

**BETTER
LIFE
FOR ALL**

**Life's
Good.**

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Report Overview

LG Electronics has expressed its commitment to making changes that will help it to achieve sustainable growth and a better life for all, and has established and implemented goals and action plans to realize them. In the Sustainability Report, LG Electronics includes its management approach (MA), goals, activities, progress, and performance on tasks and objectives in the areas of environment, society, and governance. These are linked to the material issues derived from the materiality assessment with LG Electronics' six ESG strategic tasks. LG Electronics will continue to transparently disclose its sustainability management activities and performance through the publication of this report each year.

Reporting Principles and Standards

LG Electronics' 2023-2024 Sustainability Report adheres to GRI Standards 2021, an international standard guideline, and reflects the reporting standards and frameworks set forth by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). We also reported out progress in implementing The Ten Principles of the United Nations Global Compact (UNG) in four areas: human rights, labor, environment, and anti-corruption. In addition, we meet the four principles of inclusivity, materiality, responsiveness, and impact as outlined in the AA1000AP (AccountAbility Principles Standard), which also outlines the obligation of companies to disclose their approaches to sustainability management.

Reporting Period

This report covers our activities from January 2023 through December 2023, and for some key activities extends to our efforts through the first half of 2024. For quantitative performance, we provide three years of data from 2021 through 2023 to observe performance trends.

Scope of Report

The scope of this report covers the headquarters, production sites in Korea and overseas, and sales subsidiaries operated by LG Electronics. Financial information is presented on a consolidated financial statement basis in accordance with Korean International Financial Reporting Standards (K-IFRS), and some financial information prepared on a separate financial statement basis is presented in the footnotes. All financial information in USD has been calculated using the yearly average exchange rate. Where there are limitations in data collection or changes to the calculation criteria, we have noted the reporting scope and the reason for the change in the footnotes.

Third Party Assurance

To ensure the accuracy, objectivity and reliability of the report preparation process and all presented information, LG Electronics commissioned an independent assurance organization (Korea Management Registrar) to complete the assurance in accordance with international assurance standards. The results of the third-party assurance are presented in detail on page 149 of this report. The financial information in this report has been audited, and the verification of greenhouse gas emissions and energy usage was conducted in accordance with the assurance principles of the Administrative Guideline for the Greenhouse Gas Target Management System.

Message from the CEO

As a Smart Life Solution Company, LG Electronics will promote sustainable management to ensure a 'Better Life for All'!

Honorable LG Electronics Stakeholders,

In recent years, recession has plagued the global market with prolonged inflation and high interest rates, leading to a slowdown in consumption. Concurrently, demands for decarbonization and digital transformation are intensifying in the market, and customers are pursuing engagement-centered consumption such as experience consumption. To proactively respond to these changes in the market and with customers, LG Electronics declared its vision last year to transform from a 'Global Leading Home Appliance Brand' to a 'Smart Life Solution Company' that connects and expands the diverse experiences of customers.

Transformation from home appliances to a Smart Life Solution Company

For the mid-to-long term future, LG Electronics is focusing on the inflection points of servitization, digitalization and electrification. During this transition, we will seek new touch points and pursue changes to create customer value in the '3C 2S' (Connectivity, Care, Customization, Servitization, Sustainability) experience area. In particular, we will focus on innovating non-HW business models, growing B2B business, and securing new growth engines as the three pillars to expand customer touchpoints and experiences. On the financial front, we will leap forward to become a USD 76.6 billion company by 2030, achieving the 'Triple 7' goal (CAGR and operating profit margin exceeding 7%, and enterprise value greater than 7x).

'Better Life for All'

To maintain sustainable growth, LG Electronics conducts ESG management under the vision of a 'Better Life for All.' We have chosen the 3Cs (Carbon Neutrality, Circularity, Clean Technology) for the planet

and the 3Ds (Decent Workplace, Diversity & Inclusion, Design for All) for people as our ESG strategic tasks. LG Electronics is implementing these tasks to achieve mid-to-long term goals.

For the Planet

LG Electronics is pursuing a broad range of activities to protect our planet. To achieve carbon neutrality at the product production stage by 2030, we are reducing carbon emissions through energy-efficient facilities at our production sites and expanding the use of renewable energy. LG Electronics is leveraging the development of energy-efficient products and electrification to reduce carbon emissions by 20% during the product use stage by 2030. Additionally, we are actively increasing the use of recycled plastic in our products, having used a cumulative total of 114,000 tons of recycled plastic over the past three years. Plastic cushioning materials used in our packaging are being replaced with paper alternatives as well. Last year, LGE developed the industry's first pulp mold (paper cushioning material) that can cushion over 20kg. Starting with air purifiers, use of pulp mold will be expanded to larger products.

For People

LG Electronics is committed to providing convenient products and services for everyone. Last year, we enhanced the accessibility of our products by launching the LG Comfort Kit, which greatly increases user convenience for our home appliances. In addition, we are operating a Sign Language Consultation Center at our service touch points, and are offering the Best Companion Care Service, which provides one-on-one assistance from the vehicle to the store by a dedicated manager.



Meanwhile, as the importance of supply chain due diligence continues to grow, LG Electronics is constantly checking and improving risk factors at its production sites and suppliers. As a member of the Responsible Business Alliance (RBA), LG Electronics will comply with Codes of Conduct for labor rights, safety and health, environment, business ethics, and management systems in its global supply chain and strive to minimize supply chain risks.

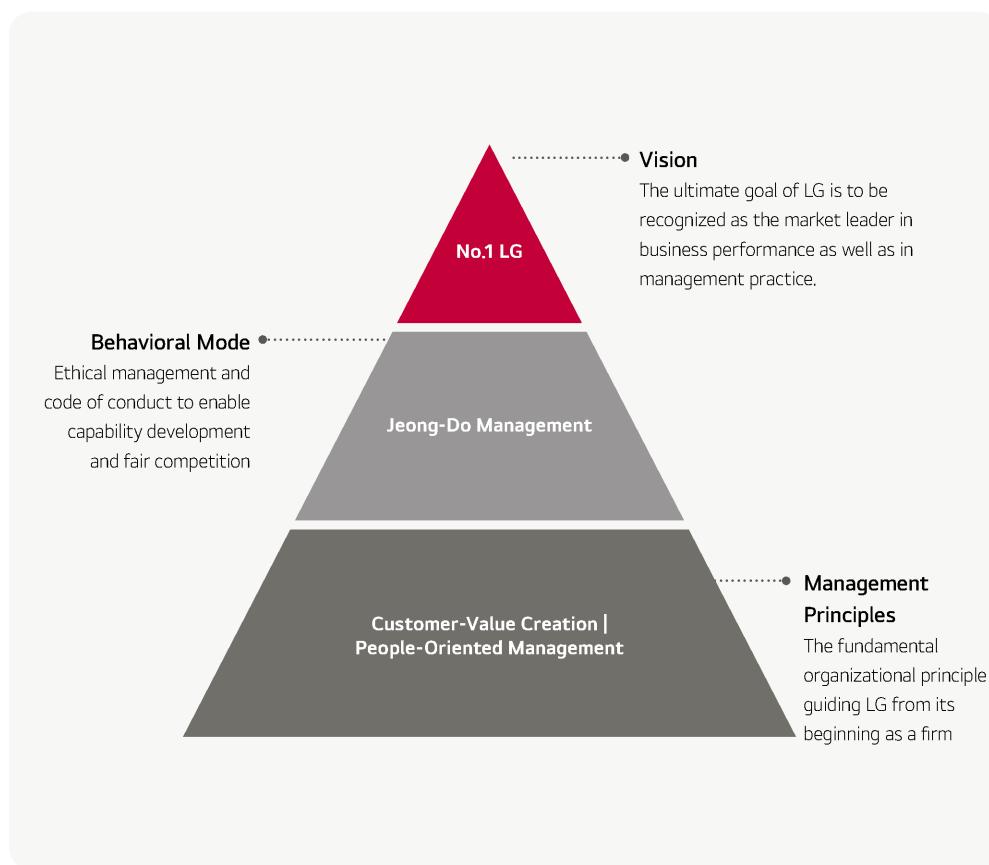
As we work towards achieving our business vision of becoming a Smart Life Solution Company, we are fully dedicated to pursuing sustainable management in pursuit of a better life for all. Thank you.

Chief Executive Officer of LG Electronics
William (Joowan) Cho

Company Overview

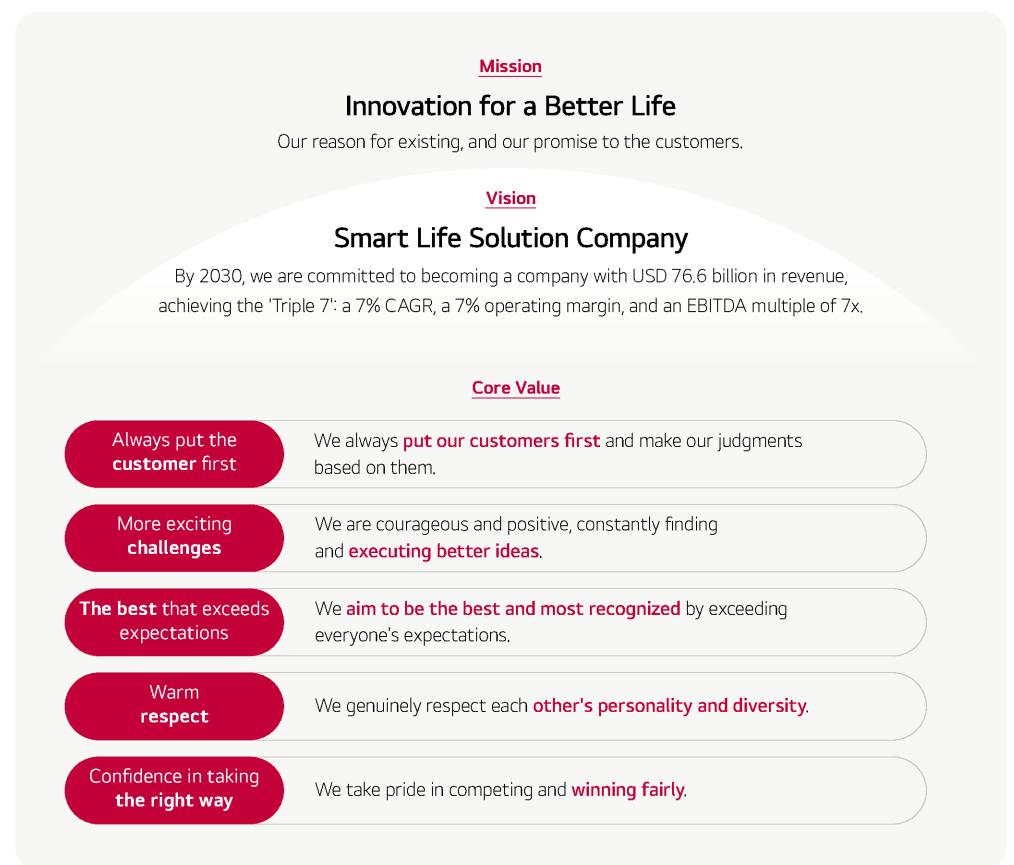
LG Way

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



LG Electronics Mission and Vision

Based on the brand philosophy of "Life's Good," LG Electronics always strives to provide customers with the First, Unique, and New (F-U-N) experiences to make their lives better. We will become a 'Smart Life Solution' company that connects to and extends customers' experiences in every space of their lives, beyond home appliances, to include their homes, commercial spaces, mobile spaces including vehicles, and even the virtual space, the Metaverse.



Company Overview

Introduction to the Corporation

Name	LG Electronics Inc
Location of Headquarters	LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul, Korea
Industry	Manufacturing
Major Products	Refrigerators, Washing Machines, Air Conditioners, Vacuum Cleaners, TVs, Audio Sound Systems, Automotive Components, Monitors, PCs, Signage, etc.
CEO	William (Joowan) Cho
Foundation	October 1, 1958
Credit Rating (Global Bond)	S&P: BBB(Stable) / Moody's: Baa2(Stable)
Employee	72,813 (35,111 in Korea, 37,702 in overseas)
Sales (Consolidated)	USD 64.5 billion
Operating Income (Consolidated)	USD 2.7 billion
Total Assets (Consolidated)	USD 46.1 billion
Total Liabilities (Consolidated)	USD 28.1 billion
Total Equity (Consolidated)	USD 18.0 billion

* Exchange rate: USD 1 = KRW 1,306

Sales by Business Company

Classification	Ratio (%)
Home Appliance & Air Solution	36
Home Entertainment	17
Vehicle component Solutions	12
Business Solutions	6

Shareholder Status

Status of Shareholders Holding 5% or more

Shareholder	Number of Shares (Shares)	Shareholding Ratio (%)
LG Corp	55,094,582	33.67
National Pension Service	11,191,518	6.84

(Voting share, as of December 31, 2023)

Largest Shareholders and Affiliated Persons

Shareholder	Relationship	Ownership (Shares)	Shareholding Ratio (%)
LG Corp	Holding company	55,094,582	33.67
Bong Seok Kwon	Affiliated company executive	9,876	0.01
William (Joowan) Cho	Affiliated company executive	5,373	0.003

(As of December 31, 2023)

Sales (Consolidated)

USD 64.5 billion



Operating Income (Consolidated)

USD 2.7 billion



Global Sales

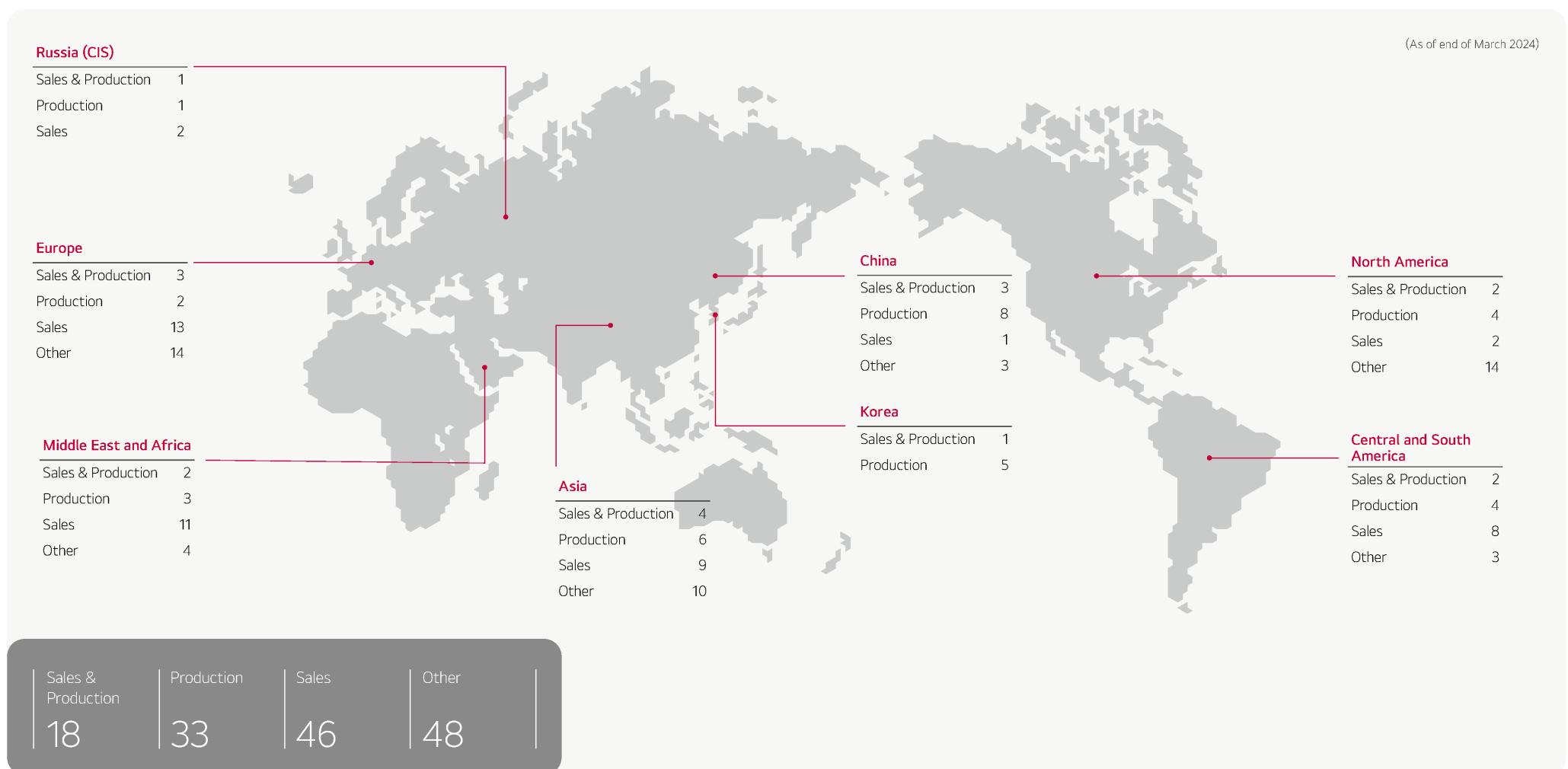
Classification	Sales (KRW 100 million)	Sales (USD billion)
Korea	342,720	26.24
North America	203,475	15.58
Europe	121,293	9.29
Asia	74,880	5.73
Latin America	31,124	2.38
Middle East & Africa	32,873	2.52
China	25,418	1.95
Russia (CIS)	10,495	0.80
Total	842,278	64.49

Exchange rate: USD 1 = KRW 1,306
(Average exchange rate in 2023)

(As of December 31, 2023)

Company Overview

Global Business Sites*



* Number of business sites according to internal management standards

Company Overview

Our Business

Consisting of the Home Appliance & Air Solution (H&A), Home Entertainment (HE), Vehicle component Solutions (VS), and Business Solutions (BS) Business Companies, LG Electronics is a global leader in technological innovation in a range of fields that includes home appliances, IT, automotive components, and signage, with operations at approximately 140 sites around the world.

Home Appliance & Air Solution

The H&A (Home Appliance & Air Solution) company is leading the global home appliance market with market-leading products that combine innovative technologies with premium designs developed through extensive research of our customers around the world, including their cultural characteristics and lifestyle, and is positioning itself as a leading brand not only in existing home appliances but also in future industries such as smart homes.



Home Entertainment

The HE (Home Entertainment) company strives to provide customers with a better life from the perspectives of wellness, beauty, and entertainment. Through a wide range of devices, including TV and audio devices, as well as webOS-based platform businesses and content services, we bring inspiring experiences to our customers' daily lives. We constantly deliver innovative solutions that make our customers' lives more comfortable, beautiful, and enjoyable, such as LG OLED TVs with the highest picture quality available, ease of use and a design that fits customers' lifestyles, LG StandbyME, a personal screen, and LG TONE Free earbuds that achieve high fidelity audio.



Vehicle component Solutions

Under the vision of 'Innovation Partner for Future Mobility,' the VS (Vehicle component Solutions) company is transforming itself into a true innovation partner that achieves customer value by making proposals for future mobility solutions, rather than staying as a traditional automotive component supplier. Based on its advanced technology in the fields of electricity and electronics and its user experience know-how in home appliances, we are providing differentiated value for the future of autonomous driving and next-generation electric vehicles.



Business Solutions

Our BS (Business Solutions) company aims to be a true business partner that supports customer value enhancement and grows together with the customers by proposing innovative products and solutions based on customer experience, from a 'Trust First' perspective that prioritizes customer trust. We combine advanced digital technologies with deep insights into vertical areas to provide the best products and solutions based on an innovative experience that exceeds customer expectations.



ESG Strategy - For the Planet

3C Strategies for the Planet

01

Carbon Neutrality

Achieving Carbon Neutrality · Renewable Energy Transition

By 2030, LG Electronics plans to achieve carbon neutrality through process improvement, the introduction of energy-saving technologies, the use of renewable energy to reduce greenhouse gas emissions and the purchase of UN carbon credits. As an RE100 participant, we have also set a goal of achieving 100% renewable energy at all of our Korean and overseas business sites by 2050.

02

Circularity

Waste Recycling · E-waste Collection and Recycling

LG Electronics recycles waste generated at all of our Korean and overseas business sites and will expand the Zero Waste To Landfill Certificate for all of its global business sites. We achieved our goal of reaching a 95% waste recycling rate by 2030 ahead of schedule, and will maintain 95% or higher. We are also proactively complying with regulations in countries where we operate, establishing relevant policies and collecting e-waste. We use environmentally conscious materials for product manufacturing as well as packaging materials, and carry out campaigns to collect waste appliances and batteries.

03

Clean Technology

Developing Highly Efficient Products · Using Environmentally Conscious Materials

LG Electronics is reducing GHG emission intensity at the product use stage through high-efficiency energy products. GHG emission intensity refers to the amount of greenhouse gases emitted per unit of product during the average lifetime of the product. For example, a refrigerator emits per liter of content, while a washing machine emits per kilogram of washing capacity. We became the first Korean home appliance company to receive SBTi (Science Based Targets initiative) verification of our product use stage carbon emission reduction targets.

Performance in 2023

YOY carbon emissions reduction

53,000 tons

Global renewable energy transition

10.1%

Waste recycling rates of business sites

95.5%

Cumulative collection of e-waste (Since 2006)

4.51 million tons

Reduction of GHG emission intensity of seven major products at the product use stage

11.8%

Cumulative use of recycled plastic (Since 2021)

114,000 tons

ESG Strategy - For People

3D Strategies for People

01

Decent Workplace

Safety, Health, Labor, and Human Rights in Supply Chain

LG Electronics takes its social responsibility to protect the safety and health of the working environment and human rights through the RBA¹⁾ management program at its production sites. By 2030, we aim to achieve zero critical non-conformances at 100% of production sites based on audit requirements, and we conduct self-assessments and on-site audits of suppliers to identify and improve potential and actual risks. We also evaluate the suitability of the ESG management of our suppliers and provide related training and consulting.

1) RBA: Responsible Business Alliance, The world's largest industry alliance for pursuing responsible business activities in global supply chains

Performance in 2023

Ratio of ISO 45001 (Health and Safety Management System)
certified production sites

(Excluding new subsidiaries (2 in the US, 1 in Mexico) that have not started mass production.)

100%

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

80%

Percentage of high-risk suppliers
(Based on self-assessments)

0.9%

02

Diversity & Inclusion

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

We strive to reflect diversity, equity, and inclusion (DEI) in our organizational culture so that all employees feel recognized, have a sense of belonging, and realize their potential. To this end, we have set a target of having 3.5% of employees with disabilities in Korea and 25.5% of female employees (on a global basis) by 2030.

Percentage of female employees (Global)

22.0%

Employment rate of people with disabilities (Korea)

2.5%

03

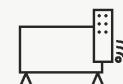
Design for All

Improving Product and Service Accessibility

LG Electronics is developing technologies to improve the accessibility of its products, and is working to improve service accessibility by providing sign language counseling services and Braille sticker attachment service to home appliances. Notably, we operate an accessibility advisory group to promote product development that considers the practical ease of use for users. We will apply accessibility technologies and universal design to all products released to provide ease of use for all users, including people with disabilities, seniors, and children.



Home Appliances
9 products with voice guidance, 5 products with voice recognition



TV
Listening to TV together, Learning remote control, Shortcuts to accessibility features



Common Braille sticker, product sign language video and voice manual, sign language counseling centers, digital human sign language guidance services

Sustainable Business

Energy

Heating and Cooling Technologies Leading the Global HVAC Market

LG Electronics leads the global heating, ventilation, and air conditioning (HVAC) market through the manufacturing commercial and residential heating and cooling solutions. We offer a wide range of high-quality products for heating, cooling, and ventilation, from personal devices to industrial and specialized HVAC systems.



Efficient ESS with a High Level of Competence

LG Electronics provides energy storage system (ESS) solutions with high-quality products and site-specific design and construction. By building the largest integrated test facility in Korea and introducing the ISO 9001 quality certification system for large-scale products, LG Electronics' ESS has improved the efficiency of PCS (Power Conversion System) and minimized electricity losses. In addition, the high-quality batteries and sophisticated PMS (Power Management System) ensure both reliability and efficiency, and we were able to maximize the space efficiency in electrical rooms by reducing the product size by 70% compared to competitors. In recognition of this excellence, we have successfully completed the first ESS installation integrated with solar power in Korea. (Sejong Galaxy Solar Power Plant)

Vehicles

Space-Customized EV Charging Solutions

In March 2024, LG Electronics introduced three electric vehicle charging solutions (7kW slow charger, 100kW fast charger, and 200kW fast charger) optimized for various spaces, such as residential and commercial spaces and charging stations. The 7kW slow charger for residential use features a touchscreen for enhanced convenience and is available in both wall-mounted and free-standing models to fit a variety of installation environments. The 100kW fast charger allows for simultaneous charging (up to two vehicles), making it ideal for public parking lots at places such as shopping malls, hospitals, and restaurants, while the 200kW fast charger offers faster charging speeds and can be used at EV charging stations. LGE's charging solutions also support stable charging in temperatures as low as minus 25 degrees Celsius and as high as 40 degrees Celsius, and are certified up to IP65 for water and dust resistance and IK10 for shock resistance.



Sustainable Business

Accessibility

LG Comfort Kit to Help Make Appliances Easier to Use for Everyone

Using an advisory group of people with physical disabilities, hearing impairments, visual impairments, and brain lesions, LG Electronics identified their challenges in using home appliances, analyzed them by user type and product, and developed the LG Comfort Kit, a practical modification that can be attached to existing products, and detached just as easily. The LG Comfort Kit incorporates universal design to make LG home appliances easy to use for all customers, regardless of gender, age, or disability.



LG Comfort Kit

Voice-Recognition Water Purifier that Leaves No One Behind

In a Korean first, LG Electronics launched the 'PuriCare Objet Collection Water Purifier' with a voice recognition feature, which not only allows users to dispense water in 10ml increments without pressing the button, but also monitors the amount of water they have consumed in the past week. This allows anyone to use the product conveniently, from people with visual impairments to the elderly who had difficulty using the product because the water purifier button was hard to see, to children who are too short to reach the dispensing button.



PuriCare Objet Collection Water Purifier



Water, Waste and Ecosystem Restoration

Water-Soluble Glass

Changes in the marine environment are causing the ocean desertification, resulting in the disappearance of seaweeds such as wakame and kelp in coastal rocky areas, which is damaging the marine ecosystem. As part of its biodiversity conservation efforts, LG Electronics is developing a water-soluble glass that can contribute to the restoration of marine ecosystems. The water-soluble glass changes to a mineral ions when dissolved in water, which can be utilized to help algae grow in the ocean, restoring marine ecosystems.

The water-soluble glass utilizes technology that consistently dissolves mineral ions, which are nutrients for algae, in water to promote the growth of algae in the ocean, much like fertilizer for crops on land, helping to restore marine forests. The increased amount of algae become an essential food source and habitat for other organisms in the marine ecosystem, creating the environment they need to thrive and grow. Algae also enhances the marine environment by absorbing carbon dioxide and releasing oxygen. Since 2023, we have been working with Ulsan National Institute of Science and Technology (UNIST), Research Institute of Industrial Science and Technology (RIST), and other specialized research institutes to demonstrate the safety of water-soluble glass and its effectiveness in promoting the growth of algae. We also signed an MOU with the Korea Polar Research Institute (KOPRI), a government-funded organization, to demonstrate its applicability and effectiveness in the Antarctic marine environment.

Microplastics Care Course

Washing clothes is essential to keep them clean and smelling good. However, washing clothes made of synthetic fibers releases microscopic plastic fibers into the water. This water is either discharged into the ocean, or treated and returned to water resources. LG Electronics has introduced an advanced microplastics care course to prevent the formation of microplastics by household laundry. The course utilizes LG's 6-Motion (Tumble, Swing, Rolling, Stepping, Scrubbing and Filtration) technology to reduce fiber friction, prevent microplastics from forming, and minimize energy consumption.¹⁾ ThinQ UP washing machine users can download the microplastics care course from the Upgrade Center in the ThinQ app.

¹⁾ Washing a 3-kilogram training jacket made of 100% polyester using the microplastics care course resulted in a 70% reduction in microplastics over 20μm compared to the standard wash course. The microplastics care course also reduced water temperature by 75% compared to the standard course, leading to a 30% reduction in energy use.

Environmental

Environmental Management Policy

Environmental Management Policy

1. Purpose

As a responsible corporate citizen, LG Electronics is committed to environmental protection throughout all its business activities. We adhere to the highest environmental standards and international agreements, and we continuously strive to minimize our environmental impact through ongoing improvements. Aligned with the UN Sustainable Development Goals (SDGs), we have established ambitious goals for reducing our environmental footprint and have enacted this Environmental Policy to guide our efforts.

2. Coverage

LG Electronics applies the most stringent standards when environmental laws and regulations in different countries conflict.

① Production operations and business facilities

② Products and services

③ Distribution and logistics

④ Management of waste

⑤ Suppliers, Service Providers, Contractors, and Other Key Business Partners

⑥ Mergers, Acquisitions, and New Businesses

3. Principles

To promote environmental management, LG Electronics defines the following fundamental principles for each environmental topic.

① Air Pollutants

Identify the types, characteristics, and emissions volume of air pollutants generated by our operations and treat them according to regulations before discharge. Effectively manage ozone-depleting substances in accordance with the Montreal Protocol and relevant regulations, and continuously monitor the treatment efficiency of pollution control facilities.

② Water Pollutants

Treat all wastewater according to regulations before discharge, and continuously monitor treatment results to ensure that the emission of water pollutants is always within the standard limits.

③ Hazardous Substance

- Identify and record all chemicals (including hazardous waste) that are hazardous to human health or have the potential to cause environmental pollution when released from our workplaces, and safely store, transport, use, recycle/reuse, and dispose of these substances. Establish emergency response plans and conduct regular training to prevent environmental pollution and accidents caused by leaks or spills during handling.
- LG Electronics products are managed Guidelines for hazardous substance management in products to ensure that they do not contain substances prohibited by global conventions or pose a risk to human health.

④ Waste

- Identify the types, characteristics, and emission quantities of waste generated at our facilities and treat and dispose of it in compliance with regulations. Strive to reduce waste generation. Select waste disposal contractors (including transporters) that are legally qualified to transport and dispose of waste after evaluating their suitability (including on-site inspections). Minimize the proportion of waste landfilled or incinerated and strive to improve the recycling rate of waste.
- Consider the enhancement of reusability and recyclability from the product development stage and strive for the lawful collection and treatment of end-of-life products to minimize environmental impact.

⑤ Energy

- Monitor energy consumption and greenhouse gas emissions to improve energy efficiency at our facilities and continuously review ways to enhance efficiency. Promote energy-saving activities. Strive to use sustainable energy by implementing renewable energy solutions tailored to our facilities' conditions, such as installing renewable energy generation facilities, purchasing renewable energy certificates, and entering into power supply contracts.

⑥ Greenhouse Gas

- Actively respond to climate change by developing and implementing effective greenhouse gas reduction measures and setting targets. Publicly disclose performance and reduction efforts for energy consumption and significant categories of Scope 1, 2, and 3 emissions.

Environmental Management Policy

⑦ Water Resource

· Explore ways to reduce and reuse water consumption. Implement activities to identify and mitigate water scarcity risks.

⑧ Biodiversity Conservation

· Strive to conserve and restore biodiversity within LG Electronics' sphere of influence.

⑨ Preventing Deforestation

· Recognize the potential for deforestation issues that may arise within LG Electronics' sphere of influence and strive to minimize negative impacts.

4. Management System

① Role of the Board of Directors and Top Management

LG Electronics ensures the oversight of all environmental management and performance improvement activities through the ESG Committee within the Board of Directors and management meetings involving top management. The ESG Committee within the Board of Directors reviews and deliberate on environmental management policy revisions, responses to environmental laws and regulations, and environmental management performance, including climate response, at least once a year. The main roles of the management meeting involving top management include reviewing and deciding on environmental management risk reviews and response measures, as well as other matters deemed necessary for the dissemination/propagation of environmental management.

② Roles of the Dedicated Organization

LG Electronics designates an environmental management implementation organization to carry out related tasks. The environmental management implementation organization reviews environmental laws and regulations, stakeholder requirements, and prepare response measures; establish and operate environmental management goals and indicators; build and operate environmental management systems; and conduct education and awareness improvement for major stakeholders and information disclosure.

5. Education and Awareness Improvement

LG Electronics operates education programs for employees and key stakeholders to comply with this policy, share information on environmental policies, goals, and performance. Through this, the company raise awareness of environmental management and encourage employees to prioritize the environment in their work processes.

6. Information Disclosure and Communication

LG Electronics transparently disclose environmental information related to products and business sites, as well as environmental policies and implementation plans, through its website, sustainability reports, and other means. The company also communicate with employees and stakeholders on environmental management performance and environmental policies, and reflect their opinions to continuously improve policies.

7. Performance Evaluation and Improvement

LG Electronics sets and implement medium- to long-term performance goals for its environmental factors based on environmental policies. The company regularly evaluates the progress of goal implementation and check goal achievement, analyze the evaluation results to identify areas for policy improvement, and adjust goals according to the situation.

Environmental Management System (ISO 14001) Certification

To efficiently manage environmental risks by systematically identifying, evaluating, managing, and improving the elements necessary for environmental management, LG Electronics has acquired ISO 14001 certification for all its Korean and overseas production sites, which it has kept up-to-date.

Number of ISO 14001 Certified Production Sites

(As of 2023)

Classification	Acquisition / Renewal	Total
Korea	5	5
Overseas	25	25*



Certification
Acquisition Rate
100%

* Excluding new subsidiaries (2 in the US and 1 in Mexico) that have not started mass production.

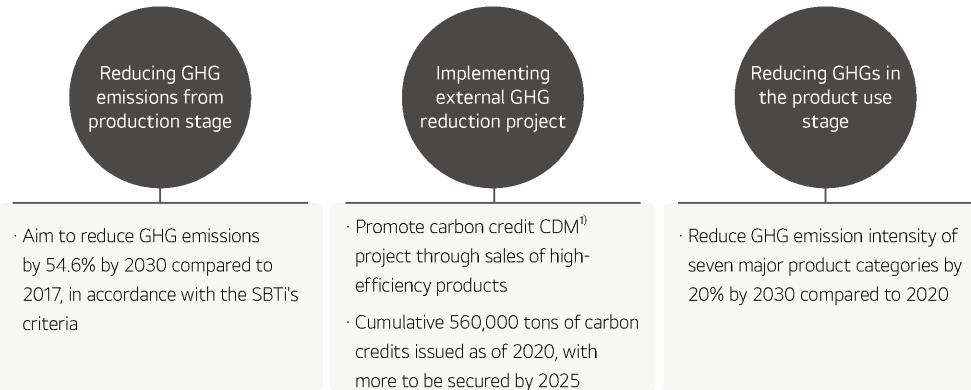
Addressing Climate Change

Reducing GHG and Carbon Emissions

Creating and Implementing a GHG Reduction Plan

To address climate change, LG Electronics has set GHG reduction targets for the entire lifecycle of its products, from the production to use stage. We aim to reduce the total amount of direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) in the product production stage by 54.6% by 2030 compared to 2017 levels in accordance with the SBTi's criteria, and reduce GHG emissions intensity in the product use stage by 20% by 2030 compared to 2020 levels. To objectively ensure the achievement of these GHG reduction goals are being achieved, in 2021 LG Electronics became the first Korean company in the home appliance industry to declare its GHG reduction targets to the Science Based Targets Initiative (SBTi) and have them verified by a third party. Since then, we have been systematically managing the progress towards the targets submitted to SBTi, and are continuously implementing various strategies and activities in this area.

LG Electronics GHG Reduction Plan



¹⁾ CDM: Clean Development Mechanism

Reducing GHG Emissions in the Product Production Stage

To reduce greenhouse gas emissions during the product production stage, LG Electronics has implemented energy-efficient equipment and carbon emission reduction devices to our manufacturing process. We have implemented a system to recover and recycle refrigerant that escapes during the injection of HFC-based refrigerants, and reuse the recovered refrigerant, thereby reducing refrigerant leakage.

