on the Korean green taxonomy (K-Taxonomy), the Company calculated the green economic-activity-related revenue, CapEx, and OpEx of its main subsidiary (LG CNS) and affiliates (LG Electronics, LG Chem, LG Uplus), with detailed analysis results as follows.

Results of the K-Taxonomy Performance Calculation for Main affiliates

(Unit: KRW 100M, %)

Category	K-Taxonomy Economic-activity Name	Product/Service	Revenue		CapEx		OpEx	
			Amount	Ratio	Amount	Ratio	Amount	Ratio
Green Economic Activity	Manufacture of materials, parts, and equipment for innovative items	EV components, lithium-ion battery materials, smart-factory solutions, etc.	48,424	4.5%	19,074	24.6%	2,481	8.3%
	Manufacture of innovative items	Smart factories, air purifiers, HVAC, etc.	12,032	1.1%	229	0.3%	337	1.1%
	Manufacture of basic chemicals with relatively low emission intensity	Olefins, butadiene	10,782	1.0%	617	0.8%	209	0.7%
	Manufacture for utilization of core GHG reduction technologies	Bio-naphtha-based products, power-plant optimal operation solutions, etc.	2,161	0.2%	216	0.3%	59	0.2%
	Products using recycled raw materials and circular resources	Products using recycled raw materials	862	0.1%	22	0.0%	22	0.1%
	Construction and operation of zero emission transport infrastructure	EV charging infrastructure	462	0.0%	199	0.3%	0	0.0%
	ICT solution development and system construction and operation	Tumbler-washing service, integrated building operation platform, etc.	47	0.0%	17	0.0%	20	0.1%
	Decontamination and dismantling of end-of-use products	Refurbished products	7	0.0%	1	0.0%	6	0.0%
	Manufacture of hydrogen (blue hydrogen) based on liquefied natural gas (LNG)	LNG-based blue-hydrogen production plant	-	0.0%	269	0.3%	-	0.0%
	Chemical recycling of waste	Pyrolysis-oil production plant	-	0.0%	96	0.1%	-	0.0%
	Research, development, and demonstration	Data-center liquid-cooling solutions, CCU, etc.	-	0.0%	22	0.0%	452	1.5%
Subtotal			74,780	6.9%	20,762	26.7%	3,587	12.1%
Other economic activities[1]			1,009,761	93.1%	56,924	73.3%	26,141	87.9%
Total			1,084,541	100.0%	77,686	100.0%	29,728	100.0%

1) Refers to activities that are eligible but not aligned under the Korean green taxonomy (K-Taxonomy) and non-eligible activities

Risk Management

1. Processes and Policies for Climate-related Risk Management

① Input Variables and Parameters Used

Input Variables and Parameters	Data Source	Coverage		
		LG Corp.	Subsidiaries	Affiliates
Energy Usage	Internal management data of each company, such as ERP[1]	●	●	●
GHG Emission Factors	Ministry of Environment Guidelines on Emission Reporting and Certification under the GHG Emissions Trading Scheme	●	●	●
Industry Trends	Peer companies' sustainability management reports, research institutes' research reports, etc.	●	●	●
Extreme Weather Data	S&P Climanomics platform		●	●
Physical Asset Value	Book value of assets in the financial statements		●	●
Carbon-allowance Price	IEA carbon-price outlook data by scenario		●	●

1) ERP (Enterprise Resource Planning): an integrated enterprise information system

② Scenario Analysis for Risk Identification

The Company performs climate scenario analysis for the purpose of understanding the impacts that transition risks and physical risks have on the Company and its main subsidiaries and affiliates. For details related to the climate scenario analysis, please refer to '5. Climate Resilience'.

③ Risk-assessment Criteria

The Company's climate-risk assessment focuses on identifying potential financial impacts and determining their materiality. To this end, it identifies and defines risk factors through climate-change scenario analysis and assesses their relevance to and exposure of the business. For details related to the risk-assessment criteria, please refer to '5. Climate Resilience'.

④ Method of Prioritizing Climate Risks

The Company integrates climate-change risks into its enterprise-wide risk-management system to identify, assess, manage, and monitor them. The Group Climate Change Council discusses climate-related policies and key implementation tasks, and the ESG Team regularly reports the results of consultations and the carbon-neutrality implementation status to the ESG Committee. Based on this, the ESG Committee deliberates on and oversees key climate-related matters. In addition, when deliberating on new investments, the Company reviews climate-related risk and opportunity factors, such as carbon emissions, energy use, and regulatory changes, and reflects them in investment decision-making.

Risk Management

1. Processes and Policies for Climate-related Risk Management

⑤ Monitoring Method	The Company and its main affiliates have established a climate-related management system extending from each company's implementation departments to the Group Climate Change Council and the ESG Committee to monitor climate-related risks. The Group Climate Change Council manages each company's climate-change risk-assessment results and key indicators, including carbon emissions and the renewable-electricity conversion rate, and regularly reports key agenda items to management and the ESG Committee.
⑥ Changes to the Risk-management Process	There were no significant changes to the climate-related risk-management process within the reporting period.

2. Processes and Policies for Opportunity Management

Based on the eco-friendly economic activities defined in the Korean green taxonomy (K-Taxonomy), the Company reviews the product production and business activities of its main subsidiaries and affiliates and identifies climate-change opportunity factors. Through this, the Company intends to systematically manage its various opportunity factors.

3. Method and Degree of Integration with the Overall Risk-management Process

The Company has established a climate-change risk-response system covering a total of 14[1)] affiliates, including its main subsidiaries (LG CNS, D&O) and main affiliates (LG Electronics, LG Chem, and LG Uplus). Each company prevents potential risks across its business activities, including climate change, through the appointment of a CRO (Chief Risk Officer) and the formation of a dedicated crisis-management organization, and responds swiftly when incidents or accidents occur. The crisis-management process is managed separately for 'normal times' and 'crisis times': 'normal times' focuses on crisis sensing, prevention, and preparation, while 'crisis times' focuses on response and recovery. In addition, the crisis-management process identifies and assesses risks requiring a group-level response and establishes proactive countermeasures. Climate-change-related risks are managed by discussing various agenda items — such as policy changes, energy-price fluctuations, process technology, and energy-procurement measures — at the Group Climate Change Council.

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

Metrics and Targets

1.Climate-related Indicators

① GHG Emissions

The Company and its main subsidiaries (LG CNS, D&O) and affiliates (LG Electronics, LG Chem, LG Uplus) calculate and manage their GHG emissions, and each company's Scope 1 and 2 GHG emissions are as follows.

Scope 1 and 2 GHG Emissions[1)2)]

(Unit: thousand tCO_2eq)

Indicator	Category		Emissions 2023	Emissions 2024	Emissions 2025
Scope 1 GHG Emissions	LG Corp. and Main Subsidiaries		6	7	7
	Main affiliates[3)4)]		1,801	2,004	1,870
		LG Electronics	70[4)]	77	73
		LG Chem[4)]	1,728	1,924	1,795
		LG Uplus	3	3	2
	Subtotal[4)]		1,807	2,011	1,877
Scope 2 GHG Emissions	Market-based	LG Corp. and Main Subsidiaries	145[4)]	146	168
	Market-based	Main affiliates[3)4)]	2,035	1,974	2,030
	Market-based	LG Electronics	224	234	224
	Market-based	LG Chem	1,296	1,250	1,308
	Market-based	LG Uplus	515	490	498
	Subtotal		2,179	2,120	2,197
Total Emissions			3,987	4,131	4,074

1) The 2025 Scope 1 and Scope 2 emissions of LG Corp.'s main subsidiaries and main affiliates are subject to partial change depending on the results of GHG statement verification
2) The unit of emissions is thousand tCO2eq, calculated by rounding at the hundreds place
3) Figures reflecting the Company's ownership share in the main affiliates' GHG emissions (ownership share by affiliate: as of the end of the reporting period)
4) 2023 and 2024 figures corrected due to a change in the calculation basis

Metrics and Targets

1.Climate-related Indicators

② GHG Emissions Measurement Method

The Company applied the 'operational control approach[1]' to calculate the GHG emissions of the Company and its accounting-consolidated main subsidiaries (LG CNS, D&O), and applied the 'equity-share approach[2]' to calculate the GHG emissions of its main affiliates (LG Electronics, LG Chem, LG Uplus). The standards and guidelines the Company applied to measure GHG emissions are as follows.

GHG Emissions Calculation Standards and Applied Guidelines

Scope 1, 2 GHG Emissions	• Guidelines on Emission Reporting and Certification under the GHG Emissions Trading Scheme (Ministry of Environment Notice No. 2023-221) • ISO 14064-1(2018) • IPCC National Inventory Guidelines (2006)

1) An approach that reports 100% of the emissions of sites over which the company has operational control among its affiliates
2) An approach that calculates GHG emissions according to the company's ownership share in a site

Input Variables and Assumptions

The input variables used to measure the Company's Scope 1 and 2 GHG emissions are as follows. The Company's activity data, calorific values, and emission factors may differ from the information provided by each subsidiary and affiliate.

