

A circular inset image showing a small green seedling with several leaves growing out of a mound of dark brown soil. The background of the circle is a bright blue sky with soft white clouds.

Environmental
Social
Governance

ESG IR Presentation

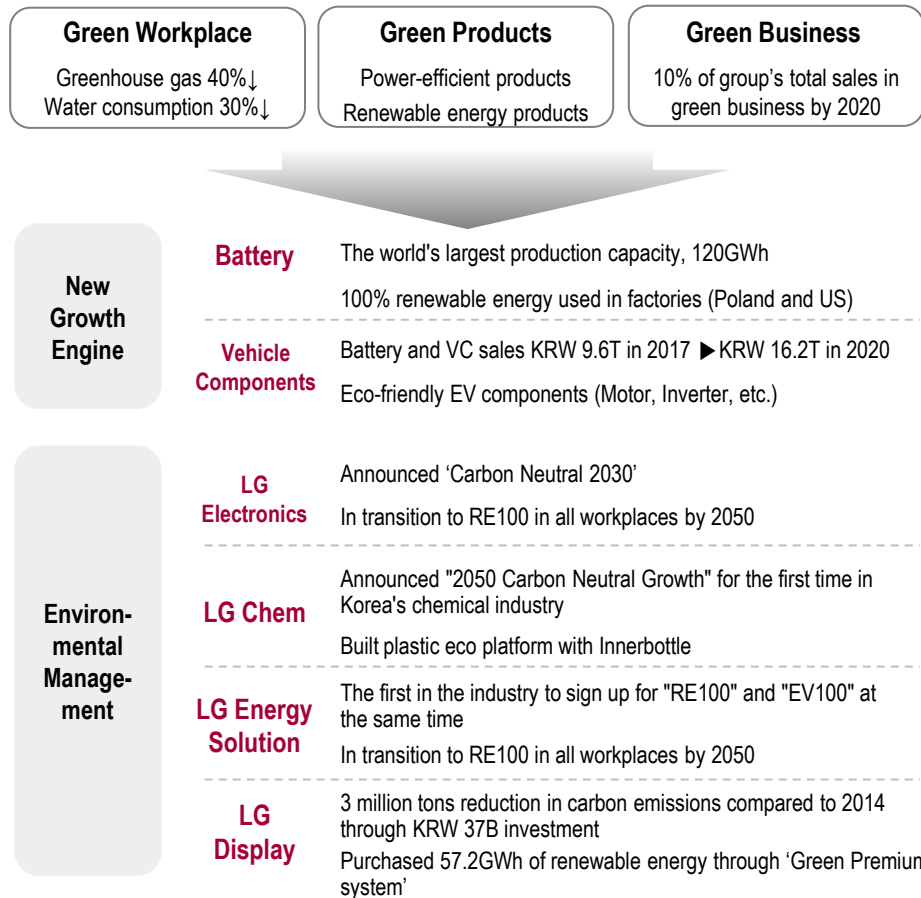
LG Corp.

Dec. 2021

From 'Green 2020' to ESG Management

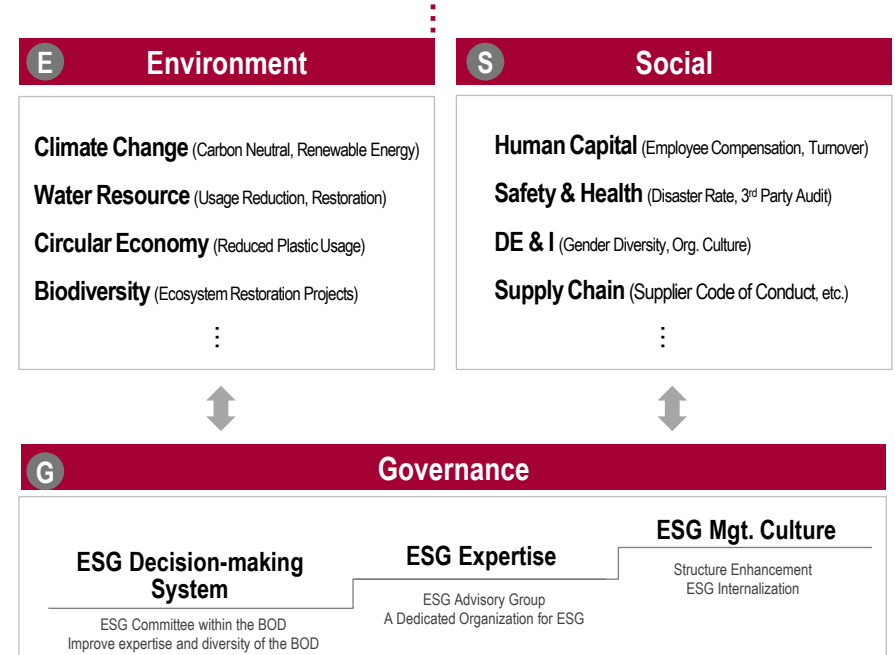
LG Corp. has so far strengthened the sustainability of LG Group through "Green 2020," an eco-friendly management strategy established in 2010. From 2021, we will expand and strengthen the scope of sustainability management by the transition to ESG management system.