Promoting External GHG Reduction Projects

LG Electronics is promoting a CDM project in India that converts the electricity savings from the usage of high-efficiency refrigerators into carbon credits. Since receiving approval for the project from the United Nations Framework Convention on Climate Change (UNFCCC) in 2013, we have secured 560,000 tons of carbon credits by 2020, and plan to secure additional credits by 2025. This equates to a reduction in electricity usage of 125 GWh through the use of our high-efficiency refrigerators. Cumulatively, the project is expected to secure 2 million tons of carbon credits.

Global GHG Emissions

Year	Unit	Direct GHG Emission (Scope 1)	Indirect GHG Emission (Scope 2)	Scope 1+2
2019		604	869	1,473
2020		429	865	1,294
2021	1,000 tCO ₂ eq	333	819	1,152
2022*	tCO ₂ eq	265	662	928
2023		209	665	874
2030 Goal		923 (54.6% reduction compared to 2017, in accordance with SBTi criteria)		

* Data corrected due to changes in processing of significant figures

Addressing Climate Change

Reducing GHG Emissions at the Product Use Stage

LG Electronics is undertaking various efforts to reduce GHG emissions at each stage of the product life cycle. These efforts include reducing product weight, conserving resources, and improving energy efficiency. Notably, we are developing and selling energy-efficient products to reduce GHG emissions during the product use stage, and are expanding the launch of products that incorporate highly energy-efficient technologies. We also calculate and disclose GHG emissions generated during the product use stage for our flagship products.

We have developed a Technology Road Map (TRM) that serves as the foundation for setting and implementing specific targets to improve the energy efficiency of each product category. Additionally, we are committed to enhancing energy efficiency by establishing our own energy efficiency targets and detailed strategies, while complying with global energy regulations such as the EU's Ecodesign Regulation.¹⁾

We have set a goal to reduce carbon emissions intensity during the product use stage by 20% by 2030, compared to 2020 levels, for all global sales models in our seven major product categories (TVs, refrigerators, washing machines, dryers, residential air conditioners, system air conditioners, and monitors). Given that as of 2021, these seven major product categories accounted for approximately 90% of the carbon emissions generated by all our products in the product use stage, we are actively promoting substantial carbon emission reductions through our various initiatives to reduce carbon emissions and improve energy efficiency.

1) EU Ecodesign Regulation: Environmental and energy efficiency regulations that manufacturers, distributors, and sellers must comply with from the design stage of their products

Key Reduction Achievements

- In 2023, we developed an optimal wash volume control algorithm utilizing TurboWash 360 technology achieving a power consumption reduction of approximately 40% for new washing machines sold in the European market (from 50 kWh to 30 kWh per 100 cycles).
- We achieved a 3.7% reduction in monthly power consumption¹⁾ by switching the refrigerant used (R401a ▶ R32) and optimizing the cooling cycle of the 2023 stand air conditioner in the Korean market.
- We developed a DD motor dryer with 6 Motion drying technology achieving a 35.8% reduction in power consumption compared to our previous dryer in the Korean market as of the 2023 model.

1) Monthly power consumption comparison for 2022 and 2023 models (sales-weighted average)

Washing machine (F4WR9009S2W, 2023 model)	Power consumption 40% ↓	Air conditioner (All air conditioning models, 2023 model)	Power consumption 3.7% ↓	Dryer (RD21ES, 2023 model)	Power consumption 35.8% ↓
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Annual GHG Emissions during the Product Use Stage

Year	2021	2022	2023
Reduction ratio compared to 2020	6.6%	13.1%	11.8%

Reducing GHG Emissions during the Product Distribution Stage

To reduce carbon emissions during the the product distribution stage, we are collaborating with distribution company LX Pantos to reduce their GHG emissions.

[LX Pantos Climate Change Response](#)

Measurement, Reporting and Verification of GHG Emissions

As a company regulated under Article 27 of the Framework Act on Carbon Neutrality and Green Growth for Coping with the Climate Crisis, LG Electronics submits emission statements to the government and discloses related information after third-party verification of GHG emissions and energy consumption in accordance with Article 27 (3) of the Act. We have established a greenhouse gas inventory for our global production sites and disclose our GHG emissions annually.

Introducing Carbon Accounting and Carbon Pricing

LG Electronics analyzes its carbon credit allocations and actual emissions on a quarterly basis, and records emission liabilities in the consolidated statement of financial position when our emissions exceed the allocated amounts. We also set an internal carbon price to identify business opportunities and assess risks related to energy savings and GHG reduction activities. This metric, which quantifies the value of carbon for internal trading, measures the financial impact of the environmental burden incurred by LG Electronics, and is used to make rational investment decisions for reducing GHG emissions.

Addressing Climate Change

Energy Management

100% Conversion into Renewable Energy (2050)

LG Electronics joined RE100 (Renewable Energy 100) in June 2023 with commitment to a gradual transition to 100% renewable energy by 2050. In accordance with our mid- to long-term plan to convert to 100% renewable energy, we will gradually increase our use of renewable energy, considering the current status of our Korean and overseas operations and the relevant laws and regulations. Aiming to achieve 60% renewable energy by 2030, 90% by 2040, and 100% by 2050, we are exploring various options for purchasing renewable power, including a green pricing, EACs (Energy Attribute Certificates) purchasing, and third-party PPAs.¹⁾

In 2023, we secured a 55 MW solar power generation capacity through self-generation and PPA¹⁾ contracts, capable of generating 58,900 MWh of electricity annually.

- Changwon Smart Park: utilized 2.3 MW of renewable power through Korea's first off-grid PPA
- Pyeongtaek Digital Park: introduced 1.4MW of solar power

Additionally, we are introducing approximately 44,000 MWh of renewable energy annually through wind and hydropower. In 2024, we have promoted solar power generation of 11 MW (16,500 MWh/year) through an equity investment in our Indian production subsidiary.

¹⁾ PPA: Power Purchase Agreement, a contract between a power producer and a power consumer to purchase electricity for a fixed period of time.

Global Renewable Energy Status

In 2023, LG Electronics' global business sites purchased and generated 126,410 MWh of renewable energy through PPAs (solar, wind, hydropower), EACs purchasing (wind, hydropower, biomass), and self-generation, which accounted for 10.1% of our global electricity consumption.

Renewable Energy Transition of Global Business Sites

Classification	Unit	2021	2022	2023
PPA		-	36,786	56,110
EACs	MWh	64,588	58,961	65,159
Self-generation		5,113	4,336	5,141
Total		69,701	100,083	126,410
Transition Rate	%	4.6	8.2	10.1

New PPA Contract for Overseas Production Sites in 2023

Classification	Production Sites	Generation Capacity (MW)	Annual Power Generation (MWh)
Solar	Nanjing PN	6.8	5,200
	China Tianjin	10.0	12,000
	Taizhou	7.0	6,539
	Thailand	3.2	4,365
Wind	Vietnam	17.5	17,568
	China Qinhuangdao	-	10,000
Total		44.5	55,672

Energy Consumption Management System at Global Production Sites

LG Electronics operates a global energy consumption management system to monitor and manage the amount and cost of each type of energy used in its Korean and overseas business sites on a monthly basis. This data is utilized to calculate Scope 1 and 2 GHG emissions, and serves as a foundation for establishing and operating energy-efficient production facilities within our subsidiaries.

Energy Management System (ISO 50001) Certification

LG Electronics is continuously expanding its acquisition of ISO 50001 certification to reduce energy consumption, improve efficiency, and systematize management at both Korean and overseas business sites. To ensure continuous and standardized management, we have established the 'Energy and Greenhouse Gas Management Standards and Rules' and will enhance our energy management by regularly inspecting and auditing the energy management systems at our business sites.

Number of ISO 50001 Certified Production Sites

(As of 2023)

Classification	Acquisition / Renewal	Total
Korea	5	5
Overseas	14	25*



Certification Acquisition Rate
63%

* Excluding new subsidiaries (2 in the US, 1 in Mexico) that have not started mass production.

Addressing Climate Change

Implementing Climate Change Policy

Engaging with Climate Change Organizations and Initiatives

Based on international treaties related to climate change, such as the Paris Agreement¹⁾ and the IPCC,²⁾ LG Electronics cooperates with Korean and international climate change-related specialized institutions, organizations, and initiatives to introduce and implement climate change policies. We continuously review whether the stances and activities of participating organizations to ensure they align with LG Electronics' stance on climate change, and if discrepancies are identified, we actively engage with the organizations to seek solutions. We also regularly assess the stances and activities of participating organizations and consider withdrawal if significant discrepancies persist. Through these efforts, we aim to establish an effective collaboration framework for addressing climate change issues to achieve shared goals.

1) Paris Agreement: An agreement adopted on December 12, 2015 by 195 countries at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change, held from November 30 through December 11, 2015 in Paris, France

2) IPCC: Intergovernmental Panel on Climate Change

Participating in Climate Change Initiatives



K-EV100 Declaration and Implementation

LG Electronics is participating in the 'K-EV100'³⁾ campaign led by the Ministry of Environment since April 2021. Following the K-EV100 declaration, we plan to gradually increase the proportion of environment-friendly motor vehicles²⁾ in our fleet of company-owned or leased vehicles aiming for a 100% transition to environment-friendly motor vehicles by 2030.

1) Korean Zero Emission Vehicle Transition (K-EV100): A campaign organized by the Ministry of Environment that declares and phases in a commitment by companies to convert their owned or leased vehicles to 100% zero-emission vehicles by 2030

2) Environment-friendly motor vehicles: Vehicles that meet zero- or low-emission standards and are energy efficient

Resource Circulation

E-Waste Collection and Disposal

E-Waste Collection and Compliance to Recycling/Regulations

LG Electronics supports the concept of Individual Producer Responsibility (IPR) which addresses the responsibility of producers in taking back e-waste and is enhancing the reusability and recyclability of electronic devices, and reducing the environmental impact during the disposal process. Notably, it proactively establishes relevant policies and collects e-waste in compliance with the regulations in countries where we operate. Information on e-waste management, including global e-waste collection and disposal policies and regional collection facilities and systems, is publicly available on our website.

[Global E-Waste Collection and Disposal Policy](#)

[Global E-Waste Local Collection Facilities and Systems](#)

E-Waste Recovery/Disposal Results by Region

Region	Unit	2021	2022	2023
Europe ¹⁾		155,598	151,920	126,739
Korea		124,764	116,491	131,506
North America ²⁾		26,576	23,125	30,979
Asia ³⁾	ton	112,705	148,041	134,061
Russia (CIS)		22,602	23,677	10,291
Central and South America ⁴⁾		3,008	3,694	51,530
Africa ⁵⁾		-	1,542	7,298

1) Estimated figures are used for some European countries

2) North America: U.S., Canada

3) Asia: Japan, India, Australia, Singapore

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

5) Africa: Republic of South Africa

Cumulative E-Waste Collection Performance (Since 2006, Unit: 10,000 ton)

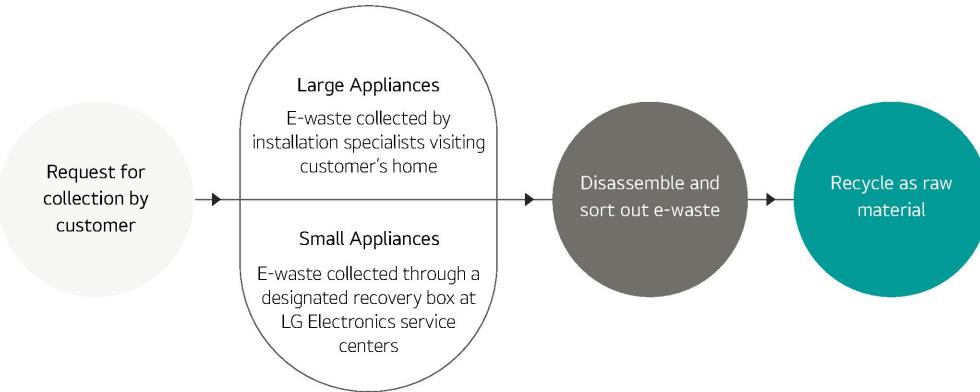


* As countries in some regions have different times for reporting recovery, if data cannot be obtained at the time of publication of the report, the values are predicted using the previous year's recovery results or the recovery rates of neighboring countries. As such, there is a possibility of slight adjustments when next year's report is published.

Resource Circulation

Free E-Waste Recovery Service (Korea) – How It Works

LG Electronics has been participating in the Producer Responsibility Recycling System since its implementation since 2003, and operates a free-of-charge take-back service for discarded electronic products. We strive to enhance the recyclability of e-waste and mitigate the environmental impact of landfills and incineration in the disposal process, and conduct recyclability assessments from the development to ensure our products are more recyclable.



Operation of CRC (Chilseo Recycling Center)

The Chilseo Recycling Center (CRC) was established in the Gyeongnam region in 2001 to recycle e-waste and analyze returned products. It recycles resources while ensuring the environmentally conscious recycling or disposal of harmful substances contained in waste appliances.

Collection of Small and Medium-sized Electronic Products

Since July 2022, LG Electronics has been collecting small and medium-sized electronic appliances regardless of brand through its e-waste collection boxes at all LG Best Shop stores, based on an MOU with the Korea Environment Corporation, E-Cycle Governance, and home appliance manufacturers and distributors to enhance the collection rate of small and medium-sized e-waste. This has laid the foundation for a virtuous resource cycle for small and medium-sized e-waste, which typically have a low collection rate.

Collection and Recycling of Small Secondary Batteries

In May 2024, LG Electronics signed an MOU with the Korea Environment Corporation and E-Cycle Governance for the collection and recycling of small secondary batteries, pledging to cooperate in the transition to a circular economy, including the establishment and operation of a resource circulation system for electronic products. We also encourage customers to participate in the resource circulation by collecting used batteries from cordless vacuum cleaner and offering discounts on new batteries through the "BatteReturn" campaign. The campaign has been held twice a year since 2022 and is currently in its 5th cycle, with a total of 63,000 people participating and collecting about 51.2 tons of waste batteries.



LG Electronics CEO participating in e-waste collection



MOU to collect and recycle small secondary batteries



BatteReturn Campaign

E-Waste Collection and Treatment Service (Overseas)

LG Electronics collects waste electronic products in accordance with the WEEE (Waste Electrical and Electronic Equipment) regulations and the requirements of each country, and as of the end of 2023, provides waste electronic product collection and treatment services in 89 locations in 54 countries. To expand voluntary recycling policies in new regions, we introduce services after conducting a regulatory analysis and consulting with governments and industry organizations in the target countries.

Resource Circulation

Improving Resource Efficiency

Improvement of Product Structure and Material

Starting from the product development stage, LG Electronics focuses on improving materials and structures to maximize resource efficiency. In addition, we have established a collaborative system with recycling companies to facilitate post-consumer recycling and sorting. In 2023, we modified the material of our TV model (50UQ8300ENF), which resulted in a 19% reduction in product weight (approx. 2.8 kg), a 7% reduction in product volume (0.013 m³), and a 3% reduction in packaging material weight (0.11 kg) compared to the previous model (50LF6500). We also improved the structure of our products, reducing the number of fastening parts which measures ease of disassembly, by 21%, from 33 to 26. To reduce waste and improve resource efficiency, we will enhance our efforts to develop environmentally conscious products and improve the design of existing products.

Improvements of structure and material for a TV model (model name: 50UQ8300ENF)

Material Change			Structure Change	
Weight	Product volume	Weight of packaging material	Number of fastening parts	
Approx. 19% reduction (approx. 2.8 kg)	7% reduction (0.013m ³)	3% reduction (0.11kg)	21% reduction (from 33 to 26)	

Use of Recycled Plastic

LG Electronics recycles plastic from collected waste electronics and uses it to make new products. We have set the goal of using 600,000 tons of recycled plastic from 2021 to 2030; by 2023, we have used 114,000 tons.

Classification	Unit	2021	2022	2023
Amount of recycled plastic	ton	26,545	32,987	54,423
Amount of raw materials used for recycled plastic	ton	12,533	16,070	21,632
Cumulative amount of recycled plastic	tons	10,000	2.7	5.9
				11.4

E-Cycle Certification Status

LG Electronics has obtained E-Cycle Excellent Product Certification for six product types: two TVs, one refrigerator (45 models), two air purifiers (16 models), and one vacuum cleaner (1 model). The E-Cycle Excellent Product Certification is a certification system that is awarded to excellent products based on E-Cycle Governance (sponsored by the Ministry of Environment) by evaluating 12 criteria across five areas of resource circulation (material reduction, ease of decomposition, percentage of recycled plastic, etc.)

LG OLED TVs, which recognized as a 2023 Product of the Year, are resource-efficient because they do not require a backlight, which means they have fewer parts and a simpler structure than comparable LCD TVs. Notably, LG OLED evo uses environmentally conscious composite fiber materials and metal instead of plastic, resulting in the use of about 40% less plastic than an LCD TV of the same size. Manufacturing OLED TVs uses approximately 16,000 tons less plastic to manufacture OLED TVs compared to the same number of LCD TVs. Carbon emissions from the production and transportation of plastic are projected to be reduced by approximately 80,000 tons. Additionally, we use 30% recycled plastic for the back cover of our TVs, further contributing to resource efficiency. LG OLED TVs have been recognized for their resource efficiency by leading Korean and overseas certifiers. They were recently awarded environmental product certifications for a fourth consecutive year by both Carbon Trust, a non-profit certification institution in the UK, and Société Générale de Surveillance (SGS) in Switzerland, and for a second consecutive year by Intertek, the UK's non-profit certification organization.

Resource Circulation

Improving Environmentally Conscious Packaging

LG Electronics is expanding the application of environmentally conscious design and environmentally conscious materials in its product packaging to minimize post-consumer waste, while maintaining the basic function of packaging to protect products and maintain their stability. We will strengthen activities such as technology development and material discovery by divisions so that environmentally conscious packaging can be applied to more products.

2012	2013	2014	2023
<ul style="list-style-type: none"> · 'Created "Environmentally Conscious Packaging Design Guidebook" for selected product categories, including TVs and mobile phones.' 	<ul style="list-style-type: none"> · Expanded the application of the "Environmentally Conscious Packaging Design Guidebook" to all products 	<ul style="list-style-type: none"> · Established and executed goals for each division regarding the amount of packaging material used, packaging volume, and the reduction in packaging space, etc. 	<ul style="list-style-type: none"> · Developed and applied recycled cushioning material containing 50% waste Styrofoam · Environmentally conscious printing · Reduced disposable plastic and increased the use of paper buffers

Expanding Paper Cushioning and Recycling EPS Manufacturing Technology

LG Electronics is reducing the amount of plastic in its product packaging to the greatest extent possible to minimize single-use waste. We switched to paper for our internal cushioning materials, which have been applied to laptops and soundbars starting in 2021. In addition, we developed the industry's first paper cushioning material for packaging 20kg air purifiers (Montblanc), and are planning to develop paper cushioning for packaging large products weighing 70kg. We use recycled materials in products for which plastic cushioning materials are required. The plastic packaging materials utilized in LG Electronics are produced through a differentiated process with 50% waste material content, which reduces their environmental impact compared to conventional plastic cushioning materials. Furthermore, we have established a complete waste Styrofoam recycling process, from waste material collection to product production, and are gradually expanding its scope, beginning with a pilot application in dryers in February 2024.



Paper cushioning used for speaker packaging



Paper cushioning used for air purifier packaging

Waste Management

Creating and Internalizing Waste Goals

LG Electronics conducts record inspections, facility inspections, and waste categorization to identify the amount and type of waste generated during our business operations, and identifies opportunities for improvement in waste management. Based on the identified opportunities, we establish specific waste reduction plans, including quantitative targets. In addition, we not only review and invest in R&D for waste reduction, but also provide waste reduction training to employees to ensure they understand and implement our goals.

Waste Reduction Activities

LG Electronics has identified and implemented various waste reduction activities at each of its business sites.

- Pyeongtaek Digital Park - Hanuri: Replacing approximately 1.36 million single-use plastic cups used to serve beverages with reusable containers
- Changwon Smart Park 1: Setting up a plan in 2024 to reduce 30 tons of waste vinyl from operations through improved packaging techniques (visible packaging)
- Pyeongtaek Chiller: Setting up a plan in 2024 to save 10 tons of waste wood by switching from wood to steel so that pallets used in the painting process can be used multiple times
- Magok Science Park, Gasan R&D Campus, Seocho R&D Campus, Yangjae R&D Campus, Pyeongtaek Digital Park, Pyeongtaek Chiller: Participating in the Bi:Cycle Campaign^① to strengthen recycling activities by establishing a closed loop for waste hand towels generated from restrooms

1) An environmentally conscious campaign organized by Yuhan-Kimberly to increase resource circulation by separating and collecting waste and producing and consuming products with renewable materials

[ESG Data \[Waste Recycling Rate\]](#)

Resource Circulation

Achieving a 95% Waste Recycling Rate Across All Korean and Overseas Business Sites

To increase the rate of waste recycling, LG Electronics has strengthened waste separation and sorting procedures to expand the proportion of recyclable waste. In addition, most of our business sites in Korea have recycled the heat generated from the incineration of combustible waste into energy, either by recovering the heat from incineration or supplying it as a heat sources of other companies.

Each overseas subsidiary that failed to achieve 95% waste recycling rate in 2023, established enhancement plan and improved the rate through regular monitoring and recycling activities.

Thanks to these waste recycling activities, the waste recycling rate for all Korean and overseas sites reached 95.5% in 2023, achieving our 2030 goal of a 95% recycling rate early. In 2024, we will continue to strive to reach a recycling rate of 95% or higher through various waste recycling activities.

ZWTL¹⁾ (Zero Waste to Landfill)

LG Electronics has been renewing its UL Zero Waste to Landfill Certification, a global standard, every year to have its waste recycling performance evaluated by a reputable third-party organization, and is working to expand the certification. In 2023, five Korean production sites, Changwon Smart Park 1, Changwon Smart Park 2, Gumi Future Park 1, Pyeongtaek Digital Park, and Pyeongtaek Chiller, received the Gold rating. For overseas subsidiaries, we aim to acquire the ZWTL certification at all production sites by 2026, starting with five in 2024.

¹⁾ ZWTL (Zero Waste to Landfill): Environmentally responsible certification by North American standards agency UL. It certifies the waste recycling rate based on 3 ratings (Silver(90~94%), Gold(95~99%), Platinum (100%))

Assessment of Waste Transport and Treatment Companies

All business sites of LG Electronics exclusively use waste disposal companies approved by the government. Through regular evaluations conducted at least once a year, we check the legitimacy of waste disposal companies and guide them to minimize environmental pollution and dispose of waste in an environmentally conscious way. Starting in 2024, we have strengthened the criteria for evaluating and managing waste treatment companies to select them more objectively and with greater discernment.

Waste Recycling Improvement Activities at Business Sites

- Management Throughout The Process

Goal Establishment	Contracting	Generation	Storage	Transportation	Treatment
Set the annual targets of recycling rate, emissions, and waste appliance recovery	Inspect transportation/storage/processing companies' legal violations and compliance management status	Generate research samples and sample waste at workplaces	Operate a recycling center Divide waste into general/hazardous categories and store separately by type	Monitor waste vehicle operation logs	Conduct regular visits to outsourcing/processing companies to evaluate whether the processing is legal
Monitor the monthly waste generation and waste appliance recovery rate	Monitor waste unit price irregularities and management status through annual contracts	Waste scrap in offices and factories	Ensure compliance with the law in the waste transport process		

Product Stewardship

Product Management Life Cycle

Product Life Cycle Assessments

LG Electronics conducts a 'Life Cycle Assessment' (LCA) to analyze and manage the environmental impact of products throughout their life cycle. In 2011, we established a Life Cycle Inventory (LCI) database for major product categories, and annually, we conduct an LCA for major product categories, including TVs, refrigerators, washing machines, air conditioners, and monitors. In addition, in 2016, we developed a simplified LCA tool utilizing our experience and database, and in 2018, expanded the assessment to cover 13 impact categories, such as global warming, resource depletion, and ozone depletion. Based on this, we are proactively assessing potential environmental impacts at the product development stage, and incorporating them into the development of environmentally conscious products.

1995	2002	2009	2011
First introduction of LCA methodology	LCA and third-party certification for major product categories (TVs, refrigerators, washing machines, air conditioners, monitors, etc.)	Calculation of carbon emissions of each major product category and disclosure of results	Development of the life cycle inventory database and third-party certification
2016	2018	2018-Present	
Application of LCA in the development stage of major product categories, and the development of the Simplified LCA Tool	Enhancement and development of the Simplified LCA Tool (expanding its function to 13 impact categories including global warming)	Conducting LCAs for major product categories (TVs, refrigerators, washing machines, air conditioners, monitors, etc.) and obtaining environmentally conscious certifications (Carbon Trust, International EPD, UL certification, etc.) based on product life cycle assessment	

Proportions of Product Life Cycle Carbon Emissions

LG Electronics measured the carbon emissions of specific models by product category in 2023, and found that the product use stage accounts for the highest proportion of carbon emissions, followed by the pre-manufacturing stage.

Proportion of Life Cycle Carbon Emissions by product category*

Category	Unit	Pre-manufacturing	Manufacturing	Distribution	Use	Disposal
Refrigerator		18.8	0.9	0.5	79.2	0.5
Washing Machine		39.0	0.02	1.0	59.4	0.6
Air Conditioner	%	37.4		0.7	61.2	0.7
TV		41.9	0.1	0.2	57.1	0.7
Monitor		28.9	6.7	1.3	59.1	4.0

* Based on carbon emissions calculated for specific models in each product category in 2023

LCA-Related Certification

In November 2022, LG Electronics received Norwegian Environmental Product Declaration (EPD) certification for its Objet Collection of refrigerators, followed by International EPD certification in September 2023. This is the first time that refrigerator products have received global EPD certification. In March 2023, LG Electronics also received Carbon Trust certification for its refrigerator products.

Green Technology Certification

To prove the environmental consciousness of its products, LG Electronics is expanding its application of green technology certifications administered by the Korean Ministry of Trade, Industry and Energy to products such as TVs and air conditioners. As a result of these efforts, by 2023 we have obtained four green technology certifications for home appliances, TVs, and monitors, and 10 'Green Technology Product Confirmation' certifications for products that have been commercialized by applying green technology certifications in practice.

Product Stewardship

Management of Hazardous Substances

Management Standards for Hazardous Substances

LG Electronics classifies and manages hazardous substances by class as follows in accordance with national regulations and international agreements.

LEVEL A-I

(Prohibited substances)

The top 10 hazardous substances outlined in the EU RoHS regulation

- Heavy metals including lead, mercury, and cadmium, hexavalent chromium and its compounds
- Brominated flame retardants including PBB (Polybrominated Biphenyls) and PBDE (Polybrominated Diphenyl Ether)
- Four types of phthalates (DEHP, DBP, BBP, DIBP)

LEVEL A-II

(Substances prohibited by others than EU RoHS)

Regulated substances prohibited by national or international agreements beyond the RoHS regulation

- Chlorine-based compounds
- Asbestos, organotin compounds
- Formaldehyde, ozone-depleting substances, and others, (PCBs, PCNs, PCTs, VOC, HBCD, bisphenol A, nickel and its compounds etc.)

LEVEL B

(Substances subject to monitoring or voluntary replacement)

Substances to be monitored, or whose use is to be reduced

- Polyvinyl chloride resin (commonly known as PVC), phthalate, beryllium, palladium, bismuth, and other chlorine-based flame retardants (Substances stipulated in EU REACH SVHCs, California Proposition 65, etc., as well as PVC and PCP)

Voluntary Replacement of Hazardous Substances

LG Electronics completely prohibits the use of substances subject to regulations and develops and applies technologies and components to its products that replace substances that are harmful to human health or cause environmental pollution. We replace harmful substances such as polyvinyl chloride (PVC) and brominated flame retardants (BFRs) through safety and reliability tests, and comply with international environmental regulations such as RoHS and REACH, which prohibit the use of hazardous substances in the development process. We strive to minimize the use of toxic substances in our processes, and to identify and improve the biocides used in our products across the supply chain.

2010

Eliminate the use of PVC and BFRs in all of our mobile phone products

2011

Voluntarily replaced harmful substances including phthalate and beryllium

2012

Voluntarily replaced harmful substances including Antimony trioxide
Replaced PVC in the cables of UHD OLED TVs

2013

Developed and implemented PVC-free noise reduction parts (skirt lower) to refrigerators
Removed HBCD (Hexabromocyclododecane), a type of brominated flame retardant, from all products and packaging

Hazardous Substances Replacement Status

LG Electronics is continuously developing technologies and components that can replace harmful substances without sacrificing product quality, and is expanding their application to a wide range of products.

OLED/Ultra HDTV

- Applied PVC-free internal cables in 2013
- Applied mercury-free display panels

Laptop

- PVC/BFRs-free laptops released since 2013 (excluding FPCB, CARE, PCB, battery, adapter, keyboard, cable, touchpad, thermal module, cable connector, mouse, and power cord)

Monitor

- Applied PVC-free LCD modules to all models in 2011
- Applied PVC/BFRs-free LCD to all models in 2013
- Replaced brominated/chlorinated flame retardants in monitor exterior plastics in 2019

Hazardous Substance Management of Suppliers

Since 2005, LG Electronics has been sharing technologies and expertise to strengthen the environmentally conscious competitiveness of its suppliers through the Green Program Plus (GP Plus). Through this initiative, we are building green partnerships to enhance the environmentally conscious competitiveness of suppliers by enhancing environmentally conscious management within the supply chain and proactively responding to global environmental regulations. We operate various programs to manage the chemical risks of our suppliers, and strive to enhance the hazardous substance management and measurement technologies and improve the reliability of data by operating a training course for 'hazardous substance measurement experts' every year. The training program is offered to employees in charge of hazardous substance inspection equipment at our suppliers and LG Electronics employees in charge of green partnerships, and aims to disseminate proven knowledge on responding to hazardous substance regulations and professional environmentally conscious skills.

Product Stewardship

Enhancing the Environmentally Conscious Product

R&D for Environmentally Conscious Product

With a focus on the research and development of environmentally conscious products, LG Electronics is strengthening its Clean Tech research in two key areas: carbon neutrality and resource efficiency. As part of our commitment to carbon neutrality, we aim to develop highly energy efficient products and solutions that reduce carbon emissions during the product use stage, and to develop technologies that maximize the use of recycled plastics and new packaging technology using environmentally conscious materials to increase resource efficiency. We operate a dedicated Clean Tech research organization to research and develop environmentally conscious products, conducting research in various fields such as improving energy efficiency, carbon capture and utilization, recycling waste materials, developing environmentally conscious materials, and reducing environmental pollution.

Environmentally Conscious Product Standard

To minimize our environmental impact when developing new products and services, LG Electronics has established the Corporate Principle of Environmentally Conscious Products, which requires us to design products that comprehensively consider their environmental impact throughout their entire life cycle. In accordance with this policy, we focus on reusability and recyclability, high energy efficiency, carbon emission reduction, and substitution of hazardous substances based on the three core directions of Resource, Energy, and Human. We also utilize the Eco-NPI (New Product Introduction) checklist during the product development stage to systematically assess and improve our environmental performance.

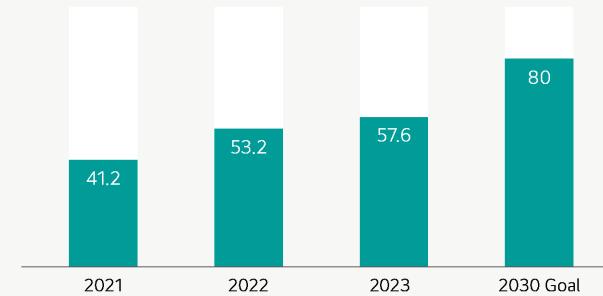
Eco-Index Evaluation

In 2011, LG Electronics introduced Eco-Index, LG Electronics' unique index to evaluate the eco-friendliness of its products. Eco-Index is a systematic approach that quantitatively measures the environmental consciousness of products and categorizes them into three levels of ecodesign: Green 1, 2, and 3 star. By analyzing and reflecting environmental policy and regulatory trends in the product development process, we are realistically applying the Eco-Index standards and expanding the percentage of our Green 3 star products, which is the highest level of our environmentally conscious products. We have set the goal of making 80% Green 3 star rating for our products by 2030, and are focusing on developing environmentally conscious products.

Evaluation Standard of Eco-Index

Classification/Grade	Green 1 Star	Green 2 Star	Green 3 Star
Human	Satisfies regulatory requirements on hazardous substances	Takes a proactive approach to replacing hazardous substances	
Energy	Satisfies energy specifications	Achieves average market efficiency	Secures high efficiency for competitive advantage
Resource	Satisfies recycling requirements	Designed to improve resource efficiency	
Innovation	Proactive activities for environmentally conscious products (third-party certification, development of advanced technology, etc.)		

Percentage of Green 3 Star Products* (Unit: %)



*Based on the number of development projects

Business Sites Operation

Environmental Pollutants (Air/Water Pollution)

Environmental Pollutant Management Strategies

LG Electronics keeps air and water pollutants emitted from its business sites to 70% or less of the legal discharge limit. For this purpose, each business site operates its own pollutant discharge reduction system, taking into account the characteristics of the chemical substances and raw materials handled at the site. Since 2022, LG Electronics has implemented an IoT and abnormality prediction system for air pollution prevention facilities to monitor air pollutants in real time by identifying factors for normal operation and expected failure of air pollution prevention facilities in advance. In addition, to minimize the environmental impact on local communities, we are conducting a potential risk analysis of discharged wastewater, which analyzes whether the discharged wastewater contains unregulated pollutants of potentially hazardous substances.

Furthermore, LG Electronics is creating environmentally conscious business sites through Green Company Certification.¹⁾

- Changwon Smart Park 1, Changwon Smart Park 2, Gumi Future Park 1: Maintained Green Company Certification
- Pyeongtaek Digital Park, Magok Science Park: Newly acquired Green Company Certification in 2023

¹⁾ Green Company: A system organized by the Ministry of Environment that certifies the workplaces of companies that contribute to environmental improvement by significantly reducing pollutants, saving resources and energy, improving the environmental performance of their products, and establishing an environmental management system.

Establishment and Operation of an Environmental Testing Laboratory for the Internal Measurement of Environmental Pollutants

LG Electronics monitors the status of environmental pollutants by having established an in-house environmental testing laboratory to measure and manage the air pollutants emitted from all Korean sites.

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

Sampling system

Particle/gas phase samplers,
on-site gas analyzers, etc.

Analytical system

ICP, TD-GC/MS, HPLC, IC, UV, etc.

Preprocessing system

Ultrapure water production system,
microwave hydrolysis, etc.

Management of Personnel Specializing in Atmospheric Analysis and Sampling

LG Electronics monitors atmospheric emission concentrations and conducts research to ensure measurement reliability with internal and external experts in environmental analysis.

Achievements in Environmental Pollutant Analysis Award in 2023

In 2022 and again in 2023, LG Electronics participated in an international comparative proficiency test in atmospheric analysis organized by the US Environmental Resource Associate (ERA) to verify the analytical capabilities of the environmental testing laboratory, and obtained the final "Laboratory of Excellence (Best Analytical Agency)" certification by receiving a rating of "Excellent."



Business Sites Operation

Management of Hazardous Substances

Chemical Substance Management

LG Electronics manages chemical substances throughout the entire life cycle based on LGCMS (LG Chemical Management System). The chemical substance management system based on the CMS was initially implemented at all Korean business sites in 2013, and expanded in 2021 to all overseas business sites.