Key Input Variables for GHG Emissions Calculation

Category	Input Variable	Details
Scope 1 GHG Emissions	Stationary Combustion	- Activity data: consumption of city gas (LNG), diesel, kerosene, and propane - Calorific value: country-specific calorific values applied by fuel - Emission factor: default emission factors of the 2006 IPCC National Inventory Guidelines applied
	Mobile Combustion	- Activity data: gasoline, diesel, LPG - Calorific value: country-specific calorific values applied by fuel - Emission factor: default emission factors for mobile combustion (road) applied by fuel and by GHG
Scope 2 GHG Emissions	Purchased Electricity	- Activity data: electricity consumption - Emission factor: country-specific electricity emission factors applied
	Purchased Steam	- Activity data: steam consumption - Emission factor: annual supplier steam emission factors applied and national steam emission factors applied

Metrics and Targets

1.Climate-related Indicators

③ Assets and Business Activities Vulnerable to Transition Risk	The Company recognizes as material the impact of climate-related transition risks on the production and sales activities of the main affiliates that operate the Group's core businesses. Accordingly, each affiliate actively manages transition risks through process efficiency improvement, low-carbon fuel transition, and renewable-energy investment. For details on assets and business activities vulnerable to transition risk, please refer to the sustainability management report of each individual affiliate, which best reflects the characteristics of its business.
④ Assets and Business Activities Vulnerable to Physical Risk	In the physical-risk assessment conducted for the main business sites of the main subsidiaries and affiliates within the reporting boundary, the Company confirmed that there are no vulnerable assets or business activities. For details on the Company's physical-risk assessment, please refer to '(4) Resilience Assessment Results and Implications' in '5. Climate Resilience'.
⑤ Assets or Business Activities Aligned with Opportunities	For details on assets or business activities aligned with the Company's climate-related opportunities, please refer to '(4) Climate Resilience Assessment Results and Implications' in '5. Climate Resilience'.
⑥ Capital Deployment	For capital deployment related to climate-related risks and opportunities, please refer to '4. Financial Impacts from Climate-related Risks and Opportunities'.
⑦ Internal Carbon Price	Using an internal carbon price, the Company comprehensively considers the IEA and NGFS allowance-price scenarios and carbon-allowance prices under domestic and international carbon Emissions Trading Schemes. Through this, it proactively manages the uncertainty of domestic allowance allocation and changes in carbon regulation at major global production bases, and encourages active investment for carbon reduction.
⑧ Management Remuneration	LG Chem, one of the Company's main affiliates, links ESG-related indicators such as GHG emissions reduction to management KPIs and the performance-compensation system, and LG Uplus reflects the reduction target of the network division — which accounts for more than 60% of total GHG emissions — in the KPI of the head of the network division (C-Level) and links it to performance evaluation and incentive compensation.

Metrics and Targets

2. Climate-related Targets

① Quantitative and Qualitative Targets for GHG Emissions

To implement the LG Group Integrated Carbon-Neutrality Roadmap, the main affiliates establish and manage detailed reduction targets considering each affiliate's major emission sources and characteristics. The carbon-neutrality target for net Scope 1 and 2 GHG emissions was established based on the 6 GHGs defined by the IPCC (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6), applies 2018 — the national carbon-neutrality base year — and sets an interim target of 2030 and a final target of 2050. For the GHG emission targets of the main affiliates, please refer to the following table.

Main Affiliates' GHG Emission Targets[1)] (Unit: thousand tCO_2eq)

Indicator	Target Type	Key Milestones		
		2018 (Base Year)	2030 (Interim Target)	2050 (Final Target)
Scope 1 GHG Emissions	Absolute Target	6,140	5,602	0
Scope 2 GHG Emissions	Absolute Target	5,675	3,362	0
Total GHG Emissions	Absolute Target	11,815	8,964	0

1) LG Electronics, LG Chem, LG Uplus

② Target-setting Approach

Target-setting Method

By integrating the individual targets and implementation measures of the 7 main affiliates (LG Electronics, LG Display, LG Innotek, LG Chem, LG Energy Solution, LG H&H, LG Uplus) that account for 99% of the Group's GHG emissions, the Company established the group-level '2050 Integrated Carbon-Neutrality Roadmap'. This roadmap is a practical implementation plan that includes each affiliate's annual emission targets and specific reduction plans through 2050, and is regularly advanced to achieve the carbon-neutrality target, reflecting changes in the market environment and business plans and the pace of reduction implementation.

In particular, to respond to the government's trend toward strengthened climate-change regulation with the start of the 4th planning period (–2030) of the domestic Emissions Trading Scheme, the Company plans to comprehensively re-examine the roadmap's implementation direction and the resulting financial impacts.

For details of the LG Group Integrated Carbon-Neutrality Roadmap, please refer to the Company's Net Zero Report.

Metrics and Targets

2. Climate-related Targets

Target-review Method and Progress-monitoring Method

The Company regularly monitors its carbon-neutrality implementation performance and operates a system in which the ESG Team reports the results to the ESG Committee. To ensure the effectiveness of monitoring, the Company selected monthly carbon emissions (Scope 1, 2), GHG emission intensity, investment in energy-efficiency facilities and renewable-electricity conversion costs, and renewable-electricity conversion volume as key management indicators. These indicators are systematically collected and integrally managed through LG Group's ESG platform, 'LG ESG Intelligence'.

Performance against Targets

Within the reporting period, the Company's main affiliates — LG Electronics, LG Chem, and LG Uplus — emitted 11,037 thousand tons of GHGs, a 6.6% reduction compared with the base year. The main affiliates are expanding their renewable-energy transition through REC purchases, PPA contracts, and the adoption of solar power facilities. For the base-year GHG emissions and performance of the Company and its main affiliates, please refer to '(1) GHG Emissions' in '1. Climate-related Indicators'.

Main affiliates' GHG Emissions

(Unit: thousand CO_2eq)

Category	Coverage	2018	2024	2025
GHG Emissions (Scope1+2)	Main affiliates[1]	11,815	11,548[2]	11,037

1) LG Electronics, LG Chem, LG Uplus
2) Figures corrected due to a change in the calculation basis

③ Additional Information on GHG Emissions Reduction Targets

Carbon-credit Use Plan

LG Electronics, one of the Company's main affiliates, is reviewing the possibility of using carbon credits that meet internationally credible standards as a means of complementing the achievement of its reduction targets. To achieve its carbon-neutrality target, LG Chem gives top priority to direct and indirect reduction activities, and supplementarily uses external reduction means, such as allowances and carbon credits, only for residual emissions that are difficult to reduce further.

II.Compliance Management

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Governance

In accordance with the compliance control standards and as determined by the Board, the Company establishes, maintains, and operates a compliance control system suited to its size and the nature of its business, and oversees its operation. In addition, the Company has established and operates compliance-management governance that runs from 'the Board – the Representative Director – Compliance Officer – Compliance Manager – Officers and employees', through which it continuously manages and strengthens the company-wide compliance control system.

Compliance-management Implementation Organization

Category	Remarks
Board of Directors	Enactment/revision of compliance control standards, appointment of the Compliance Officer, review of the operation status of the compliance control system, decisions on key compliance-related matters
ESG Committee	Establishment of compliance control policies and discussion and decision on key risk-management measures
Representative Director	Establishment, maintenance, operation, and oversight of the compliance control system
Compliance Officer	Overall supervision of compliance control operations
Compliance Manager	Support for the implementation and dissemination of compliance control by each responsible department
Officers and employees	Identification of departmental risks and planning and execution of management activities

Group-common Compliance-related Governance System

To support the advancement of compliance management at the LG Group level, the Company has continuously developed a group-common compliance management system. In 2022, it reviewed the compliance operation status and management systems of group companies and analyzed global norms and advanced cases, and based on this, established a 'Board-centered compliance governance system' model in 2023 through group-wide consultation.

Based on this governance system, major affiliates have adopted and operate governance systems that can manage and oversee compliance-management-related risks and opportunities. In particular, major listed affiliates such as LG Electronics, LG Chem, and LG Uplus institutionally manage related matters by specifying compliance-management-related roles and responsibilities in each company's ESG Committee Regulations.

In addition, major affiliates operate in-house compliance councils in which departments related to key risks and the Compliance Officer participate, conducting working-level discussions on key compliance issues and risk-response measures, thereby strengthening the execution capability of the compliance system.

At least twice a year, the Company holds a compliance council for the compliance officers of major affiliates to review the operation status of the compliance control system and improvement tasks, and supports the enhancement of the expertise and capabilities of the responsible personnel through the sharing of best practices and working-level exchanges.

Governance

1. Decision-making Body that Manages and Oversees Compliance-management-related Risks and Opportunities

① Roles and Authority

The Board oversees compliance-management-related risks and opportunities and makes decisions on related matters. To enable more expert and systematic deliberation, the Board delegates its compliance-management-related authority and roles to the ESG Committee in accordance with the ESG Committee Regulations.

The ESG Committee deliberates on and resolves key policies related to the establishment and operation of the compliance control system, and regularly receives reports on key matters such as the management status of core compliance risks. It also selects the Company's core compliance risks and reviews and discusses improvement measures and implementation status of the management system for each risk. These compliance-management-related roles and authority are clearly specified in the ESG Committee Regulations.

② Competency Assessment and Development

The ESG Committee is composed of management and independent directors with experience and competencies in each field. In particular, an independent director with legal expertise participates as an ESG committee member and cooperates with the ESG committee chairperson, enhancing the expertise and capabilities of the ESG Committee by providing expert opinions and advice on compliance-related agenda items.

③ Method and Frequency of Reporting to the Decision-making Body

The Company operates a reporting system so that key compliance-management matters can be systematically managed with the Board and the ESG Committee at the center. The Board receives reports on the results of the ESG Committee's activities and discusses key compliance agenda items requiring the Board's intensive review and decision-making, such as the appointment of the Compliance Officer and the enactment/revision of compliance control standards. When necessary, related agenda items are additionally reviewed at the level of the entire Board.