'Green 2020' (2010~2020)



ESG Transformation (2021~)

- ✓ Establishment of ESG Committee under the BOD
- ✓ Reinforcement of expertise and diversity of the BOD
- **Reorganization of ESG orientation**
- **Establishment of ESG management system**



Our Approach to ESG

LG's ESG management is not only about risk and regulatory response, but also contributing to the future of humanity, including customers and next generation, through the process of pursuing our business with a perspective on preparing new business, technology, and future. LG will establish and work on ESG strategic tasks and KPIs based on the 4 principles below.

Justification

Active reflection of the social role changes required for companies

Sincerity

Drive ESG strategies with tasks and management activities that match declarations and practices

Feasibility

Establish feasible goals through innovation and investment while maintaining business competitiveness

Differentiation

Differentiated practice linked to LG's unique heritage and capabilities

LG Corp. will continue to upgrade the ESG management system for sustainable growth.

ESG Management Timeline



Our Stakeholder Engagement

LG Corp. conducted in-depth surveys to hear the voices of stakeholders surrounding LG before promoting ESG management. In-depth interviews will be conducted every year to actively reflect the opinions of stakeholders in the direction of ESG promotion.



Major VoS (Voice of Stakeholders) in 2021

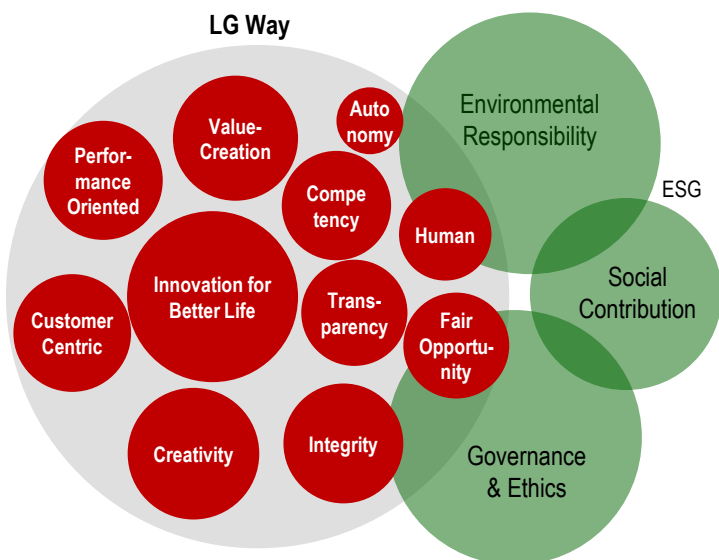
- Over the next 4-5 years, response to climate change has been evaluated as the most important issue. "Biodiversity," "Supply chain management," and "DE&I" are mentioned as issues that will emerge in the mid to long term.
"It is necessary to promote LG's differentiated ESG focus areas and activities while strengthening activities in essential areas such as climate change and human rights."
- Although LG's strong point was the image as a good company made by LG Righteousness Award, Jeong-do Management, and harmonious culture, it was commonly pointed out that there has been no communication about ESG activities.
- Emphasis on LG Corp.'s role in: ① Presenting the group's common vision and direction on ESG, ② Managing affiliates' goals and performances ③ Establishing a well-organized ESG system

Our ESG Vision & Index (1/2)

LG Corp. is preparing to establish an ESG vision to redefine LG Way, the group's management philosophy, to meet paradigmatic requirements. The role, type, and keywords of the ESG vision were discussed in the 2nd ESG Committee in 2021. In 2022, we are going to announce the group's ESG vision and strategy through collecting opinions from various stakeholders such as executives and employees, investors, and ordinary citizens.