Preliminary screening subject

- All chemical substances for production and R&D purposes stored or used at all Korean and overseas sites
- Proactively obtain chemical substance information such as material safety data sheet (MSDS) and LoC
- Prior review of compliance with laws and regulations of each country and hazards/risks of chemicals by specialized departments

Purchasing and receiving chemicals

- Receive only chemicals that have been pre-screened and determined as acceptable
- Receive chemicals after confirming a location suitable for storage/use

Management of use

- Attaching and managing chemical product management labels to all products in use
- Appointment of chemical substance manager and training for all handler
- Operation/Management of chemical handling facilities in compliance with the legal requirements

Disposal management

- Regular inventory inspections of chemical products to verify their usage status and dispose of unused products
- Disposal in accordance with waste treatment regulations in the relevant country

Response to the Regulations on Chemicals

Analysis of regulations

- Review chemical regulation and prepare countermeasures
- Conduct hazardous chemical removal/substitution activities in accordance with internal management standards (annually)

Production quality

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

Supply chain

- Ensure chemical handling standards and operate facilities
- Prepare and maintain MSDS, component statements, etc.

Business management

- Run a chemical substances information management system
- Preliminary review of new chemicals for handling
- Enhance management of hazardous chemicals and substances designated by RBA (IFPC list)

R&D

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

Training on Chemicals Handling

LG Electronics provides training on the entire process, from factors to consider when purchasing chemicals to safe storage, use, and disposal. We educate our employees on the hazards and risks of chemicals and the precautions to be taken when handling them, and provide them with personal protective equipment and instructions on how to wear it according to the chemicals they handle.

Chemical Handling Facility Inspection and Management

LG Electronics complies with chemical substance storage/use/disposal standards and strives to prevent related accidents through on-site management. We have established an early detection and emergency warning system for chemical leakage to facilitate quick responses, and ensure our compliance with the laws of each country in which we operate by appointing a chemical substance manager and operating a hazardous chemical substance management inventory.

Drill for Chemical Substance Incident

To prepare for accidents involving chemical substances, LG Electronics establishes crisis response scenarios, trains employees on response procedures, and conducts accident response drills to prepare for chemical spills and human casualties. As of 2024, the drill has been expanded to include not only Korean business sites but also overseas production sites, in order to continuously strengthen our ability to respond to chemical accidents. We also share evacuation methods and safety protocols in the event of a chemical accident to all employees through online and offline training.



Chemical Incident Response Drill

Business Sites Operation

Water Efficiency Management

Water Resource Management

In March 2024, LG Electronics signed a memorandum of understanding with the Ministry of Environment to respond to climate change and resolve the water crisis. Through this MOU, we committed to four key initiatives, based on which we will implement multifaceted cooperation activities and joint responses to solve the water crisis: "Raise awareness of water risks from climate change and strengthen collaborative responses," "Identify and promote collaborative sustainable water management projects, such as in-basin water security and water quality improvement projects," "Provide policy support, including incentives and R&D, to identify and disseminate best practices in water management," and "Actively support global initiatives in the water sector, including 'Water Positive'." To put this into practice, we have set key action directions that include enhanced monitoring of water usage and discharges at our business sites, efforts to reduce water usage at our business sites, and participation in river cleanup activities and water restoration projects in close cooperation with the communities in which our business sites are located.

To effectively manage water resources, LG Electronics has established a water inventory and monitors water usage at each production site by evaluating various water risks (lack of water resources, degradation of water quality, and increasing water consumption). We also recycle used water for landscaping or industrial purposes through the zero discharge system, and have established wastewater treatment facilities and recycling systems. We have prepared measures to secure emergency water reserves to ensure the operation of production facilities for at least two days in the event of an unexpected interruption to the water supply.

Water Resource Reduction Activities

LG Electronics has identified and implemented activities to improve water use, including the use of grey water, reuse of condensate water, and reuse of water used in washing machine leakage tests. In particular, it was confirmed that the reuse of the water used in washing machine leakage trials saved approximately 40,000 tons of water per year. At the Changwon Smart Park 2 plant, we saved 34,044 tons of water per year (4% of water usage), which is expected to be expanded to our Vietnamese production subsidiary, saving 8,500 tons per year. Magok Science Park saved 69,078 tons of water per year (39% of water use) by using grey water.

[ESG Data \[Water Resources \(Water Withdrawal, Water Reuse\)\]](#)

Water Withdrawal in 2023*

Water Source	Water Withdrawal (Unit: 1,000 tons)	Ratio (Unit: %)
Groundwater	834	13
Municipal water and others (Municipal)	4,776	74
Municipal water and others (Industrial water)	881	13
Total	6,491	100

* 2023 target: 7.2 million tons (8% reduction compared to 2022)

Wastewater Discharge Status in Korea

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

[ESG Data \[Water Discharge Status\]](#)

Training on Environment and Hazardous Materials

Education Results in 2023

Training Name	Target	Unit	Total
Hazardous Chemicals	Inspector Direct handlers		2 17
Hazardous Chemical Worker Training	All employees of business sites licensed to handle hazardous chemicals	Person	4,452
LG Academy	Introduction to Safety and Environment ESG Management Practices	-	26 13
Total			4,510

Social

Human Rights 30 | Employee 44 | Supply Chain 56 | Customer 66 | Local Community 75

Human Rights

Human Rights Governance

Human Rights Governance

LG Electronics has established a governance system to ensure that it can fulfill its responsibility of respecting human rights through its business activities. The Board of Directors, the highest decision-making body, oversees sustainability management activities and approves policies and mid- to long-term goals on key sustainability issues such as labor rights, safety and health and climate change. They monitor our performance in achieving these goals through the ESG Committee. The ESG Committee, which convenes semi-annually in principle, is comprised of four independent directors and one executive director (CEO), and is chaired by an independent director to strengthen its independence. The ESG Council, which is chaired by the Chief Strategy Officer (CSO), consists of executives involved in sustainability management and discusses short-term and long-term plans, progress and improvements on labor rights, environment, suppliers, ethical management, strategy, compliance, customers and information security. The direction, progress and major issues discussed at the ESG Council are reported to the ESG Committee for further discussion. In addition, the Enterprise Risk Management Committee, which is chaired by the Chief Risk Officer (CRO), is held semi-annually to monitor risks in the areas of labor, supply chain, quality, production, safety and environment, customer value, logistics, sales, information security, and compliance, and to engage in activities to mitigate such risks.

Roles and Responsibilities of Key Departments

ESG Strategy Department	<ul style="list-style-type: none"> · Establish mid- to long-term goals for sustainability management, including human rights, and monitor implementation progress · Operate the ESG Committee and the ESG Council · Conduct due diligence on human rights based on RBA requirements as a main department in charge of RBA management · Support production site to prepare for customer-requested audits 	Labor Management Division	<ul style="list-style-type: none"> · Develop human rights policies and institutions for employees · Run and support programs for human rights protection · Identify and remediate human rights impacts <ul style="list-style-type: none"> - Conduct human rights due diligence at a business site level - Hold regular communications with labor unions · Operate Psychological Counseling Center
Shared Growth Division	<ul style="list-style-type: none"> · Set human rights management standards for suppliers and run due diligence programs · Conduct capability-improvement activities for employees in charge of purchasing, and for executives and employees of suppliers responsible for ESG · Operate programs to support ESG management of suppliers 	Safety and Environment Center	<ul style="list-style-type: none"> · Establish safety and health and environment-related standards for business sites and help each departments comply with the standards · Operate Health Care Center
Ethics Bureau	<ul style="list-style-type: none"> · Operate centers for sexual harassment/ workplace harassment prevention · Investigate allegations reported through Jeong-Do Management VOE (Voice of Employees) in cooperation with the holding company, and take any required follow-up actions 	Compliance Office	<ul style="list-style-type: none"> · Monitor global regulation trends, including on human rights · Prevent compliance risks and support remediation of the risks · Operate compliance programs · Provide training on compliance
Customer Quality Research Lab	<ul style="list-style-type: none"> · Manage human rights issues that might arise in the course of sourcing minerals <ul style="list-style-type: none"> - Identify countries of origin of any conflict minerals (tin, tungsten, tantalum and gold) and cobalt contained in products, and manage RMAP certification status · Manage hazardous substances contained in products 	IR Division	<ul style="list-style-type: none"> · Communicate with investors regarding sustainability management activities, including human rights

Human Rights

Human Rights Policies

Commitment to Respecting Human Rights

LG Electronics is committed to upholding the rights and dignity of all stakeholders, including employees, suppliers, residents, and consumers. We believe that every individual deserves respect and the opportunity to pursue happiness. In line with this commitment, LG Electronics acknowledges and adheres to international human rights standards, such as the Universal Declaration of Human Rights, the ILO Fundamental Conventions, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child. Additionally, we comply with the laws and regulations of the countries and regions in which we operate. In situations where local laws and international standards conflict, LG Electronics applies a more stringent standard that prioritizes the well-being of workers. We passionately believe that upholding human rights and dignity is a fundamental requirement for the sustainability management of our business. LG Electronics has implemented a comprehensive set of company-wide policies and consistently monitors compliance to ensure that all stakeholders within our supply chains, including our employees and employees of suppliers, actively support and fully adhere to fundamental human rights. Additionally, LG Electronics mandates that all customers, services, distributors, logistics, local communities, and partners within our value chains, including new businesses, uphold human rights and refrain from causing any negative impact on their sustainment. As a member of the Responsible Business Alliance (RBA), a global industry coalition dedicated to responsible business conduct, LG Electronics upholds the RBA code of conduct and diligently monitors compliance with this code to ensure its effective implementation. Furthermore, as a participant in the UN Global Compact, the largest sustainability worldwide management initiative, LG Electronics fully embraces and respects The Ten Principles, including the crucial domain of human rights, and strives to reflect them throughout our management activities. LG Electronics is committed to upholding the Global Human Rights Principles in all aspects of our management activities. This commitment aligns with our management philosophy of "Customer-value creation" and "People-oriented management," which prioritize the protection and respect of human rights for all stakeholders. Recognizing our responsibility in this regard, LG Electronics is dedicated to proactively preventing human rights violations by stakeholders resulting from our management activities. Moreover, we are committed to promptly addressing any existing impacts and taking necessary measures to prevent their recurrence.

Human Rights Policy

LG Electronics has established and implemented human rights policies to fulfill its promise to respect human rights. We have developed these policies by referring to relevant international human rights standards and industry standards. We enhance our employees' understanding of these policies through awareness-raising activities such as training, and monitor implementation progress. We also regularly revise the policy to incorporate the latest international human rights standards and stakeholders' expectations, as well as publicly disclosing all the latest human rights policies.

Establishment of Global Human Rights Principles

LG Electronics established the Global Human Rights Principles by integrating various internal human rights policies, and publicly announced the Principles in June 2024 after an ESG Council review. The Principles are applied not only to our employees and the employees of our suppliers but also to local communities, customers, the government and investors. In accordance with the UN Guiding Principles on Business and Human Rights (UNGPs), we selected key areas of human rights impacts through human rights impact assessments which considered self-assessments, third-party audits and on-site inspections, grievance handling and engagement with stakeholders, and stipulated them in the Principles in detail. We also clearly stated our commitment to remedy negative human rights impacts and human rights violations caused by our business activities, our willingness to engage with stakeholders, and human rights governance. We will conduct training and capacity-building activities to ensure that the human rights of stakeholders are respected throughout the course of all business activities in accordance with the Principles, and strive to realize a "Better Life for All" by transparently disclosing major implementation results.

[LG Electronics Human Rights Management Principles homepage](#)

Revision of Global Labor Policy

LG Electronics has regularly revised the Global Labor Policy in accordance with revisions to global human rights standards and the RBA Code of Conduct since its first introduction in 2010. The Labor Policy 6.0, revised in April 2024, has been distributed to the entire corporate after being approved by the Chief Human Resources Officer (CHO), adding "prohibition of all types of forced labor," "equal pay for equal work," "accommodating people with disabilities" and "establishment of legitimate worker councils."

[LG Electronics Global Labor Policy homepage](#)

Human Rights

LG Electronics Human Rights Policies

Policy	Scope of application	Details
Global Human Rights Principles	All internal and external stakeholders	All stakeholders, including LG Electronics employees, employees of suppliers, local communities, and consumers, have human dignity and worth, and the right to pursue happiness. The Human Rights Principles, developed by integrating the existing human rights policies, respect relevant international standards, and the laws and regulations of the countries and regions in which we operate. Furthermore, in the event of a conflict between local laws and international standards, we will apply the stricter one. The Principles also address key human rights impacts through human rights impact assessment, remedy, grievance handling and human rights governance.
Global labor policy and its guidelines	Employees, suppliers and stakeholders	All employees of LG Electronics possess human dignity and the right to pursue happiness in terms of provision of work. LG Electronics complies with the human rights and labor standards of international organizations such as the UN and ILO, and guarantees workers' right to human dignity regardless of gender or age as a fundamental value of its business operations. LG Electronics complies with the labor relations laws and regulations of each country and region in which we operate and strives to ensure job security and proper wages for employees while making efforts to maintain a good work environment. In addition, LG Electronics states that this is a basic obligation which all business partners of LG Electronics must comply with, and a value that must be shared with all its stakeholders.
Supplier Code of Conduct and its guidelines	Suppliers	LG Electronics has developed and distributed the Code of Conduct and Guidelines for Suppliers to ensure that its suppliers build a safe work environment, respect the human rights of their employees as well as fulfill their environmental responsibilities and conducting businesses ethically. This Code of Conduct is based on the Responsible Business Alliance (RBA) Code of Conduct. LG Electronics requests its suppliers to conduct self-assessments to check their compliance, based on which LG Electronics visits the business sites of suppliers and continuously requests for remediation of non-conformities.
Safety and Health management policy and environmental management policy	Employees	LG Electronics recognizes the safety and health of its employees, customers, and local communities as its top priority, and plays a leading role in safety and health while striving to create a safe and healthy workplace, with a willingness to make continuous improvements. In addition, recognizing the environment as a key factor in its business activities, LG Electronics is committed to preserving the global environment, promoting sustainable social development, and improving the quality of life for stakeholders by minimizing consumption of resources, ensuring environmental consciousness in its operation processes and product development as well as optimizing energy efficiency.
Code of Ethics	Employees	LG Electronics shares "Customer Value Creation" and "People-oriented Management" as its management philosophy, and promotes autonomous management based on autonomy and responsibility in accordance with the spirit of the Management Charter. LG Electronics respects the free market economic order that aims for free and fair competition, and pursues common interests with all stakeholders based on mutual trust and cooperation. Thus, LG Electronics has established a Code of Ethics as a standard for proper behavior and value judgment that all employees must follow and pledge to practice.
Code of Conduct	Employees	LG Electronics aims to continuously improve the capabilities of its employees and its competitiveness as a business through transparent and responsible business activities in order to create greater value for all stakeholders including customers, employees and shareholders. For this reason, employees of LG Electronics commit to complying with local laws and regulations, ensuring fair competition and engaging in business operations in accordance with the Company's Global Standards wherever we are in the world.
Diversity and inclusion policy	Employees	LG Electronics believes that an organizational culture of respect for each individual's diverse experience and background encourages flexible thinking and insights for employees, as well as helping them better exercise their talents. LG Electronics respects the diverse preferences and choices of all employees, based on which we do not discriminate. At LG Electronics, everyone must recognize and respect each other's differences and must be able to work freely as they are. In the culture of diversity and inclusion that LG Electronics pursues, every member can work creatively and innovatively by proposing new solutions from diverse perspectives.
Conflict minerals policy	Suppliers	As a responsible company that respects human rights and the environment, LG Electronics is concerned about human rights violations in association with minerals mined, traded, processed and exported in the Democratic Republic of the Congo and nearby countries. It upholds the principle of not using tin, tantalum, tungsten or gold which provide benefits or financial support for armed groups in the Democratic Republic of the Congo and nearby countries in our products. Furthermore, suppliers are asked to provide proof of origin and other relevant information for cobalt as well as conflict minerals, and to ensure that they do not have business with smelters under international sanctions.
AI ethics principles	Employees	LG Electronics contributed to the establishment of the AI ethics principles through its engagement in the LG AI Ethics Committee and its working group to respond to the growing ethics issues with regard to AI, and to develop and utilize ethical AI. The AI ethics principles sets out principles to determine the behaviors and values which need to be observed by all LG employees, and was established to ensure the credibility of AI and to prevent AI-related ethical issues. The AI ethics principles is comprised of 5 core values: respect for humanity, fairness, safety, responsibility, and transparency.

Human Rights

Training for Managers in charge of Human Rights

LG Electronics provides regular training for managers responsible for human rights management on its production sites, having developed its global labor policies in 2010 based on the RBA Code of Conduct. In 2023, we provided region-specific online training (Korea, China, Mexico, Asia and the Americas) to improve our employees' understanding of major international standards. The training was divided into 2 courses on labor/ethics and safety and health/environment, each 3 hours long, and was attended by 97% of the responsible managers at the production sites. In addition, we provided two rounds of training to executives of all 25 production subsidiaries to raise awareness on ESG-related global trends and compliance with international standards. The first round of training was attended by executives from 23 subsidiaries and the second by 22 subsidiaries.

In March 2024, we conducted training using an online platform provided by RBA in order to improve the expertise of employees responsible for human rights management. The RBA online courses are available in various languages and cover diverse subjects such as forced labor and working hours, and 116 of our employees completed 1,226 courses. We will continue to utilize this platform to enhance the human rights expertise of employees in charge of human rights management.

Training Status (2023)

Audience	Executives	Responsible Managers
Duration	· 1 Hour	· 3 Hours (Labor/ethics, safety and health/environment, respectively)
Contents	· Global ESG trend · Cases of risk occurrences in major companies · LG Electronics response plan	· Recent ESG trend · 3rd party onsite audit process · Overview of requirements on labor rights/ethics, health & safety/environment and implementation to fulfill the requirements · Major non-conformances cases and corrective actions

Engagement with Stakeholders

Labor-Management Council (Korea)

LG Electronics operates the Labor-Management Council pursuant to the Act concerning the Promotion of Worker Participation and Cooperation. As a consultation body between labor and management elected through an employee vote, the Labor-Management Council represents all employees and transparently discloses the Company's business performance and operation plans to the worker-level members through quarterly consultations while pursuing the common interests of labor and management, such as improving labor conditions, through constructive meetings. The results of agreements are disclosed to all employees through the internal bulletin board.

Working Environment Improvement by the Labor-Management Council

(As of April 2024)

Category	Unit	Q4 2023	Q1 2024
Sharing economic/financial status		2	1
Welfare improvement		2	2
Maternity protection	Cases	-	1
Flexible working time		1	-
Other grievance handing		-	1
Overall improvement		5	5

Human Rights

Practice of Labor-Management Relations

LG Electronics is committed to creating shared value for both labor and management based on the Company's unique "Labor-Management Relations" concept of mutual trust and respect. We have established and operated various channels to discuss major labor issues common to the management and labor union. We operate the Labor-Management Council to pursue the common interests of the management and labor in accordance with the Act concerning the Promotion of Worker Participation and Cooperation. In addition, the Junior Board, a unique body in the Company, serves as a communication channel between the management and employees.

Social Responsibility of the Labor Union

To contribute to society, the labor union of LG Electronics carries out activities for Union Social Responsibility (USR). It introduces USR activities to the international community based on its Special Consultative Status of UN Economic and Social Council (UN ECOSOC), and takes the initiative in spreading a healthy labor culture worldwide. It not only improves the rights and interest of the union members but also fulfills its social responsibility in the areas of the economy, society, and the environment by supporting Korean war veterans in Ethiopia and engaging in relief activities both in Korea and abroad.

Labor-Management Relations in Korea (2023)

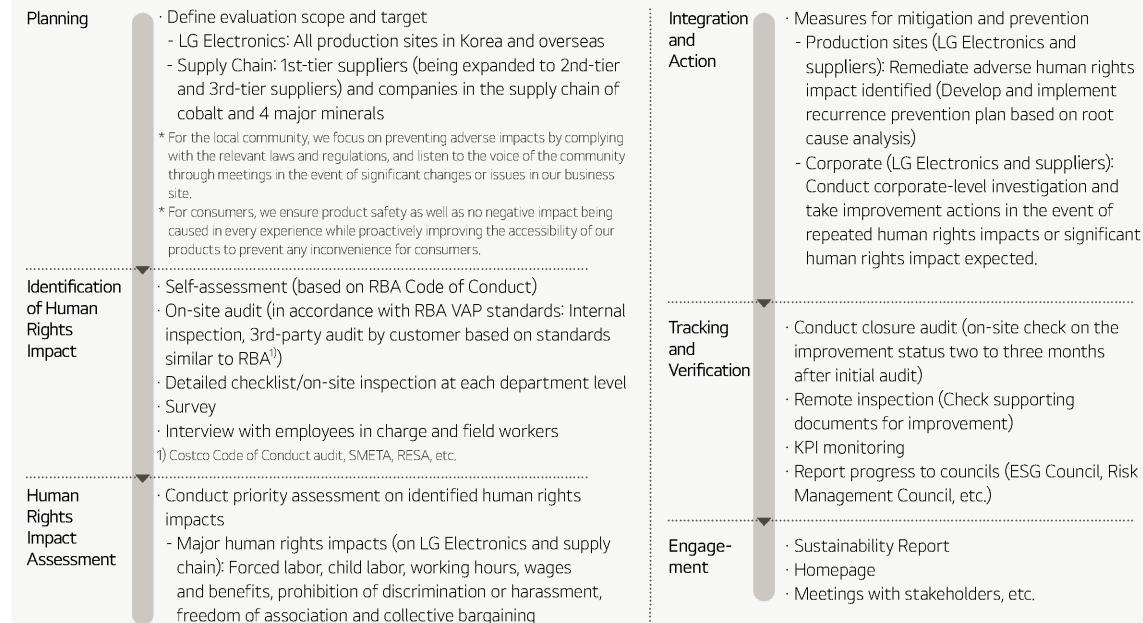
(As of the end of 2023)

Labor Union member
10,157 persons
28.9% of our employees in Korea

Consecutive period of wage and collective bargaining without strikes
35 years

Human Rights Due Diligence

Since 2010, LG Electronics has been conducting annual human rights due diligence based on the RBA Code of Conduct and the UN Guiding Principles on Business and Human Rights (UNGPs). All Korean and overseas production sites and suppliers are subject to the due diligence, which identifies and addresses potential or actual human rights risks through annual self-assessments and on-site audits. In addition, we conduct more professional on-site inspections of the safety environment in production sites while carrying out annual on-site inspections of fire safety for suppliers. Furthermore, since 2022, we have started to identify greenhouse gas emissions of major suppliers. For conflict minerals, we conduct pre-audit and evaluation of the smelters for 4 major minerals (tin, tantalum, tungsten, and gold) as well as cobalt, based on which we remove problematic smelters from our supply chain. We prevent potential human rights violations through human rights due diligence, and in the event of a violation that causes a negative impact, we set up remediation plans to prevent the violation from recurring. If any violation is repeated or is expected to cause significant adverse impact, we raise it to internal councils such as the ESG Council to set an corporate-wide improvement goal, take actions to meet the goal and monitor their effectiveness.



Human Rights

Identification of Human Rights Impacts

LG Electronics regularly conducts human rights impact assessments in accordance with the human rights due diligence procedures prescribed in the UN Guiding Principles on Business and Human Rights (UNGPs) to proactively identify issues that may violate human rights in the course of our business activities and minimize negative human rights impacts. The main human rights impact areas are selected by evaluating human rights-related issues received through various channels, including internal and external inspections, third-party on-site audits based on RBA standards, on-site audits requested by customers, anonymous reports, and the Labor Management Council. In June 2024, we established the Global Human Rights Principles and disclosed our major human rights impacts in more detail.

Engagement with Stakeholders

LG Electronics recognizes that companies are responsible for respecting human rights. Therefore, we have developed and implemented various human rights policies and processes including the Global Human Rights Principles. These activities and their outcomes are disclosed to stakeholders via the Sustainability Report, our home page and other diverse communication channels to fully inform them of how LG Electronics manages human rights impacts. Furthermore, we are committed to identifying negative human rights impacts and discovering root causes and solutions in cooperation with stakeholders in the course of remedying the impacts. Therefore, we pursue human rights improvements through communication with various stakeholders, including our employees, suppliers, local communities, customers, governments and investors. We not only will disclose official information on human rights but also will listen to the voices of stakeholders and engage with them in order to fulfill our responsibility to respect human rights.

Human Rights Impact Assessment

LG Electronics conducts human rights due diligence and impact assessments, focusing on workers at our production sites and suppliers. On our production sites, we make improvements focusing on working hours with higher priority considering the severity and likelihood of human rights issues. In the course of the due diligence and assessment, we conducted surveys and interviews with workers.

Through these surveys, we identified the opinions of workers who prefer overtime work and those who don't, and reiterated to workers that overtime is voluntary, and is not mandatory. We also confirmed that there are high fire safety and chemical substance treatment risks in our suppliers, and reinforced on-site audits and measures to prevent harm to workers of suppliers.

In 2024, we participated in the UNGC Business & Human Rights Accelerator to improve human rights due diligence and impact assessments which was on production sites and suppliers. Through this program collaborated with SHIFT, an international human rights organization, we defined priorities by applying UNGP's human rights assessment approach which consider the impact not only on employees and workers in the supply chain but also on local communities and consumers. While this assessment didn't identify serious human rights violations that require immediate action, it found a total of 26 human rights risks. In addition to the existing internal inspections and on-site audits, we reviewed reports from stakeholders such as employees and employees of suppliers received through our general reporting scheme and other grievance handling systems. Fifteen high-priority risks were assessed based on severity and likelihood. Four of these risks are related to consumers being harmed in the course of using our products and services, which we manage as a top management priority, and remaining 11 are risks in the area of working hours, forced labor (including forced payment of fees), discrimination and sexual harassment/workplace harassment identified through the due diligence. We will work to improve our human rights impact assessment procedures to analyze and remediate human rights risks from a broader perspective.

Human Rights

Due Diligence Result by Major Human Rights Impact

Forced Labor

LG Electronics does not allow any form of forced labor, complying with relevant ILO conventions and the RBA Code of Conduct. Forced labor is a violation of fundamental human rights that is considered a critical issue in virtually all countries, with some having implemented strong sanctions that prohibit the imports of products involving forced labor. Recognizing that sub-tier suppliers located in developing countries and foreign migrant workers are particularly vulnerable, we are strengthening our supply chain monitoring by conducting on-site audits to prevent issues such as not signing/not issuing contracts, demanding recruitment fees, and demanding fines for leaving the company.

- Human rights training for production sites/employees in charge of HR in subsidiaries (including RBA forced labor requirement)
- Inspection on forced labor
 - Method: Review of relevant documents including employment contract, pay stub and recruitment procedures and employee interviews
 - Result: 1) Identified that employees in one labor dispatch agency of our subsidiary were required to pay for their own medical examination when they were hired.
2) Confirmed that a clause banning demanding a recruitment fee from workers was added to the contract of subsidiaries and labor dispatch agency, and the full amount was refunded to the employees if they paid the fee.
3) Identified that one subsidiary didn't provide a copy of the employment contract to workers, and later confirmed in an on-site audit conducted 2 months later that all 525 workers were provided with the copy.
- Special investigation on forced labor in suppliers located within production subsidiaries
 - Result: 1) Identified and addressed cases of omission of prohibition of forced labor in contracts between subsidiaries and contractors
2) Investigated the status of foreign migrant workers (about 3.5% of the workforce of production subsidiaries)
3) Identified fees paid by foreign workers at one subsidiary's contractor (visa fees by 2 workers, uniform fees and training fees by 22 workers) and asked the subsidiary to refund the full amount (approx. USD 1.2 thousand) to the workers, as well as establish measures to prevent recurrence.

We provide detailed requirements through the Labor Policy Guidelines and the Supplier Code of Conduct Guidelines to subsidiaries and suppliers located in countries where migrant workers are commonly employed to prevent them from demanding recruitment fees, while conducting regular on-site inspections to check compliance with the guidelines.

Child Labor

LG Electronics complies with the minimum employment age set by laws and regulations in each country and region in which it operates, and verifies the identity and age of all workers upon hiring. Child labor is considered a

serious human rights violation as it deprives children of the opportunity to receive basic education, and we apply a zero-tolerance policy to child labor prohibited by law.

When hiring, we thoroughly verify official age through a variety of means. If child workers are found, they are immediately removed from work, and if they are of compulsory schooling age, we ensure that they receive education, while taking humanitarian measures to help them maintain their income in an appropriate way. We also monitor the employment of youths under the age of 18 to ensure that they are not assigned tasks that could jeopardize their health and safety, including night shifts and overtime. Recognizing that the employment of apprentices and interns is an extension of learning, not a means to compensate for labor shortages, we provide them with appropriate support and training to help them achieve their learning objectives, while constantly monitoring compliance with applicable laws and regulations.

- Inspection of child labor
 - Result: 1) Identified 0 children under the legal age of employment
2) Discovered an insufficient age verification process when hiring in one subsidiary and later confirmed in the follow-up on-site audit that the recommended improvement was made

Working Hours

LG Electronics is committed to complying with regulations on regular, overtime and holidays set by labor relations laws and regulations of each country and region in which we operate. By complying with working hour standards, workers can achieve work-life balance by recovering from fatigue and keeping their health and labor power, and the Company can protect the health and safety of its workers while overcoming high costs and low productivity. In the absence of relevant laws and regulations, we must not allow working hours to exceed 60 hours per week in accordance with the RBA Code of Conduct, and must provide at least one day off for every seven days. In addition, overtime is strictly voluntary and should be implemented with the full concurrence of involved employees.

- Working hour records monitoring (from 2021)
 - Scope: All production subsidiaries
- Working hours management status check
 - Result: 1) Non-conformity of working hours accounted for the highest proportion (18.3%, according to 22 RBA-based audits in 2023)
2) No non-compliance with legal standards in Korean sites
3) Multiple cases identified in which local laws and RBA standards were breached by overseas subsidiaries
 - Remediation: 1) Share working hours issue in the Enterprise Risk Management Committee chaired by the CRO (Chief Risk Officer, also serving as CFO) in November 2023
2) Conduct monthly monitoring and tighten management standards
3) Encourage subsidiaries to voluntarily seek remediation measures by adding working hour management to KPI of the subsidiary CFO
4) Manage working hours target of each Business Company under approval/responsibility of the Company head
5) Develop remediation measures after comprehensively considering production, planning and logistics

Human Rights

Wages and Benefits

LG Electronics pays its employees at least the legal minimum wage, and provides overtime pay at a rate higher than the regular hourly wage. Wages are a means of compensation and livelihood, and an adequate level of compensation is crucial for improving employee motivation and quality of life. In addition, we support the principle of equal pay for equal work and qualification to prevent discriminatory treatment, and do not allow wage deduction as a disciplinary measure. If salary is deducted for being late, only the salary corresponding to the hours not worked should be deducted. Wage statement should be provided to employees with sufficient information, including total hours worked and specific deductions, and social insurance and other benefits required by local law should be provided to all employees.

- Inspection on wage and benefits

- Result: 1) After identifying that dispatched workers in a Chinese subsidiary failed to pay for the social insurance, we persuaded the workers and set up a plan to replace the workers
2) After identifying that workers were asked to participate in morning exercise/meeting before regular hours without additional pay, the morning exercise/meeting was cancelled completely or changed to autonomous activities
3) After identifying that pay stubs were not provided by in-house service providers in some subsidiaries, remediation was made

Non-Discrimination/Non-Harassment

LG Electronics respects the humanity of all stakeholders and proactively strives to prevent any mental or physical inhumane treatment from occurring. This is a basic condition for achieving our management philosophy, "People-oriented Management," and we take strict action in accordance with our disciplinary regulations when we identify inhumane acts such as violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, abusive language, harassment, and public shaming. We also ensure that no one is discriminated against or disadvantaged because of their innate characteristics or beliefs, regardless of their abilities or job functions. In other words, employees must not be subjected to unfavorable treatment such as lower wages or exclusion from promotion due to personal characteristics such as gender, race, color, sexual orientation, gender identity, ethnicity/nationality, disability, pregnancy, marital status, religion, political opinion, labor union membership, social background, or history of HIV/AIDS. In addition, we must proactively review necessary measures to provide stakeholders with reasonable accommodation for religious practice and disability.

- Inspection on discrimination and harassment

- Result: 1) Identified and remediated a lack of procedures to receive and review requests for religious accommodation in some subsidiaries
2) Provided training for subsidiaries with lack of awareness on grievance handling channel after worker interview

In August 2023, we established the Sexual Harassment Prevention Center to enable employees to work in a safer and more respectful environment. The Center aims to conduct preventive activities such as raising employee awareness, grievance counseling and receiving complaints, and in the event of an actual occurrence of sexual harassment, provides prompt investigation and follow-up measures focusing on recovery of the situation.



Launching Ceremony for Sexual Harassment Prevention Center

Freedom of Association and Collective Bargaining

LG Electronics guarantees the right of employees to form and join trade unions, to bargain collectively and to engage in peaceful assembly as governed by local laws and shall not allow any employee to suffer repercussions due to involvement with a union or supporting the establishment of one. Freedom of association is the fundamental right of all workers to voluntarily form, join, and participate in organizations for the purpose of securing and protecting their interests in working conditions, and the right not to participate in such organizations must also be respected. It is essential to have open, direct, and two-way communication between labor and management to gather feedback on and improve working conditions. We also allow the formation of workers' councils within the legal boundaries to ensure effective communication, especially where freedom of association is legally restricted.

We redefined Labor-Management Relations as a relationship based on social responsibility and value creation instead of a confrontational relationship, and are taking the lead in creating an advanced labor relations culture.

- 2024 wage and collective bargaining negotiation

- Details on agreement between labor and management:
 - 1) Improvement in maternity protection program (period of fertility treatment leave, allowed number of splits for spousal leave, expansion of shortened working hours during pregnancy)
 - 2) Improvement to guarantee labor union activities (e.g., no deterioration of working conditions when unionized predecessors return to work, no discriminatory treatment of union members, etc.)

Human Rights

Self-Assessment and On-Site Audits for Production Sites

LG Electronics is a regular member of the RBA, and requires self-assessment and conducts on-site audits in all 30 production sites and first-tier suppliers every year. Although self-assessment have limitations due to their nature, we utilize them as a basic due diligence method as they have the advantage of quickly identifying risks at each business site. Through our self-assessment of production sites (approximately 350 items) in 2023, we identified 24 sites as low-risk, 6 sites as moderate, and no sites as high-risk. Notably, we conducted additional investigations in the labor area to determine whether serious human rights impacts had occurred, but no serious issues were found. An overall improvement was confirmed compared to the 2022 self-assessment results (17 low-risk, 13 moderate). We conducted on-site audits at three business sites that were identified as high-risk in the ethics area in the self-assessment, and found that their managers' responses to the self-assessment were incomplete and that they are actually equipped with low-risk management systems.

· 2023 production site self-assessment and on-site audit

- Scope: 30 production sites in Korea and overseas
- Method: Self-assessment and on-site audit (45 in total¹⁾: 22 based on RBA standards²⁾, 23 based on customer standards)
- Result: 1) 24 sites with low risk, 6 moderate, 0 with high risk

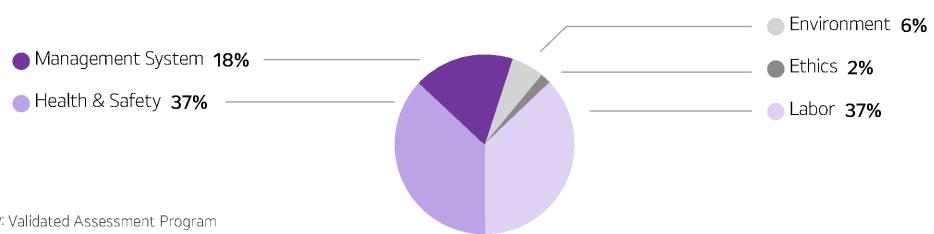
2) Two rounds of audits on 10 sites in 5 countries ► Improvement in conformity from 83% to 94% observed

1) 33 audits conducted on customer request and 12 audits by a 3rd party agency for the purpose of internal checks

2) 10 on-site audits by a 3rd party based on VAP and 12 audits based on CMA, which is similar to VAP standards

We require an improvement plan to be developed at each business site and to complete the improvement within a specified deadline to prevent any recurrence of non-conformities found during all on-site audits. Among these, issues that require corporate-wide improvement are regularly presented to the relevant council to monitor the progress. In 2023, we identified seven vulnerabilities, including working hours, as corporate-wide mid- to long-term improvement tasks, for which we are tracking the improvement status on a regular basis.