Method and Frequency of Reporting Compliance-management-related Agenda Items

Category	Board of Directors	ESG Committee
Reporting Entity	Compliance Officer	Compliance Officer
Reporting Frequency and Timing	At least 3 times a year	At least twice a year
Reporting Content	• Details of the operation status of the compliance control system • Results of reviewing compliance with the compliance control standards and improvement measures • Results of assessing the effectiveness of the compliance control system and improvement measures • Results of self-inspection and assessment under the group standard inspection criteria, and results of verification by external experts • The Compliance Officer's key activities and work plans • Key Items Reported to the ESG Committee	• Management system for key compliance risks • Progress/results of key compliance work • Risk signals related to key risks and compliance issues that arise from time to time • Medium- to long-term plans for compliance management

Governance

1. Decision-making Body that Manages and Oversees Compliance-management-related Risks and Opportunities

④ How Compliance-management-related Risks and Opportunities Are Considered in Key Decision-making and Management/Oversight	Among the 34 risk factors (118 behavioral types) identified within the reporting period, the Company's ESG Committee selected the core compliance risks reflecting the characteristics of the holding-company business, and the selected risks are intensively managed at the Board level. Details of the compliance-risk agenda items reported by the ESG Committee to the Board can be found in '2. ESG Committee' in the Overview. In addition, the Company has established and operates sustainability risk-assessment criteria and procedures covering 7 items, including ethics and compliance, so that a sustainability perspective can be reflected in the investment-deliberation process.
⑤ Management and Oversight of Target Setting and Progress	The Company sets compliance-management targets and manages and oversees implementation status with the Board and the ESG Committee at the center. In accordance with the authority delegated by the Board, the ESG Committee regularly reviews the progress of compliance-management targets and implementation tasks. In addition, it reviews the appropriateness and effectiveness of the compliance control standards, the legal risk-management system, compliance inspection and reporting procedures, the system for the Compliance Officer's independent performance of duties, and the sanctions system for violations. Based on this, it continuously oversees management performance, improvement tasks, and target-implementation status for each key compliance risk.

2. Management's Role in the Oversight of Compliance-management-related Risks and Opportunities

① Roles Delegated to Management and Oversight Methods	To effectively manage and oversee compliance-management-related risks and opportunities, the Company assigns related roles and responsibilities to management. Accordingly, the Representative Director establishes and operates a compliance control system suited to the company's size and business characteristics in accordance with the compliance control standards and Board policies, and continuously reviews and oversees its operation status.
② Controls and Procedures	The Company operates the Legal/Compliance Support Team as its compliance department, and operates a departmental Compliance Manager ("CM") system to support the Compliance Officer's performance of compliance control duties. CMs assist compliance control duties within their departments, including compliance obligations, policies, procedures, and education and training support. In addition, CMs share key compliance issues arising within the company with the Legal/Compliance Support Team in a timely manner and consult on appropriate response measures, and carry out practical compliance management activities, such as establishing departmental risk-reduction targets to identify and manage compliance risks according to the characteristics of each department's work. In addition, for key risks including core compliance risks, management designates the department possessing expertise in each risk as the department dedicated to managing it, and through this systematically monitors the risks and their management status and carries out substantive response activities.

Strategy

1. Compliance-management-related Risks and Opportunities

① Identification of Risks and Opportunities

The Company regularly identifies and systematically manages compliance risks by comprehensively considering its founding purpose, business characteristics, and the latest regulatory trends. Each year, it prepares the 'LG Corp. Risk Profile' by analyzing the magnitude and frequency of risks in accordance with the compliance control standards; this is a list categorizing the key legal risks that may arise in the course of officers and employees' work and includes information such as the risk name, legal sanctions, relevant laws and regulations, risk description, and risk level. In addition, based on criteria such as 'likelihood of occurrence' and 'level of impact', the Company assesses, categorizes, and manages the core compliance risks requiring focused management at the Board level, and reviews the appropriateness of the selected core risks through annual reassessment and continuously updates them.

In 2025, a total of 34 risk categories and 118 behavioral types were identified and are under management; among them, the use of material nonpublic information, unfair instructions to affiliates, and unfair support of and profit-taking from affiliates were selected as core compliance risks and were intensively managed at the Board level.

Identification and Analysis of Compliance-management-related Risks

Category		Details	Likelihood of Occurrence	Level of Impact	Period
Risk	Use of Material Nonpublic Information	Legal sanctions, litigation-response costs, and penalty surcharges arising from the Company's or its officers and employees' use of material nonpublic information	Medium	Low	Medium-term
		Non-financial impact from the decline in reputation and trust in the Company and the Group due to the Company's or its officers and employees' use of material nonpublic information	Medium	High	Short-term ~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 the commencement of an investigation related to unfair instructions	Medium	High	Medium-term
		In the event of a civil/criminal liability of the Company for providing unfair instructions to an affiliate or an officer and employee of such affiliate, or an investigation related to unfair instructions, non-financial impact from the decline in reputation and trust in the Company and the Group	Medium	High	Short-term ~Long-term
	Unfair Support or Profit-Taking Practices against Affiliates	Criminal punishment or administrative penalties incurred due to violations of the Fair Trade Act or other relevant laws and regulations for unfair support of or profit-taking from affiliates by the Company	Medium	High	Medium-term ~Long-term
		Non-financial impact resulting from the decline in reputation of the Company and the Group and worsened relationships with interested parties due to the Company's unfair support or profit-taking practices against affiliates	Medium	High	Short-term ~Long-term

② Impact Period

Considering the impacts that compliance-management-related risks may have, the Company classifies the anticipated timing of occurrence into short term (within 1 year), medium term (over 1 year and within 5 years), and long term (over 5 years), and identifies and manages risks accordingly. These time horizons are identical to the time horizons for business planning.

Strategy

2. Business Model and Value Chain

① Current and Anticipated Impacts

Compliance-management-related Risks

Risk	Category	Details
Use of Material Nonpublic Information	Current Impact	The fines incurred during the current period for violations of legal requirements related to the use of material non-public information amounted to KRW 0, and no related lawsuits have been filed
	Anticipated Impact	Possibility of fines or administrative fines and related litigation costs arising from a violation of the Financial Investment Services and Capital Markets Act, and of indirect financial losses from a decline in corporate reputation
Unfair Instructions to Affiliates	Current Impact	The fines incurred during the current period for violations of legal requirements in the course of involvement in the business management of affiliates amounted to KRW 0, and no related lawsuits have been filed
	Anticipated Impact	Liability for violation of the Fair Trade Act/labor-related laws and regulations by the holding company or its officers and employees, complicity in occupational breach of trust under the Criminal Act, and liability of a person who instructs another person to conduct business (damages) under the Commercial Act may be recognized, and there is a possibility of a serious negative impact on the Group's reputation in the event of losing a shareholder derivative suit or an indictment/guilty verdict
Unfair Support of and Profit-Taking from Affiliates	Current Impact	The fines incurred during the current period for violations of legal requirements related to transactions with affiliates amounted to KRW 0, and no related lawsuits have been filed
	Anticipated Impact	Risk of penalty-surcharge imposition and criminal punishment of the perpetrators involved in the event of a violation of related regulations, and possibility of adverse effects from a decline in the reputation and trust of the Group as a whole

② Concentrated Impacts

The risks of using material nonpublic information and of unfair support of and profit-taking from affiliates were judged to be factors that could have a broad impact on the company-wide compliance control system and corporate credibility, and were therefore identified as risks that commonly affect the entire company-wide organization.
In contrast, the risk arising from unfair instructions to affiliates was found, by its nature, to have a more concentrated impact on specific areas. Such risk may pose a direct risk to management's decision-making structure, the internal control system, and governance transparency.

3. Strategy and Decision-making

① Responses and Plans

To respond to compliance-management-related risks, the Company establishes and operates both an ex-ante control system and an ex-post response system. On the ex-ante control side, it has built a management system to identify and prevent potential risks in advance, and on the ex-post side, it responds swiftly to issues that arise and, on this basis, improves the existing compliance control system.

Strategy

3. Strategy and Decision-making

Based on all identified risks, the Company establishes a Risk Profile manual, reflects it in internal policies and procedures, and periodically updates it, including employee precautions. For core compliance risks, it carries out prevention-focused management activities considering the characteristics of each risk, and continuously strengthens compliance awareness through various training programs for officers and employees. It also periodically reviews the status of risk management and, based on the review results, establishes improvement plans and reports them to the ESG Committee and the board. The compliance activities the Company has established considering the characteristics of each compliance-management-related risk are as follows.

Key Compliance Activities

Risk	Related Compliance Activities
Use of Material Nonpublic Information	• 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 the internal portal 4 times a year, during periods when the handling of material nonpublic information is frequent • Publish a newsletter on the latest regulatory trends • Mandate the inclusion of a cautionary statement on emails and documents containing material nonpublic information • Manage a list of documents handling material nonpublic information by department • Conduct compliance monitoring through an annual in-depth self-inspection
Unfair Instructions to Affiliates	• Diagnose risks through periodic interviews with officers and employees in charge and monitoring • Provide employees with detailed guidelines based on risk diagnosis • Conduct customized in-person training and communication for high-risk departments • Publish the latest regulatory insights in the newsletter • Conduct compliance monitoring through an annual in-depth self-inspection
Unfair Support of and Profit-Taking from Affiliates	• Provide a checklist for reviewing the appropriateness when dealing with affiliates • Implementation of an automated process system for prior review of affiliate transactions by the relevant department • Conduct customized in-person training and communication for high-risk departments • Publish the latest regulatory insights in the newsletter • Conduct compliance monitoring through an annual in-depth self-inspection

② Target-achievement Plan

Based on the advancement of the company-wide compliance-management system, the Company plans to strengthen its management system to minimize the risk of legal violations throughout the entire business process. To this end, it is establishing a process to identify high-risk areas by department and to establish and implement department- and employee-centered prevention activities. It has also made the establishment of risk-based compliance control plans for key domestic and international laws a regular practice, and operates an early monitoring and reporting system through self-inspection using the legal support system and operating the CM system. To respond to regulatory changes, the Company plans to continuously supplement its compliance-management roadmap and to carry out, in parallel, both a review of training for officers and employees, implementation levels and related improvement activities.

③ Progress of Established Plans

Details of the targets the Company has established to respond to compliance-management-related risks and the degree of achievement of those targets can be found in 'Metrics and Targets' in 'II. Compliance Management' of this report.

Strategy

4. Financial Impacts from Compliance-management-related Risks and Opportunities

① Financial Impacts within the Reporting Period

No financial impact identified from the Core Compliance-management-related risks occurred within the reporting period. However, legal costs such as fines or litigation costs may arise in the future due to related risks, which could result in a financial impact. As these costs are not directly related to operating activities, they may be recognized as other expenses or non-operating expenses in the financial statements and affect a reduction in net income. In addition, if such legal costs are paid in cash, they may lead to a decrease in cash and cash equivalents.