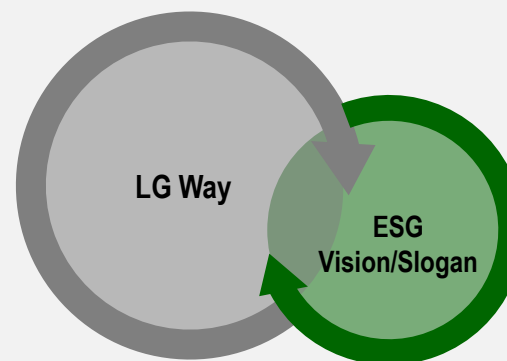
LG Way & ESG Communication (As-is)

- Although LG Way overlaps some of the ESG's values, improvement for practical connection with ESG is required.



LG Way & ESG Communication (To-be)

- Strengthen the connection between LG Way and ESG in a way that can create synergy
- Enhance the ESG value in LG Way and supplement the insufficient area to cover various stakeholders and respond to social/paradigmatic demands



Sustainable LG that responds to the values of the new era

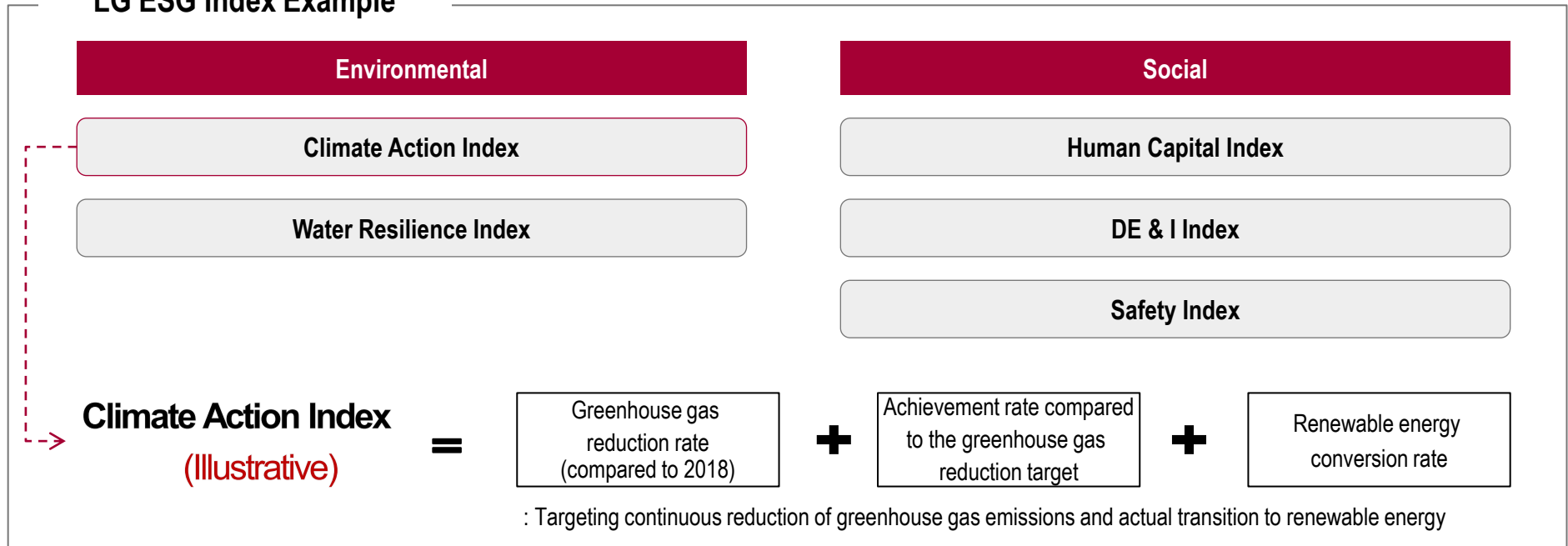
Our ESG Vision & Index (2/2)

LG Corp. is developing "LG ESG Index" to communicate transparently about the group's strategic intentions and to continuously monitor the relevant performance. This year, the ESG Committee discussed on the analysis results of five areas: Climate change, Water management, Human Capital, DE&I, and Safety.