Non-Conformances found in On-Site Audit based on RBA Standards (VAP¹⁾, CMA²⁾ in 2023



1) VAP: Validated Assessment Program

2) CMA: Customer-Managed Audit

Classification	Item	Proportion	Mid- to Long-Term Improvement Tasks
Labor	Working hours	18%	· Tightening and complying with working hours management standards
	Prohibition on forced labor	7%	· Reducing proportion of dispatched workers (China)
	Wage/Benefits	5%	· Conducting regular inspections on contractors
Health & Safety	Emergency preparedness	13%	· License/Permit management
	Occupational safety	9%	· Risk assessment for pregnant women and nursing mothers
	Food, sanitation/Housing	4%	· Regular inspection in emergency exits and evacuation routes · Evacuation drill when it is dark outside
Management System	Supply chain management	4%	-

Self-Assessment Result for Production Sites in 2023

Classification	Unit	Low Risk	Moderate	High Risk
Labor		23	7	0
Health & Safety		24	6	0
Environment	Sites	20	10	0
Ethics		21	6	3
Overall result		24	6	0

Human Rights

Self-Assessment Result for Production Sites by Area/Region in 2023

Region	Overall	Labor / Human Rights	Health & Safety	Environment	Ethics	Number of Sites
Americas	○	○	○	○	○	5
Asia	○	○	○	●	○	6
Europe/Russia (CIS)	●	●	○	○	●	3
China	○	○	○	○	○	8
Middle East & Africa	●	●	●	●	○	3
Korea	○	○	○	○	○	5

○: Low risk ●: Moderate risk ■: High risk

RBA Standard-based On-Site Audit (CMA) Result in 2023 (10 sites)

No.	Country	Production Site	Audit Type	Conformance Rate						
				Overall	Labor	Health & Safety	Environment	Ethics		
1	Poland	LGEWRR	Initial	78%	81%	65%	92%	100%		
			Closure	92%	89%	96%	92%	100%		
2	Poland	LGEMA	Initial	89%	81%	91%	100%	100%		
			Closure	96%	96%	100%	100%	100%		
3	Mexico	LGEMN	Initial	70%	78%	74%	92%	100%		
			Closure	90%	85%	100%	100%	100%		
4	Mexico	LGEMX	Initial	83%	93%	91%	92%	100%		
			Closure	93%	100%	96%	100%	100%		
5	Indonesia	LGEIN-CBT	Initial	89%	96%	83%	92%	100%		
			Closure	100%	100%	100%	100%	100%		
6	China	LGEPN	Initial	73%	67%	61%	83%	100%		
			Closure	90%	81%	91%	92%	100%		
7	China	LGETA	Initial	90%	78%	96%	100%	100%		
			Closure	94%	85%	96%	100%	100%		
8	Korea	Changwon Smart Park 2	Initial	82%	85%	83%	92%	88%		
			Closure (Replaced by VAP)	90%	89%	83%	100%	100%		
9	Korea	Changwon Smart Park 1	Initial	87%	89%	83%	100%	100%		
			Closure	94%	89%	100%	100%	100%		
10	Korea	Gumi Future Park	Initial	88%	85%	78%	100%	88%		
			Closure	98%	96%	96%	100%	100%		
Average			Initial	83%	83%	80%	94%	98%		
			Closure	94%	91%	96%	98%	100%		
							99%			

Human Rights

Responses to Major Human Rights Impacts

Major Human Rights Impact	Department in Charge	Relevant Stakeholder	Relevant Human Rights Due Diligence and Major Improvement Activities
Forced labor	Labor Management Division Shared Growth Division	Employees Workers in suppliers	<p>Due diligence</p> <ul style="list-style-type: none"> - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Fully refund of any fees paid by the worker - Provision of a copy for employment contract - Addition of clause banning forced labor to contracts with contractors
Child labor	Labor Management Division Shared Growth Division	Employees Workers in suppliers	<p>Due diligence</p> <ul style="list-style-type: none"> - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Improvement of age verification process ※ No children found in the business sites
Working hours	Labor Management Division Shared Growth Division	Employees Workers in suppliers	<p>Due diligence</p> <ul style="list-style-type: none"> - Monthly working hours investigation (LG Electronics) - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Setting of management target by Business Company and monitoring progress - Promotion of all-rounders and introduction of days without overtime - Provision of early warning for employees with excessive working hours
Wages and benefits	Labor Management Division Shared Growth Division	Employees Workers in suppliers	<p>Due diligence</p> <ul style="list-style-type: none"> - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Identification and addressing of cases in which employer is not paying for social insurance contribution - Improvement of pay stub format and provision of the pay stub - Abolition/minimization of morning meeting before regular work hour - Addition of requirement of equal pay for equal work (to Labor Policy, etc.)
Non-discrimination/ Non-harassment	Labor Management Division Shared Growth Division	Employees Workers in suppliers	<p>Due diligence</p> <ul style="list-style-type: none"> - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Launch of Sexual Harassment Prevention Center (Korea) - Enhancement on guidance on internal grievance channels

Major Human Rights Impact	Department in Charge	Relevant Stakeholder	Relevant Human Rights Due Diligence and Major Improvement Activities
Freedom of association and collective bargaining	Labor Management Division Shared Growth Division	Employees Workers in suppliers	<p>Due diligence</p> <ul style="list-style-type: none"> - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Operation of corporate-wide labor-management councils at each site (Korea) - Regular communication and cooperation with representative bargaining union and minority union (Korea) - Establishment/operation of labor-management councils (Indonesian research center)
Health & safety	Safety & Environment Center Shared Growth Division	Employees Workers in suppliers	<p>Due diligence</p> <ul style="list-style-type: none"> - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Regular/ad-hoc inspection of health & safety in all sites - Fire safety check (suppliers) - Increase of emergency exits/emergency evacuation drill - Tightening of relevant license/permit management - Enhancement of maternity protection system
Environment	Safety & Environment Center Shared Growth Division	Employees Workers in suppliers Local community	<p>Due diligence</p> <ul style="list-style-type: none"> - Self-assessment - On-site audit (internal, third party, customer) <p>Major improvement activities</p> <ul style="list-style-type: none"> - Establishment of GHG aggregation system for suppliers - Joining of RE100 (100% transition by 2050)
Responsible procurement of minerals	Customer Quality Research Lab Purchasing department by Business Company	Workers in suppliers Local community	<p>Due diligence</p> <ul style="list-style-type: none"> - Conflict minerals management system - RMAP certification audit <p>Major improvement activities</p> <ul style="list-style-type: none"> - Removal of uncertified smelters from supply chain - Publication of due diligence report every year
Personal information security	Information Security Division	Employees Workers in suppliers Consumers	<p>Due diligence</p> <ul style="list-style-type: none"> - Personal information impact assessment and penetration testing <p>Major improvement activities</p> <ul style="list-style-type: none"> - Establishment and revision of personal information management policy (Tighten personal information security and conduct audit and assessment)

Human Rights

Remedy and Grievance Handling

Remedy for Victims

LG Electronics is working hard to conduct thorough due diligence in the area of human rights in order to prevent any involvement in adverse human rights impacts or human rights violations in its business activities. We pledge to promptly investigate the issue, provide remedial measures, and make improvements to prevent recurrence through root cause analysis if we are solely responsible for or contribute to human rights violations. If suppliers are involved in human rights violations, we will request them to pursue remedies to correct the behavior, and will provide proper support for remediation. Remedies aim to restore the situation or to compensate for any damage incurred.

Remedy Process

The remedy process should not only respond to adverse human rights impacts, but also proactively prevent them. LG Electronics provides various channels for raising and addressing grievances through an effective Grievance Mechanism. LG Electronics operates a reporting site (<https://ethics.lg.co.kr>) in conjunction with the LG Group so that all stakeholders can freely consult on and report human rights-related grievances. In addition, the existing reporting site, which is available in three languages (Korean, English, and Chinese), is being expanded in Europe to increase accessibility. (Development completed for 11 countries and planned for 16 countries.) Reports will not disclose any information that reveals or implies the identity of the person without his or her consent, and we are committed to restoring or compensating for any disadvantages caused by non-compliance with the requirement of confidentiality. Reports are handled by limited personnel who have agreed to maintain strict confidentiality. We also establish and comply with whistleblower protection regulations and operate a reward system for reporting irregularities. In addition, we operate grievance handling procedures appropriate to each country to protect human rights, and provide information on grievance handling procedures and channels through regular training. We prohibit any form of retaliation, and respect the right to participate in judicial and non-judicial procedures, for which we are willing to cooperate.

[ESG Data \[Stakeholder Human Rights Grievance Handling\]](#)

Stakeholder Reporting Channel in Europe (as of May 2024)

Development Completed* Number of countries: 11 countries

Portugal, France, Germany, Spain, Italy, Greece, Hungary, Czech Republic, Netherlands, Sweden and Poland

* The site is integrated with each subsidiary's homepage

Development Planned Number of countries: 16 countries

UK, Austria, Switzerland, Belgium, Slovakia, Estonia, Lithuania, Latvia, Bulgaria, Croatia, Serbia, Romania, Denmark, Finland, Norway

Grievance Handling

LG Electronics has established grievance procedures appropriate to each country to protect the human rights of employees and create a happy working environment, and regularly provides information on the procedures for employees. In Korea, we operate the Grievance Handling Committee, Junior Board, and Sexual Harassment Prevention Center to handle employees' workplace grievances and prevent sexual harassment in the workplace, and through the Psychological Counseling Center we provide support for psychological stress caused by personal or work-related grievances.

Korea

- Grievance Handling Committee
- Junior Board
- Sexual Harassment Prevention Center
- Psychological Counseling Center

Overseas

- 1:1 interview
- Monthly manager meeting on labor relations
- VOE (Voice of Employee)
- Grievance handling application

Overseas subsidiaries operate various grievance handling channels such as 1:1 interviews, a monthly managers' meeting on labor relations, and a Voice of Employees (VOE) box. Some subsidiaries have introduced a QR code-based online grievance handling channel. As such, subsidiaries have established and operated different grievance handling channels and procedures based on the situations of the country in which they operate.

Human Rights

Grievance Handling Process (Korea)

Grievance Handling Committee

Beneficiaries:
All employees

- A permanent organization established in accordance with the Act on the Promotion of Worker Participation and Cooperation, with one grievance committee member each from labor and management in the Labor-Management Council.
- Matters that are difficult for the Grievance Handling Committee to handle should be escalated to the Labor-Management Council for discussion.



Junior Board

Beneficiaries:
Office workers

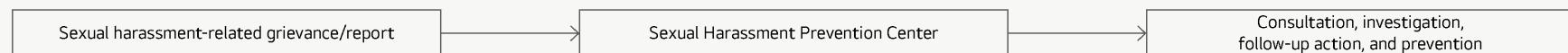
- A council representing office workers. There are 8 Junior Boards throughout the corporate, which apply a process of listening to and resolving office worker grievances.
- Each Junior Board has its own standards for grievance collection, handling and results sharing.



Sexual Harassment Prevention Center

Beneficiaries:
All employees

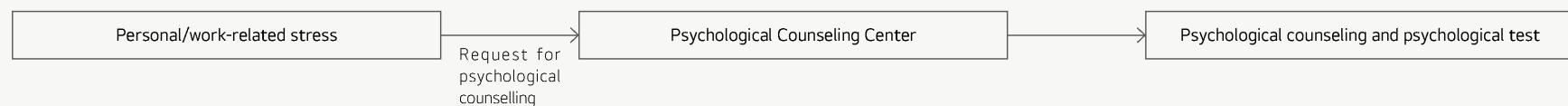
- An organization that receives, investigates, takes follow-up and preventive actions for sexual harassment-related grievances or reports.
- A virtual organization consisting of related departments cooperating with each other (Labor Management, Ethics Bureau, Legal, and Psychological Counseling Center, etc.)



Psychological Counseling Center

Beneficiaries:
All employees

- Provide psychological counseling for grievances arising from personal or work stress (counseling through remote video meeting or face-to-face meeting)
- There are 12 centers including Twin Tower, Seocho R&D Campus, Pyeongtaek Digital Park, Magok Science Park, Gumi Future Park, Changwon Smart Park and Gasan R&D Campus, etc.



Human Rights

Psychological Counseling Center (Korea)

The LG Electronics Psychological Counseling Center is operated with the goal of realizing the value of work-life balance and supporting employees' psychological well-being. We aim to help employees improve their value in the workplace by enhancing their engagement in work through supporting their psychological stability. The center is operated in the form of an in-house psychological counseling center (based on our in-house model) to effectively deal with concerns that arise from organizational life through an understanding of the organization. In addition to programs to address various psychological difficulties and worries individuals experience in their daily lives, we also conduct team programs for interpersonal relationships and communication, stress management, and consulting activities for leadership to contribute to organizational revitalization and productivity improvement. Notably, we promote work-life balance for employees by providing counseling for spouses or children of employees and various family-related programs for employees and their families, reflecting the high prevalence of family-related concerns. Recently, we have activated counseling via video so that employees and their families, as well as overseas expatriates and their families, can conveniently access psychological counseling even during times of working from home, overseas assignments, and leave of absence.

We operate psychological counseling centers at 12 of our business sites in Korea to help our employees resolve the various concerns and psychological difficulties they face in their daily lives through counseling from experts^① with consulting capabilities. Each psychological counseling center operates a counseling program that meets the needs of its employees based on the personnel composition, job function, and organizational culture of each business site. The internal model and mixed/adjusted model counseling centers, except for the outsourced counseling centers, discuss common tasks, develop and share programs, and conduct case studies through monthly case meetings and semi-annual committees to maintain the identity of LG Electronics' psychological counseling centers and provide quality services.

^① There are 2 psychological counselors in counseling centers located in Pyeongtaek Digital Park, Magok Science Park, Customer Value Innovation Office and one counselor in each of the other centers.

Psychological Counseling Center Status

In-house model-
full-time (6 sites)
Gasan R&D Campus,
Gumi Future Park, Magok
Science Park, Seocho R&D
Campus, Twin Tower, and
Peongtaek Digital Park

In-house model-
part-time (3 sites)
: support from full-time
psychological counseling
centers
Seoul Station building,
Yangjae R&D Campus, and
Incheon Campus

Mixed/adjusted model -
full time (1 site)
: In-house model +
3rd party management
Customer Value Innovation
Office

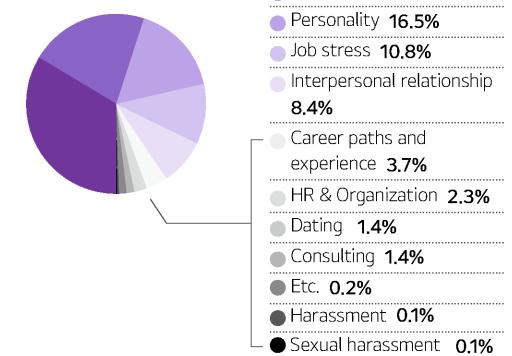
External model-
full time (2 sites)
(3rd party company:
Mind Forest)
Changwon Smart Park 1
and 2

Major Programs

- Personal counseling to ensure psychological stability of employees and their families (face-to-face or online (video meeting, email, or telephone))
- Family program: Psychological assessment of employees and their families through face-to-face or online (email or video) meeting
- Team program for organization: Understanding team members, stress management, communication, etc. (face-to-face or online meeting)
- Caring program for expatriates and their families
 - Monthly Letter for expatriates and their families
 - Monthly Letter to help expatriates and their families adapt to life in Korea after returning
 - Training for expatriates before dispatch
 - 1:1 psychological care program for expatriates (Counseling on leadership development and psychological test result interpretation)
- Part-time support for Sexual Harassment Center established in Jeong-Do Management Center
 - Counseling and Recovery Program for sexual harassment victims, offenders, and organization leaders
 - Psychological care for victims, offenders, and reporters of cases other than sexual harassment
- Annual psychological care program for internal aviation team (helicopter and private plane)

Status of Psychological Counseling Center Use in 2023

In 2023, we conducted a total of 5,803 individual counseling sessions, and the top topic of counseling was family (birth family, spouse, children). In response, the psychological counseling center focuses on counseling and programs for families. In addition to face-to-face counseling, we use a range of counseling methods such as video, email, phone, and social media to facilitate the use of counseling, especially video counseling to enhance the effectiveness of counseling when working from home, family counseling, and counseling with expatriates and family members. We are applying video counseling not only to individual counseling but also to group programs and training.



* Excluded the usage of the Changwon Psychological Counseling Center, which is outsourced. (Excluded possible due to differences in calculation method and classification)

Employees

HR Management

HR System based on LG Way

LG Electronics' HR system focuses on performance, in accordance with the "LG Way," which is the LG Group's unique management philosophy. The idea of performance-based management in the LG Way means "setting challenging goals and continuously achieving results" and "fairly evaluating and rewarding employees based on their abilities and short- and long-term performance." For this reason, we are constantly pursuing changes in the ways we work and the systems that we operate to ensure that both the company and its employee can grow even in new business environments. Our HR and talent development system is designed to help all employees demonstrate their expertise in their fields. To ensure objectivity and fairness in the evaluation system, we implemented a system of ongoing performance management, 360-degree feedback, rating review committee, and appeals to the evaluation. In addition, we have strengthened the link between performance and compensation to reflect the LG Way's emphasis on 'performance-based management,' and ensured fairness in the compensation system. Our HR is structured in a three-tiered hierarchy that is based on current roles/abilities/performance, moving away from past positions/classes, to build an organizational culture that is horizontal, creative, and autonomous. We are also enhancing the promotion system to recognize proactive individuals with leadership qualities, while conducting a separate review and deliberation process to ensure that those on maternity leave are not disadvantaged in promotions. The talent development system focuses on nurturing high-performing key talents and strengthening customized training for each employee. We are also broadening initiatives to enhance the skills and capabilities of our female workforce.

Additionally, we are implementing various initiatives to promote a better work-life balance for our employees. We have introduced an self-directed working hours management system that allows employees can determine their own working hours in order to guarantee their right to self-determination and autonomy as well as improve their productivity. Regarding of working hours and workplaces, we have introduced a system of flexible working hours and remote work, and provide summer vacation/recommended leave for employees to refresh themselves. We also operate statutory maternity protection systems such as shortened working hours during the childcare period, pre- and post-natal leave, and spousal maternity leave to facilitate work-family balance. We also extend the parental leave period by one year beyond the statutory requirement to further support maternity protection. Furthermore, our 10 business sites in Korea are equipped with childcare and breastfeeding facilities.

Fair Performance Evaluation for Employees

LG Electronics fosters the growth of its employees through a performance-based, fair, and objective HR evaluation system. We implement a systematic evaluation process that runs from goal setting at the beginning of the year to year-end reviews, with each stage providing feedback through employee interviews to enhance work engagement. We also ensure the fairness of evaluations through an appeals process.

Starting in 2024 we have provided opportunities for leaders and employees to discuss performance and growth through one-on-one meetings at least once a month, fostering mutual trust and creating a culture of joint growth. The role of leaders focuses on practically leading the growth of employees. They receive annual 360-degree feedback once a year and systematic training to enhance their leadership capabilities. Employees are also encouraged to foster collaboration and promote personal growth through peer reviews.

As evaluation results are linked to various HR systems and compensation, we are making various efforts to create a fair and mature evaluation culture, and pursuing continuous improvements.

2024 Scope and Schedule of Major Evaluations

Evaluation	Evaluation Scope	Schedule
Performance rating	All employees	Once a year (October-November)
Job competency evaluation	Organization leaders	Once a year (September)
Leadership evaluation	All employees (except for organization leaders)	Once a year (September)
Peer review		

Employees

Respect for Diversity and Inclusion

LG Electronics believes that when an organization has a culture that respects each individual's diverse experiences and backgrounds, enables employees to think flexibly, develop insights, and make the most of their talents. We support the diverse preferences and choices of all employees, and do not discriminate based on these. At LG Electronics, every employee is encouraged to recognize and respect each other's differences and work as their true selves. In LG Electronics' culture of diversity and inclusion, all employees can offer new solutions with diverse perspectives to drive creative and innovative outcomes.

Diversity and Inclusion Promotion Plan

LG Electronics is dedicated to ensuring that everyone is recognized as a team member, feels a sense of belonging, and develops their potential through its Diversity, Equity, and Inclusion (DEI) organizational culture, grounded in the management philosophy of "Management with Human Respect."

To strengthen gender diversity, we strive to increase the hiring of female employees and develop female leaders. We hold separate job fairs for women's universities in Korea to increase the number of female new hires, and are continuously expanding the proportion of female employees by enhancing our recruitment efforts for female talents. We have also increased the proportion of female managers to better develop female talents, and enhanced the maternity protection and parental leave system to support the career development of employees who are raising children.

Female New Hires in LG Electronics

Classification	Unit	2021		2022		2023	
		Female	Total	Female	Total	Female	Total
Regular	Person	5,899	15,668	5,891	17,442	4,940	14,659
Contract	Person	540	3,257	639	2,623	301	1,746

Proportion of Female Employees and Managers in LG Electronics

Classification	Unit	2021		2022		2023	
		Employee	Manager	Employee	Manager	Employee	Manager
Male	%	79	89	78	89	78	88
Female	%	21	11	22	11	22	12

In addition, we have increased the number of jobs suitable for people with disabilities so that employees with disabilities can work to their full potential, and are enhancing employment of people with disabilities through separate job postings. We operate Hanuri to create jobs (cafe, car wash, cleaning) for people with severe disabilities, and have opened a new Hanuri Cafe Magok KG Square that is also accessible to the general public.

Proportion of Disabled People Employment in LG Electronics (by Gender)

Classification	Unit	2021	2022	2023
All		2.3	2.4	2.5
Male	%	2.3	2.3	2.4
Female		2.4	2.7	3.0

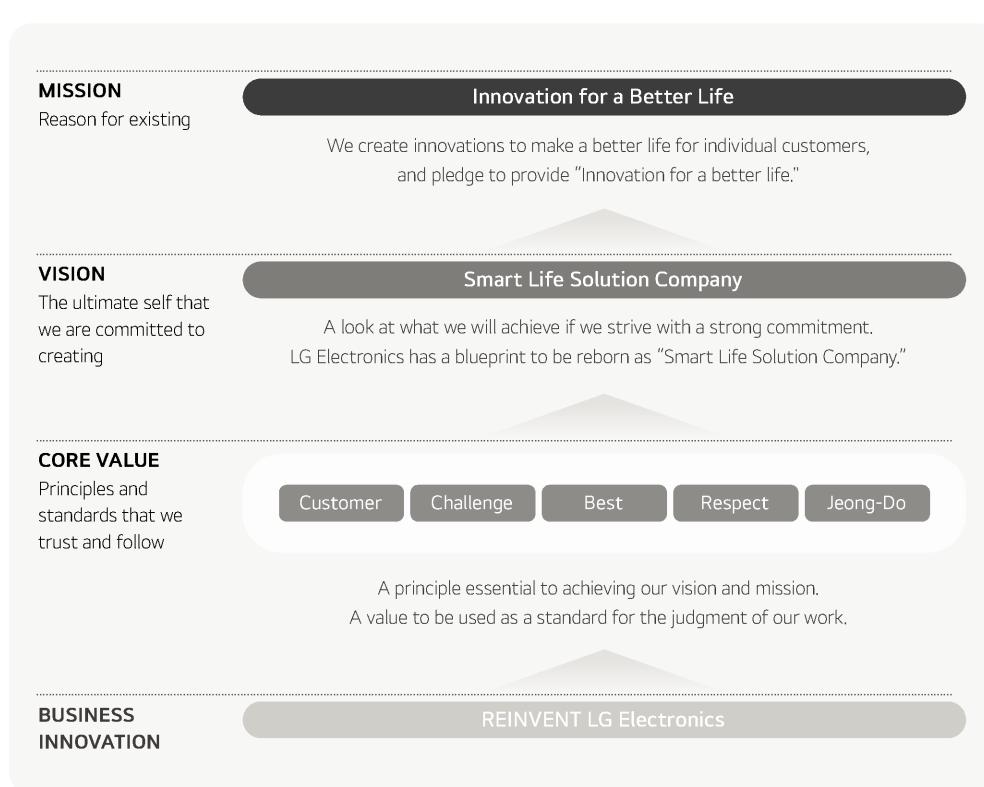
LG Electronics has provided training for all employees on eliminating unconscious bias and communicating with mutual respect to raise employees' awareness of the need for diversity and inclusion, and has added a DEI awareness course to new leader training to ensure that all employees feel recognized and a sense of belonging.

Employees

Organizational Culture

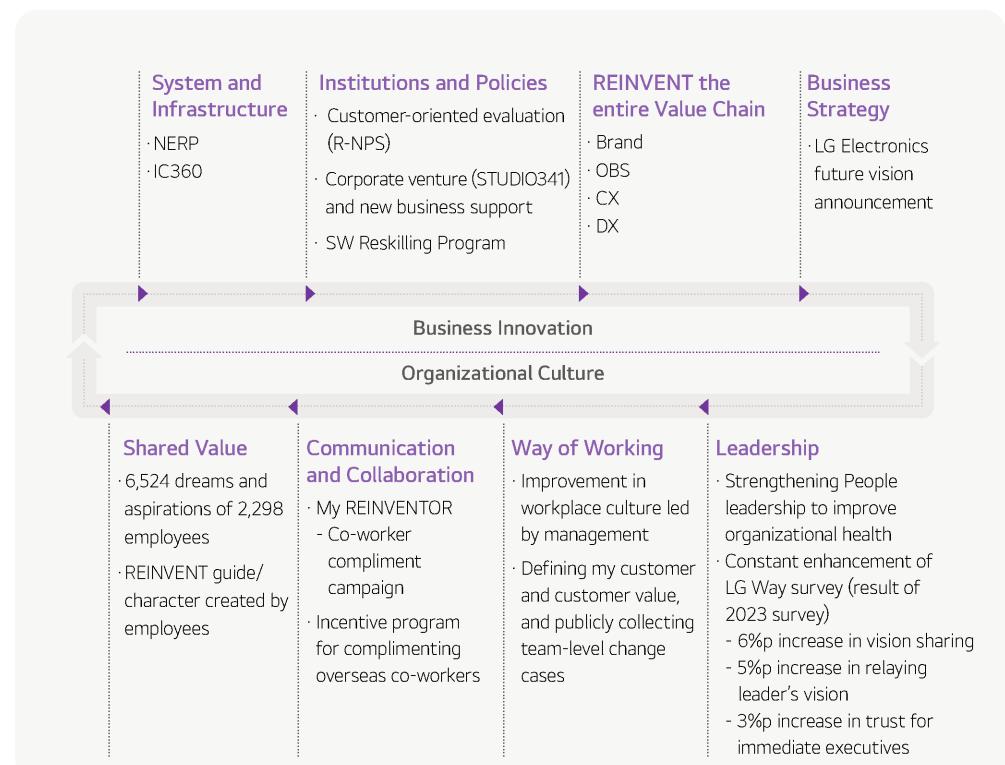
Direction for Organizational Culture

In June 2023, we gathered employees' ideas on the future vision and growth direction of LG Electronics. About 3,500 employees provided 7,000 opinions, which helped us define our mission, vision and core values. The five values of Customer, Challenge, Best, Respect and Jeong-Do will be the standards by which we create differentiated customer value.



REINVENT LG Electronics

REINVENT LG Electronics is a 'movement of change aimed at creating a new and improved LG Electronics by defining a Code of Conduct with dreams and aspirations of employees and promoting positive employee experiences.' REINVENT LG Electronics, which was created based on the opinions of all employees on REINVENT Day in 2022, offers customers the F.U.N. (First, Unique, New) experience and values, and is a "platform for innovation" that addresses existing practices and inefficiencies, serving as a basis for cultivating a great workplace culture and as a guide for corporate-wide business innovation.



Employees

LG Way Employee Survey

LG Electronics conducts the LG Way survey for all employees every year to measure our progress toward creating a “customer-oriented organizational culture.” In 2023, the survey was conducted with 24,068 office workers and 8,227 factory workers.

The survey results are shared with all leaders from the enterprise to the team level, in the form of a “medical diagnosis” that identifies the organization’s characteristics and current status. The leaders transparently share the results with employees, discuss changes and improvement plans for the organizational culture and leverage it as the driving force for the creation of customer value.

[ESG Data \[Employee Satisfaction\]](#)

Leadership – Active Communication with Employees

LG Electronics is building an organizational culture that grows together with employees, treating them as business partners by sharing and freely communicating business information such as performance, business strategy, and future plans with them. We utilize different online and offline communication channels considering the timing and topics of communication, while creating a horizontal communication culture in which diverse opinions and suggestions can be exchanged between management and employees.



CEO F.U.N. Talk

Major Communication Program	Communication Topic and Method
CEO F.U.N. Talk	Share the Company's direction for change and strategy and the CEO's opinion on various topics such as business, leadership, and culture with employees to gather their opinions and suggestions to incorporate them into the management
CFO business performance open comm.	Share key quarterly business outcomes and achievements separately for enterprise, Business Company, and region; analyze business environment changes; and require the CFO to provide answers to questions or suggestions from employees.
BU/Division head-led communication	Exchange opinions with employees on topics specific to each Business Company in line with the corporate-wide communication programs; share the news of Business Companies and resolve grievances as part of a communication program led by the head of the Business Company/Division · H&A Townhall meeting · HE Humirock live talk · VS Townhall meeting · BS Head open comm. · Korea Sales & Marketing REINVENT cider talk · CTO All Hands Meeting · DoDream talk concert of Production Engineering Center · Meeting with members of Customer Value Innovation Division with Division leader, etc.

Junior Board

The Junior Board is LG Electronics' unique communication organization for office workers, serving to address voice of employee (VOE) and spread the company's strategic direction. The Junior Board takes the lead in creating an enjoyable workplace culture in which employees look forward to coming to work by improving the employee experience through a focus on employee engagement, enhancing work efficiency by breaking out of rigid work practices, and driving performance improvement as a business partner. It also participates in LG Electronics' ESG management practices by promoting a culture of giving and running external volunteer activities.

Junior Board		
291 staff-level employees (16 representatives of Junior Board included)		
Enterprise Junior Board Council	Regular Meeting of Business Company Junior Board	Regular Meeting of Division Junior Board
<ul style="list-style-type: none"> Sharing corporate business performance CEO meeting Listening to feedback on corporate policy changes Sharing activities of Enterprise Junior Board, etc. 	<ul style="list-style-type: none"> Sharing Business Company's business performance Meeting with Business Company leader Listening to feedback on corporate institution changes Sharing activities of company-wide Junior Board, etc. 	<ul style="list-style-type: none"> Sharing VOE from each organization Discussing requests at the Division/business-site level Sharing Junior Board activities, etc.

Employees

Talent Cultivation

Talent Development Program

LG Electronics is dedicated to developing global leaders who will drive innovation and change in the organization and lead the growth of its employees. We categorize training areas according to employees' positions and duties, and provide training programs tailored to learners' levels. We systematically develop key talents to ensure that the right talents are appointed at the right time, offer leadership development programs for leaders from the team leader to the executive level to help them grow into great leaders who will lead organizational change and employee growth.

Program

- Job Competency Training
 - Job Competency College: From the perspective of value chain, marketing/ product planning/purchasing/SCM/production, etc.
 - Re/Upskilling program
 - Training for suppliers such as Next-Generation CEO Academy of suppliers
- Global L&D program
 - Providing structured development solutions for employees in overseas subsidiaries and strengthening their human resource capabilities
 - Business Leader Pool (BLP), new hire onboarding, new organizational leader onboarding program, etc.

Organization

- Learning & Development Team
 - Developing talents required for business transformation
 - Providing L&D programs based on business' core technology and capability

Talent Development Training System

New/Experienced/MVP	Korea		Overseas		Business Leaders / Executive	
	Leadership	Duty	Leadership	Duty	Business Leader	Executive Onboarding
MVP V	Experienced Employees	Department Leader	Product Planning	Pre-biz. Leader Program Leadership Enhancement New Leader	Sales/Marketing/ B2B/B2C Production/Quality/ Procurement/ Material SCM Business Management (FI/HR)	Business Leader Executive Onboarding Research Fellow New Business Leaders New Division Leaders Pre-business Leader
MVP IV			Design			
MVP III			R&D			
MVP II			SW			
MVP ^① I			Procurement			
Entry-level employee		PL/Part Leader	Quality	Global Core Talent (GLP ^② /EIP ^③)		
		First-time Team Leader	SCM	Global New Hire Onboarding		
			Manufacturing			
			Marketing			
			B2B			
			Customer Value Innovation			
			Safety Environment			
			Finance			
			HR			

①) MVP: My Vision Planning

②) GLP: Global Leadership Pool

③) EIP: Early Identified Pool

④) EnDP: Entrepreneur Development Program

Employees

Leadership

LG Electronics operates a key talent program that selects talented individuals with high potential to help them grow into business leader or experts in their respective fields, and to develop the necessary competencies and skills. We support individualized learning by designing learning journeys from a long-term perspective, and provide continuous learning opportunities by recommending in-house Self-awareness, Future design, and Trend trip course, along with excellent external content in line with individual competency development areas. Through this program, more than 500 HIPOs have received various training services.

Participants reported that the program helped them to experience the challenges of being a leader, clarified their own development, and gave them the opportunity to think deeply about the customer experience. It also helped them to develop the skills they need as leaders, including how they view the world and recognize trends. In 2023, we launched the Leadership enhancement program to develop leaders who drive organizational culture and business transformation. The program offers segmented training courses in two areas, Driving Transformation and People Skills, and more than 1,600 leaders have participated cumulatively since its inception.

- Driving Transformation: Biz-Strategy/DX/Agile
- People Skill: People Understanding/Communication/Leading Self

We operate an onboarding program for leaders aligned with the HR process and the timing of assuming team leader roles. In 2024, we will introduce programs for company-wide leaders from a human-centered perspective and offer leadership development courses tailored to the changing business environment and organization.

Leaders' Growth Journey

Playing a critical role in the organization Expectations for growth	Recognize a lack of leadership in a task-leading situation	Pressure from increased authority/responsibility as a leader	Expanded roles with position changes
<p>Foster growth through interaction</p> <ul style="list-style-type: none"> · Provide competency based learning analyzing strengths and weaknesses based on future role assignments · Deliver programs that identify changing customer trends and expand business insights 	<p>Experience confidence in leadership</p> <ul style="list-style-type: none"> · Provide training on required competencies and attitudes for organizational leaders · Provide experience in leadership skills through an organizational operations simulation program 	<p>Supporting the transition to a new leadership role</p> <ul style="list-style-type: none"> · Support new leader onboarding programs · Provide training in the skill sets needed to fulfill the role of team leader (Leadership Development Programs) 	<p>Preparing for increased authority/responsibility</p> <ul style="list-style-type: none"> · Provide coaching sessions to improve leadership skills · Provide Leadership Next-Up courses for self-awareness of competencies required for higher roles

Improving and Enhancing New Hire Onboarding

In response to the increase in the number of Gen Z college graduates and experienced employees hired due to changes in the business portfolio, we are implementing an onboarding program with a welcome, connect, and grow perspective. Through a global value chain simulation, we are providing opportunities for employees to learn decision-making to drive business results (sales/profit) as leaders of each functional organization, and to find meaning in their jobs.

In 2024, we are improving the program so that new hires can experience satisfaction at key career moments by focusing on positive first-day experiences, network connection experiences, and growth experiences within the organization.

Expanding Field-led Learning Programs

We run a field-led learning program for internal employees, in which participants can learn on-site, at their convenience, about the most important topics for their work. In 2023, about 300 teams and more than 5,000 employees participated in the program, which awards best practices based on learning outcomes and participation in learning circles to motivate employees to learn more actively. In 2023, a total of nine teams were awarded.

In addition, we operate a CP Experience Group for members of the outstanding learning circles and those who wish to apply, in order to enhance learning convenience for employees and accumulate information on the topics of interest and learning patterns of employees who take the initiative to learn.