② Compliance-management-related Risks and Opportunities that Could Cause Material Adjustments in the Next Fiscal Year

As a result of reviewing compliance-management-related risks that could cause material adjustments to the financial position in the next fiscal year, the Company identified the possibility of illegal acts such as the use of material nonpublic information, unfair instructions to affiliates, and unfair support of and profit-taking from affiliates. If such illegal acts lead to litigation, the Company may recognize litigation provisions or disclose contingent liabilities in consideration of the possibility of an outflow of resources in future reporting periods. In addition, if regulatory improvements and system development are carried out in the course of improving internal controls to prevent recurrence, there is also a possibility that selling and administrative expenses will expand due to increased related costs.

Strategy

5. Compliance-management Resilience

To manage compliance risks, the Company regularly prepares its Risk Profile every year, and based on this, analyzes the management status and improvement measures of key risks and reports them to the ESG Committee. Through this process, it operates a systematic compliance-management risk-management system. In addition, as a holding company, the Company supports the dissemination and advancement of the group-level management system, thereby promoting its capability to respond to compliance-management risks and strengthening the resilience of the organization as a whole.

Resilience Assessment

The Company assesses resilience based on the following items.

1) **External verification of the operation status of the compliance control system:** Each year, the Company internally reviews compliance with the compliance control standards and the effectiveness of the compliance control system, and then receives verification of the results from external experts.
2) **Internal audit of whether the global certification standard is met:** With support from external experts, the Company reviewed whether its compliance control system meets the global certification standard (ISO 37301), and based on the audit results, derived practical improvement tasks and is implementing them. Through this, it is pursuing the continuous advancement of the compliance control system.
3) **Corrective measures for illegal acts and risk signals:** The Company recognizes signs of risk early through internal reporting, self-inspections conducted for officers and employees twice a year, and risk-signal monitoring through CM. When it confirms the occurrence of an illegal act or detects a risk signal, it analyzes the root cause of the problem and improves the compliance control system. Through this, it strengthens its capability to respond to compliance-management risks.

Risk Management

1. Processes and Policies for Compliance-management-related Risk Management

In establishing and operating its compliance control system, the Company uses as its reference framework the ECCP[1)], established by the DOJ[2)] in 2017 and revised several times thereafter. Accordingly, the Company's risk-management process consists of the following elements: risk assessment; policies and procedures; education and communication; and compliance inspection and monitoring. In addition, each procedure is regularly reviewed and improved to reflect changes in the business environment and revisions to laws and regulations.

1) ECCP (Evaluation of Corporate Compliance Program): guidance for evaluating corporate compliance programs
2) DOJ (Department of Justice): the U.S. Department of Justice

① Risk Assessment

Under a Board-centered company-wide risk-management system, the Company has established and operates compliance control standards to integrally identify, assess, and manage legal risks. In accordance with these standards, the Compliance Officer regularly analyzes legal risks based on their magnitude, likelihood of occurrence, and frequency of occurrence, and classifies them by type to build a management system. In addition, based on the analysis results, the Company reviews the need to respond to each risk and requests cooperation from relevant departments and officers and employees, and each organization responds swiftly, thereby strengthening the execution capability of the compliance control system. Together with this, the risk-assessment criteria and procedures are continuously supplemented and improved through regular review. The Company selects risks requiring focused management at the group level as 'Group core compliance risks', reviews the risk level and management status of each affiliate, and enhances the effectiveness of the group-wide compliance management system. It selected 'collusion' as a Group Core Compliance Risk in 2025 and 'personal information protection' in 2026, and plans to establish group-level best management measures considering the characteristics of each risk and to advance the level of risk management in the course of execution by the affiliates.

② Policies and Procedures

Through the advancement of its internal legal support system, the Company has made the preparation of a checklist a mandatory step within the contract-conclusion process, so that risk-prevention activities are integrated into work procedures. In addition, to ensure the smooth operation and establishment of this system, it conducted internal training for officers and employees in parallel.
In addition, for the identified key risks, the Company prepares a 'Risk Profile manual' and distributes it to officers and employees. Through this, it provides guidance on matters to be mindful of when performing work and on internal policies and procedures to be complied with, and the manual is periodically updated to reflect environmental changes and internal operating conditions.
The regulations and guidelines the Company has prepared and distributed in relation to key risks and core compliance risks are as follows.

Compliance-management-related Risk-management Regulations and Guidelines

Category		Details
Core Compliance Risk	Use of Material Nonpublic Information	• FAQ materials on the use of material nonpublic information • Behavioral principles on the use of material nonpublic information
	Unfair Support of and Profit-Taking from Affiliates	• Internal-transaction compliance manual • Internal-transaction deliberation criteria • Internal Transactions Committee Regulations • Checklist for Appropriateness Review of Transaction Terms when Dealing with Affiliates

Risk Management

1. Processes and Policies for Compliance-management-related Risk Management

③ Education and Communication

To internalize and disseminate a compliance-management culture, the Company operates education, communication, and participatory programs in an integrated manner. Once a year, it collects a 'Pledge on the Use of Material Nonpublic Information' from all officers and employees, and for new hires from 2025 onward, it has prepared and implemented a systematic compliance education program to strengthen compliance awareness from the early stage. It also conducts separate compliance training for departmental CMs and general managers to enhance their management capabilities in the course of performing their duties.

To strengthen internal communication, the Company publishes the 'Compliance News Update' twice a month, sharing key compliance issues and related regulatory trends with officers and employees. Using internal banners, pop-ups, and cautionary statements, it continuously raises awareness of the risks related to the use of material nonpublic information, striving to establish and disseminate an internal compliance-management culture.

Furthermore, the Company holds 'departmental compliance meetings' for all departments to select high-risk factors reflecting the work characteristics and key risks of each department, and pursues the practical enhancement of compliance awareness through case-based training and in-depth discussions.

④ Compliance Inspection and Monitoring

To continuously secure the effectiveness of the compliance control system, the Company operates an inspection and monitoring system. Through the Board of Directors, it annually reviews compliance with the compliance control standards and the effectiveness of the compliance control system, and conducts a legal review by an external advisory institution to ensure the objectivity of the assessment. The inspection results are regularly reported to the Board and are used to improve the management system.

In addition, to systematically review the management status of all risks, the Company conducts a 'compliance inspection' for officers and employees every year, through which it quantitatively assesses the management level of each risk on a 5-point scale. This inspection guarantees anonymity to increase the reliability and objectivity of responses, and additional interviews are conducted as needed to also perform an in-depth analysis of specific risks.

In addition, for core compliance risks, the Company prepares a checklist so that officers and employees can review their own compliance and operates a self-inspection system, thereby enhancing understanding of and the level of practice in compliance management. It also designates a responsible department for each risk to carry out continuous monitoring.

The Company uses RPA[1] to monitor key domestic and international compliance issues in real time.

1) RPA(Robotic Process Automation): robotic process automation

⑤ Method and Degree of Integration with the Overall Risk-management Process

To systematically manage compliance-management-related risks, the Company collects compliance-management-related risk data and identifies key risks through assessment and analysis. These risks are reviewed by the Compliance Officer and reported to management and the ESG Committee, and material matters discussed by the ESG Committee are reported to the Board.

Metrics and Targets

1. Compliance-management-related Indicators

① Legal Violations, Employee Training, and Self-inspection

To effectively respond to group-level compliance-management risks, the Company set and manages Core Compliance Risk violations, employee-training completion, and self-inspection implementation status as key indicators in 2025. These indicators were set based on '2-27. Compliance with Laws and Regulations' in the GRI Standards[1] 2021. On a basis of the most recent 4 years, no violations[2] or fines have been confirmed for each risk, which confirms that the compliance control system is being operated stably. In addition, to enhance officers and employees' compliance awareness, the Company conducts company-wide regular training, which is operated in person. As of 2025, more than 80% of all officers and employees completed the training. To advance the company-wide voluntary compliance-inspection system, the Company encourages the participation of business departments, and in 2025, more than 85% of all departments participated in the self-inspection.

1) GRI Standards (Global Reporting Initiative Standards): sustainability reporting guidelines
2) LG Corp. had no legal sanctions, while LG CNS had 5 cases and D&O had 3 cases

② Indicator Management Method

All legal violations notified to the Company are collected and managed by the relevant departments. In addition, the number of risk violations is tallied through internal compliance inspections, and the participation rate of officers and employees and departments in self-inspections is also managed using the internal legal support system. The Company is reviewing a plan to integrally manage the number of compliance-risk violations received through the Jeong-Do Management Whistleblower System in the future.

2. Compliance-management-related Targets

① Quantitative and Qualitative Targets

To strengthen compliance-management risk management, the Company sets and pursues its own quantitative targets based on its compliance management system. Through this, it manages company-wide compliance-management activities so that they can be systematically implemented.
To maintain and manage ISO[3] 37301 (compliance management system) certification, the Company intends to continuously advance a compliance system that conforms to international standards by receiving continuous and regular audits from external certification bodies. With respect to advancing the company-wide voluntary compliance-inspection system, it targets a participation rate of 85% or higher of all departments for the general self-inspection and a participation rate of 85% or higher of all officers and employees for the in-depth self-inspection of core compliance risks. In addition, to enhance officers and employees' compliance awareness, it recommends a completion rate of 75% or higher for in-person compliance training and targets an attendance rate of 85% or higher for CM training.
In addition, the Company set a target of zero occurrences of illegal acts related to its own core compliance risks, and to achieve this, it continuously strengthens constant inspection and prevention-focused management activities.

3) ISO (International Organization for Standardization): the International Organization for Standardization

Metrics and Targets

2. Compliance-management-related Targets

② Target-setting Approach

Target-setting Method

When establishing compliance-management-related targets, the Company first reviews the prior period's performance and comprehensively analyzes the target-implementation rate based on quantitative and qualitative indicators to systematically assess overall operating performance. In addition, it reflects changes in and requirements of key domestic and international compliance-management-related regulations, and based on this, sets targets for the following year or derives directions for supplementing existing targets, thereby pursuing the continuous advancement of the compliance-management system.