* S&P DJSI, MSCI, Sustainalytics, KCGS, etc.

To reflect the various needs and standards of stakeholders, index consists of 2~3 general indicators used by domestic/foreign evaluation agencies and 1~2 specialized indicators. We are considering to standardize the improvement trend by summing the indicator scores so that it can be seen at a glance.

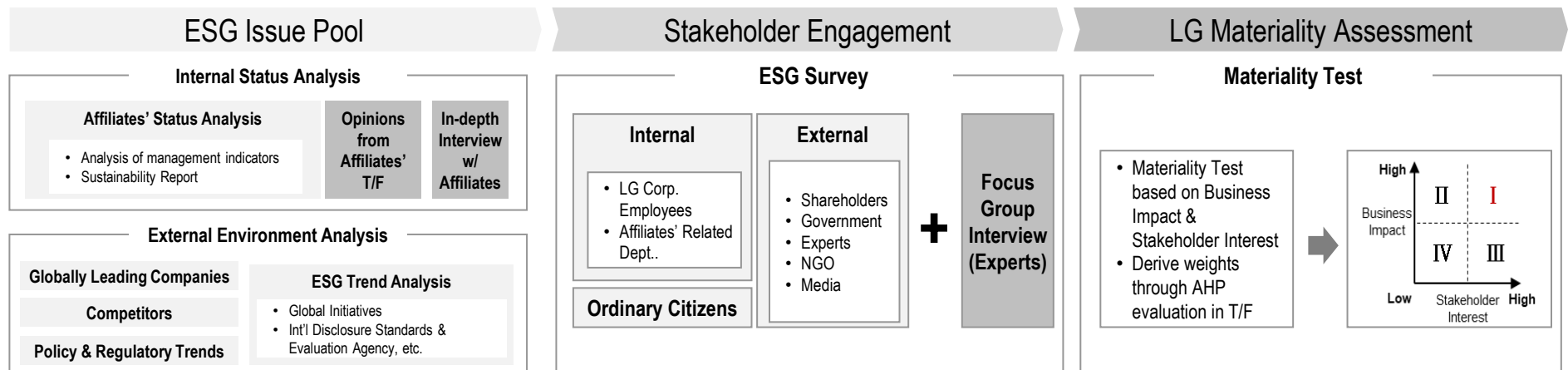
LG ESG Index Example



- ▶ LG Corp. will develop additional index in the E&G areas and conduct actual data-based simulations to present agenda for ESG Committee approval in 2022.
- ▶ We are also reviewing plans to link ESG performance with management evaluation (KPI) in mid-to-long term.

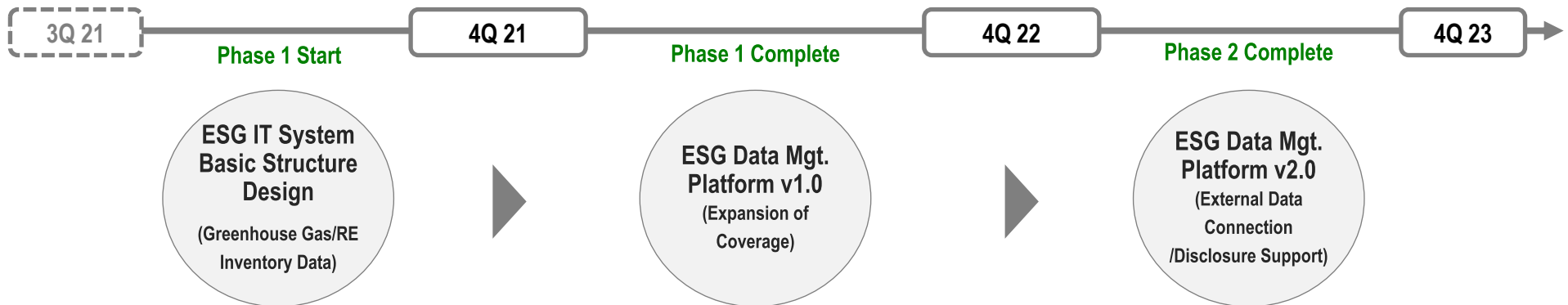
[Reference] Our Materiality Assessment Framework