Employees

Reskilling Training Programs to Respond to Business Portfolio Changes

LG Electronics recruits talent for new business areas not only from outside, but also through the rapid transition of internal employees to new areas. To this end, we operate a reskilling training program, which provides growth opportunities for employees while achieving business benefits.

SW Reskilling/Upskilling Program

Through the first Security Upskilling Program and the second SW Reskilling Program, we trained 238 SW professionals (212 via Reskilling and 27 via Upskilling). Both programs exceeded expectations (77% of participants at Level 4 or higher) compared to the initial goal (65% of participants at Level 3 or higher competency certification). The program provided new opportunities for members from non-SW roles who wanted switch to SW development roles, and helped prevent potential attrition. It also helped address the shortage of SW development talent and ensure employee loyalty to the organization through career development opportunities.

D2C Reskilling Program

The D2C Reskilling program is an on-the-job training program that selects overseas sales employees who wish to switch to e-commerce roles through an internal competition to help them acquire e-commerce skills. Over a five-week period, about 30 selected employees acquired basic knowledge through fundamental theoretical training in digital marketing and e-commerce and developed practical skills through case studies in the field. Afterward, senior employees provided on-the-job coaching to help participants adapt to their new roles.

Participants reported that the program gave them the confidence for transition to a new role and that they were able to apply the knowledge and skills they gained to their actual work. Participants' leaders also valued the project outcomes and felt that the participants had a good understanding of the needs and context of the workplace and were excited about their future with the company. After the program, participants' satisfaction averaged 4.9 (on a 5-point scale), with a 96% positive on-the-job application rate (percentage of 4 and 5 points on a 5-point scale).



SW Reskilling Program



D2C Reskilling Program

Talent Development Program for Global Subsidiaries

We operate a program to develop business leaders in our overseas subsidiaries. We conduct competency and personality assessments for around 10 people depending on the region to identify areas for growth and support customized development. In 2024, we will continue to review and utilize effective diagnostic methods to develop business leaders in overseas subsidiaries, and strengthen sales and marketing training programs to improve job competencies.

Leadership Programs for Global Subsidiaries

We provide training programs for overseas subsidiary leaders by using LG leadership content and curated external contents. In 2024, we plan to provide programs by region and subsidiary to foster 'human-centered' leadership using LG's unique coaching dialogue model. We are enhancing our human-centered leadership capabilities through Train the Trainer, which supports the development and operation of training from a leadership perspective that is tailored to local cultures and contexts, and enables subsidiaries to conduct their own activities.

1:1 Caring Program

We have set standard career path for each of our business leader, functional leader, and specialist tracks, and create a career development plan based on each individual's desired role. Every February, we ask employees to submit career development requests through goal setting and support them by achieving agreement from leaders, and we check their progress with leaders semi-annually.

Job Credit System

We operate a job credit system to help employees receive long-term, consistent job training aligned with their career development plans. When employees complete job training courses within the company's standardized training system, the results are credited and used for promotion, transfer, and other personnel appointments. This establishes a learning foundation that enables employees to improve their required job competencies through both mandatory and optional training.

Employees

'STUDIO341' to Foster Corporate Ventures

'STUDIO341' is named after 341 Yeonji-dong, Busanjin-gu, Busan, where LG Electronics' predecessor, Goldstar, was first established, and is a revamped version of the previous corporate venture program that ran from 2020 to 2022 to increase the success rate of corporate ventures. Compared to the earlier program, we increased the rigor of the screening and incubating process by collaborating with external experts, increased attention to applicants while minimizing our involvement, and operated a shorter and tighter internal incubating process to speed up spin-offs.

The project was opened for submission on June 1, 2023, and received a total of 111 ideas. The top 13 teams were then selected through document review, video interviews, and face-to-face interviews led by external experts (Bluepoint Partners). After the first round of incubation, the top six teams were selected through internal IR process, and these teams were moved from the existing organization to the CSO, separated from the business, and focused on corporate venture work at the off-site office in Seongsu-dong. For about three and a half months, the second round of incubation was conducted to refine the business, and five teams (11 people) were selected for final spin-off at the 'STUDIO341 Demo Day' event on March 20, 2024. The demo day was attended by about 200 people, including employees, external investors, and companies operating corporate venture programs, and was well-received by attendees. We are in the process of incorporation, spin-off agreements, and HR procedures with the aim of spinning off at the end of June 2024, and the new entity will be fully operational from July.

Curriculum for STUDIO341

Lecture

Offer lectures from industry experts, including Bluepoint executives and external startup founders/executives, on understanding startups and entrepreneurship, how to succeed, etc.

Case Study

Share external startup examples and insights that are similar to or relevant for our spin-off teams

Office Hour

Arrange individual meeting time between the teams and Bluepoint executives to discuss business items, future directions, concerns, etc.

Mentoring

Enhance business sophistication with ongoing coaching from dedicated venture capitalists on the teams

Peer Learning

Create opportunities to share each team's progress and exchange feedback to foster mutual positive reinforcement and grow together

Play Book

Provide key terms and concepts, business planning strategies, and resources for teams new to startups and entrepreneurship



STUDIO341

Employees

Safety and Health Management Framework

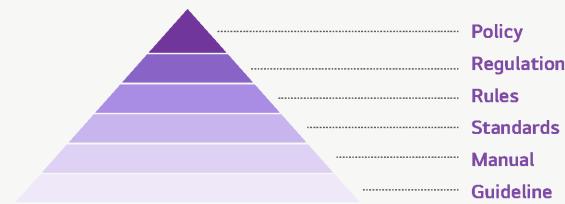
Establishment of SHEE (Safety, Healthy, Environment, Energy) Integrated Management System

Since 2009, LG Electronics has established safety, health, and environmental management policies and corporate-wide management regulations based on the safety and health management system. Centered around these policies and regulations we have operated corporate-wide integrated safety and environment standard system for safety, health, environment, and energy (SHEE standards system). LG Electronics continuously monitors global regulatory trends and revisions to laws and regulations, and enacts or revises relevant standards through review and analysis by the Smart Working Committee before finally reflecting them in the standards system.

The Smart Working Committee consists of subcommittees in the areas of common, fire, safety, health, chemicals, water/air, waste, electricity/construction, energy/UT, etc. and is responsible for creating, revising and distributing corporate-wide standard manuals. In 2023, the Committee published 31 manuals and revised 70 standards.

In addition, to respond to increasingly sophisticated regulations and requirements at the global level, LG Electronics has made it mandatory for all of its business sites to obtain ISO 45001 certification.

SHEE Standard Chart



Mid- to Long-Term Goals for SHEE

LG Electronics has set SHEE targets for the mid- to long-term to systematically manage and monitor performance.

- Inspecting of safety and health through integrated safety diagnosis tasks
- Resulting in zero serious accidents by improving and internalizing safety diagnostic systems
- Maintaining 30% or less disaster rate in the same industry

Enhancing the safety awareness through the participation and cooperation of employees and management

Recycling rate of waste at business sites by 2030

Management of integrated system for global safety and environment

Upgrading safety and environmental capabilities of overseas business sites

**Safety Index
4.3/5 points**

Aiming for 95%

Safety and Health Policy and Environmental Management Policy

LG Electronics established and announced the Safety, Health, and Environment Management Policy containing the company's four-zero strategy (zero accidents, zero diseases, zero pollution, and zero losses). Accordingly, all Korean and overseas business sites of LG Electronics aim to achieve "Zero serious accidents," which is linked to their KPIs. In addition, we are continuously striving to improve our environmental performance, and focus on raising awareness of our environmental management policies and environmental impacts among our employees and internal and external stakeholders.

Reporting to BOD on Health & Safety Issues and Plans

In accordance with the revisions made to the Occupational Health & Safety Act in January 2021, the CEO of LG Electronics is required to establish an annual plan for the company's safety and health and report it to the BOD for approval. Under the law, we report our management policy on safety and health, the composition, personnel, and roles of the safety and health organization, the status of budgets and facilities related to safety and health, and the results of the previous year's activities and plans for the next year's activities related to safety and health. We secure our capacity for an corporate-wide risk response by reporting on corporate-wide safety and environmental issues to the BOD.

Improvement of integrated SHEE IT System

LG Electronics has established a systematic process through an integrated health & safety system and unified the health & safety management channels between the headquarter, divisions and subsidiaries. We utilize the Facility Operation Maintenance System (FOMS) as a facility management system, the Health Management System (HMS) as an employee health management system, and the Chemical Management System (CMS) as a chemical registration and management system.

Employees

Safety and Health Risk Management and Incident Response

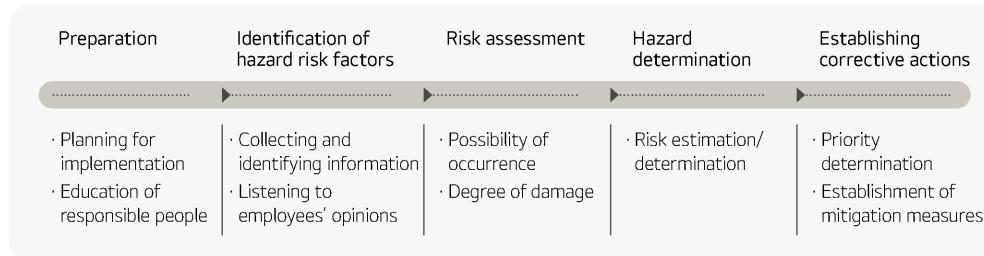
Operation of SHEE Evaluation System

Through the safety and environment assessment checklist, LG Electronics prevents accidents by proactively identifying and resolving safety and environmental risk factors at its Korean and overseas business sites. To this end, Korean and overseas business sites are required to report the safety and environment assessment results and improvement tasks, and continuously monitor the process of resolving risk factors. The safety and environment assessment checklist is regularly revised to improve the evaluation system and enhance the level of assessment. In addition, based on the Health and Safety Management System (ISO 45001) and the Environmental Management System (ISO 14001), we conduct internal audits of our suppliers with the departments in the field to periodically check the status of safety and environment goals and implementation, accident prevention activities, and compliance with laws and regulations.

Potential Risk Identification and Improvement Activities

Through risk assessments, LG Electronics identifies potential risks and takes proactive measures to resolve them. In 2023, we conducted regular risk assessments at all business sites to identify hazards and risks, and categorized them into risk ratings based on the assessment results. For high-risk ratings, we developed and implemented specific improvement plans to raise the level of safety and health at our business sites.

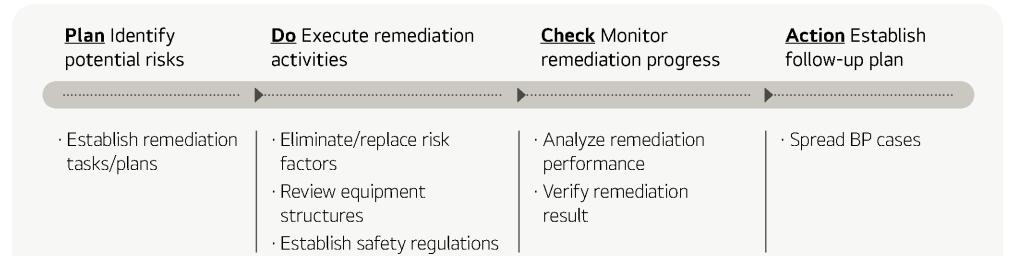
Risk Assessment Process



Major Activities

- Improved safety management system by upholding the right to stop work and launching the Safety-Police program for business sites
- Established an organization in charge of safety management on the construction sites for the products for new B2B business, and monitored and supported accident prevention activities
- Promoted activities which engage workers and prevent safety and environmental accidents
- Expanded the scope of BP competition on safety and environment organized by the Occupational Safety and Health Committee in 2023 to include subsidiaries
- Held monthly meetings with contractors and construction subcontractors
- Engaged employees to take the lead in S-Bank activities, including identifying potential risks and near-miss cases in business sites, as well as suggesting remediation plans
- Identified 82 remediation plans suggestion and 42 reports on near-miss cases in 2023
- Provided monthly online training for employees in charge of safety and environment in overseas production subsidiaries
- Provided intensive training four times a month for the heads of safety and health organization at subsidiaries with safety accidents: checked the status of accidents, established and implemented improvement plans, monitored progress, and addressed other issues.
- Conducted monthly theme check, legal compliance check, carried out emergency response drills and remediated non-conformities for all production subsidiaries
- Provided support for overseas production subsidiaries in terms of assessment, training, standard/integrated IT system establishment in order to improve their risk management capabilities

Potential Risk Identification and Remediation Activities



Employees

Reinforcing the Accident Reporting System

LG Electronics has established measures to enable an immediate and a recurrence prevention to safety accidents, including environmental and UT accidents, based on the accident reporting standard manual. In the event of an accident, including injury or disease, we make an initial/information report and identify the details and cause of the accident jointly with the safety and environment department of the site. Afterwards, we devise plans for remediation and recurrence prevention and provide a final report on the closure of the accident through the safety and environment IT system upon completion of the remediation activities. We generate a safety alert for the accident, share it with employees, and conduct education to prevent recurrence.



In addition, we operate a Crisis Management Information System (CMIS) to ensure swift response in the event of an accident.

Crisis Response System

LG Electronics has designated serious disasters, fire accidents, leakage of dangerous substances/combustible gases, infectious diseases, chemical leakage, leakage of pollutants (air/water), UT supply interruption/power outage, and natural disasters as the eight major risks, and supplemented our crisis response manuals and scenarios in order to better apply our crisis response capabilities to actual crisis situations. Every year, we conduct evacuation drills for all employees in each building and manage the evacuation time, and evaluate our ability to respond to crisis situations such as fires, chemical leaks, and patients in need of emergency care by assessing the capabilities of disaster prevention centers at Korean business sites and awarding outstanding organizations. In addition, we provide corporate-wide first aid training to improve employees' first aid (CPR) capabilities, with 10,896 employees completing the training in 2023.

Crisis Response Process

LG Electronics has established a safety and environmental crisis response process and unified the corporate-wide crisis response process to minimize damage and safety and environmental risks by immediately responding in the event of a crisis and recovering quickly. In addition, we conduct semi-annual tabletop exercise and comprehensive crisis response drills in accordance with the manual.

Safety Culture

Reinforcing Safety/Health/Firefighting/Environment Capabilities

LG Electronics strives to develop employees' competency in safety, health, firefighting, environment, and ESG through the LG Academy's College of Safety and Environment curriculum. LG Electronics provides a wide range of training programs for each level, including 'Understanding of Basic Theory' regarding safety, environment and ESG, 'Advanced Training' for skill-up in specific areas such as safety, health, firefighting and environment, leadership training course for effective risk assessment at business sites and 'NEBOSH' to train global safety and health experts and has added safety and environment course to the Entrepreneur Development Program (EnDP) for organization leaders (executives and directors).

Level 1 Introduction	Level 2 Practice	Level 3 In-depth	Level 4/5 Expert/Leader
<ul style="list-style-type: none"> Introduction to safety and environment Corporate disaster management 	<ul style="list-style-type: none"> Advanced safety Advanced health Advanced firefighting Advanced environment Working-level ESG management 	<ul style="list-style-type: none"> Risk assessment leader and global auditor training (NEBOSH) 	<ul style="list-style-type: none"> Safety leadership



Fire Drill



Employees

Practical Leadership to Internalize a Culture of Safety

At LG Electronics, each Business Company holds a 'Safety Talk' every month to discuss major issues related to safety and environment at management meetings. In addition, we also hold a 'Safety Walk' every quarter, organized by the management, to secure safety leadership and a safety culture in workplace.

Safety Culture Campaign

To raise the safety awareness of our employees, LG Electronics has established an corporate-wide Health and Safety Code of Conduct, and has been creating promotional materials such as posters and banners for accident prevention items flagged by each business site in accordance with the Ministry of Employment and Labor guidelines to improve the safety culture in workplace.

Participatory Safety Education (Korea)

Since 2018, LG Electronics has operated a safety education program that provides interactive and hands-on training by establishing the Safety Experience Center. Hands-on training enables employees to get experience of the risks directly related to the safety of their workplace, and includes VR experience education, facility safety education, CPR practice, and fire evacuation experience. In addition, we provide online training that employees can complete without having to attend sessions on-site.

Employee Health Improvement

Employee Health Improvement and Prevention Management

LG Electronics conducts regular employee health examinations to better manage employees who have abnormal findings or are categorized as being in high-risk groups. We operate clinics, healthcare centers, and psychological counseling centers to establish plans to improve not only the physical health but also the mental health of our employees, and to help employees cease smoking, control metabolic syndrome, weight and job stress. In addition, we have signed an MOU to develop a wearable suit to prevent musculoskeletal diseases in consideration of work environment of the process that cannot be improved by engineering, and are working to reduce the musculoskeletal load in heavy object handling and production processes.



Employee Health Improvement Program

Supply Chain

Supply Chain Management Policy

Supply Chain Management Policy

LG Electronics has established a supply chain management policy to build a responsible and environmentally conscious supply chain by supporting suppliers in their efforts not only to improve their business competitiveness but also to enhance their labor rights, environment, and health and safety capabilities.

1. The significance of human rights and environment is increasing, and legal and systematic regulations on the supply chain are being strengthened by each country. Especially, interests in the working environment of the workers in the supply chain are increasing. Therefore, the Company shall take effort to enable all workers in the supply chain to work in a safe and respected environment. As a RBA member, the Company shall enable its own production sites and suppliers to apply the RBA standard and the working environment shall be managed continuously to comply with the international ESG risk standards including customer requirements.
2. The Company shall acknowledge that management of the supply chain is closely related to the business, and mutual discussion is required for transparent and strict management.
3. If ESG risk¹⁾ occurs, it can have a critical adverse impact on the reputation of the Company, or on the business relationship. Therefore, the Company shall comply with the most strict standard among the legal standard, global standard, or customer requirements to exceed the general social norms for managing and responding to the ESG risk.
4. When an ESG risk is identified, it is important to respond quickly to remediate it. Therefore, all organizations should create an organizational culture in which risks are communicated transparently, and work to quickly remediate and eliminate any risks identified.
5. The Company must continue to reduce ESG risks in the supply chain through corporate-wide attention to ESG risks and improvement activities. In particular, we should implement intensive improvement activities at the corporate level to prevent the significant non-conformities found repeatedly from recurring.
6. The Company ensure that supply chain management practices are consistent with the Supplier Code of Conduct and review them on an ongoing basis to avoid potential conflicts with ESG requirements.

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

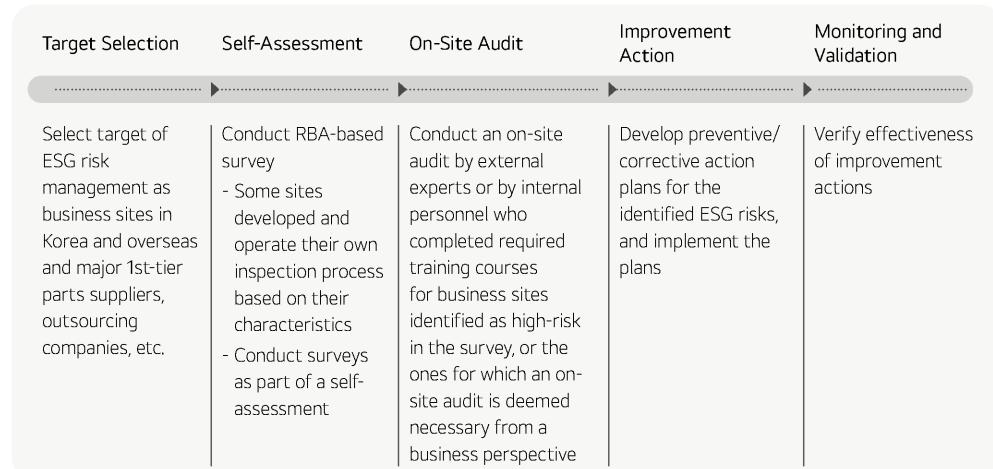
Scope and Goal of Supply Chain Management

In December 2023, LG Electronics established standards for managing ESG risks arising from the supply chain in the areas of labor rights, safety and health, environment, and ethics. With these standards, we aim to minimize ESG risks in the supply chain and enhance its resilience to maintain a sustainable business ecosystem by clearly establishing responsibilities, authorities, and business procedures for ESG risks. The scope of the supply chain includes LG Electronics' Korean and overseas production sites, as well as suppliers for parts and outsourcing. Our mid- to long-term management goals for 2030 are to achieve zero sites with a significant non-conformity based on RBA audit requirements for production sites, and to maintain a high-risk ratio of 0.5% or less for suppliers in their self-assessments.

Supply Chain Management Goal for 2030

LG Electronics production sites Ratio of production sites with no critical non-conformance based on RBA audit requirements	100% achieved	Suppliers Ratio of suppliers with high risk in self-assessment	0.5% or less maintained
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Supply Chain Management Process



Supply Chain

Self-Assessment Process

Classification	Major Activities
Target selection	<ul style="list-style-type: none"> · Select sites subject to self-assessment ① Production sites: All of LG Electronics' 30 production sites in Korea and overseas ② Parts suppliers with total purchases of USD 76.6 thousand or more in the previous year ③ Outsourcing suppliers: Outsourcing suppliers who have business with LG Electronics
Sending official letter	<ul style="list-style-type: none"> · Send a letter of cooperation for a self-assessment (one month prior to the self-assessment)
Self-assessment	<ul style="list-style-type: none"> · Monitor progress of the self-assessment conducted by the target sites and encourage participation
Result analysis and sharing	<ul style="list-style-type: none"> · Analyze and share self-assessment result with the target sites and request the creation of an improvement plan, if necessary
Selection of target sites for on-site audit	<ul style="list-style-type: none"> · Conduct on-site audits for sites with high risk (scored 65 or lower) based on self-assessment result
Notification of target sites for on-site audit	<ul style="list-style-type: none"> · Send a notification letter for on-site audit

On-Site Audit Process

Classification	Major Activities
Audit scheduling	<ul style="list-style-type: none"> · Set up on-site schedule in consideration of self-assessment result or business impact · Set up audit schedule with target sites
Opening meeting	<ul style="list-style-type: none"> · Explain scope of on-site audit and give general overview · Provide introduction to target sites
Document review	<ul style="list-style-type: none"> · Review whether appropriate documents are stored and managed properly
Interview (worker/management)	<ul style="list-style-type: none"> · Recommended number of interviewees: Square root of the number of employees at the target site (ex. 10 if the total number of employees at the site is 100) · Interviewees: Various types of workers from whose feedback the working environment can be identified (day time worker, night shift worker, office worker, factory worker, contractor, etc.) · Interview method: Group or individual interview
Site observations	<ul style="list-style-type: none"> · Field (production process and facility) tour · Review area: Firefighting and emergency equipment, machinery protection and maintenance, first-aid systems, personal protective equipment, emergency response equipment, hazardous substance storage and management, waste management, employee cafeteria hygiene and safety, dormitory hygiene and safety, unreasonable restrictions on freedom of movement or other worker rights, etc.
Closing meeting	<ul style="list-style-type: none"> · Explain and share results of on-site audit (Stage of agreement on the identified findings)
Release of the Final report	<ul style="list-style-type: none"> · Details of the findings are summarized and shared · Request for setting up corrective action plans on the findings

Improvement Action Process

Classification	Major Activities
Immediate containment action	<ul style="list-style-type: none"> · Priority or Significant findings discovered during the on-site audit shall be reviewed immediately, and preventive/corrective actions shall be performed promptly
Establishment of corrective action plans	<ul style="list-style-type: none"> · Seek improvement on violations/findings discovered during the on-site audit · Analyze root causes to determine why the non-conformances occurred in the first place · Corrective actions on the findings and preventive actions for preventing the recurrence in the future are included to establish the improvement plan
Approval	<ul style="list-style-type: none"> · Submitted corrective action plan needs to be reviewed and approved by the management department or 3rd party audit firm/auditors
Execution of corrective action	<ul style="list-style-type: none"> · Executing corrective action followed by the plan · After the corrective action completes, the update on template shall be required to indicate that all violations/findings are closed out (Date of completing the action, summary on the corrective action, and completion of improvement measures shall be included)
Validation of the improvement	<ul style="list-style-type: none"> · After completing the improvement activities, validation may be performed to check whether the improvement actions are implemented appropriately according to the plan and procedure
Close	<ul style="list-style-type: none"> · Series of ESG risk check activities from self-assessment to on-site audit and improvement actions are completed

Supply Chain

ESG Risk Management

ESG Risk Management of Suppliers

LG Electronics has established a system to manage supply chain ESG risks, starting during new supplier registration and continuing through regular due diligence. Every year, we define ESG improvement tasks including ESG risk responses as KPIs, and report/discuss improvement performance, major decisions, and ESG issues of suppliers on a quarterly basis through the ESG Council. We also conduct ESG practical training for purchasers every year to strengthen their capability to manage suppliers based on ESG risks. In 2023, we raised awareness of supply chain ESG management through the ESG practical training program of the LG Group Academy.

Supplier Code of Conduct

As a member of the RBA, LG Electronics has established the Supplier Code of Conduct based on the RBA Code of Conduct, and revises it when necessitated by revisions to the RBA Code of Conduct or changes in relevant international standards. The Supplier Code of Conduct is transparently disclosed through LG Electronics' website and supplier portal, and is also added to supplier contracts. The Supplier Code of Conduct stipulates basic matters for compliance by all suppliers in the areas of ethics, labor and human rights, health and safety, the environment, and the management system. The fifth edition, revised in May 2024, incorporated the latest revisions to the RBA Code of Conduct 8.0, including the prohibition of all forms of forced labor, equal pay for equal work, and the establishment of legitimate worker councils, and added a new clause on 'Biodiversity and Forest Logging Management' to specify that LG Electronics must strive to minimize its impact on biodiversity in its business activities.

All suppliers that have contracted with LG Electronics are required to comply with this Code of Conduct and to ensure that their entire supply chain, including their subcontractors (sub-suppliers), complies with the matters set forth in this Code of Conduct. If a supplier refuses to improve its non-conformities with the Code of Conduct, LG Electronics may terminate business with the supplier. Suppliers shall consider the matters outlined in this Code of Conduct in management decisions and business operations. They shall actively respond to ESG risk assessments and due diligence conducted by LG Electronics directly or through third-party organizations.

[LG Electronics Supplier Code of Conduct \(KR\)](#)

[LG Electronics Supplier Code of Conduct \(EN\)](#)

[LG Electronics Supplier Portal](#)

Review on New Supplier for Registration

LG Electronics first verifies compliance with the Supplier Code of Conduct and international trade regulations when it registers new suppliers. If they do not meet the ESG standards required by LG Electronics, they cannot be registered as a supplier.



In the entire enterprise, new suppliers are evaluated based on the TQRDCME^① areas. Some evaluations are based on parts characteristics by product family and are weighted according to compliance with the ESG requirements in M (Management). In 2023, we evaluated 85 new suppliers. Of these, 28 suppliers had non-compliance reasons for trading criteria (such as not meeting credit rating, ESG criteria, etc.).

In addition, after registration, we conduct regular evaluations every year and provide incentives (increased order volume, favorable development status) based on the evaluation rating.

^①) TQRDCME: Technology, Quality, Responsiveness, Delivery, Cost, Management (including ESG evaluation), Environment

Supply Chain

ESG Risk Management for Suppliers

LG Electronics has been requiring its suppliers to conduct self-assessments through its in-house management system to improve the ESG management capabilities of suppliers since 2020. We conduct on-site audit and remediation actions for suppliers deemed high-risk as a result of self-assessments in order to minimize the risks.

STEP 1: Target Selection

According to 2022 purchase data, LG Electronics had 2,572 suppliers. Among them, 1,330 suppliers were required to conduct ESG self-assessment in 2023, with companies with total purchases of less than USD 76.6 thousand, agencies, non-manufacturers or service providers excluded. Of these, 1,266 suppliers completed self-assessment. As of 2023, there were 334 significant 1st-tier suppliers (companies with a significant impact on LG Electronics) (114 representative supplier codes). Significant suppliers include suppliers of parts for future core technologies considering transaction volume/proportion, environmental, social and governance management and business relevance, and suppliers requiring intensive care due to the nature of the company or the parts.

Supplier Self-Assessment Status

Classification	Status	Remarks
Suppliers subject to assessment*	1,330 companies	
Suppliers which completed assessment	1,266 companies	95% completed

* Suppliers subject to inspection: Suppliers excluding those with total purchases less than USD 76.6 thousand, agencies, non-manufacturers, and service providers

STEP 2: Self-Assessment (Document Review)

LG Electronics has developed and operates a self-assessment system based on the RBA and Supplier Code of Conduct, and suppliers use this system to conduct annual self-assessments on labor and human rights, safety and health, environment, and ethics in accordance with the RBA Code of Conduct.

Notably, in 2023, we expanded the scope of the self-assessment from the existing 1st-tier suppliers to some 3rd-tier suppliers, and there are 1,266 1st-tier suppliers (329 in Korea and 937 overseas), 314 2nd-tier suppliers, and 23 3rd-tier suppliers that participated in the self-assessment. As a result of the self-assessments in 2023, 12 companies (0.9%) were identified as high risk, and for these, on-site audits were conducted.

Due to the growing demand for ESG management in the supply chain, LG Electronics strives to improve the self-assessment system every year to enhance supplier convenience.

Supplier Self-Assessment Result

	Classification	2021	2022	2023
Suppliers which completed self-assessment	Total	1,289	1,231	1,266
	High risk	13	8	12
	Proportion	1.0	0.7	0.9
Significant suppliers	Total	406	192	188
	High risk	3	0	0
	Proportion	0.7	0	0

Supplier Self-Assessment Result by Region

Region	High Risk	Medium Risk	Low Risk	Total
Korea	3	99	227	329
China	0	50	354	404
Asia	6	83	258	347
Americas	3	22	72	97
Europe / Russia (CIS)	0	21	48	69
Middle East & Africa	0	9	11	20
Total	12	284	970	1,266

Supply Chain

Step 3: On-Site Audit

We conducted on-site audits of 12 suppliers (3 in Korea, 5 in Southeast Asia, and 3 in South America) that were identified as high-risk as a result of the self-assessment in 2023, and required immediate improvements for the identified non-conformities. The following are the main documents reviewed during the on-site audits.

Major Documents Reviewed in On-site Audits

Labor and Human Rights Employment rules or bylaws, employment contracts, time sheets, pay stubs, worker rosters, wage ledgers, etc.	Health & Safety Laws and regulations/licensing documents for safety equipment, risk assessment data, emergency response plans/drills, evacuation drills, personal protective equipment provision ledger, fire prevention and safety equipment maintenance records, etc.
Environment Job hazards assessment documents, hazardous substance management records (in and out), laws and regulations/licensing documents on wastewater/air pollution, etc.	Other Employee education, training records (safety and health training, sexual harassment training, etc.), internal and external audit results, etc.

In addition, LG Electronics have agreed on "Collaboration on Supplier ESG Management Support and Shared Growth" with the Federation of Korean Industries (FKI) Center for Large and Small Business Cooperation to enhance suppliers' ESG management capabilities and provided on-site consulting services for 41 suppliers in Korea.

STEP 4: Third Party Audit

LG Electronics conducts third-party on-site audits with external experts every year (three-year cycle for each company) for significant suppliers to secure objectivity in its ESG risk assessment and strengthen suppliers' management capabilities. The Initial Audit is conducted by an accredited third-party auditor in accordance with the RBA Validated Assessment Program (VAP) standards, and for any non-conformities found, we request immediate improvements, and verify the results of the improvement implementation through the Closure Audit. In 2023, we expanded the third-party on-site audit (audit agency: SGS) overseas, covering a total of 50 companies, 28 in Korea and 22 in Vietnam. Following the on-site audit, we issue certificates to suppliers that receive a score of 80 or higher out of 100 points, and 96% of them (48 companies) received certificates in 2023. From 2024, we plan to expand the third-party on-site audit to all overseas business sites.

Classification	Major Items for Third-party On-site Audit	Key Improvement Cases in 2023
Labor & Human Rights	Employment contract, rules of employment, Company's internal regulation, a worker roster, etc.	Signing an agreement banning forced labor for subcontractors, setting up plans to prohibit child labor
Safety & Health	Safety equipment license, equipment maintenance records, worker health examination records, etc.	Identifying processes in need of personal protection equipment and posting signs to remind workers to wear it
Environment	Hazardous substance management records, laws and regulations/license management ledger	Separately disposing of workplace waste and storing it in a designated place
Other	Code of ethics, employee training, self-assessment system, etc.	Developing a documented policy and program for intellectual property

STEP 5: Monitoring Improvement Action Implementation

LG Electronics requests improvements to address non-conformities identified in a third-party on-site audit. After 3 months, we verify the improvement progress on-site through closure audits. In 2023, 1,032 non-conformities were found in the third-party on-site audits, of which 581 were addressed through improvements. Most of the non-conformities related to forced labor were identified as contracts with subcontractors that did not contain the requirement to properly prohibit forced labor, and subsequent on-site audits confirmed that these non-conformities had been addressed. An overseas supplier was identified as having asked foreign migrant workers to pay recruitment fees, so we requested the company to make a full refund to the workers. In addition, 72 foreign migrant workers were requested to pay visa and work permit issuance fees, as well as fees to the labor agency. As a result, we conducted a separate audit on fees in partnership with RBA, and asked the companies to make a full refund that amounted to approximately USD 84.2 thousand.

Supply Chain

ESG Management Support for Suppliers

ESG Management Training for Suppliers

LG Electronics conducts ESG-related training for suppliers every year to help them effectively respond to global trends such as the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the requirement to disclose ESG management information. In 2023, we launched training courses on ESG risk management and due diligence, and on greenhouse gas reduction and management.

In addition, we provided 'ESG online training' for all suppliers doing business with LG Electronics to strengthen their ESG risk management capabilities. 289 suppliers in Korea and 757 overseas suppliers completed the training, which we provided on labor, safety and health, environment and ethics and other contents related to LG Electronics' ESG risk assessment of supply chain and due diligence items, in seven languages (Korean, English, Chinese, Indonesian, Vietnamese, Spanish, and Thai).

Moreover, we held ESG management practical training for our purchasers (7 employees from each department) in 2023. In the future, we will organize various ESG-related training and expand the scope of trainees to include our purchasers and suppliers.

ESG Management Support for Suppliers

LG Electronics provides support for various supply chain ESG programs to promote shared growth with our suppliers.

Direct Funding	Technical Support (in partnership with the government)	ESG Management Support
<ul style="list-style-type: none"> Interest-free direct funding of about USD 28.7 million, support for Win-Win Cooperation Fund of about USD 150.7 million and contribution of about USD 10.3 million to ESG Fund (as of 2023) 	<ul style="list-style-type: none"> Supporting an expansion of benefits in the ESG area for suppliers by operating an organization dedicated to government-project Expanding the support from quality and productivity 2022 to include ESG in 2023. 	<ul style="list-style-type: none"> Supporting third-party ESG audit for 50 suppliers, 28 in Korea and 22 overseas (as of 2023) Reducing the proportion of high ESG risk suppliers through ESG self-assessment/on-site audits Expanding on-site audits in partnership with ESG departments of other organizations to inspect labor, safety, environment and ethics of suppliers and support their improvement.
Support for Carbon Emission Management Capability	Support for Training and Benchmarking	Incentive System
<ul style="list-style-type: none"> Establishing a system to enhance reliability of the suppliers' carbon emission data Completing establishment of carbon emission database within 3 years to provide consulting trainings for suppliers in Category C (middle market enterprises and small and medium-sized companies) 	<ul style="list-style-type: none"> Improving ESG capabilities of suppliers through training on ethics policy Providing training for 289 Korean and 757 overseas companies (as of 2023) Providing cases of outstanding ESG management companies (SMEs) 	<ul style="list-style-type: none"> Providing incentives (order volume increase, provision of preferred right to development) based on regular evaluation result

ESG Management Support for Suppliers

	Classification	Item	Unit	2022	2023	2024 (estimate)*
Financial support	LG Electronics support	Interest-free direct funding		25.2	28.7	27.8
		Win-Win Cooperation Fund	USD million	135.6	150.7	148.2
		ESG Fund		-	10.3	29.6
	Total			160.8	189.7	205.6

* Calculated based on the cumulative average exchange rate for the first half of 2024

	Classification	Item	Unit	2022	2023	2024 (estimate)*
ESG capability strengthening support	ESG management	ESG self-assessment		1,231	1,266	1,280
		Third-party audit support		50	50	72
	Carbon emission management	Carbon emission investigation	Companies	464	527	600
		Carbon emission reduction consulting		-	-	15
	Training support	On/Offline training		528	1,228	1,575

Supply Chain

Grievance Handling System Establishment and its Operation for Suppliers

LG Electronics created its own ESG training contents including RBA-based human rights and ethics in 2023 and provided the training to suppliers. As such, we strive to prevent conflicts of interest and corruption, and constantly monitor reports on irregularities committed by suppliers through our Jeong-Do Management online Voice of Employee channel.