Target-review Method and Progress-monitoring Method

Every year, under the supervision of the Legal/Compliance Support Team, the Company reviews the company-wide level of compliance management. For all departments, it comprehensively monitors the participation rate in the voluntary compliance inspection, the status of officers and employees' completion of compliance training, the level of departmental risk identification and management implementation, and whether Core Compliance-related illegal acts have occurred.

The inspection results are regularly shared with management and relevant departments, and where necessary, improvement tasks are derived and follow-up measures are implemented. Through this, the Company seeks to manage performance against the established compliance-management targets while continuously improving the company-wide compliance level by lowering the likelihood of key risks in advance.

Performance against Targets

In July 2025, the Company obtained international-standard certification for ISO 37301 (compliance management system). In addition, it achieved a 100% departmental participation rate for the voluntary compliance inspection conducted in December 2025, and the participation rate for the in-depth self-inspection of core compliance risks exceeded 85%.

③ Target Revisions and Reasons

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

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Governance

1. Decision-making Body that Manages and Oversees Health-and-Safety-related Risks and Opportunities

① Management and Oversight of Risks and Opportunities

The Company manages and oversees its health and safety management system through the ESG Committee. The ESG Committee reviews and discusses safety- and environment-related policies and matters requiring management through the Group Safety and Environment Council. For the roles and authority of the ESG Committee, please refer to 'Governance' in the 'Overview'.

② Competency Assessment and Development

The ESG Committee is composed of members with expertise and competencies in overall corporate management, including health and safety. To support expert decision-making on health and safety, the Company includes a health and safety expert in the ESG Team, the working-level support organization under the ESG Committee.

③ Method and Frequency of Reporting to the Decision-making Body

The ESG Committee receives reports on the operating performance and plans of the health and safety management system from the ESG Team, the Company's health and safety management department. In principle, the ESG Committee is held twice a year, but it is held from time to time when necessary. In 2025, the agenda item on the progress and plan for improving the Company's health and safety management system was reported through the ESG Committee.

Method and Frequency of Reporting Health-and-Safety-related Agenda Items As of the end of June 2026

Category	Date	Agenda Type	Key Agenda Items
2nd ESG Committee	2025.10.02	Report	Progress and plan for improving LG Corp.'s health and safety management system

④ How Health-and-Safety-related Risks and Opportunities Are Considered in Key Decision-making and Management/Oversight

The ESG Committee discusses and oversees the appropriateness of the management status of health and safety hazards and risk factors reported by the ESG Team and the medium- to long-term roadmap for improving them.

⑤ Management and Oversight of Target Setting and Progress

The Company reports to the ESG Committee the results of inspections of health and safety hazards and risk factors, budget and execution details, and targets and activity performance including the medium- to long-term improvement plan, and based on this, the ESG Committee oversees and monitors the Company's health-and-safety-related target setting and overall performance.

Governance

2. Management's Role in the Oversight of Health-and-Safety-related Risks and Opportunities

① Roles Delegated to Management and Oversight Methods

To effectively manage and oversee health-and-safety-related risks and opportunities, the Company assigns related roles and responsibilities to management. Accordingly, the Company's management regularly receives reports from the ESG Team on the operation status of the health and safety management system, inspection results, and activity plans, and continuously manages related management activities through ad hoc reports when necessary. Management fulfills its duty to secure health and safety by managing and overseeing the establishment of the health and safety management system, the operation of the emergency-response system, and compliance with legal requirements.

② Controls and Procedures

Designation and Operation of the Management Department

The Company designates the ESG Team as its health and safety management department, and the related roles and responsibilities are clearly stipulated in the health and safety management regulations. The ESG Team establishes and operates the health and safety management system by responding to health-and-safety-related laws and regulations, establishing and implementing policies, identifying and assessing risk factors to prevent accidents, building and managing the emergency-response system, and managing supplier capabilities. In addition, it conducts regular safety inspections and supplier evaluations twice a year using external specialized institutions regarding the fulfillment of obligations under health-and-safety-related laws and the appropriateness of risk management, and establishes response plans for identified potential hazards and risk factors, continuously improving the level of health and safety management.

Operation of the Emergency Response Committee

Based on the 'LG Corp. Emergency Response Manual', the Company establishes a response system by organization (by personnel) to prepare for various emergency situations, including health and safety, and operates training according to situation-specific scenarios to minimize casualties and property damage when actual situations occur. When an emergency occurs, the company-wide Emergency Response Committee is immediately convened according to the emergency level of the situation; the Emergency Response Committee receives reports on the response status from the Emergency Countermeasure Headquarters (ESG Team), decides on cooperation among relevant departments and key response directions, and serves as the control tower. Afterward, once the situation ends, it oversees the investigation of causes and the establishment of recurrence-prevention measures to prevent the recurrence of similar accidents.

Management's Controls and Procedures

To support management's oversight of health-and-safety-related risks and opportunities, the ESG Team regularly reports related key matters to the ESG Committee. Based on these reports, the ESG Committee comprehensively manages and oversees the Company's health-and-safety-related risks and opportunities.

Strategy

1. Health-and-Safety-related Risks and Opportunities

① Identification of Risks and Opportunities

Reflecting the characteristics of its business and the assets it holds, the Company periodically identifies and systematically manages health-and-safety-related risk factors that may arise in the course of operations. In addition, in accordance with the safety management policy and health and safety management regulations, it conducts regular safety inspections to identify the types and likelihood of hazards and risk factors, and derives and assesses key risks requiring focused management. Meanwhile, as a pure holding company that does not directly engage in a separate business, the Company's main sources of income consist of dividend income from affiliates, trademark income from the use of LG brand rights, and rental income from leasing the buildings it holds. Among these, the Company judges that the health-and-safety-related risk that may arise from building-leasing activities is relatively high, and the key health-and-safety-related risks asscoiated with this activity are as follows.

Identification and Analysis of Health-and-Safety-related Risks and Opportunities

Category	Risk	Description	Period		
			Short-term	Medium-term	Long-term
Risk	Aging of Facilities and Equipment	Increase in direct and indirect costs, such as recovery/compensation costs and management losses, from personal and property accidents caused by the aging of tangible assets such as facilities and equipment	●	●	●
	Insufficient Emergency-response Systems and Preventive Management	Increase in direct and indirect costs from personal and property damage that may occur due to a lack of response systems and training in emergency situations such as disasters and calamities	●	●	●
	Suppliers' Non-compliance with Health-and-Safety-related Laws and Regulations	Administrative fines and penalties arising from suppliers' inadequate health and safety management systems and non-compliance with laws and regulations, and management losses from business suspension	●	●	●
	Occurrence of Safety Accidents at Business Sites	Treatment and compensation costs from the occurrence of a serious accident or industrial safety accident, and increases in the company's industrial-accident compensation insurance and liability insurance premiums	●	●	●
	Occurrence of Safety-accident-related Litigation	Occurrence of legal-response costs such as litigation costs and compensation payments due to the occurrence of a litigation case caused by an accident	●	●	●

② Impact Periods of Risks and Opportunities

Considering the impacts that health-and-safety-related risks may have, the Company classifies the anticipated timing of occurrence into short term (within 1 year), medium term (over 1 year and within 5 years), and long term (over 5 years), and identifies and manages risks accordingly. These time horizons are identical to the time horizons for business planning.

Strategy

2. Business Model and Value Chain

① Impact on the Business Model and Value Chain

The Company identified that current and potential health-and-safety-related risks are mainly concentrated in the leasing activities of the buildings it owns. Accordingly, it defines the impact of these risks on its business model and value chain as a whole as follows.

Impact Analysis by Key Health and Safety Risk

Risk	Category	Details
Facilities and Equipment Aging	Current Impact	Incurred maintenance costs for aging facilities and equipment during the current fiscal year
	Anticipated Impact	Possible occurrence of casualties, recovery costs, etc. from accidents when facilities and equipment fall below safety standards
Insufficient Emergency-response Systems and Preventive Management	Current Impact	No significant impact, as the Company recorded a total of zero serious accidents in 2025
	Anticipated Impact	Possible occurrence of casualties, facility recovery costs, etc. due to the spread of damage from a failure of initial response when an accident occurs
Suppliers' Non-compliance with Health-and-Safety-related Regulations	Current Impact	No significant impact due to inadequate supplier health and safety management systems
	Anticipated Impact	Possible expansion of the Company's legal liability, administrative dispositions, and reputational decline in the event of a supplier's violation of laws and regulations
Occurrence of Safety Accidents at Business Sites	Current Impact	No significant impact currently faced, as the Company recorded zero serious accidents in 2025
	Anticipated Impact	Potential increase in industrial-accident compensation and future premiums for workers' compensation and corporate liability insurance in the event of a serious accident
Occurrence of Safety-accident-related Litigation	Current Impact	No significant impact currently, as the Company recorded zero serious accidents in 2025
	Anticipated Impact	In the event of an accident on business premises, potential legal expenses and compensation claims may arise, leading to legal-response costs and compensation costs

Strategy

3. Strategy and Decision-making

① Responses and Plans

As of the reporting date, the Company judges that there has been no fundamental change to its business model due to health-and-safety-related risks and opportunities, nor any impact anticipated to occur in the future. For the status of responses to health-and-safety-related risks, please refer to the following table.