LG Corp. selects the group's ESG focus area every year using the materiality evaluation framework that actively reflects the opinions of stakeholders. We also prepare various activities to manage the area from a group perspective (development of focus issue index, establishment of ESG IT platform, etc.).

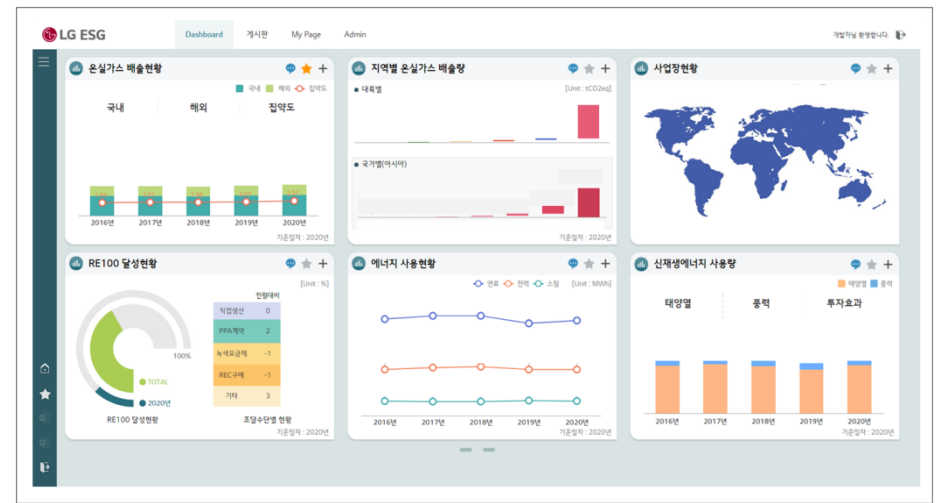
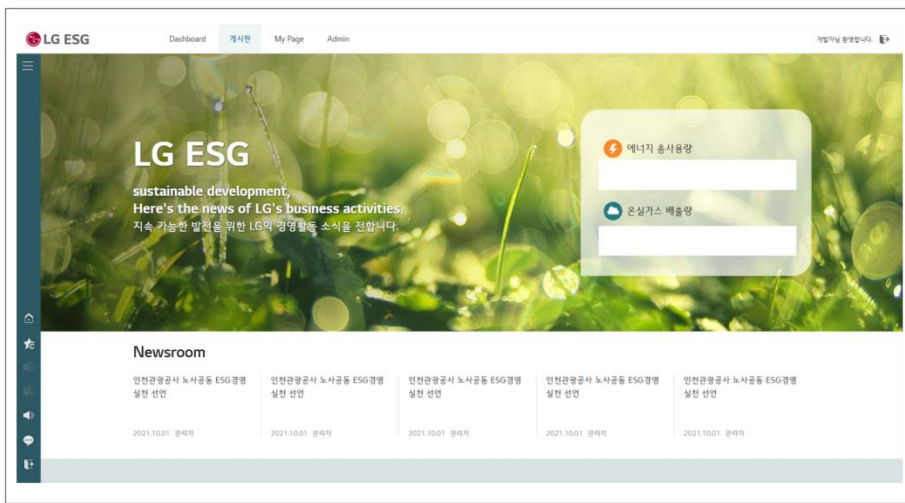


Stronger ESG data management through establishment of 'Group ESG IT Platform'

Along with the establishment of a group-level ESG management system, LG is building an IT infrastructure for data-based ESG management. This year, we are designing a basic structure of ESG IT platform and started implementing a climate change portal as the first step. From next year, we will expand it to various environmental and social areas to support ESG disclosures in the future.