* For reports on irregularities, go to the online Voice of Employees (<https://ethics.lg.co.kr/index.do>)

In addition, we have been engaging in two-way communication with suppliers in Korea in this area since 2022, through a survey composed of 25 questions covering LG's corporate values, communication and transparency in work, difficulty and inconvenience in work, and partnership. In 2024, we have managed the survey through the system. Business Companies and divisions address grievances through sufficient discussions while the headquarters monitors the resolution progress.

Major Grievances of Suppliers (Answers to the Survey)

LG's Corporate Value

- Suppliers do not really think that shares its growth with them, as LG focuses too much on prices in its business operation.
- Suppliers do not receive enough support to respond to external environment changes.

Difficulty and Inconvenience in Work

- Suppliers have difficulties in production operations due to frequent changes in production plans.

Communication and Transparency in Work

- LG does not cooperate with suppliers in engineering changes if the operation improvement is not effective.

Partnership

- Mutual respect is required in communication between employees of LG Electronics and suppliers.

Safety and Health Management for Suppliers

LG Electronics has launched an organization dedicated to supporting the environmental and safety efforts of suppliers. We conduct on-site audits on safety and health and provide training and consulting for suppliers. In 2023, we carried out on-site audits of the fire safety of 236 suppliers in Korea, and guided them in conducting prevention activities on their own. Starting in 2024, we will expand our on-site audits to overseas suppliers, and establish an IT system for monitoring.

Furthermore, we provided training for the CEOs of about 200 suppliers to raise their awareness of the Serious Accidents Punishment Act in the first half of 2023, and also provided training through a VR experience in safety and accident responses for employees in charge of fire safety at 180 suppliers in the second half. In addition, we selected small businesses with less than 50 full-time employees and provided LG Electronics-led consulting to help them obtain Risk Assessment Certification.

Carbon Emissions Management for Suppliers

LG Electronics conducted training that gave an overview of Korean and international trends on carbon neutrality, how to calculate greenhouse gas emissions and how to respond to disclosure of carbon data for about 180 1st-tier suppliers in Korea, working in collaboration with the City of Incheon, Inha University and the Korea Commission for Corporate Partnership. We also support suppliers' equipment purchases when they upgrade carbon reduction equipment, and are engaged in a government-sponsored consulting project to improve their energy efficiency and save costs. We will continue to discover various programs for carbon reduction and support the application of these programs by suppliers to improve their carbon management capabilities so that they can achieve carbon neutrality.

Since 2022, as part of a systematic response to climate change at the supply chain level, we have been selecting suppliers in our top 90% of purchase volume as target companies for carbon investigation, and investigating the carbon emissions of suppliers with 80% of total purchases each year. After experiencing inefficiencies and data inconsistencies during the first carbon emissions survey, which was conducted manually in 2022 (2021 data), we established a carbon emissions investigation/management IT system in 2023. In the first half of 2024, we will utilize this system to re-investigate our carbon emissions figures from 2021 to 2023 to ensure the reliability of the data.

We also work closely with suppliers to reduce their greenhouse gas emissions. We support our suppliers' systematic efforts to reduce their carbon footprint by launching a funding program for improved efficiency in energy consumption, expanded use of renewable energy and technical support for reducing the carbon footprint. In addition, we provide information on ESG-related government-sponsored projects to encourage suppliers to participate in the project, so that they can receive financial support and consulting services. In 2024, we are running a pilot project for greenhouse gas reduction by suppliers selected based on their current greenhouse gas emissions and reduction capabilities. We will discover outstanding performers and expand the project to more suppliers.

Supply Chain

Conflict Minerals Management System

Organization for Conflict Mineral Management

LG Electronics does not use minerals that are mined in conflict zones, or for which labor and human rights violations or environmental damage are involved in the mining process. For this reason, we have a global organization for purchasing and sourcing minerals that adheres to responsible mineral policies and standards and fulfills our social responsibility.

We analyze various external developments, including customer requests, regulatory compliance, utilization of RMI¹⁾ tools, and requirements from international forums, NGOs, and the media, as well as managing changes for suppliers and correcting erroneous information on smelters. Through the Conflict Minerals Management System, we effectively operate our conflict minerals management program and respond to customer requests and risks related to conflict minerals. We also participate in the RMI Working Group to verify the origin of minerals and conduct due diligence.

As a member of the Public-Private Alliance for Responsible Minerals Trade (PPA), we provide information for the establishment of a conflict minerals tracking system and participate in global efforts to trace the origin of minerals (cobalt, mica, etc.) that may be associated with issues such as forced labor and child labor. We also communicate about conflict minerals through our website and a dedicated email address (conflict-mineral@lge.com).

¹⁾ RMI (Responsible Mineral Initiative): Provides members with regular information on mineral use at global smelters and hosts a forum to exchange best practices in addressing conflict minerals issues

[LG Electronics' homepage for external communication on conflict minerals](#)

Conflict Mineral Management Policy

LG Electronics conducts a due diligence in accordance with the OECD Guidance if raw materials supplied to LG Electronics by suppliers contain conflict minerals. When conducting the due diligence, we document the process and rationale for identifying conflict minerals and register the information on such minerals in our Conflict Minerals Management System. We also check whether some second- or lower-tier suppliers use conflict minerals or include conflict minerals in their raw materials. We require that all smelters in our supply chain be certified for Responsible Minerals Assurance Process (RMAP), and continue to communicate with our suppliers and partners to increase the number of smelters participating in the certification scheme.

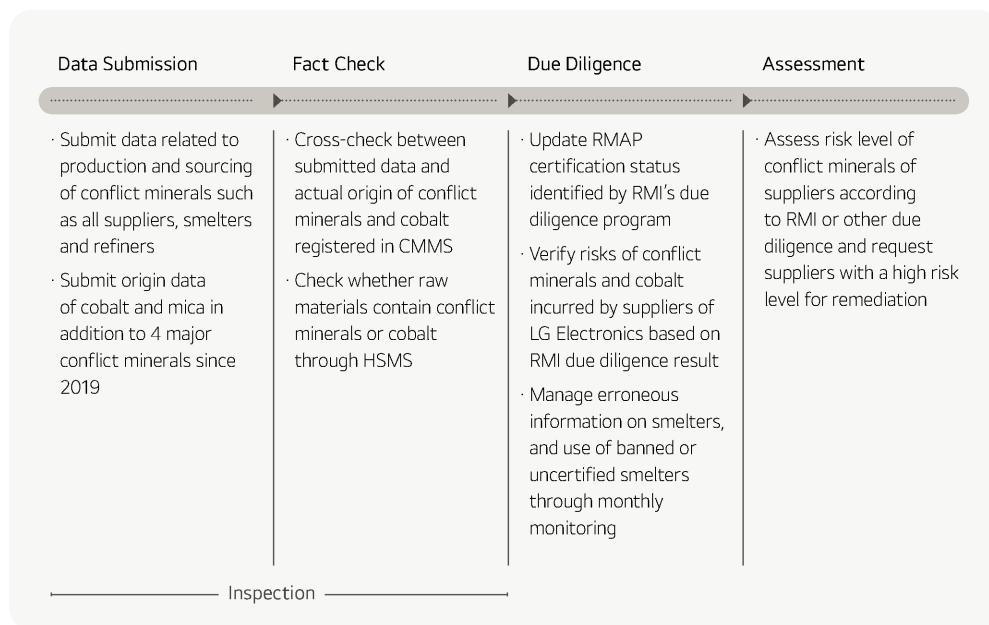
We have established and applied the Conflict Minerals Management Standard to manage the requirements and processes of LG Electronics' conflict minerals management system. The management standard is applied to all products designed, produced, sold, and supplied by LG Electronics on its own, and to products and raw materials developed and manufactured by suppliers to fulfill our orders. The Conflict Minerals Management Standard is regularly reviewed and revised, and we educate our employees and suppliers on its requirements.

Supply Chain

Inspection and Due Diligence on Conflict Minerals and Risk Level Assessment

LG Electronics conducts inspection, due diligence and regular assessment of our suppliers and the raw and subsidiary materials they supply to ensure that we do not use conflict minerals, cobalt or mica that are unethically mined. To that end, we operate the Hazardous Substances Management System (HSMS) and Conflict Minerals Management System (CMMS), as well as identifying the origin of conflict minerals and major risk factors and investigating high-risk suppliers, after which we take the required actions. We utilize certification data based on RMAP due diligence by RMI, Reasonable Country of Origin Sourcing Information (RCOI) and other publicly available data to identify suppliers in the supply chain that use conflict minerals.

Risk Level Assessment Process of Conflict Minerals



Conflict Minerals Management Status

Use RMAP Conformant Smelters 100%

The Responsible Minerals Assurance Process (RMAP) is the RMI's due diligence and assurance program for smelters that do not use conflict minerals. While uncertified smelters may arise due to new parts or changes in smelter certification and registration status, LG Electronics conducts periodic checks to ensure 100% use of certified smelters. Uncertified smelters in our supply chain in 2023 were removed from the supply chain in March 2024 based on the RMI smelter database as of January 2024, and we are working on cleaning up new uncertified smelters that have been identified since February 2024.

We monitor the origin of 4 major conflict minerals (tantalum, tungsten, tin and gold) contained in products and parts from suppliers and require smelters in the supply chain to obtain RMAP certification. We also provide training to raise awareness on the responsible use of conflict minerals, while encouraging suppliers to use RMAP certified smelters in partnership with LG Chem and LG Display.

We achieved 100% certified smelters, according to January 2021 RMI smelter data, for tantalum and tungsten in 2019, tin in 2020, and gold in 2021.

ESG Data [3TG Minerals' RMAP Conformant Smelter Status]

Supply Chain

Shared Growth

Shared Growth Strategies for Suppliers

LG Electronics has established three spirits and five strategic tasks under the value of "Vigorous efforts for sustainable growth with suppliers," which are shared with suppliers and actively utilized as guidelines in collaborative activities.



5 Strategic Tasks for Shared Growth

LG Electronics has established five strategic tasks and runs various programs for shared growth with its suppliers.

1) We provide consulting by dispatching specialized personnel in areas such as smart factory, quality/productivity, and basic field competency (FI-11) to enhance the manufacturing competitiveness of our suppliers. By doing so, we transfer the know-how we have gained over the years in automating production lines and building IT infrastructure, while contributing to increasing the total productivity, revenue and job creation of our suppliers. In addition, we subsidize consulting fees for ESG checks by a renowned certification agency to strengthen the ESG competitiveness of our suppliers.

2) To secure next-generation technologies, we provide various technological support to our suppliers. We help suppliers develop parts using our new technologies and techniques, dispatching technical experts to improve the technology development capabilities of SMEs when we jointly develop technologies with suppliers, such as injection molding and robot automated parts extraction technology. We also provide guidance and consulting to help suppliers participate in projects to support small and medium-sized enterprises and middle market enterprises organized by the government, including through the Ministry of Trade, Industry and Energy and the Ministry of SMEs and Startups. In addition, since 2013 we have, at our own full cost, actively supported our suppliers in protecting their core technologies through the Technology Escrow System, and since 2022 have been conducting excellent technology seminars to introduce promising technologies or research achievements held by universities and public research institutes in partnership with a government agency (Korea Intellectual Property Strategy Agency (KISTA)) to improve our suppliers' technology development capabilities, and help them to transfer and commercialize their technologies.

3) We are helping suppliers stabilize their management through funding programs. Since 2004, we have been providing direct, interest-free funding of USD 28.7 million annually to provide funds for productivity and quality improvement, facility expansion, overseas business expansion, and new technology development. In addition, in 2010 we signed agreements with financial institutions to create the Win-Win Cooperation Fund to provide low-interest loans; since 2023 we have provided low-interest loans to suppliers needing financial support to realize carbon neutrality, ESG management, and social value by creating a joint ESG fund with banks. We also support the safe transfer of payments made to the first-tier suppliers to second and third-tier suppliers through our Win-Win Payment System.

4) We provide various training and recruitment support to suppliers to enhance their human resource competitiveness. To improve the competencies of employees of supplier, we opened the Shared Growth Academy in LG Electronics' Learning Center to provide free job training, and have laid the foundation for employees of supplier to freely participate in training courses in partnership with local universities in Changwon. In addition, we operate a career center for LG Electronics' supplier on Job Korea to aid them in resolving labor shortages, while operating the online career center "i-ONE JOB" in partnership with IBK to support suppliers' recruitment.

5) To improve communications for win-win cooperation, we have established a transaction request system and a system to listen to Voices of Suppliers (VOS) within the supplier portal system and operate a separate shared growth portal system to continuously communicate and share information with suppliers.

Customer

Customer-Oriented Service

Customer Satisfaction Vision

In 2024, LG Electronics set a future vision of consultation and service using AI solutions called "LG F.I.R.S.T. CONSULTING" and "LG S.M.A.R.T. SERVICE," with the goal of solving problems quickly and accurately by providing customized solutions from the customers' perspectives. To realize this future vision, we have established a total of 34 tasks for each step of the consultation and repair process, and shared a clear direction within the organization to achieve the future vision by the second quarter of 2025.

LG Electronics Vision for Consultation and Service

LG F.I.R.S.T. CONSULTING

Fast DX Solution: ThinQ Alert which notices and resolves an issue before the customer does
 Diagnose customer's product status in advance by ThinQ that notifies the customer of the issue and provides the guide for consultation and repair

Individualized Data Consulting: Predictive consulting based on customer data

Verify customer identity based on their voice to proactively recognize customers' issues through ThinQ, in order to use this information for consultation or repair services

Real-Time AI Assistant: Real-time AI Assistant for consultants

Facilitate efficient response by consultants based on consulting data provided by AI

Sympathetically Synchronized: Empathy with customers based on their voice and keywords

Identify how customers feel in real time through their voices and keywords, to provide personalized services optimized for customer preferences

Transformative Technology: STT/TA automation solution

Provide optimal solutions through consultation from DX perspectives, such as identifying product failures and recommending parts using STT/TA features

LG S.M.A.R.T SERVICE

Smart Check Application: 'LG SMART CHECK' APP, for real-time service diagnosis
 Diagnose the causes of an issue through a real-time service application, and provide a professional repair service

Micro-segmented Customer Care: AI/customer data-based solution

Understand the customer's situation by analyzing customer data and resolve customer issues quickly and accurately by identifying the optimal repair method and sourcing the expected parts.

Automatic Routing System: DX-based auto routing system

Automatically assign service managers based on customer address and requested service time

Redesigned Work Environment: An environment in which SMs can focus on repair (exclusive AI Assistant for SM)

Recognize customer-related information in advance by providing a summary of previous consultations with the customer

Total Life Care Service: A service that impresses customers and takes care of their entire lifetime

Take care of the entire customer journey by personalized service based on his/her products

CXC 360 System

LG Electronics has set up the CXC 360 system to integrate segmented customer experiences and improve connection between customer touchpoints, as well as to specify customer types for customized care. These efforts started with building a unified communication system for customer contacts by switching to an integrated support system, ICC (Integrated Customer care Center), which enabled us to unify representative numbers for customer contacts. In addition, we have carried out activities to improve each of the six contact points (sales, delivery, consultation, repair, care, and CAC) across the customer journey to provide a holistic, customer-centric and seamless experience. We are expanding this innovation of the customer experience overseas.

Key Activities to Enhance Each Customer Touchpoint

Sales

Improve visit care service

Delivery

Enhance on-time delivery system

Consultation

Provide consultations customized for each customer group, such as the elderly or premium customers

Repair

Introduce lifetime care (service provided on weekday evenings)

Care

Activate advance appointment system

CAC

Improve follow-up service and customized maintenance

Customer

Customer Satisfaction Improvement

Integration of Home Appliance Services: Reducing Service Lead Time for Air Conditioner

In March 2023, LG Electronics integrated the home appliance service by changing the home system air conditioner service provider from Hi-M Solutek to Korea Service. As a result, we were able to reduce the lead time for air conditioner service, and VOCs for customer service delays have been decreased by 62% year-on-year. Accordingly, customer experience in air conditioner service has been improved by quick response to service requests in peak season as well as monitoring of online service availability and customer complaints through the integrated home appliance service.

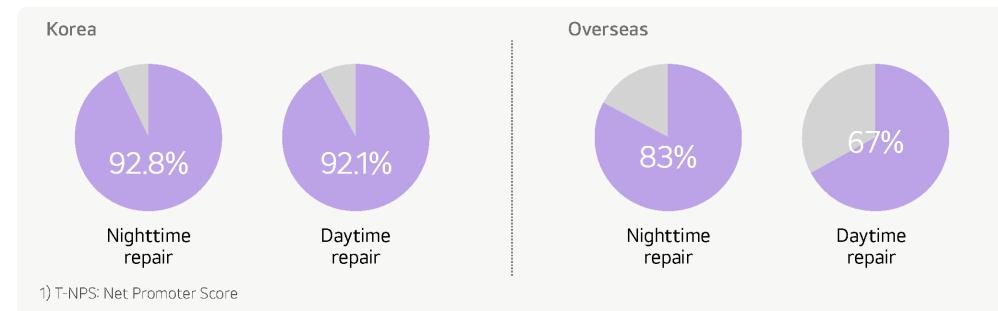
Changes in Customer Service for Air Conditioner from the Customers' Perspective



Evening Service

LG Electronics started to provide services at nighttime on weekdays, the first in the home appliance industry in order to proactively respond to changes in customer lifestyles, particularly the increase in single-person households and double-income households. This enabled us to provide a differentiated customer experience by providing services at customers' preferred times and contributed to positive customer experiences. In Korea, the evening service was launched in September 2023 for service centers in the metropolitan and central regions and will be expanded to service centers in the western and southern regions in 2024. Overseas, the service has been implemented in a total of six countries (Singapore, Indonesia, Vietnam, Thailand, Taiwan, and Egypt) in 2023, and will be expanded to nine countries in 2024.

Satisfaction from Customers' Perspective (T-NPS¹⁾)



Change of Time Interval for Visit Appointment to Improve Overseas Customer Experience

LG Electronics is differentiating overseas customer experience by using timetables that can be booked in two-hour intervals and ensuring on-time visits. In January 2023, the service was launched in six countries (Vietnam, Thailand, Indonesia, Singapore, Taiwan, and Egypt), and in October 2023, was expanded to four additional countries (Colombia, Chile, Peru, and the Philippines). We manage the on-time rate as one of the KPIs for our visit care service, and found it was 85.5% for 10 countries (cumulative) in 2023.

Customer

Skill Olympics in 2023

LG Electronics organizes the Skill Olympics every year in its major countries to enhance the repair skills of service managers while providing them with a source of motivation. In 2023 Skill Olympics, we aimed to strengthen our service capabilities and improve customer satisfaction by covering not only the repair area but also the customer communication and consultation area.

In Korea, we held the Skill Olympics from November 1 to 2. In response to changes in the business environment, we added a new category, home appliance cleaning service including product repair and cleaning skills, customer response skills, and consultation capabilities. Advance promotion for the event began in June to allow time for participants to prepare for the competition and receive training, and the number of participants was increased to a total of 488 compared to the previous year's 381 participants due to high interest from service managers. The first qualifying round was held through a mobile evaluation up to September 13, and the second qualifying round was held locally until October 6, resulting in a total of 87 participants advancing to the main round. The main round was held at the Pyeongtaek Learning Center from November 1 to 2, with a total of 33 winners across product categories. Overseas, we held a total of three Skill Olympics. In the first round of the U.S. Skill Olympics from November 2 to 3, 416 Digital Mobile Service Technicians (DMSTs) from the U.S. and 29 from Canada participated. The top 12 advanced to the finals through an exam (20%) and re-service evaluation (80%), and we offered them a tour of our Tennessee factory and a smart factory line. A total of three winners were then awarded through the final competition. In the Middle East and Africa Skill Olympics from October 18 to 19, 61 participants from 19 countries and 19 partners attended, the highest attendance since 2022 when 59 attended. We also shifted the evaluation criteria from traditional repair capabilities to diagnostic capabilities under the same conditions as a customer repair environment, and a total of 21 winners were awarded. The Skill Olympics helped focus the attention of our subsidiaries and partners in the Middle East and Africa region on improving their technical and customer service capabilities, and boosted the pride and self-esteem of our customer-facing personnel. Finally, we held the Skill Olympics in India from December 7 to 8. Four call centers in four regions held regional qualifiers in seven events, including critical refrigerator repair and customer consultation, and the main event was held at our Noida production site. Of the 307 participants who went through the regional qualifiers, 78 advanced to the main event, and 15 won awards. This event helped LG Electronics to improve its global service capabilities and enhance customer satisfaction through service managers.

2023 Customer Service Awards

Country	Month	Awarding Organization/Group	Description of Award
Korea	February	Korea Consumer Agency	A commendation awarded to businesses for outstanding performance in resolving consumer complaints in 2022 (at a workshop held by the Business Association of Consumer Complaint Resolution in 2023)
	April	Korea Management Association Consultants	Excellent call centers in 2023 KSQI in Home Appliance sector
	June	Dong-A Ilbo	Winner in Korea Consumer Awards in Home Appliance A/S in Korea
Brazil	September	Korean Standards Association	No. 1 in KS-CQI in Home Appliance in 2023
Brazil	June	Consumidor Moderno Magazine	Modern Consumer Award for Excellence in Customer Service (Consumer Electronics)
US	September	ACSI (American Customer Satisfaction)	No. 1 in customer satisfaction (surveyed by a trusted consumer organization across industries in the U.S.)
Singapore	November	SRA (Singapore Retailers Association)	Excellent Service Award (5 Singapore subsidiary employees awarded)



Skill Olympics

Customer

Customer Satisfaction

Survey on Customer Satisfaction

The LG Electronics survey on customer satisfaction consists of questions like "How likely are you to recommend the service you experienced to someone close to you?", which asks customers who have received repair services from LG Electronics how likely they are to recommend the repair service they experienced to someone close to them. Customers are asked to rate their willingness on a scale from 0 (not at all willing to recommend) to 10 (highly willing to recommend).

Customer Satisfaction by Year

Korea			Overseas		
2021	2022	2023	2021	2022	2023
84.6 points	87.7 points	92.5 points	66.8 points	69.9 points	63.6 points

Ethical Advertisement

Pursuit of Ethical Marketing and Advertisement

LG Electronics is committed to promoting its products and services ethically and encouraging customers to recognize the social and environmental challenges that the world and local communities face.

Principle of Ethical Marketing and Advertisement

Accuracy and Transparency in Product Information

Provide accurate and balanced product information about our products or services that does not mislead customers so they can make informed choices.

Accurate and Transparent Communication for Sustainability

Ensure transparency and responsibility in sustainability-related communications.

Diversity and Inclusion

Respect human dignity, celebrate everyone's identities and perspectives without discrimination, and strengthen diversity and inclusion.

Respect for Competitors' Products/Work

Ensure no information is provided about competitors' products and work.

Commitment to Accessibility

Strive to improve the way we provide information from an accessibility perspective to ensure that all people can easily recognize and understand our communications.

Compliance with Regulation and Customs

Comply with all applicable regulations and customs related to advertising and communication activities in each country.

Customer

Quality Management

Quality Vision

LG Electronics has set a quality vision of "a company that is loved by customers for its world-class quality." To achieve this, all employees, including the CEO, practice customer-centered quality management. The concept of quality is not just limited to product defects, but also includes any complaints, inconveniences, anxiety, and distrust experienced by customers; all of which require a proactive response. Through this approach, we strive to provide consistent and uncompromising customer experience innovation. In particular, we recognize that product safety is the most basic customer value and constantly advance our quality capabilities to provide products that customers can use with confidence.

Provision of Differentiated Product Safety to Customers

LG Electronics focuses on activities to enhance its safety assessment and product liability (PL) risk management to provide customers with a differentiated level of product safety. We ensure the safety of our products by conducting safety assessments at the test and development stages, using safety design standards that consider the environment in which the customers use our products. We also identify parts that have a critical impact on safety and operate a proactive safety certificate system. In addition, through our Early Sensing system, which monitors not only product problems but also potential risks, we can both prevent product safety issues and respond quickly to issues when they arise, minimizing customer complaints and inconveniences.

Continuous Development of Quality and Product Safety Experts

LG Electronics provides training programs on quality and product safety to employees in Korea and overseas through its 'Quality College'. Based on their position and job duties, employees are given the opportunity to take specialized courses in areas such as PL, environmentally conscious product, Six Sigma, and reliability, either online or offline, to enhance their quality capabilities.

In 2023, we developed and launched a new advanced and expert track courses for reliability, which contribute to securing reliability by strengthening problem-solving capabilities in the field. In addition, we attempt to enhance internal and external credibility by obtaining certifications from accredited labs in areas such as antibacterial, antimicrobial, antifungal, antiviral, and drinking water quality. Recently, we have been improving our hygiene verification capabilities by fostering and scouting experts as customer expectations for hygiene are increasing.

We also encourage our employees to obtain certifications such as Certified Reliability Engineer (CRE), Certified Quality Engineer (CQE), and Certified Fire & Explosion Investigator (CFEI) to enhance their quality capabilities and expertise.

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

Customer

Accessibility Vision

2030 Accessibility Goals

LG Electronics is committed to developing better products and services by listening to the diverse opinions of various individuals, including the elderly, children, people with disabilities, and those without disabilities, ensuring that no one should be excluded when using LG products. By 2030, we aim to add accessibility features and apply universal design to all our product lines. In addition, we will build barrier-free service environments at various customer contact points to ensure an inclusive customer experience.

Accessibility Implementation Process

LG Electronics strives to create products and services that are accessible to all. We have established and implemented processes to ensure that accessibility is considered in all stages of product planning, design, production, sales, and after-sales service (A/S). Each department collaborates and deliberates together to enhance customer accessibility. We are also actively communicating with external stakeholders such as the Korea Blind Union, Korea Disabled Customer Union, Korea Association of the Deaf, and Korea Digital Agency to improve the accessibility of our products and services. Notably, in 2023 we conducted an accessibility evaluation of our service locations such as Best Shops, service centers, call centers, and LG Electronics website for people with visual, hearing, and physical disabilities as well as the elderly. The evaluations were focused on identifying and resolving customer inconveniences in partnership with Seoul National University, Hanseo University, and Global Research. We will continue to improve the usability and convenience of our products and services so that all customers, including the people with disabilities and the elderly, can use them conveniently regardless of their physical condition.

Examples of Accessibility Functions by Product and Service Type

Product Accessibility

LG Comfort Kit

LG Electronics has developed LG Comfort Kits that apply universal design to make home appliances easier to use for all customers, regardless of their gender, age, or disability status. We have released a total of seven LG Comfort Kits, including the Easy Handle for washing machines, dryers, and refrigerators, the Easy Ball for dials on washing machine and dryer, the Easy Hanger for the Styler, and the air conditioner remote control cover. These products are easy to attach to LG appliances, making it more convenient for customers to use our home appliances.

LG Electronics plans to continuously expand and develop the LG Comfort Kit lineup through collaboration with the National Rehabilitation Center. LG Electronics is committed to improving product accessibility so that all customers, regardless of physical conditions, can conveniently use home appliances. We strive to enable everyone to enjoy a more independent and free daily life.

Example of using LG Comfort Kits

Easy Handle
for Refrigerator
(Door)



Grab the Easy Handle and pull it forward to open the door easily

You can put your hand or arm through the handle to open the door with less effort. If you're carrying a pot or container, you can put your arm through the handle to open the door with ease.

Easy Handle for Washing
Machine and Dryer
(Door, Detergent Container
and Water Container)



Grab the Easy Handle and pull it forward to open doors easily.

You can put your hand or arm through the handle to open the door with less effort.

Easy Ball for Washing
Machine and Dryer
(Dial)



Grab the Easy Ball and turn it manually to use the dial.

webOS 'Accessibility' Q Card

LG Electronics has enhanced the customer experience by expanding the easy and convenient webOS-based personalized services on its 2024 LG Smart TVs. By utilizing the newly added 'Accessibility' Q card on the TV home screen, every customer can conveniently use accessibility-related features. 'Visual Assist' and 'Hearing Assist' help customers with visual or hearing difficulties enjoy watching TV. 'Learn to use the remote control,' which has the user follow on-screen instructions to press remote control buttons, makes it easy for customers who struggle with complex features to use the remote control.

Additionally, 'Explore Features' allows users to check various functions within the TV, and the 'Shortcut' button enables easy access to a variety of TV features. In particular, 'Quick Help' and 'Chat with Chatbot' assist in identifying and resolving issues with the device. LG Electronics is committed to making it more convenient and enjoyable for customers to use their smart TVs.

Customer

Home Appliance Accessibility Features

Feature	Support Area	Product	Functions	Remarks
Audio guide	Vision	All home appliances (Expanding to other products)	Makes it easy for everyone to use appliances by announcing the name of the button or the selected option every time it is pressed, as well as describing the function or the current status of the product.	
Voice recognition	All	All home appliances (Expanding to other products)	A simple voice command activates the product, making it easier for everyone to use the product.	
Braille	Vision	All home appliances	Offers Braille stickers that can be applied to all LG appliances. The Braille stickers consist of intuitive icons such as power, startup, and Wi-Fi, as well as braille numbers and guides. The braille stickers are available for free upon request by contacting LG Electronics customer service or the Korea Disabled Consumers Association. They are also available on-site at LG Best Shop stores nationwide for customers who purchase or use LG appliances, and can be applied upon request.	
Braille	Vision	Bluetooth speakers	Adds Braille to the power and volume up/down buttons on the exterior of the product to assist visually impaired users.	
Sound UX	Vision	All home appliances (Products developed after 2022)	Different sound effects are played based on the button function, allowing users to distinguish functions auditorily.	
Auto smart drawer	Physical	Refrigerators (LG SIGNATURE products only)	Offers the inner drawer that automatically pops out when the freezer door is opened. It is to make it easier to get to items deep in the freezer without having to bend over as far.	
Auto smart drawer	Physical	Refrigerators (LG SIGNATURE products only)	Offers a feature that automatically opens the lower-right door for easy access when the user simply places a foot on the bottom marker of the refrigerator without using one's hands.	
Auto lift	Physical	Refrigerators (LG SIGNATURE products only)	Offers a push button which automatically opens the bottom drawer and the container inside rising to knee height, making it easy to use even if the user is in a wheelchair or have limited manual dexterity.	
Push open door	Physical	Washing machine, Dryer (LG SIGNATURE products only)	Allows the product door easily opened with a small amount of force by pressing the center-right part of the product.	
Eye-level storage box / Mini washer	Physical	Washing machine, Dryer (Certain products only)	Install a raised storage compartment or Mini washer under the washing machine or dryer allows users to easily reach inside the drum, for easy access to your laundry - The LG Tromm raised storage compartment or Mini washer fits under a washing machine or dryer and cannot be installed on its own. - Can be installed under 15~25 kg LG Tromm washing machines manufactured after 2008 (excluding F15*QT,F22**** models) - Can be installed under 14/16/17/19kg/20kg LG Tromm dryers	
Automatic detergent loading	Vision/Hearing/ Physical	Washing machine	Eliminates the need to add the detergent with the automatic detergent loading function.	
Filter cleanbot	Vision/Physical	Air conditioner	Equips the Filter Cleanbot that automatically cleans the dirt from the ultra-fine filters that would otherwise be difficult to remove and wash.	
Auto-moving buckets	Physical	Air conditioner (LG SIGNATURE products only)	Makes it easy to fill and empty the humidified water reservoir, which automatically moves forward when users put their foot near it.	
Auto-moving filter	Physical	Air conditioner (LG SIGNATURE products only)	Makes filter management easier with the push of a button that pushes the filters forward, which are generally difficult to remove from the back of the air conditioner or are high up.	
Auto-door opening for drying	Physical	Dishwashers	Has the door that automatically opens slightly at the end of the wash to allow steam to escape and the dishes to air-dry without the user having to open the door.	
Heat indicator	Hearing	Electric cooktop	Allows users to see at a glance whether the induction is on or off through the changes of indicator lamp length depending on the intensity of the fire.	
Easy Handle (Shelf)	Physical	Dishwashers	Allows users to open the bottom shelf without having to bend down far enough to open it.	
Easy Ball	Vision/Physical	Washing machine, Dryer	Attaches it to a washing machine or dryer dial to make it easier to turn, even if you have difficulty with fine motor skills. It also provides a reference point for what course the dial is on, making it easy to use for the visually impaired.	
Easy Handle	Physical	Washing machine, Dryer	Attaches to doors, detergent bins, water containers, and more, making it easy to open and close with the back of your hand, wrist, or non-dominant hand, even if you don't have the strength or fine motor skills to do so.	LG Comfort Kit (Sold separately)
Easy Hanger	Physical	Styler	Allows users to hang clothes on the styler's moving hangers while in a wheelchair, or for people who are short in stature.	
Easy Handle	Physical	Refrigerator	Improves accessibility to make doors easier to open with less effort, and easier to open with your elbow, even if you're holding a bin or pot in your hand.	
Silicone/Braille	Vision/Physical	Air conditioner remote control	Has key buttons that can be embossed, raised, or have Braille added to make them instantly recognizable by the visually impaired. People with limited manual dexterity may drop the remote, and the silicone material of the remote cushions the impact.	

Customer

TV Product Accessibility Features

Feature	Support Area	Description
Read menus by voice (First Use)	Vision	Enables the 'Read menu by voice' feature to be turned on from the initial TV setup.
Accessibility Q cards	All	Shows easy-to-use features, including accessibility features, at a glance.
Accessibility shortcut	All	Makes it easier to set up accessibility features. Press and hold the mute button on the remote control for at least one second or press the 'Accessibility shortcuts' icon in the Quick Settings menu to easily set up the accessibility features TV offers.
Learn to use the remote control	All	Describes each button on the remote control. After enabling 'Read menus by voice', this feature makes it easier for consumers with visual impairments to learn the remote control.
Remote control protrusion	Vision	Raised dots (home, mute, voice recognition, number 5) and braille (power, volume, channel buttons) are applied to the main buttons on the remote control.
Read menus by voice	Visual	Reads menu names and actions aloud by voice. When the function is turned on, voice speed, volume, and pitch level can be set in detail.
View text clearly	Vision	Adjusts the contrast between light and dark areas of the TV menu to make the text on the TV menu easier to read.
Switch to B/W	Vision	Changes the color of the video and on-screen menus to black and white tones to sharpen the blurry boundaries between colors.
Color inversion	Vision	Inverts the background and text colors of the TV menu to make it easier to read the text in the menu.
Describe the screen aloud	Vision	Provides on-screen commentary that explains what is happening on the TV screen that customer is currently watching (only if the TV show supports the feature).
TV ON/OFF sound	Vision	Emits sound effects when the TV is turned on and off, making it easier for customers with visual impairments to know whether the TV is turned on or off.
View subtitles	Hearing	Enables to watch TV shows with subtitles that explain dialog, sound effects, and even non-verbal elements, and customers can use the directional buttons on the remote control to move the subtitles to where they want (but only if the show supports subtitles).
TV sound share	Hearing	Outputs sound through the TV speaker and a Bluetooth device simultaneously so that customers with hearing impairments can watch TV with their family or friends. (Earphone and headphone types are recommended for Bluetooth devices)
Zoom in on sign language screens	Hearing	Zooms in on the sign language screen to make it easier for customers with hearing impairments to see the sign language.
Chat with Chatbot	All	Helps customers easily troubleshoot issues that arise while using their TV.
Quick help	All	Helps customers easily troubleshoot issues that arise while using their TV.
Explore features	All	Provides illustrated descriptions of the main menus, and consumers can start using the features on the spot.