Status of Responses to Health-and-Safety-related Risks

Response Activity	Details
Facilities and Elimination of Risk Factors	• Establish/distribute safety management standards by facility and equipment category • Focus on improvement initiatives targeting 4 core high-risk areas • Advance technologies that detect and monitor hazards and risk factors in advance by facility and equipment category • Adopt new digital technologies applicable to high-risk work and facilities and equipment
Health and Safety Management System Advancement	• Establish/operate an integrated emergency-response system for systematic building management • Develop a system to systematically manage a Health Promotion Index to prevent employee health incidents • Internalize the process of business-site health and safety risk assessment and reflection of improvements
Suppliers' Health and Safety Capability Enhancement	• Develop a tool to assess suppliers' health and safety capabilities • Regular capability diagnosis and improvement measures • Conduct suppliers' health and safety training to support the cultivation of expert personnel • Establish an integrated safety-management IT system for suppliers
Health and Safety Organization and Capability Enhancement	• Deploy a dedicated health and safety organization and health and safety managers at each business site, and clarify the on-site responsibility structure • Operate health and safety training and experiential programs tailored by rank and job function • Support training to strengthen safety leadership among management and managers

② Target-achievement Plan

To systematize and manage health-and-safety-related risks company-wide, the Company continuously strengthens inspections of hazards and risk factors and improvement measures. In addition, when an accident occurs, it enhances its response capabilities through rapid cause analysis and the establishment of an emergency-action plan. Furthermore, it promotes the spread of a voluntary health and safety culture through employee training and worker-participatory communication.

③ Progress of Established Plans

For details on the targets established to respond to the Company's health-and-safety-related risks and the level of achievement of those targets, please refer to 'Metrics and Targets' in the 'III. Health and Safety' section of this report.

Strategy

4. Financial Impacts from Health-and-safety-related Risks and Opportunities

① Financial Impacts within the Reporting Period

Various prevention and response activities, such as eliminating risk factors in facilities and equipment, advancing the health and safety management system, and strengthening suppliers' health and safety capabilities, may affect the Company's financial position, management performance, and cash flows. These financial impacts are analyzed mainly through qualitative information in consideration of the uncertainty of quantitative calculation, and for details, please refer to the following table.

Financial Impact Analysis of Health-and-safety Response Activities

Response Activity	Category	Details
Facilities and Elimination of Risk Factors	Current Impact	• Increased outflow of operating cash due to maintenance of aging facilities and equipment
	Anticipated Impact	• Increased outflow of investing cash and recognition of intangible assets due to the adoption of new technologies applicable to facilities and equipment
Health and Safety Management System Advancement	Current Impact	• Increased operating expenses and outflow of operating cash due to the operation of the health safety management system
	Anticipated Impact	• Increased operating expenses and outflow of cash investments due to the establishment of a corporate health promotion index management system
Suppliers' Health and Safety Capability Enhancement	Current Impact	• Increased operating expenses and outflow of operating cash due to supplier training support
	Anticipated Impact	• Increased operating expenses and outflow of operating cash due to inspections and reinforcement of supplier management systems
Health and Safety Organization and Capability Enhancement	Current Impact	• Increased operating expenses due to higher training program costs
	Anticipated Impact	• 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 Could Cause Material Adjustments in the Next Fiscal Year

As a result of reviewing health-and-safety-related risks that could have a significant impact on the financial position in the next fiscal year, the Company analyzed that there is a possibility of damage occurrence and cost increases due to the aging of facilities and equipment and insufficient operation of the emergency-response system and preventive management. The aging of facilities and equipment entails continuous maintenance, which may lead to continued increases in repair costs and outflows of operating cash flow. In addition, if an accident occurs due to insufficient operation of the emergency-response system and preventive management, a temporary increase in selling and administrative expenses along with an outflow of operating cash flow may occur in the course of damage recovery.

③ Investment and Disposal Plans for Strategy Implementation

To effectively pursue its health-and-safety-related risk prevention and response strategy, the Company expanded the related budget versus the prior year and, based on this, established an investment plan for improvement works and for inspecting risk factors and management systems.

Strategy

4. Financial Impacts from Health-and-safety-related Risks and Opportunities

④ Financial Impacts by Time Horizon from Strategy Execution

The Company anticipates that during the period from the short term (within 1 year) to the medium term (over 1 year and within 5 years), the outflow of operating cash will expand due to increased spending on advancing the health and safety management system and strengthening supplier capabilities, along with the outflow of investing cash from expanded investment in aging facilities and equipment. However, as the Company's health and safety management system and the level of supplier management gradually improve owing to the effects of the investments and improvement activities pursued in the short and medium term, some infrastructure operating costs and personnel-related costs are projected to decrease from the long term (over 5 years) onward.

5. Health-and-safety Resilience

To minimize casualties and asset damage when an emergency situation occurs and to secure rapid response capabilities, the Company formed an Emergency Response Committee and established a response system by organization. In addition, it has built a scenario-based response process reflecting various types of emergency situations and operates it so that systematic crisis response is possible. In normal times, it shares information on accidents occurring or received within business sites in real time, and maintains a constant response system based on a reporting system in accordance with the emergency-response manual and accident-classification criteria. Furthermore, this system checks its response readiness and resilience through regular inspections twice a year and immediately implements necessary supplementary measures, thereby continuously securing the appropriateness of the health and safety management system.

Resilience Assessment

The Company comprehensively assesses its resilience to health and safety risks based on the following assessment factors.

1) **Regular inspection of the emergency-response system:** Through regular risk assessments, the Company verifies its capacity for rapid decision-making and confirms the feasibility of accident-response procedures when an emergency situation occurs, and verifies the effectiveness of the response manuals and communication systems by organization.
2) **Strengthening suppliers' health and safety capabilities:** For major suppliers, the Company checks health and safety risk assessments and compliance with related standards, and assesses the health and safety capabilities of the entire supply chain by reflecting the performance of improvement and corrective measures.

Risk Management

1. Processes and Policies for Health-and-safety-related Risk Management

① Risk Identification

The Company complies with health-and-safety-related laws such as the Serious Accidents Punishment Act, the Occupational Safety and Health Act, and the Fire Services Act, and establishes, operates, and periodically maintains health and safety management system operating policies, regulations, and procedures that reflect the requirements of those laws.

In addition, based on the 'Safety Management Policy', 'Health and Safety Management Regulations', and 'Supplier Management Regulations', it manages the establishment and operation of the health and safety management systems of the Company and its suppliers, and accordingly continuously identifies and improves hazards and risk factors within business sites. Furthermore, it has established detailed operating standards such as the 'Risk Assessment Manual' and 'Emergency Response Manual' to strengthen the execution capability of health and safety management.

To enhance the safety and environment awareness of all group officers and employees, spread a safety culture within the organization, strengthen the expertise of the safety and environment job family, and build a foundation for public-private-academic cooperation, the Company operates 'LG SHEC[1]', a group safety and environment event. This event consists of expert lectures, exhibitions of the latest safety and environment technologies, and awards for outstanding business sites, and related companies with new technologies in the fields of industrial safety, fire safety, environment, health, and AI/DX participate to provide product and technology consultations.

1) LG Safety, Health, Environment Conference

② Risk-assessment Criteria

Twice a year, the Company conducts on-site safety inspections of the real-estate assets it holds using an external specialized institution related to health and safety. The inspection targets are a total of 4 assets, including LG Twin Towers, LG Gwanghwamun Building, LG Seoul Station Building, and LG Gasan Digital Center, and hazards and risk factors across facilities and equipment are identified through the inspection.

In addition, for the identified risks, the Company assesses the materiality of the risk by comprehensively considering its nature, likelihood of occurrence, and level of impact.

③ Method of Prioritizing Health and Safety Risks

The Company selects 'health and safety' as a core group-level sustainability agenda and manages it systematically. To this end, it operates the Group Safety and Environment Council, in which major affiliates and subsidiaries participate, and pursues related policy establishment and implementation tasks with this council at the center.

In addition, to strengthen the effective management of health and safety issues, it regularly reports related plans and implementation performance to the ESG Committee, thereby maintaining a management and oversight system for key health and safety matters. Furthermore, to prioritize the reflection of health-and-safety-related risks and opportunities in management decision-making, it has established and operates related review criteria and procedures in the investment decision-making process.

Risk Management

1. Processes and Policies for Health-and-safety-related Risk Management

④ Monitoring Method	The Company establishes improvement plans for the hazards and risk factors of facilities and equipment identified through on-site health and safety inspections and for deficiencies in the management systems of building operation and management suppliers, and systematically implements them. In addition, the appropriateness and execution of improvement measures are reconfirmed in the next inspection process so that necessary supplementation and improvement are carried out.
⑤ Changes to the Risk-management Process	There were no significant changes to the health-and-safety-related risk-management process within the reporting period.

2. Method and Degree of Integration with the Overall Risk-management Process

The Company integrally manages the health and safety risk-management process with the ESG Committee at the center. The ESG Committee regularly receives reports from the ESG Team, the department dedicated to health and safety management, on the operation status of the management system, implementation plans, and information related to key risks. In addition, key risk matters discussed by the ESG Committee are shared with and reported to management and the Board and reflected in company-wide decision-making.

Metrics and Targets

1. Health-and-safety-related Indicators

① Lost-Time Injuries Frequency Rate	The Lost-Time Injuries Frequency Rate (LTIFR) is an indicator representing the frequency of lost-time accidents per one million working hours, and is widely used by major global companies as a standard for measuring safety-management performance. The Company calculates the Lost-Time Injuries Frequency Rate based on the number of lost-time injuries identified through on-site inspections and total working-hour data collected from the internal working-hour management system. By applying this indicator as a safety-management indicator, it systematically identifies the frequency and intensity of safety accidents, thereby quantitatively assessing and managing its health and safety performance.
② Assets and Business Activities Vulnerable to Risk	The Company classifies leased buildings undergoing aging as relatively vulnerable assets from a health and safety perspective, and sets them as focused management targets in consideration of the high likelihood of electrical and fire accidents, etc. In particular, as the risk of on-site accidents involving outsourced-company workers is ever-present in the course of construction and maintenance, the Company continuously monitors this as a key management item, and strengthens the level of management of health-and-safety-vulnerable assets by conducting regular safety inspections and emergency-response training in parallel.
③ Capital Deployment	For matters concerning capital deployment linked to health-and-safety-related risks and opportunities, please refer to '4. Financial Impacts from Health-and-safety-related Risks and Opportunities' in this report.
④ Management Remuneration	The Company reflects and manages health-and-safety-related factors in the performance evaluation of management and executives.