LG ESG Data Platform (Output Image)



LG Corp.'s ESG Governance

LG Corp. will identify the threats and opportunities in terms of ESG through the ESG Committee & External ESG Advisory Group, and reflect them in the management activities.



ESG Committee				External ESG Advisory Group	
The highest deliberation and resolution organization for sustainable growth of LG Group				Advisory group for professional suggestion and diverse opinion collection	
Role	<ul style="list-style-type: none">Manage mid-to-long-term direction, goal setting and fulfillment of the groupESG risk management and actions	Role		<ul style="list-style-type: none">Conduct research on group ESG issuesSuggest ESG issues to the committee and inform external trends by holding seminars, etc.	
Structure	<ul style="list-style-type: none">Consists of 4 outside directors and COO (total 5)Regular meetings held semiannuallyESG Team is the dedicated support department(Secretariat), supported by external advisors	Structure		<ul style="list-style-type: none">Consists of 2 separate group (Experts & MZ Generation)<ul style="list-style-type: none">Experts Advisory Group(8 members): Professors & ResearchersMZ Advisory Group(6 members): Youth Activists & Social VentureConduct regular meetings, research tasks, advisory meetings, etc.	

LG's ESG Advisory Group

The ESG Expert Advisory Group consists of eight experts from various fields, including human rights, supply chains, and governance. They involve in various areas such as research projects on ESG-related issues of LG Group, advice on the agenda of the ESG Committee, and ESG seminars for top management.

The MZ Generation Advisory Group consists of six people and has considered the harmony and diversity of different experiences such as climate change, human rights, and technology accessibility.

Area	Gender	Current Job	Specialized Field	Research Projects
Common	M	Partner, Ventures Investment	Social Venture, Impact Investment	LG's impact investment, support for social problem solving startups, and direction of business linkage
Common	F	Intern, NGO Food Planning	Sustainable Development Goals	LG's gender sensitivity/diversity diagnosis and correct direction of change
E	M	Representative, Climate Change Youth Meeting	Climate Change, Greenhouse Gas	Suggestions for LG's activities to reduce carbon emissions and respond to climate change
E	F	Representative, Social Venture	Human Rights for the Disabled, Biodiversity	LG's support for startups pursuing social problem solving and direction of business linkage
S	F	Representative, Social Venture	Accessibility for the disabled, Diversity	The accessibility and improvement direction of LG products/services for the disabled
S	F	Postgraduate Student (Major: Social Welfare)	Gender, Diversity, CSR	Ideas and plans for employee-participating activities to internalize DE & I organizational culture

Major Projects in 2022

In 2021, ESG Committee and advisory groups were established, ESG vision/slogan were reviewed, and IT platform was established to lay a foundation for ESG management. In 2022, we will organize the group's response strategy for stricter ESG-related regulations and strengthen stakeholder communication.

Establishment of a foundation for ESG Mgt. (~2021)

- **ESG Committee & Advisory Group Established**
- **ESG Vision Slogan & LG ESG Index Reviewed**
- **ESG IT Platform under Implementation** (~2023)
- **ESG Stakeholders Survey & Focus Group Interview Done**
- **Safety & Health Mgt. System Organized for regulation updates**
 - Stronger S&H organization and increased budget (38% increase compared to 2021)
 - Enhanced mgt. system to better reflect the international standards and domestic law
 - Regular audit of suppliers by external experts

Establishment of LG Group's ESG Strategy and Enhancement of ESG Disclosures & Communication (~2022)

- **Establishment & Improvement of ESG Strategy & Policy**
 - Climate Change Response Strategy & Mid-to-Long Term Projects
 - Establishment & Revision of ESG Policy reflecting stakeholders' voices
- **Enhancement of Public Disclosure & Stakeholder Engagement**
 - Publication of LG Corp. ESG Report (GRI Standard applied)
 - Organization of separate ESG page on the company website
 - Consistent Stakeholder FGI (including shareholder interviews)
- **Participation in Global Initiatives and Activities**
 - Review of additional participation in ESG initiatives such as TNFD, etc.
- **Enhancement of ESG Data Mgt. Policy & IT Infrastructure**

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