Customer

Service Accessibility

Best Companion Care service

LG Electronics offers the 'Best Companion Care Service' to help customers who are in wheelchairs or have difficulty with physical activity to visit our stores. The service can be requested by making a reservation in advance, and a dedicated manager will carefully guide and support the customer one-on-one from the entrance to the exit. Any customer with mobility issues or physical activity limitations can use this service. The service can be requested through the 'Book an in-store consultation' menu on the LG Electronics website (www.lge.co.kr) or the Best Shop website (bestshop.lge.co.kr).



LG Best Companion Care service



KakaoTalk (messenger) Chat Counseling

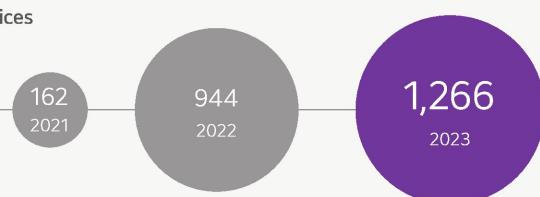
In April 2021, LG Electronics launched 'KakaoTalk Chat Counseling' which significantly improved accessibility to consultations using the most popular messenger app in South Korea. This enabled us to move from voice-based consultations to consultations using text, images, and content, providing customers with more accurate and richer information. It also increased customer satisfaction by allowing them to check their consultation history in both directions.

Sign Language Counseling Service

LG Electronics provides sign language counseling services in countries around the world, including Korea, France, India, and Canada. In Korea, LG Electronics launched the sign language counseling service in October 2021, and currently have two sign language counselors provide the service. In 2023, the scope of sign language interpretation was expanded to all areas of the Customer Experience Journey (CEJ), from consultation and service to purchase, delivery, installation, and subscription for customers with hearing and speech impairments. In March 2023, LG Electronics introduced digital human sign language guidance at customer reception kiosks in service centers nationwide to further enhance customer convenience.

Number of Sign Language Counseling Services Provided per Year (Korea)

(Unit: Case)



* Data for 2021 covers October to December only.

Examples of Accessibility Improvements by Service Type

Service	Support Area	Service Touchpoints	Description
Best companion care service	All	LG Best Shop	By selecting 'Best Companion Care Service' when booking an in-store consultation appointment, all customers who need physical help will receive one-on-one care from a dedicated manager from their entrance to their exit.
Sign language support	Hearing	Service Center	We have added digital sign language functionality to the customer reception kiosk in the service center, allowing customers to receive service guidance in sign language
		Telephone Counseling Center	For product or service consultations with LG Electronics, customers can receive guidance in sign language through specialized consultation agents at the telephone consultation center.
ARS counseling	Senior	Telephone Counseling Center	For senior customers registered with the customer center, LG provides an 'Visible ARS' with large text display and a 'Slow speech ARS'. Customers age 85 and older are directly connected to a dedicated counselor for convenient service.
		Visual	Visually impaired customers registered with the customer center can connect directly to a dedicated counselor without waiting on ARS.
Free on-site A/S service	Visual/ Hearing/ Mobility impairment	Service Center	If a customer with a disability registered with customer center requests on-site service, the service visit fee for the technician may not be charged. (repair and parts fees are still charged).
Family feedback program	Senior	Service Center	For cases in which senior customers' family members handle the reception on their behalf, LG Electronics sends reassuring text messages and provide detailed updates on any inconveniences encountered, allowing families to share the service center experience together.
Senior IT training	Senior	LG Best Shop	LG Electronics gives a lecture for senior customers on how to utilize their smartphones (select stores only)

Local Community

Social Contribution

Vision for Social Contribution

LG Electronics has set a social contribution vision of "Better Life for All" with the hope that everyone's life will be improved through our social contribution activities. To this end, we have established four strategic directions for social contribution. 1) Create environmental and social value by leveraging our products, technologies, and infrastructure. We make a social contribution toward environmental protection and social issue resolution by making products and technologies that minimize environmental impact and are useful for all. 2) Maximize the use of products and services for everyone. We provide products and services that improve accessibility for all, including customers with disabilities, and prioritize using these products and services in our social contribution activities. 3) Encourage active engagement of customers and employees in social contribution activities with total sincerity by everyone's participation. 4) Consider balanced growth in local communities. Subsidiaries and divisions conduct social contribution activities to address issues in local communities near their business sites, while the headquarters prioritizes activities to address social issues at the global level that subsidiaries and divisions cannot directly influence.

ESG
Vision

Better Life for All

Strategy

Activity related to Business & ESG Strategy

Develop social contribution activities with a story related to business
Build an image that helps your brand and business

Encourage stakeholders' engagement

Expansion of stakeholder participation programs
Activities with the local community

Major
Programs

- 1) TVET (2014~)
- 2) LG Social Campus (2010~)
- 3) Global Volunteer Day (2010~)
- 4) LG Hope Screen (2008~)

- 1) GITC (2014~)
- 2) Use Product/Technology - Linked to Accessibility

- 1) Life's Good Volunteer (2010~)
- 2) ESG Academy (2014~)
- 3) Executives' CSR fund (2010~)
- 4) Life's Good Day (2011~)

- 1) Community Support (2020~)
- 2) Military Support (2015~)
- 3) Free Repair Service

Communication

Consistent and Active Communication



Social Contribution Roadmap

LG Electronics has set a 2030 social contribution roadmap in which we define the target cumulative number of beneficiaries of each social contribution strategy.

Activity related to Business & ESG Strategy

- Resolve social issues using LG Electronics' technologies and products

Cumulative number of beneficiaries	2030 goal
90,544	300,000

Encourage stakeholders' engagement

- Support stakeholders' growth and independence through partnerships
- Organize volunteer activities in all countries where we operate by 2030

Cumulative number of beneficiaries	2030 goal
3,417,116	8,000,000

Local Community

Implementation of Social Contribution

LG Electronics has established social contribution organizations in overseas subsidiary, each of which carries out social contribution and corporate citizen activities customized for each country. The executives and teams in charge of social contribution in the headquarter establish the overall strategic direction of our social contribution, spread it to overseas subsidiaries, and promote social contribution activities for subsidiaries.

Social Contribution Expense and Fund

Social Contribution Fund (Korea)

Classification	Unit	2021	2022	2023
The Executive Social Contribution Fund	USD thousand	330.4	294.3	298.6
The Ussuri Fund*		220.3	178.9	172.3

* Nominal amounts below USD 0.77 (Exchange rate: USD 1 = KRW 1,306) are deducted and accumulated from the basic salary of participating executives and employees since 1995, to be used for a social contribution fund

Types of Social Contribution Expense

Classification	Unit	2021	2022	2023
Investment to local communities*		156.6	2,890.1	1,657.1
Donation**	USD thousand	25,315.9	19,583.1	15,261.8
Commercial initiative***		10,433.2	35,619.9	24,526.2

* Costs spent from R&D expenses for social contribution activities, such as scholarships

** Costs that are paid from donations account

*** Costs spent from advertising expenses for social contribution activities, such as sponsoring sports, events, etc.

Program

Executives' CSR Fund

LG Electronics has been raising the Executive CSR Fund since 2004. Korean executives voluntarily deduct 0.5% of their salary every month to fund social contribution activities; since 2019, this has been expanded to expatriates, with more than 85% of overall executives participating. We contribute an additional 50% to the funds raised by executives as a matching grant to support various activities in Korea and overseas. The fund is provided to support specific activities after evaluated by the Executive Fund Management Committee (1 chairperson and 5 members). In 2023, in addition to donations for the forest fires in Gangwon-do and the earthquakes in Turkey and Morocco, the fund supported a vocational training school in Nepal, a project to distribute solar-powered portable batteries in the Democratic Republic of Congo as well as housing/educational environment improvement and cholera vaccination for war veterans in Ethiopia, and the LG Ambassador Challenge project.

Life's Good Employee Volunteer Group

In addition to the Company's social contribution programs, LG Electronics has operated the Life's Good Employee Volunteer Group since 2010, which allows employees to plan and carry out their volunteer activities. Every year, we select volunteer teams and fund their activities that contribute to the local community by utilizing the talents of our employees, including product inspection and free repairs, career mentoring, AI photo studio, and volunteer work for stray dogs and cats. In 2023, there were 72 teams with 595 members, resulting in a cumulative total of 2,828 hours for volunteering and 31,174 beneficiaries.

Life's Good Day

LG Electronics runs its 'Life's Good Day' program to create a donation culture internally. Since 2011, we have organized donation meals once every even-numbered month to encourage all employees to voluntarily participate in donation activities. When employees choose the donation meal, the amount of money they save on side dishes is raised as a donation. By 2023, a total of 673,789 employees had participated in the program, raising a cumulative total of approximately USD 214.4 thousand, all of which has been used for social contribution activities. We will continue to create a donation culture that encourages our employees to easily participate in making donations through small actions in their daily lives.

Leave for Volunteering on Weekdays

To help employees dedicate themselves to volunteering, LG Electronics provides the "Weekday Volunteering Leave" which provides paid leave for volunteering on weekdays once a year. In 2023, a total of 1,051 employees participated in the program, resulting in a total of 4,804 hours for volunteer activities.

Local Community

Activities

Use Product, Technology, and Infrastructure

TVET (Technical Vocational Education and Training) LG Electronics operates vocational training schools in five countries (Ethiopia, India, Cambodia, Bangladesh, and Nepal), in partnership with local governments, foundations, the Korea International Cooperation Agency (KOICA), and NGOs to help build a foundation for youth independence through technical training. We contribute to local communities by strengthening the value chain from education to employment and self-reliance of local youth by providing technical training in electricity, electronics, and ICT, including the provision of equipment and infrastructure needed for training as well as strengthening teacher capabilities and funding scholarships. One notable example of our efforts is the LG-KOICA Hope TVET in Ethiopia, which opened in 2014. By 2023, a total of 457 students had graduated from the school, with more than 94% obtaining certifications through nationally recognized certification exams and 100% succeeding in finding a job or starting their own business. We plan to continue to expand this program to further differentiate the school from other vocational training schools and increase its self-reliance.

LG Social Campus: Support for Environmentally Conscious Social Economy Enterprises Since 2011, LG Electronics has operated the LG Social Campus, an integrated support platform that provides financial support, space support, growth support, and talent development for the sustainable growth of social economy enterprises in the environmentally conscious sector. Notably, we support social economy enterprises in the environmentally conscious field to strengthen their business capabilities through financial support and acceleration programs. In addition, our labor union arranges for technical masters to visit social economy enterprises and provide customized consulting to help them improve their productivity. As of 2023, we have provided a total of USD 9.0 million in funding to 185 companies.



LG-KOICA Hope TVET Graduation Ceremony



LG Social Campus Local Value Up Commencement Ceremony



LG Hope Screen

LG Hope Screen LG Electronics provides free advertising support to UN international organizations and non-profit organizations using its outdoor LG Electronics billboards in New York's Times Square and London's Piccadilly Circus. In 2023, LG Electronics supported public service videos such as UNEP's (United Nations Environment Programme) environmental campaign and FAO's (Food and Agriculture Organization) campaign to end hunger with its billboards. Through this support, we aim to raise awareness of various social issues, particularly in the areas of environment and culture.

Product and Service for All

Global IT Challenge for Youth with Disabilities Since 2011, LG Electronics has been organizing the Global IT Challenge for Youth with Disabilities to bridge the digital divide for youth with disabilities and create a foundation for them to pursue higher education and employment. We also organize forums on IT and disability to improve participating countries' awareness of the needs of people with disabilities. The Global IT Challenge for Youth with Disabilities is the world's only IT festival for youth with disabilities that transcends barriers of disability, religion, culture, and nationality. To date, 4,500 youths with various types of disabilities (physical, hearing, visual, and developmental) from 40 countries have participated in seven IT Paralympiad events.

LG Global Ambassador LG Electronics has been running a contest program to support the resolution of local issues since 2017, starting in Bangladesh.. Through this program, we select plans for resolving local issues submitted by customers and residents, and appoint some of them as LG Ambassadors to support their engagement in local problem-solving activities. Through this program, we support the efforts of residents who understand local concerns and have solutions but are unable to implement them due to challenging circumstances. Thus far, we have carried out 71 projects in eight countries to solve local issues.



Global IT Challenge for Youth with Disabilities



LG Global Ambassador Activity

Local Community

Involve Customer and Employee

LG Electronics Global Volunteer Day Since 2010, LG Electronics has designated World Environment Day on June 5 as LG Electronics Global Volunteer Day, and together with our labor unions, we engage in environmental protection activities on this day with employees at our business sites around the world. In 2023, to mark the 11th Global Volunteer Day after the pandemic, volunteer activities were held at 35 business sites globally. In Korea, we organized a campaign to collect used appliances from customers to raise awareness of resource circulation and build infrastructure.

ESG Academy for University Students Since 2014, LG Electronics has been operating Love Gini, a social contribution academy for college students that fosters young talents in the field of corporate social responsibility. In 2021, the program was reorganized to focus on ESG topics, and renamed the ESG Academy for University Students. The purpose of the academy is to raise awareness of ESG among college students and to foster talent in the ESG field. The 32 college students, selected through document screening and interviews, receive systematic training and mentoring on ESG activities for about 5 months, from March to July. Participating students reflect on each area of environmental, social, and governance (ESG) and carry out ESG activities they design by themselves. They also have the opportunity to network with employees from various job groups interested in ESG through activities such as monthly sharing meetings, volunteer activities, sports competitions, and homecoming days. To date, more than 300 participants have completed the program. LG Electronics will continue to strive to increase ESG awareness among college students.



Employee Volunteer Activities



Launching Ceremony for ESG Academy Class of 9

Balanced Growth for Community

Free Repair Service LG Electronics actively participates in relief and recovery activities when disasters such as earthquakes and floods occur. We set up mobile service centers in affected areas, where we provide free inspection and repair services for broken home appliances and carry out various recovery support activities for disaster victims. In 2023, we participated in recovery activities following the forest fires in Gangwon-do and the flooding in Chungcheong, Gangwon, and Daegu; donated money, home appliances, and relief supplies for recovery from the earthquakes in Turkey and Morocco; and supported the Saemangeum Jamboree, fulfilling our social responsibilities as a global corporate citizen.

Community Support and Military Support LG Electronics contributes to regular rural-urban exchanges and revitalization of rural areas through Community Support programs. We purchase local specialties and donate them to local social welfare facilities and vulnerable groups, support remodeling and home appliances for community facilities, and provide laptops to students enrolled in rural universities as a gift to enhance their studies. In addition, we have had a sisterhood program with the 3rd ROK Special Forces Brigade since 2015 to provide consolation money and necessary products to the soldiers of the Korean Armed Forces in gratitude and encouragement for their hard work every year.



Support for participants in Saemangeum World Scout Jamboree



Provision of inspection and repair of home appliances free of charge in flooded areas

Local Community

Smart Green Movement

The Spanish subsidiary of LG Electronics is actively promoting the 'Smart Green Movement' initiative. Through this initiative, the subsidiary is running three projects, Smart Green Trees, Smart Green Bees, and Smart Green Seas, to fight against climate change and preserve biodiversity. Each project encourages the participation of various stakeholders, including not only employees but also local communities and business partners, to bring about meaningful changes at the social level.

Smart Green Trees Smart Green Trees is a tree planting project to reduce CO₂ emissions and protect ecosystems, and has been active since 2018, with the long-term goal of planting 47 million trees, one for every citizen of Spain.

Smart Green Bees Smart Green Bees is a project to increase the population of Iberian bees in Spain and focused on rebuilding the bee ecosystem. The project has the long-term goal of creating an environment in which around 47 million Iberian bees can reproduce naturally through technologies that do not harm the ecosystem.

Smart Green Seas Smart Green Seas is a project to restore the marine vegetation that can effectively absorb CO₂. The Spanish subsidiary is cultivating Posidonia seaweed alongside the Spanish coastline, contributing to the restoration of the Mediterranean Sea's marine ecosystem.



Smart Green Movement activities

Governance

Corporate Governance

BOD-Centered Responsible Management

Composition of the BOD

LG Electronics practices BOD-centered management system, striving to implement robust and transparent corporate governance. The majority of BOD members are independent directors who have been elected transparently and fairly through the Independent Director Candidate Recommendation Committee. These independent directors are experts in various fields, including industry, accounting and finance, and law. Their diverse backgrounds and specialized knowledge enable them to effectively deliberate on BOD agendas and oversee the management's activities.

Appointment of BOD Chairperson

LG Electronics appoints the chairperson of the BOD separately from the CEO to ensure the transparent operation of the BOD. According to BOD regulations, the BOD chairperson is elected from among the executive directors, non-executive directors, and independent directors. The chairperson leads deliberations and resolutions on matters approved by the shareholders' meeting, approval of financial statements, amendments to the Articles of Incorporation, capital raising, and major business matters of the company. LG Electronics currently appoints a non-executive director as the chairperson of the BOD to strengthen BOD-centered responsible management.

Appointment of Directors

LG Electronics appoints directors through a structured process of candidate recommendation, candidate deliberation, voting, and approval by the shareholders' meeting. Directors are elected by an affirmative vote at the shareholders' meeting in accordance with Article 382 of the Korea's Commercial Act. Directors serve a term of up to three years in accordance with Article 29 of the Articles of Incorporation, and can be reelected for up to six years as provided by the Commercial Act. When appointing independent directors, the Independent Director Candidate Recommendation Committee recommends and evaluates candidates based on the qualification standards set forth in relevant laws and regulations, including the Commercial Act. The committee aims to appoint independent directors who possess both expertise and a strong sense of responsibility. In addition, LG Electronics ensures independence of the director appointment by composing the Independent Director Candidate Recommendation Committee exclusively of independent directors.

Board of Directors

(As of end of May 2024)

Name	Classification	Gender	Age	Total Tenure as Director (months)	Term Expiration Date	Area of Expertise	Major Career Experience
William (Joowan) Cho	Executive Director	Male	61	28	2025-03-24	Business Management	CEO of LG Electronics
Chang Tae Kim	Executive Director	Male	57	2	2027-03-26	Finance	CFO of LG Electronics
Bong Seok Kwon	Non-Executive Director	Male	60	48	2025-03-24	Business Management	Vice Chairman of LG Corp
Sang Goo Lee	Independent Director	Male	62	62	2025-03-24	IT	Professor, Department of Computer Science and Engineering, Seoul National University
Soo Jin Kang	Independent Director	Female	52	38	2027-03-26	Law (Lawyer)	Former) Prosecutor, Seoul/Suwon Seongnam/ Daejeon District Office Professor, School of Law, Korea University
Choong Yeul Yoo	Independent Director	Male	53	26	2025-03-24	Accounting, Audit	Professor, College of Business, KAIST
Seung Woo Seo	Independent Director	Male	59	14	2026-03-25	Electric Vehicle	Former) Founder of an Self-driving startup (ThorDrive) Professor, Department of Electrical and Computer Engineering, Seoul National University

Corporate Governance

Independence of the BOD

To ensure the independence of the board and to guarantee its role in checking and overseeing the management, LG Electronics separates the roles of CEO and BOD chairperson. In addition, when appointing independent directors, the disqualification requirements are thoroughly reviewed in accordance with the Guidelines on Independent Directors' Independence. The board consists of seven members, and four of seven(57%) are independent directors.

LG Electronics 'Guidelines on Independent Directors' Independence'

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

LG Electronics Inc. complies with the Commercial Act and other applicable South Korean laws concerning matters of independent directors' independence.

Pursuant to these laws and regulations, efforts are made to monitor and strengthen the independence of current directors and board member candidates.

Independent directors constitute a majority of the board.

LG Electronics Inc. uses the following criteria to ensure independent directors' independence:

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

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

Expertise and Diversity of the BOD

To ensure the expertise and diversity of the BOD, LG Electronics appoints qualified directors from various fields, and promotes diversity in gender, age, experience, and background. This aims to incorporate the perspectives of different stakeholders, including shareholders and customers. Additionally, to enhance the management expertise of independent directors, LG Electronics offers training programs that provide an overview of the company overview, BOD operations, roles and legal responsibilities of the BOD, and seminars on relevant topics such as risk management through the Independent Directors' Workshop. For the Audit Committee, the Audit Committee Support Team assists directors in their duties and provides training on current trends in accounting supervision to enhance their expertise.

LG Electronics 'Guidelines on the Expertise and Diversity of the Board of Directors'

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

LG Electronic Inc. uses the following criteria to ensure director expertise:

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

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

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

Recommendation Process

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

The board of directors shall consider expertise and diversity in deciding its composition, and it should ensure that its membership reflects such requirements in a balanced manner.

LG Electronic Inc. ensures that the board consists of expert directors holding a diversity of experiences and perspectives. All relevant factors are considered during this process, unless otherwise limited by South Korean laws.

Corporate Governance

Board Skills Matrix (BSM)

In accordance with the Guidelines on the Expertise and Diversity of the Board of Directors, LG Electronics considers whether directors have expertise in areas such as management (organization management), economics, law, accounting, and the environment. Additionally, the company takes into account their industry-specific expertise, including work experience in the industries in which LG Electronics and its major affiliates are involved.

Classification	William (Joowan) Cho	Chang Tae Kim	Bong Seok Kwon	Sang Goo Lee	Soo Jin Kang	Choong Yeul Yoo	Seung Woo Seo	Ratio
Leadership	●	●	●	●			●	71%
- CEO Experience	●		●					29%
- CFO Experience		●						14%
- Venture Founding Experience				●			●	29%
Management/Accounting	●	●	●			●		57%
R&D	●		●	●			●	57%
Legal		●			●			29%
Year Appointed	2022	2024	2020	2019	2021	2022	2023	-
Independence				●	●	●	●	57%

Performance Evaluation and Compensation System

LG Electronics evaluates the financial and non-financial performance of its executives using both quantitative and qualitative indicators. This evaluation is conducted for a maximum of three years, and the criteria and methodology for determining executives compensation are transparently disclosed. The compensation of executives is executed based on the criteria established by the BOD, taking into account their positions and responsibilities, and is within the budget approved by the general shareholders' meeting. In addition, bonuses corresponding to 0-150% of the total remuneration are awarded based on an evaluation of quantitative and qualitative indicators in accordance with the executive remuneration regulations.

Management Performance Evaluation Indicators	
Classification	Indicator
Quantitative	Sales, Operating Profit, etc.
Qualitative	Cash Flow, Liquidity, Product, Risk, etc.

BOD Compensation Status		(As of 2023, Unit: USD thousand)		
Classification	Remuneration	Bonus	Total Amount	Average Per Person
William (Joowan) Cho, CEO	1,195.1	597.2	1,792.3	-
Doo Yong Bae, Vice President	488.5	121.7	610.2	-
Independent director			319.3	79.6

Role of Board

The BOD fulfills the following roles and responsibilities in accordance with the laws and the Articles of Incorporation.

- Establishing and overseeing business strategy: setting the company's long-term vision and goals, establish and execute strategies to achieve them, and overseeing the execution of the management tasks.
- Maximizing shareholder value: maximizing shareholder value through transparent and fair management and driving sustainable growth.
- Complying with business ethics and social responsibility: practicing ethical management, fulfilling social responsibility, and striving for sustainable management.
- Managing risks: identifying various risks that the company may face, and establishing appropriate risk management systems to protect corporate value.
- Reviewing M&A proposals fairly and protecting shareholder interests: fairly reviewing M&A proposals in compliance with the relevant laws and regulations, and striving to protect shareholder interests.

Board Convocation

Pursuant to Article 35 of the Articles of Association and Article 9 of the BOD Regulations, the chairperson of the BOD or a director designated by the BOD may convene a Board meeting by giving each director a notice of the time, place, and agenda of the meeting at least 12 hours in advance. Individual directors are entitled to request the chairperson to convene a Board meeting with the agenda and reasons clearly defined, if necessary. If the chairperson fails to uphold this responsibility without a justifiable reason, the respective director may directly convene a Board meeting.

Board Resolutions

In accordance with Article 36 of the Articles of Incorporation and Article 12 of the BOD Regulations, resolutions of the BOD shall be passed with the affirmative vote of a majority of the directors present at the meeting, which must consist of a majority of the directors, unless otherwise prescribed in relevant laws and regulations. Pursuant to Article 391 of the Commercial Act and Article 12 of the BOD Regulations, BOD meetings may be conducted by means of telecommunications in which all directors simultaneously transmit and receive voice.

BOD Activities in 2023 (Unit: Case)	BOD Meetings Held	Approval	Reporting
	8	30	16

In principle, LG Electronics holds regular BOD meetings once per quarter in accordance with the BOD Regulations, and may hold additional Board meetings as necessary. In 2023, a total of 8 BOD meetings were held.

Corporate Governance

2023 BOD Attendance Status

Average Attendance Rate	Independent Director Attendance Rate
96.3% (53/55)	100%
Minimum Attendance Rate	Executive Director Attendance Rate
75%	86.7% (13/15)

Classification	Name	Attendance Rate	Note
Executive Director	William (Joowan) Cho	7/8	
	Doo Yong Bae	6/7	Resigned December 15, 2023
Non-Executive Director	Bong Seok Kwon	8/8	
Independent Director	Yong Ho Baek	2/2	Term expired in 2024
	Sang Goo Lee	8/8	
	Soo Jin Kang	8/8	
	Choong Yeul Yoo	8/8	
	Seung Woo Seo	6/6	

Committees under the BOD

Committees	Roles and Activities	Position	Name	Classification	Gender	Holding Concurrent Positions
ESG Committee (1 executive director, 4 independent directors)	<ul style="list-style-type: none"> Realizing long-term sustainable growth by strengthening ESG management Establishing basic policies and strategies for ESG management Setting mid- to long-term ESG goals Addressing agendas such as management of carbon emission and environmentally hazardous substances, development of environmentally conscious products, human rights and working environment, and fair trade practices. 	Chairperson	Seung Woo Seo	Independent Director	Male	I A
		Member	Soo Jin Kang	Independent Director	Female	I A R
		Member	Choong Yeul Yoo	Independent Director	Male	A R
		Member	Sang Goo Lee	Independent Director	Male	A R
		Member	William (Joowan) Cho	Executive Director	Male	M
Related Party Transactions Committee (1 executive director, 3 independent directors)	<ul style="list-style-type: none"> Strengthening company's controls over internal transactions to enhance fairness of transactions and transparency of corporate management Voting on agendas related to internal transactions 	Chairperson	Soo Jin Kang	Independent Director	Female	A I E
		Member	Chang Tae Kim	Executive Director	Male	M
		Member	Choong Yeul Yoo	Independent Director	Male	A E
		Member	Sang Goo Lee	Independent Director	Male	A E
Audit Committee (4 independent directors)	<ul style="list-style-type: none"> Performing audit activities related to the company's business and accounting Reviewing and providing opinions on matters that may affect the independence of the external auditor Holding the authority to select, change, or request the dismissal of the external auditor Ensuring independence by fully composing the committees of independent directors and securing expertise by including experts in accounting and finance 	Chairperson	Choong Yeul Yoo	Independent Director	Male	R E
		Member	Soo Jin Kang	Independent Director	Female	I R E
		Member	Seung Woo Seo	Independent Director	Male	I R
		Member	Sang Goo Lee	Independent Director	Male	R E
Management Committee (2 executive directors, 1 non-executive director)	<ul style="list-style-type: none"> Deliberating and resolving routine management matters that do not require collective decision-making by the entire BOD Notifying each director of the resolutions to establish a BOD-level control system for Management Committee resolutions, and allowing the BOD to re-deliberate and re-resolve matters reviewed and resolved by the Management Committee 	Chairperson	William (Joowan) Cho	Executive Director	Male	E
		Member	Bong Seok Kwon	Non-Executive Director	Male	I
		Member	Chang Tae Kim	Executive Director	Male	R
Independent Director Candidate Recommendation Committee (1 non-executive director, 2 independent directors)	<ul style="list-style-type: none"> Recommending candidates for the appointment of new independent directors Screening independent directors candidates in accordance with the Korea's Commercial Act, related laws and regulations as well as the Independent Director Candidate Recommendation Committee Regulations Composing the committees with a majority of independent directors to ensure fairness and independence 	Chairperson	Soo Jin Kang	Independent Director	Female	A R E
		Member	Bong Seok Kwon	Non-Executive Director	Male	M
		Member	Seung Woo Seo	Independent Director	Male	A E

Corporate Governance

Sustainability Management Organization

Sustainability Management Organization Chart

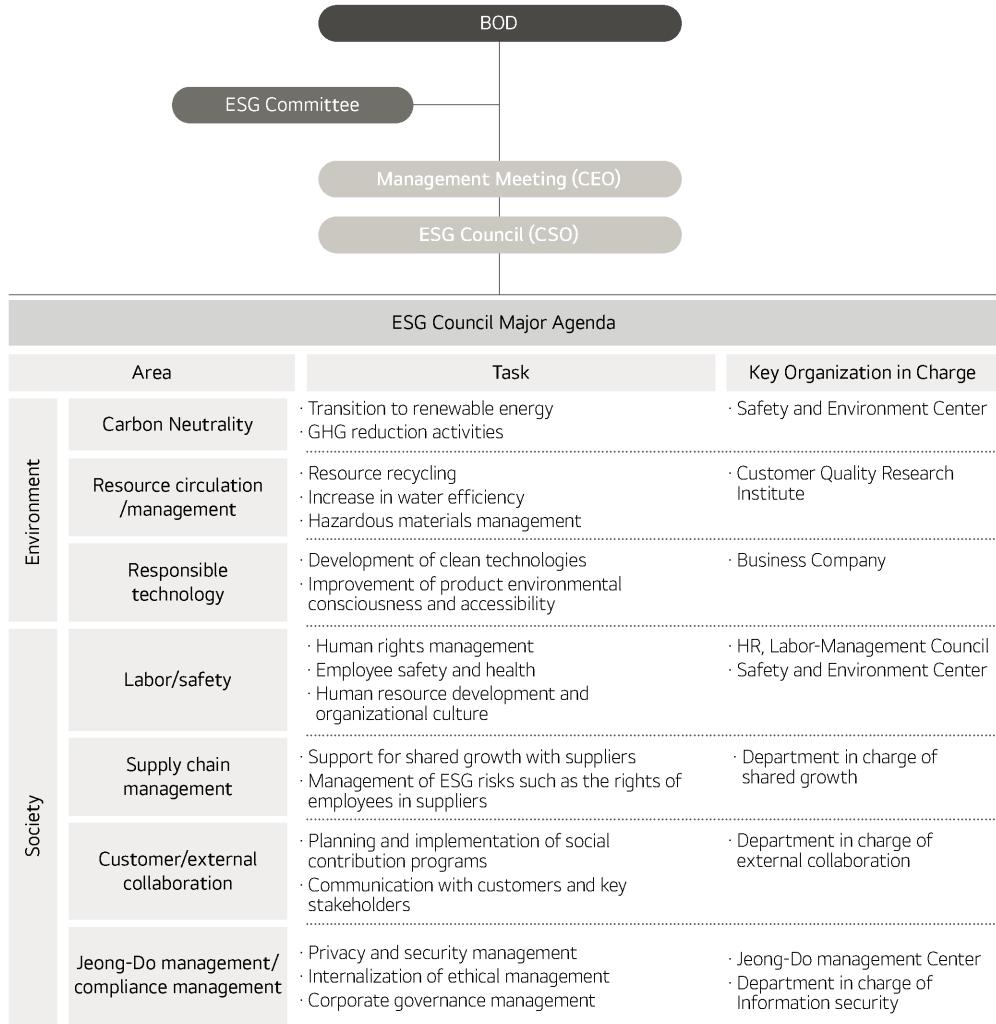
LG Electronics has established a sustainability management framework consisting of the BOD, the ESG Committee, the corporate-wide management meeting, and the ESG Council. The ESG Committee, composed of four independent directors and one executive director (CEO), holds regular semi-annual meetings to deliberate on and resolve issues related to ESG management. In 2023, four ESG Committee meetings were held, including occasional meetings. In addition, the existing Sustainability Management Council has been reorganized into an ESG Council, which is led by the CSO, and meets on a quarterly basis. Major issues discussed at the ESG Council are reported to the ESG Committee.

ESG Committee

The ESG Committee of LG Electronics is composed of four independent directors and one executive director (CEO). The committee deliberates and resolves on the mid- to long-term direction, strategies, and policies of ESG management. It also sets the objectives of ESG management and reviews and advises on the progress and plans of ESG strategic tasks. In 2023, the ESG Committee discussed the appointment of the ESG Committee chairperson, approval of the Sustainability Management Report, materiality assessment and reporting on key issues, and reporting on the corporate-wide compliance management system.

ESG Council

LG Electronics holds the ESG Council, comprised of organizations in each sector that implement ESG tasks, on a quarterly basis to set the direction of ESG management activities, establish mid- to long-term plans, and discuss progress and improvements on specific tasks. The Council made up of decision-makers from functional organizations across the company, including business strategy, business planning, environment and energy, human resources, purchasing, R&D, and marketing. In 2023, the Council discussed the analysis of global ESG regulations and assessment results, the plans to expand the use of renewable energy, the status of ESG risk management at production sites, and the plans to promote ESG communication.



Jeong-Do Management

Promotion of Jeong-Do Management

Code of Ethics

Jeong-Do Management refers to LG's unique way of doing business to compete fairly based on ethical management. Practicing Jeong-Do Management is our most basic commitment to our customers. Employees and suppliers are committed to practicing Jeong-Do Management based on the belief that illegal acts will not aid the company, under any circumstances. LG Electronics's Code of Ethics provides the basic direction for Jeong-Do Management and consists of a declarative Code of Ethics and practical guidelines around conflict of interest, corruption, whistleblowing, and non-discrimination. Since its enactment in 1994, the Code has been revised seven times to its provisions and implementation guidelines, and it is distributed to each subsidiary to ensure that all employees are familiar with it.

[Go to LG Code of Ethics](#)

Jeong-Do Management Violation Reporting System

LG Electronics maintains various reporting systems to enable employees to report violations of Jeong-Do Management. Any business behavior that violates the Code of Ethics and Jeong-Do management is subject to reporting, and internal employees and external stakeholders such as customers and suppliers can report violations of Jeong-Do Management through internal and external reporting channels, email, mobile, phone, etc. Anyone can make an anonymous report, and all reports received are strictly protected by the informant protection policy. After verifying the facts of a report through preliminary and on-site investigations, we take follow-up measures such as employee discipline and business process improvement depending on the results. Where corruption and irregularities are alleged, if the investigation finds that the facts are true, we take measures such as discipline and training in accordance with internal standards, considering the severity of the case.

[Go to the Informant Protection Policy](#)

Informant Protection and Rewards for Reporting Misconduct

LG Electronics operates the Jeong-Do Management Hotline, a corruption reporting system to eradicate unethical and illegal acts and offer rewards for reporting irregularities. The Reward Review Committee deliberates and decides on the offering and the amount of the reward depending on the severity of the reported matter. We also protect the informant from any disadvantages resulting from the report. Under the informant protection regulations, we do not disclose any information that reveals or implies the identity of the informant without one's consent. We are liable for any disadvantages caused by our failure to do so, and strive to rectify such disadvantages.

[ESG Data \[Status of Reports Received and Actions Taken\]](#)

Self-Reporting System

LG Code of Ethics strictly prohibits the acceptance of any money and valuables from stakeholders, and we strive to internalize this rule throughout our business management. Where gifts are unavoidably received, employees must immediately report and return the items; if this is not possible, we donate them to social welfare facilities, etc. and send a letter to the stakeholders, together with documents proving the donation. Items that are difficult to donate are disposed of through an internal auction, and the proceeds are utilized for social contribution activities.

Jeong-Do Management Counseling Center

LG Electronics has a dedicated Jeong-Do Management Counseling Center in place for employees to ask questions about Jeong-Do Management practices. The counseling center is available online and offline, and is accessible through various channels, including an internal portal, telephone, and email. Anonymous counseling is also available, and we offer an FAQ chatbot that summarizes answers to frequently asked questions to make it more accessible and convenient for employees.