2. Health-and-safety-related Targets

① Quantitative and Qualitative Targets	The Company sets a target of achieving a Lost-Time Injuries Frequency Rate of "0" each year, and has established a medium- to long-term health and safety improvement roadmap to achieve this systematically. In accordance with this roadmap, it intends to continuously improve the level of health and safety management by building a management foundation for the risks of fire, electric shock, suffocation, and falls by 2025, advancing the prevention and response system from 2026 to 2027, and establishing an integrated health and safety management system based on digital transformation (DX) by 2030.

Metrics and Targets

2. Health-and-safety-related Targets

② Target-setting Approach

Target-setting Method

The Company establishes its safety-management targets based on trend analysis of the Lost-Time Injuries Frequency Rate and the results of regular safety inspections using external specialized institutions. In addition, although the Company does not operate a business site subject to the education/training and statutory personnel-appointment obligations under related laws such as the Occupational Safety and Health Act, it continuously pursues activities to prevent serious accidents, such as regular safety inspections and support for strengthening supplier capabilities, through the establishment of a health and safety management system.

Target-review Method and Progress-monitoring Method

The Company's health and safety management department periodically reviews, monitors, and systematically manages the Lost-Time Injuries Frequency Rate. In addition, the inspection results are regularly reported to management and used in health-and-safety-related decision-making.

Performance against Targets

Through the continuous advancement of its health and safety management system, the Company has maintained a Lost-Time Injuries Frequency Rate of "0" over the past three years. However, in the case of D&O, a main subsidiary, there is a history of some lost-time injuries occurring due to the nature of its leisure business. Accordingly, the Company is striving to reduce the Lost-Time Injuries Frequency Rate by continuously pursuing improvements to the health and safety management system and work procedures and activities to enhance workers' safety awareness. As the main affiliates independently establish and operate their health and safety targets and indicators in line with the characteristics of the businesses they operate and their on-site risk factors, please refer to each company's sustainability report for the related details.

Lost-Time Injuries Frequency Rate (LTIFR)

(Unit: incidents / million working hours)

Indicator	Category	2023	2024	2025
Lost-Time Injuries Frequency Rate (LTIFR)[1]	LG Corp.	0.00	0.00	0.00
	Main Subsidiaries			
	LG CNS	0.08	0.08	0.00
	D&O[2]	9.77	13.87	6.53

1) The Lost-Time Injuries Frequency Rate is calculated by rounding at the third decimal place
2)2023 and 2024 figures corrected due to a data error

③ Target Revisions and Reasons

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

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Quantitative Data[1)]

The ESG data described in this report covers the separate-basis domestic and overseas business sites of the Company[2)] and its 2 main subsidiaries (LG CNS, D&O) and 3 main affiliates (LG Electronics, LG Chem, LG Uplus). The indicators, units, and definitions of each ESG data item are as follows.

Data Definition

Environment

Category		Indicator	Unit	Definition
Climate Change[3)]	GHG	**Scope 1, 2 Emissions (Market-based)**	thousand tCO_2eq	The sum of Scope 1 GHG emissions calculated in accordance with the Guidelines on Emission Reporting and Certification under the GHG Emissions Trading Scheme and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and Scope 2 GHG emissions calculated by applying emission factors reflecting the energy purchase contracts and renewable-energy use means selected by the company
		Scope 1		GHG emissions generated directly from fuel use and process operation, etc. within business sites, calculated in accordance with the Guidelines on Emission Reporting and Certification under the GHG Emissions Trading Scheme and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
		Scope 2		GHG emissions generated indirectly from the use of externally purchased electricity and steam, etc., calculated by applying emission factors reflecting the energy purchase contracts and renewable-energy use means selected by the company, such as renewable-energy purchase contracts, green premiums, and renewable-energy certificates
		Scope 1, 2 Emissions (Location-based)		The sum of Scope 1 GHG emissions calculated in accordance with the Guidelines on Emission Reporting and Certification under the GHG Emissions Trading Scheme and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and Scope 2 GHG emissions calculated by applying the average emission factor of the power grid in the region where the business site is located
		Scope 1		GHG emissions generated directly from fuel use and process operation, etc. within business sites, calculated in accordance with the Guidelines on Emission Reporting and Certification under the GHG Emissions Trading Scheme and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
		Scope 2		GHG emissions generated indirectly from the use of externally purchased electricity and steam, etc., calculated by applying the average emission factor of the power grid in the region where the business site is located
		Intensity	tCO_2eq/ KRW 100M	The sum of Scope 1 and Scope 2 GHG emissions divided by revenue

1) For the 2023,2024 quantitative data, a corrective disclosure was made to reflect corrections to the disclosed data of affiliates
2) For LG Corp., as a pure holding company, environmental data is excluded in consideration of the low environmental impact of its business activities
3) Scope 2 applies market-based emissions, consistent with the CDP disclosure

Quantitative Data

Category		Indicator	Unit	Definition
Climate Change	Energy[4]	Total Usage	TJ	Internal and external energy use of the organization; consumption of ‘renewable and non-renewable’ (direct) fuel, (indirect) steam/heat, and (indirect) electricity purchased or produced by the organization
		(Direct) Fuel		Energy use calculated based on the amount of fuel directly used to operate facilities and processes within business sites
		(Indirect) Steam		Indirect energy use calculated based on the amount of steam purchased externally and used to operate facilities and processes within business sites
		(Indirect) Electricity		Indirect energy use calculated based on the amount of electricity purchased externally and used to operate facilities and processes within business sites
		Non-renewable Energy Usage		Total use of fuel from non-renewable energy sources
		Renewable Energy Usage		Total use of fuel from renewable energy sources
		Renewable Electricity Conversion Rate	%	The ratio of renewable-electricity use to total electricity use
	Air Pollutants	Nitrogen Oxides (NOx)	ton	Amount of NOx (nitrogen oxides) emitted into the atmosphere
		Sulfur Oxides (SOx)		Amount of SOx (sulfur oxides) emitted into the atmosphere
		Volatile Organic Compounds (VOCs)		Amount of VOCs (volatile organic compounds) emitted into the atmosphere
		Dust (PM)		Amount of dust (PM) emitted into the atmosphere

4) Energy units are converted into TJ and consolidated

Social

Category		Indicator	Unit	Definition
Health and Safety	Occupational Health and Safety	Lost-Time Injuries Frequency Rate (LTIFR)	%	The frequency rate of lost-time injuries occurring in the workplace per one million working hours (number of injuries with lost time1) / total annual working hours × 1,000,000)

1) The number of accidents that prevent work; the number of injuries causing one or more days of lost work

Quantitative Data

Environment[1]

Category		Indicator	Unit	2023	2024	2025
Climate Change	GHG	Scope 1, 2 Emissions (Market-based)	thousand tCO_2eq	11,478[2]	11,701	11,211
		Scope 1		5,411	5,898	5,362
		Scope 2		6,066	5,803	5,849
		Scope 1, 2 Emissions (Location-based)		12,148[2]	12,350	11,645[2]
		Scope 1		5,411	5,898	5,362
		Scope 2		6,736	6,452	6,282
		Intensity[3]	tCO_2eq/ KRW 100M	10.13	9.84	9.58
	Energy	Total Usage[4) 5)]	TJ	176,993	185,948	177,352
		(Direct) Fuel		98,408	111,561	105,118
		(Indirect) Steam		13,596	11,812	12,336
		(Indirect) Electricity		64,989	62,576	59,898
		Non-renewable Energy Usage		171,798	180,535	173,427
		Renewable Energy Usage		5,760	6,036	4,516
		Renewable Electricity Conversion Rate[6]	%	11.41	11.53	4.84
	Air Pollutants	Nitrogen Oxides (NOx)	ton	3,178	3,126	3,068
		Sulfur Oxides (SOx)		125	165	143
		Volatile Organic Compounds (VOCs)		346	333	327
		Dust (PM)		208	201	149

1) 2023 and 2024 data corrected due to a change in the calculation basis
2) Differences from the sum of individual items may arise due to rounding
3) Calculated on the basis of the Company's separate managed revenue, excluding intercompany transactions
4) The green-premium purchase volumes of LG Uplus and LG CNS are reflected in the total usage
5) The criteria for reflecting RECs and green premiums differ by main affiliates, so differences may arise from the sum of the data disclosed by each company
6) TJ is used to compare total energy usage, while the renewable-electricity conversion rate is calculated on a GWh basis reflecting actual electricity usage

Social[1]

Category		Indicator	Unit	2023	2024	2025
Health and Safety	Occupational Health and Safety	Lost-Time Injuries Frequency Rate	%	1.13	1.68	0.77

1) 2023, 2024 data corrected due to a change in the data-calculation basis

Qualitative Data[1)]

The 2025 ESG performance of LG Group's 1 main subsidiary (LG CNS) and 3 main affiliates (LG Electronics, LG Chem, LG Uplus) in the environmental and social areas is as follows. For detailed information, please refer to the reporting location.

Environment

Category		Affiliate	Details	Reporting Location
Climate Change	GHG	LG Electronics	Establishing and implementing GHG reduction plans	2025-2026 LG Electronics Sustainability Report p.20
			Reducing GHG emissions at the product use and distribution stages	2025-2026 LG Electronics Sustainability Report p.20
		LG Chem	Transitioning to a low-carbon management system	LG Chem Sustainability Report 2025 p.25-26
			Multi-faceted strategies for GHG reduction	LG Chem Sustainability Report 2025 p.24-26
		LG Uplus	Climate-change scenario analysis	2025 LG Uplus Sustainability Report p.42
			Analysis of financial impacts from climate change	2025 LG Uplus Sustainability Report p.41
		LG CNS	Strengthening the response to the Emissions Trading Scheme	2025-2026 LG CNS Sustainability Report p.33
	Energy	LG Electronics	Renewable-energy status and energy management	2025-2026 LG Electronics Sustainability Report p.9, 18, 21, 116
		LG Chem	Energy reduction through innovative technologies	LG Chem Sustainability Report 2025 p.26
		LG Uplus	Energy-reduction activities and eco-friendly energy procurement	2025 LG Uplus Sustainability Report p.43
		LG CNS	Advancing data-center energy efficiency	2025-2026 LG CNS Sustainability Report p.36

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

Social

Category		Affiliate	Details	Reporting Location
Health and Safety	Occupational Health and Safety	LG Electronics	Operating a health and safety promotion framework and managing risks	2025-2026 LG Electronics Sustainability Report p.58-63
		LG Chem	Implementation of environmental safety	LG Chem Sustainability Report 2025 p.50-56
		LG Uplus	Health and safety inspection and management framework	2025 LG Uplus Sustainability Report p.82-87
		LG CNS	Managing health and safety risks and pursuing prevention activities	2025-2026 LG CNS Sustainability Report p.65-67

GRI Standards Index

Statement of use	LG Corp. has reported its sustainability management performance for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI Standards 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	LG Corp. has not applied any GRI Sector Standards, as no Sector Standards applicable to GICS, industry classification standards, etc. had been issued as of the publication date of this report.

GRI 2: General Disclosures 2021

Category	Item No.	Disclosure	Page
Organizational Profile	2-1	Name of the organization	p.5, Business Report p.3
	2-2	List of organizations included in the sustainability report	p.5-6
	2-3	Reporting period, cycle, and contact	p.5, 75
	2-4	Restatements of information	p.65, 67-70
	2-5	External assurance	P.73-74
Business Activities and Employees	2-6	Business activities, value chain, and other business relationships	Business Report p.4, 36-44
	2-7	Employees	Business Report p.478
	2-8	Workers who are not employees	Business Report p.478 Refer to 'workers not belonging to the company' under 'B. Status of employees, etc.' in the Business Reports of the main subsidiaries and affiliates
Governance	2-9	Governance structure and composition	p.7-9
	2-10	Nomination and selection of the highest governance body	p.7-9, refer to Corporate Governance Report detailed principles 4-2, 4-3, 5-1
	2-11	Chair of the highest governance body	p.7-9, refer to Corporate Governance Report detailed principle 4-1(5)
	2-12	Role of the highest governance body in overseeing the management of impacts	p.10-11, 43-44, 55
	2-13	Delegation of responsibility for managing impacts	p.11
	2-14	Role of the highest governance body in sustainability reporting	p.10-11
	2-15	Conflicts of interest	p.7-9, Corporate Governance Report detailed principle 5-1
	2-16	Communication of critical concerns	p.11, Business Report p.460-472
	2-17	Collective knowledge of the highest governance body	Refer to Corporate Governance Report detailed principle 5-3
	2-18	Performance evaluation of the highest governance body	Refer to Corporate Governance Report detailed principle 6-1
	2-19	Remuneration policies	Refer to Corporate Governance Report detailed principle 6-2
	2-20	Process to determine remuneration	Refer to Corporate Governance Report detailed principle 6-2
	2-21	Annual total compensation ratio	Confidential (Remarks: Data related to the annual total compensation ratio is not disclosed externally in accordance with management judgment.)
Strategy, Policies, and Practices	2-22	Statement on sustainable development strategy	Refer to LG Corp. website - ESG Strategy
	2-23	Policy commitments	Refer to LG Corp. website - ESG - Policies
	2-24	Embedding policy commitments	p.22-24, 46-47, 50-51, 59
	2-25	Processes to remediate negative impacts	Refer to the LG Jeong-do Management website
	2-26	Mechanisms for seeking advice and raising concerns for responsible business conduct	Refer to the LG Jeong-do Management website
	2-27	Compliance with laws and regulations	Refer to '3. Matters related to sanctions, etc.' in the Business Report p.499
	2-28	Membership associations	Refer to the 2-28 reporting pages of the sustainability reports of the main subsidiaries and affiliates
Stakeholder Engagement	2-29	Approach to stakeholder engagement	p.13 Refer to the 2-29 reporting pages of the sustainability reports of the main subsidiaries and affiliates
	2-30	Collective bargaining agreements	Refer to the 2-30 reporting pages of the sustainability reports of the main subsidiaries and affiliates

GRI Standards Index

GRI 3: Material Topics 2021

Category	Item No.	Disclosure	Page
Material Topics	3-1	Process to determine material topics	p.6, 13
	3-2	List of material topics	p.6, 14

Material Topic: Climate Change

Category	Item No.	Disclosure	Page
Material Topics	3-3	Management of material topics	p.19-35
Economic Performance	201-2	Financial impacts and opportunities/risks due to climate change	p.19-21, 24-26
Energy	302-1	Energy consumption within the organization	p.69
Emissions	305-1	Direct GHG emissions (Scope 1)	p.36, 69
	305-2	Indirect GHG emissions (Scope 2)	p.36, 69
	305-4	GHG emissions intensity	p.69
	305-5	Reduction of GHG emissions	p.40

Material Topic: Compliance Management

Category	Item No.	Disclosure	Page
Material Topics	3-3	Management of material topics	p.45-51
Anti-corruption	205-1	Number and percentage of operations assessed for corruption risks, and significant risks identified	p.45, 50~52
	205-2	Communication and training on anti-corruption policies and procedures	p.47, 50~53
	205-3	Confirmed incidents of corruption and actions taken	p.52, 53

Material Topic: Health and Safety

Category	Item No.	Disclosure	Page
Material Topics	3-3	Management of material topics	p.57-63
Occupational Health and Safety	403-1	Establishment of an occupational health and safety management system	p.56, 62
	403-2	Health and safety risk assessment and industrial accident investigation	p.70 2025-2026 LG CNS Sustainability Report p.63-67 2025-2026 LG Electronics Sustainability Report p.58-63 LG Chem Sustainability Report 2025 p.50-56 2025 LG Uplus Sustainability Report p.82-87
	403-3	Occupational health and safety services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Health and safety education and training for workers	
	403-6	Worker health promotion programs	
	403-7	Prevention and mitigation of health and safety impacts directly linked to business operations	
	403-9	Work-related injuries	p.65, 69

Independent Assurance Statement

To. The Board of LG Corp.
128, Yeoui-daero, Yeongdeungpo-gu, Seoul, Republic of Korea

Holds Statement No.: SRA 850149

The British Standards Institution (BSI) has conducted a limited assurance engagement on the LG ESG REPORT 2025.

Scope

LG Corp. to prepare used the criteria GRI (Global Reporting Initiative) Standards 2021. The sustainability information subject to assurance included in the report are as follows.

- Sustainability information in the GRI Content Index presented on the p.71-72
- FY2025 ESG Data presented on the p.67-70

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the “Scope” above Sustainability Information. The limited assurance is compared to the reasonable assurance and provides a lower level of assurance than the reasonable assurance. As a result, the procedure for collecting evidence, such as the nature, scope and sampling of the procedure carried out by the assurer, is planned at a lower level than that of the reasonable assurance and may not be aware of the important points that may be identified through the reasonable assurance. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects and assurer has found no findings that would determine that the information and data contained were improperly described in accordance with the criteria used by LG Corp. in view of the importance of the information to be verified.

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion. As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting and has performed the following activities.

- a top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staff on organization’s approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of relevant systems, policies, and procedures where available, review of supporting evidence for claims made in the reports.
- visit of the Head Quater of LG Corp. to confirm the data collection processes, record management practices and internal audits.

Independent Assurance Statement

Responsibility

LG Corp. is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria and is responsible for designing and implementing an internal control system related to the content of the report and maintaining it to ensure that there are no significant errors due to forgery or alteration or distortion. British Standards Institution (BSI) is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described. We have conducted review the information presented by LG Corp. according to expert judgment, and prepared assurance opinion based on the assurance procedure and conclusion performed. We assume that all information provided by LG Corp. is true, accurate, and complete. We shall not bear any responsibility to a third party other than LG Corp. regarding the work performed by the assurer and the conclusions presented in this opinion.

Independence, Quality Control and Competence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901 and an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services and complied with the other ethical requirements of BSI. BSI Group Korea implements a comprehensive system that meets the accreditation requirements of ISO 14065 (General principles and requirements for bodies validating and verifying environmental information) and ISO/IEC 17021 (Requirements for bodies providing audit and certification of management systems), which complies with the Code of Ethics requirements of ISQM1 (International Standard on Quality Management 1) and IESBA (Certified Public Accountant of International Ethics Standards Board for Accountants). No member of the assurance team has a business relationship with LG Corp. Group. The Assurer has conducted this verification independently, and there has been no conflict of interest. The Assurer applies Quality Control of BSI scheme and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. All assurers who participated in the assurance have qualifications as an ISAE3000 assurer, have wide assurance experience and in-depth understanding of the BSI Group's assurance standard methodology.

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- LG Corp. has established an overarching sustainability strategy and management system that encompasses its major subsidiaries, disclosing their collective performance through public reports. For future reporting, in strict compliance with major sustainability mandates such as the KSSB, formalizing explicit criteria to identify reporting boundaries aligned with consolidated financial entities will be essential to advancing its sustainability management system.
- In accordance with the 4 pillars of KSSB Sustainability Disclosure Standard No. 2—specifically governance, strategy, risk management, and metrics and targets related to climate change— LG Corp. discloses its performance based on its established management system and approaches. For future reporting, formalizing a structured framework to calculate the financial impacts of climate change, while strictly accounting for the primary objectives of the disclosure standard and the specific needs of information users, will be highly effective.

Issue Date: 29/07/2026

For and on behalf of British Standards Institution (BSI):

Jungwoo Lee, Lead Assurer, LCSAP

SeongHwan Lim, Managing Director of BSI Korea

BSI Group Korea, Republic of Korea, 29, Insa-dong 5-gil, Jongno-gu, Seoul

* This Verification Opinion is valid as of the date of publication (July 29, 2026). As a result, there may be events or circumstances that may have a significant impact on the report between the date of publication and the time when this report is viewed, and this Verification Opinion may be amended.

LG ESG Report 2025

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