Inquiries made to Jeong-Do Management Counseling Center

(As of 2023)

Type of Inquiry	Case	Ratio (%)
Interpretation of the Code of Ethics	6	7
Paying and collecting condolence money	0	0
Procedures when accepting gifts, conflicts of interest	23	25
Expense processing	17	18
Other	46	50
Total	92	100

Jeong-Do Management

Corporate-Wide Jeong-Do Management Training and Promotional Activities

LG Electronics conducts various promotional activities to help employees internalize Jeong-Do Management. We compile errors and violations into cases studies and share them with all employees through training materials, bulletin boards, and promotional materials. By doing this, we inform employees of the company rules, set the standard for appropriate behavior, and prevent similar cases from recurring. We also distribute the contents of the Code of Ethics in newsletters, webtoons, and short videos, and organize quiz events to make employees interested in the Code of Ethics. Outside the company, we strive to promote LG Electronics's Jeong-Do Management to inspire pride in our employees.

2023 Jeong-Do Management Training Status

LG Electronics conducts annual training sessions to emphasize to employees that Jeong-Do Management is not an option but a necessity for corporate survival. In 2023, we delivered online and offline training to 47,535 Korean and overseas employees, as well as employees of subsidiaries and suppliers.

Jeong-Do Management Training Attendees by Year

(Unit: Person)

Classification	2021*	2022*	2023
Online	15,895	36,070	37,304
Offline	1,480	4,065	10,231
Total	17,375	40,675	47,535

* Correction of some data to reflect the inclusion of online training participants

Workplace Bullying/Sexual Harassment Prevention Training Status*

(Unit: Person)

Classification	2021	2022	2023
Training participants	3,231	9,574**	7,586

* Participants in workplace bullying and sexual harassment prevention training organized by the company other than Statutory mandatory training

** Correction of 2022 data to reflect the inclusion of online training participants

Compliance Management

Promotion of Compliance Management

Commitment to Compliance

LG Electronics aims to build customer trust and competitiveness by making compliance management the basic governing policy for all corporate activities. All employees will not remain silent in the face of inappropriate situations in the course of their daily work and will faithfully comply with all laws and regulations to practice compliance management. We transparently disclose its organizational system, code of conduct, and programs for compliance management through the company website.

[LG Electronics 'Compliance Management' page](#)

Compliance Risk Management Governance

Compliance Risk Management System

LG Electronics manages compliance risks through the Compliance Office, which reports directly to the CEO. The Compliance Office is composed of the Legal Planning Team, the Compliance Support Team, and the Compliance Investigation Team, which are responsible for operating the Board of Directors, proactively addressing compliance issues, conducting corporate-wide compliance programs, and performing global regulatory monitoring and compliance investigations.

Compliance Risk Management Organization

LG Electronics manages and oversees compliance activities of the entire company through the Compliance Office, and assigns dedicated compliance managers to each Business Company, division, and overseas subsidiary to operate and support the compliance program. Compliance managers work with their organization's on-site risk owners to identify compliance risks and take appropriate countermeasures. Risks that require focused management across the entire company are led by the HQ risk owner and are addressed in cooperation with the Compliance Office. In 2023, LG Electronics had 122 compliance managers and 557 risk owners.

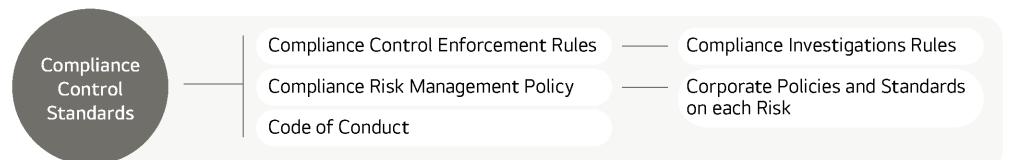


Compliance Committee

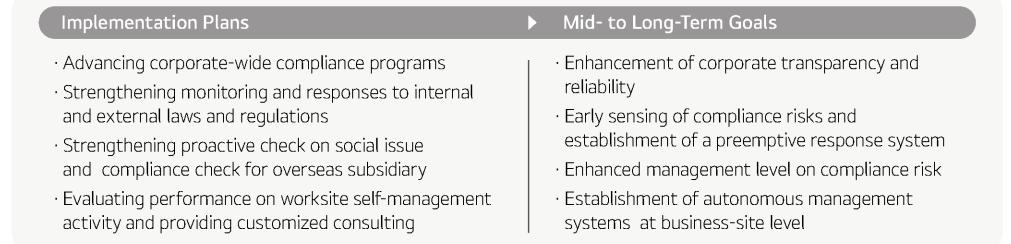
To promote a culture of compliance within the organization and to strengthen its compliance risk management, LG Electronics has established compliance committees both at the corporate level and the business site level. The corporate-level compliance committee is comprised of members of the top management meeting at HQ and the department representatives at HQ in charge of each risk, while the business site compliance committee is comprised of the company/subsidiary president and its CFO, compliance managers, risk owners, and other related parties. Compliance committees review major legal regulations and sanction in each country, discussing practical issues and risks at each business site. In addition, business-site level compliance committees establish a plan for compliance risk mitigation and share its progress on a regular basis. Through this, LG Electronics is committed to establishing a culture of compliance and managing risks.

Compliance Management Standards

LG Electronics systematically manages our compliance risks based on the following criteria.



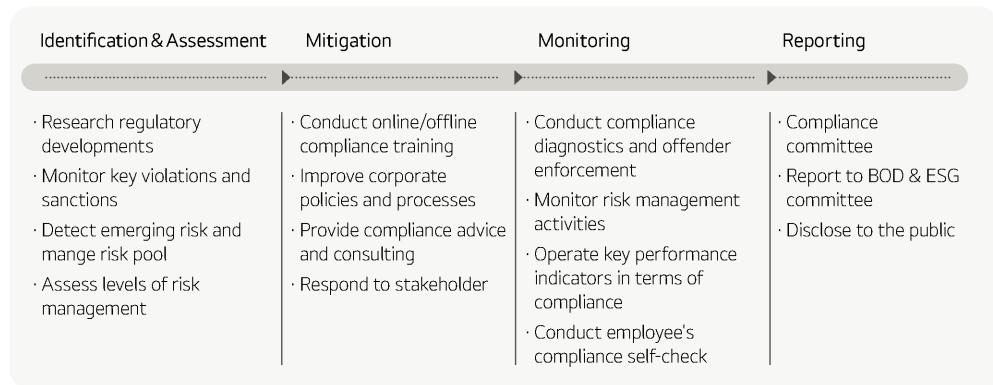
Goals and Plans for Compliance Risk Management



Compliance Management

Compliance Program Process

LG Electronics has built and advanced its compliance program to systematically manage compliance risks.



Compliance Key Performance Indicator (KPI)

LG Electronics utilizes key performance indicators related to compliance to strengthen employee commitment to compliance. The key performance indicators for 2023 include the adherence to the implementation of compliance risk prevention activities, online training completion rate, compliance committee meeting fidelity, risk mitigation action plan, progress report, and compliance violation cases. In addition, appropriate disciplinary actions are taken against employees who violate compliance control standards, etc., depending on the severity of the violation.

Compliance Advice on Laws and Regulations

LG Electronics analyzes major laws and regulations in Korea and abroad to provide compliance advice and business guidance. In addition, we monitor trends around the enactment and revision of laws and regulations holding briefing sessions where there are important issues to be discussed. Employees who diligently observe compliance control standards and contribute to the prevention and reduction of damages to the company may be rewarded or promoted.

Strengthening Anti-Corruption Compliance Activities

To ensure fairness in business, LG Electronics has established the principle of prohibiting any corrupt behavior, such as bribery, to obtain or retain business to ensure fairness in business. We also engage in a number of different management activities to raise employees' anti-corruption awareness and prevent violations of relevant laws and regulations. We conduct online anti-corruption training for all employees, collect pledges of compliance, and have employees voluntarily check their compliance with the Code of Conduct related to bribery and other misconduct. Each business site autonomously assesses the likelihood and impact of risks. In 2024, we revised our anti-bribery and anti-corruption regulations, and provided anti-corruption compliance guidelines in a newsletter to employees of overseas subsidiaries.

Declaring Conformance to ISO 37301 (Compliance Management System) at the First Post-Audit

LG Electronics has earned ISO 37301 certification, which sets out the requirements and recommendations for an effective compliance management system, and has been declared conformant in the first follow-up audit.

Certified Business Sites	All LG Electronics business sites in Korea	Certified Compliance Areas	Corporate governance, fair trade, anti-corruption, human resources & labor relations, product liability, health & safety, environment & energy, information security & privacy, capital market law, export regulations, intellectual property rights
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Compliance Management

Channel for Reporting Non-Compliance

Stakeholders of LG Electronics can report information on bribery/gratuities, misappropriation/utilization of assets, environmental/safety incidents, unfair trade, document/counting manipulation, and sexual harassment/harassment through the reporting channels of LG Hotline and LG Electronics' Ethics Bureau. Upon the receipt of a report of non-compliance (including attempted, suspected, or actual violations), a compliance investigation may be initiated in accordance with the Compliance Investigation Operating Rules.

[LG Group 'Hotline' page](#)

LG Electronics Ethics Bureau Reporting Channel	Address	Tel	Email
	LG Electronics Ethics Bureau, 29th Floor, West Building, LG Twin Tower, 128, Yeoui-daero, Yeongdeungpo-gu, Seoul, Korea	(+82) 02-3777-3163	ethics@lge.com

Online Compliance Training for Employees

Every year, LG Electronics conducts compliance training for employees in Korea and overseas, and asks employees who have completed the training to pledge to practice compliance. In 2023, we provided online compliance training on the Code of Conduct, which was available in Korean, English, and Chinese.

Period	(Korea) Jul 12 ~ Aug 11, 2023 (Overseas) Aug 21 ~ Sept 22, 2023
Content	1. The Need for the Code of Conduct 2. Composition and Main Contents of LG Electronics Code of Conduct 1) Honesty and Integrity for Our Customers - Product Safety 2) Honesty and Integrity for Our Customers - Product Standards 3) Fair Competition - Collection of Competitive Information 4) Fair Competition - Fair Trade (Relationship with Suppliers) 5) Fair Competition - Respect for Others' Intellectual Property Rights 6) Fair Competition - Prohibition of Bribery 7) Responsibility for Local Communities - Responsible International Trade

[ESG Data \[Compliance Training Status\]](#)

Compliance Self-Check Surveys

Employees voluntarily conduct a self-check every year on their compliance levels regarding the corporate-wide key risks. Target risks include bribery, discrimination, sexual harassment, privacy, competitive information, contacting competitors, collusion, intellectual property rights, insider training, advertising, and product quality.

Compliance Self-Check Survey Results

(As of 2023, Unit: Person)

Targets	Participants					
	Total	Korea	Overseas	Total	Korea	Overseas
	45,244	25,821	19,423	44,440	25,336	19,104

Status Check on Current Compliance Management System/Program

LG Electronics has developed evaluation criteria for the design, application, and operation of compliance management systems and programs, and has established specific measures to improve them.

Design
Legal risk assessment, policies and procedures, education /communication, whistleblowing /investigation

Application
Senior and middle management commitment, independence and support, incentives and disciplinary measures

Operation
Monitor compliance, fraudulent acts investigation, root-cause analysis and improvement measures

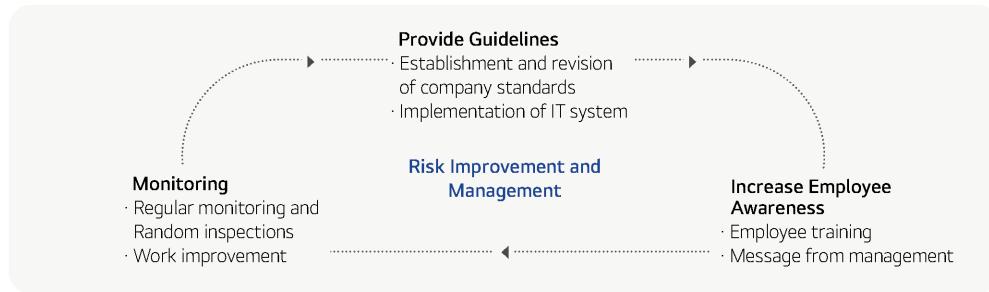
Compliance Management

Fair Competition

Inspection and Management of Fair Trade Risks



Fair Trade Risk Assessment and Management



Promote Awareness and Internalization of Fair Trade

LG Electronics has established a culture of fair trade to manage the risk of both monetary losses and non-monetary losses such as damage to corporate image and corporate credit.

Training

Conduct mandatory fair trade education conducted for all employees every year (occasional training by division and organization)

Message from Management

Spread fair trade awareness through a message from management such as a letter from the CEO

Newsletter

Distribute fair trade newsletter to all employees at Korean and global business sites every month

In-Depth Training Course on Fair Trade

We have organized an online in-depth training course on fair trade compliance risks for employees in overseas sales positions under the supervision of the Compliance Office. In 2023, the course was held for overseas sales staff, PMs, heads of overseas sales subsidiaries, and sales subsidiary managers in H&A/HE/VS/BS Business Companies, and 1,282 (about 90%) out of a total of 1,427 employees completed the course.

Operation of Fair Trade Compliance Program

We undertake activities to improve employee awareness of collusion, unfair trade practices, unfair labeling and advertising, and unfair subcontracting, and manage the risk of legal violations through follow-up monitoring.

Eradication of Unfair Trade, Labeling, and Advertising

In order to respond to changes in the laws, regulations, and business environments, LG Electronics reviews business activities in advance through a specialized department. The department prevents unfair trade practices through frequent inspections based on guidelines. It reviews and manages business activities from product planning to distribution and promotion through the legal system. For displayed advertisements, we conduct frequent inspections and improvement activities through post-monitoring.

Pursuit of Fair Subcontracting Practices

LG Electronics educates suppliers on the relevant laws and regulations and checks and improves its transaction status in order to establish a fair trade culture and achieve mutual growth through win-win cooperation. We engage in improvement activities by utilizing the supplier data request system and joint development agreements to protect the technology of suppliers.

Collusion Prevention

In accordance with the 'Absolute Prohibition of Collusion Principle', employees are prohibited from contacting competitors; when contacting competitors unavoidable, they are required to report the contact in advance. As part of the system's internal control activities, we provide training to keep employees up to date on the enactment and revision of laws and regulations and changes in the business environment. We also conduct monitoring activities, self-surveys of those in charge, and unannounced on-site inspections of organizations where collusion is likely to occur.

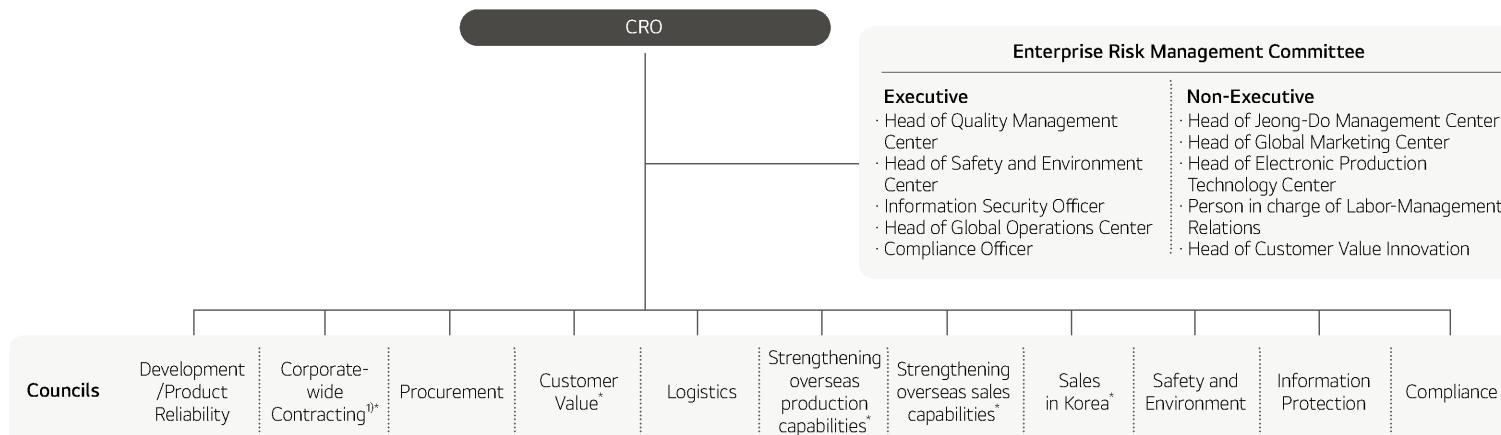
Risk Management

Risk Management

Risk Governance

LG Electronics has appointed a Chief Risk Officer (CRO) to effectively manage risks at the enterprise level and convenes a semi-annual Enterprise Risk Management Committee to discuss the status and improvement plans for major risks across the organization. In addition, 11 risk management departments associated with key risks share the results of quarterly inspections on key risks and establish and implement risk mitigation measures. The Enterprise Risk Management Committee and its subcommittees and functional departments are working to establish an effective risk management system and minimize risks through both top-down and bottom-up communication.

Risk Governance Organization Chart



PMO	Composition	Head of Jeong-Do Management Center, Director of the Crisis Management Office (Working-level staff: 2 people from the Jeong-Do Management Center and 1 person from the Crisis Management Office)
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Role	Managing schedule of council operation and issues in a comprehensive manner and supporting decision-making Frequency: Quarterly (semi-annually for purchasing suppliers)
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¹⁾ Corporate-wide Contracting: development, manufacturing, support, sales, and customer value

Risk Governance Crisis Response System

Corporate-wide Risk Management Committee (Integrated corporate-wide key risk management)

- Formulate risk management policy
- Approve key risk items
- Review mitigation measures
- Support implementation from an corporate-wide perspective

Top Down ▼ ▲ Bottom Up

Risk management by subcommittees and functional departments

- Identify and evaluate risks
- Develop and implement risk mitigation measures
- Develop a crisis response manual

Risk Management

Risk Management Process

LG Electronics has defined a total of 54 key risks in consultation with the departments specializing in each area. We selected key risks based on the potential for damage to the brand value, social reputation issues, the need for quick decision-making by the CEO, and the likelihood of recurrence. In addition, we incorporated risk criteria into the product and service development process, which led to the inclusion of the 'development' category in the key risks.

Key Risks

Classification	Key Risk	Definition
Quality	Lack of review of changes and failure modes	Risk of reliability issues due to the lack of review of changes (parts, structures) and failure to validate failure modes ("phenomenon") of changes when developing new models
	Failure risk of products that pass reliability testing	Risk of reliability issues due to inadequate reliability test conditions, methods, and results that do not align with the environment in which they are used
	Poor shipment inspection	Risk of defective products being shipped to market without detection in mass production
	Poor component development	Risk of parts going into production with unproven quality going into production due to missing tests compared to the test plan at part approval, errors in test conditions/judgments.
	Non-compliance with specification	Shipment of products that are not certified to the specification that must be followed when manufacturing and selling products, failure to review energy change points and risk of regulatory violations for hazardous materials
Purchase	Protection of supplier technologies	Risks of misappropriation, hijacking, etc., against suppliers
Marketing/Sales	Violation of foreign advertising regulations	Risks of sanctions by the authorities, lawsuits, and customer claims due to misleading, exaggerating or deceptive claims, unfair comparisons, or disparaging statements about goods and services (Overseas subsidiaries)
	Violation of fair trade laws	Risk of violating the fair trade laws such as resale price maintenance/abuse of monopolistic (market dominance) position, collusion, and other unfair trade practices
	Violation of Korean advertising regulations	Risks of sanctions by the authorities, lawsuits, and customer claims due to misleading, exaggerating or deceptive claims, unfair comparisons, or disparaging statements about goods and services (Korea)
Finance	Embezzlement of funds	Risk of employee embezzlement of funds due to a lack of internal controls, including violation of SOD rules when executing funds, and failure to comply with account registration/change criteria, etc.
Information Security	Customer data privacy breach in marketing	Risk of leakage of customers' personal information acquired for marketing activities (promotions, CRM)
	Customer data privacy breach in service marketing	Risk of leakage of customer personal information acquired during the operations of service centers (direct/ASC) and call centers
Safety and Environment	Safety and Environmental Incidents	Risk of public image deterioration due to serious industrial accidents as per the Serious Accidents Punishment Act, serious civil accidents, and spills of environmental pollutants outside the boundaries of the workplace in the safety and environmental area

Key Risk Selection Process

Risk Selection ▶

- Select key risks in the first round by quantitatively assessing them based on their frequency and impact

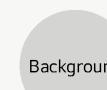
Risk Evaluation ▶

- Update key risks with qualitative assessments through in-depth interviews with specialized departments and relevant departments by each risk

Risk Management Plan

- Validate and finalize key risks through an expanded meeting of organizational heads of the Jeong-Do Management Center and the CRO Crisis Management Office

Establishing DiagnosticDX for Data-Driven Diagnostics of Operational Risk in Overseas Subsidiaries



- Preventing proactively on risks through constant checks for recurring and multiple issues



- Establishing a process for continuous monitoring of operational issues
- Building a system for data-driven diagnostics



- Strengthening system of proactive risk management in day-to-day operations', which overcomes the limitations of the regular risk assessment method, by establishing a process to check risks at all times from the field to the risk management department based on a system that automatically predicts, analyzes, and reports signs of risk in real time after collecting data across the operations of overseas subsidiaries.



- Prioritizing on overseas (production, sales) subsidiaries in 2024
- Aiming to perform DX-based diagnostics for all areas by 2026

Target Area of DX Establishment

Classification	Development	Quality	Purchase	Manufacturing/Material	SCM/Logistics	Marketing/Sales	Customer Value
Sales subsidiary					●	●	●
Production subsidiary	●	●	●	●	●		
HQ/Business Company	●	●	●	●	●	●	●

Risk Management

Emerging Risks

LG Electronics identifies and monitors risk factors that could have a significant impact on its business environment. We also strive to minimize business uncertainty by updating mitigation strategies as needed and regularly reviewing the effectiveness of these measures.

Identified Emerging Risk	Description	Potential impact	Mitigation strategy
Rapid Advancement of AI Technology	The rapid advancement of artificial intelligence (AI) technology presents both new business opportunities and emerging risks for LG Electronics, including data security and ethical concerns.	<ul style="list-style-type: none"> AI Technology Malfunction and System Defects: These may lead to customer inconveniences and safety incidents, such as those involving children. Excessive data collection could raise concerns about privacy invasion and biased, incorrect, or false information can cause additional social controversies. Cyberattacks: Hackers might exploit vulnerabilities to steal sensitive customer information from AI systems or manipulate AI systems for malicious purposes. Compliance with AI Ethics Regulations: As global legislation evolves, the specific timing, severity of sanctions, and scope of AI ethics regulations remain uncertain and might pose legal sanctions, fines, lawsuits, and compensation costs, leading to financial losses. 	<ul style="list-style-type: none"> Advancement of AI Ethics Governance System: In 2022, LG introduced its 'LG AI Ethics Principles' as a set of guidelines for correct behavior and value judgments for all LG employees. Additionally, the H&A Business Company received ISO/IEC 42001 certification in January 2024, recognizing its commitment to controlling potential issues in AI products and services, while ensuring security, fairness, transparency, and accountability in AI. Moving forward, LG Electronics will enhance its AI Safety governance system based on these principles and strive to implement responsible AI by: <ul style="list-style-type: none"> Establishing LG Electronics AI Ethics Policy and guideline for customer/service provision and risk management Developing a global regulatory compliance process Developing a risk management framework and monitoring system for pre- and post-launch AI product/service safety evaluation Setting up an AI Technology Ethics Committee and dedicated teams Active participation in internal and external dissemination activities, such as joining AI Alliance and conducting AI ethics training. Enhancement of AI Safety System operation efficiency through the development of AI Safety Tech Tools
Global Sanctions and Regulatory Changes	The global trade landscape is undergoing a significant shift from free trade to a regulatory-driven environment characterized by protectionist policies and geopolitical competition. Multinational companies like LG Electronics could face significant risks if they do not proactively respond to these changes.	<ul style="list-style-type: none"> Export Restrictions: Stringent regulations and diverse compliance requirements in different countries may lead to increased export costs and customs complications. Supply Chain Disruption Affecting Raw Material Sourcing and Distribution: Production delays can impact product quality and availability, which may adversely affect customer trust and brand image. Increased Operating Costs Due to Regulatory Enhancements: Strengthened regulations on global supply chains (e.g., CSDDD¹⁾, UFLPA²⁾) and eco-design (e.g., DPP³⁾) could lead to higher operational costs across the value chain. 	<ul style="list-style-type: none"> Strengthening of Compliance Systems: Expertise in relevant regulations and compliance procedures will be developed, and global regulatory changes will be continuously monitored and analyzed. Regular internal compliance training and the use of external consulting services are planned, with the ESG Committee overseeing and managing related risks on a regular basis. Enhanced Global Supply Chain Management: A supply chain monitoring system will be reinforced, and systematic risk identification, assessment, and mitigation activities will be implemented. Efforts will also be made to build a resilient supply chain. Integration of Regulatory Considerations into Product Design and Manufacturing: Regulatory requirements will be incorporated from the product design phase, and strict management practices will ensure compliance throughout the entire value chain. Information related to these practices will be transparently disclosed: Collaboration with Industry Associations and Groups: Active participation in industry associations will ensure that the industry's voice is reflected in regulatory bills and policies. Efficient response strategies will be developed utilizing global standards and best practices.

Information Security

Information Security

Information Security Framework

Information Security Policy

LG Electronics has formulated 2 regulations, 4 rules, and 10 standards for information security, and conducts an annual (third quarter) revision review of all policies. The corporate-wide information security department collects opinions on policy enactment and amendments, and after corporate-wide consultation and approval by the CISO, enactments and amendments are posted on the corporate-wide Standard Management System (New-LGSS) and bulletin board. We have a personal information life cycle that collects, stores, uses/provides, and disposes of customers' personal information as necessary in the course of providing services.

- Collection: LG Electronics receives customer consent to collect information, and obtains the least amount of information possible.
- Storage: The collected personal information is stored and managed securely based on the standards for measures to ensure the safety of personal information and the data protection impact assessment.
- Use/Provision: The use and provision of personal information is limited to the purpose for which it is collected, and if it is provided to a third party for other purposes, we obtain separate consent from the customer. The main contents of the contract, management, training, etc., of the trustee are specified and reported in the privacy policy.
- Disposal: When the retention period for personal information has expired or the purpose for which it was processed has been fulfilled, we dispose of it so that it cannot be recovered or reproduced.

LG Electronics performs data protection impact assessments to ensure the privacy compliance of products, systems, and apps. It also ensures that the identified privacy risks are remediated before being released to the public.

Framework for Information Protection

The Chief Information Security Officer (CISO) is designated as the person in charge of information protection, and the CISO also serves as the Chief Privacy Officer (CPO). The CISO is appointed in compliance with the Act on Promotion of Information and Communications Network Utilization and Information Protection, and any changes are reported to the Central Radio Management Service. The information protection organization is composed of 14 teams (6 teams at HQ and 8 teams at business sites), that perform security activities such as security breach response drills. We maintain a full-time security management system through our own security activities based on the GSI (Global Security Index) and TSA (Team Security Activity). We regularly conduct security training for all employees and suppliers, and promote security and security incident cases on a weekly and monthly basis. The corporate-wide information security committee, chaired by the CFO, deliberates and resolves important information security issues that may affect the management of the company at the Crisis

semi-annual meetings of the Crisis Management Committee, in addition to other Committee meetings held as needed. It may also report important matters to the Board of Directors when necessary.

Information Security Protective Measures

	PC encryption	Database access control	Document shredder
Communication section Encryption	Server access control Printout control Privacy leakage protection Access history check	Database encryption	Complete deletion solution
Integrated monitoring			

Integrated Information Security Management System

LG Electronics has objectively demonstrated that it has an information protection management system capable of preventing information leakages and responding to security threats by obtaining and maintaining the international information security certifications of ISO 27001 (Information Security Management System), ISO 27701 (Personal Information Protection Management System), ISO 27018 (Cloud Service Privacy), and ISMS, a Korean certification.

- ISO 27001: maintains certification through renewal audits on a three-year cycle (2019, 2022) and annual follow-up audits after initial certification in 2016
- ISMS: maintains certification through renewal audits on a three-year cycle (2019, 2022) and annual follow-up audits after initial certification in 2017
- TISAX: acquired and maintains certifications for related overseas subsidiaries, including Chinese subsidiary (the Nanjing), Vietnamese subsidiary (the Hai Phong, Hanoi), Indian subsidiary (the Bangalore), German subsidiary (the Sulzbach), and Polish subsidiary (the Mwaba) after obtaining certification for Magok Science Park and Pyeongtaek Digital Park in 2021



ISO 27001 Certification



ISO 27701 Certification



ISMS Certification

Information Security

Information Protection Awareness Training

LG Electronics operates standardized information security training and conducts customized security training according to the information security training roadmap. In addition to mandatory online training for all employees, we also provide targeted training for assistants, dispatched employees, employees who have previous violated security policies, participants in national projects and important projects, those with exceptional rights, organizational leaders, team security officers, and personal information handlers. We also issue weekly security messages (in poster format) containing key information security policies and monthly security letters that focus on violations.

Information Security Training

Target	Classification	Training	Time
Employees	All employees	1. Corporate-wide information security / privacy online mandatory training	May
		2. Security training for new/experienced employees (including transfers from affiliated companies)	Based on training sequence
		3. Security training for assistants / general office workers (dispatched workers)	At the time of entry / February
		4. Training for employees who have previous violated security policies	Uploaded training material***
	Employees vulnerable to security breaches*	5. Security training for national project participants (core national technology)	May
		6. Security training for important project participant	July
		7. Security training for those with exceptional authority	When applying for authority
	Security manager**	8. Security training for heads of organizations	April
		9. Security training for manufacturing process workers	August
		10. Security training for team security officers	March
Personal information handlers	11.Training for personal information handlers		September
Suppliers	Employees vulnerable to security breaches*	12. Security training for in-house suppliers	At the time of entry / October

* Employees vulnerable to security breaches: Assistants to executives, suppliers, major project participant, security violators, those with exceptional rights, etc.

** Security officer: Team leader, team security officer

*** Uploaded training material: Courses are always available on LearningNet

Software Security Training

LG Electronics conducts training to raise awareness of product cybersecurity for all software developers. Since 2018, we have partnered with KAIST and Carnegie Mellon University (U.S.) to foster security professionals to lead software security activities and develop core security technologies. We organized a hacking competition to raise awareness of the importance of cybersecurity and enhance the skills of software developers, in which 84 people from 29 teams participated.

To strengthen the cybersecurity competitiveness of our suppliers and achieve mutual growth, we held the 'Supply Chain Security Workshop 2023.' The event was attended by 50 companies and 160 participants, including supply chain experts from Korea and abroad, emphasizing the importance of software supply chain security and multinational collaboration. LG Electronics presented concrete strategies for suppliers to apply in order to safeguard their products and services from cybersecurity attacks.

2023 Information Security Incident Response Drill

LG Electronics conducts training based on the corporate-wide 'Security Incident Response Standards' and 'Security Breach Response Guidelines.'

Classification	Date	Topic
1st drill	June 2023	Drill in responding to a personal information breach through malware infection
2nd drill	September 2023	Drill in responding to a ransomware attack
3rd drill	November 2023	Drill in responding to a personal information leakage caused by a system security breach
4th drill	December 2023	Drill in responding to malicious spam email

Information Security

Privacy Protection

Privacy Protection Framework

LG Electronics has obtained three certifications from DNV, an international standard certification organization, including ISO 27001 (Information Security Management System), ISO 27701 (Personal Information Protection Management System), and ISO 27018 (Cloud Service Privacy), and has obtained ISMS (Information Security Management System) certification in Korea from a third-party company (OPA) designated by the government.

LG Electronics reviews whether personal information is utilized from the contact signing stage to identify a trustee for personal information processing. If the processing of personal information is involved, we include special terms and conditions related to personal information in the contract comply with personal information protection regulations through the regular management of trustees. We annually check whether the trustee's personal information handlers have been trained, and if there are major deficiencies in personal information management, we plan to provide guidance and take remedial actions. We ensure the safe management of customer information by verifying the destruction of personal information upon the termination of contracts with trustees.

Diagnosis and Analysis of Vulnerabilities to Protect Privacy

LG Electronics regularly analyzes and addresses vulnerabilities through a third-party company (ISAC) to secure its IT infrastructure and information security management system, and conducts training for those handling personal information, pseudonymized information, and location information. To review and improve our security breach response procedures and business continuity plans against cyberattacks, we conduct simulated cyberattack drills at least four times a year. We have a Security Penalty system to strengthen the day-to-day security of our employees, defining security items that must be observed in daily life and assigning penalty points for violations. If the accumulated points increase due to continuous violations, the head of the organization is notified and measures such as referral to the disciplinary committee are implemented.

5 Basic Principles of Privacy Protection

Minimum data collection	Protection of the right of customers to be informed	Measures to ensure security	Only using data for the purpose for which it was collected	Safe disposal
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Measures for Privacy Protection

To protect privacy, we monitor the trends of global regulations and major laws and systems, and establish and implement appropriate policies for each country. In addition, we provide privacy-related training and guidelines, such as the corporate-wide employee privacy protection training and personal information leakage response guidelines, to raise employees' awareness of privacy protection. We conduct inspections during the operation of systems after completing a data protection impact assessment to verify the application of technical and managerial protection measures and conduct privacy protection activities at the operational stage. We notify customers of the use of their personal information once a year, and, in the event of a private information leakage, we report it to customers and manage violators according to procedures. There were no cases of personal information leakage by employees in 2023.

Technical Measures

- Encryption of communication interval
- Access control solutions
- One-way encrypted storage
- Minimization of printing personal information
- Pre-inspection before product/system/app release
- Review of access records

Managerial Measures

- Restriction on personnel with access privileges
- Controlled entry into Information Security Office
- Management of access privileges
- Security of information-processing PCs
- Documentation of the basis for collecting information
- Separation of personal information servers

Measures to Protect Customer Rights

- Measures enabling viewing, modification, and deletion of privacy information and cancellation of membership
- Inquiries by phone or e-mail
- Observance of the data retention period
- Response to request for revocation of consent

Information Security

Data Protection Impact Assessment

LG Electronics manages and supervises the privacy compliance of products and services provided to customers through a standardized pre-launch inspection process (based on the LG Electronics Data Protection Impact Assessment). The Data Protection Impact Assessment examines the protection measures at each stage of processing, technical and administrative protection measures, and protection measures for specific technologies (microphones, cameras, biometric information, location information) to identify and address potential privacy risks in our products and services. To continuously improve the data protection impact assessment framework, we analyze the global privacy legal and regulatory environment, and establish and implement country- and region-specific policies.

Data Protection Impact Assessment Framework



Terms and Conditions & Privacy Compliance System

LG Electronics has established a Terms and Conditions Management System to systematically describe and disclose usage policies and privacy policies for all areas of its business, including products, apps, services, sales, and customer support. The terms and conditions management system designed to secure the legal basis for processing information and personal information in the course of providing services, and to revise the terms and conditions into legal documents through a systematic process to notify users and obtain consent. It defines terms and conditions policies and business process standards and applies them to customer touchpoint. In addition, we have introduced a framework to verify compliance with the scope of the terms and conditions and the legality of utilization within the stated purpose, ensuring that personal information and various service usage information are processed and utilized for the intended purpose. This ensures compliance with information and privacy regulations and laws, and prevents compliance issues.

LG Electronics operates a terms and conditions management system to systematically create, revise, and manage Terms and Conditions. Through the process of planning, deliberation, production, registration, verification, and configuration management, we identify information processing activities and changes to organize and manage legal documents such as terms of use, privacy policy, personal information collection/use consent forms, and other separate consent forms, notices, etc.

Life Cycle of Terms and Conditions Management System*



*Revisions to the Master Terms and Conditions are carried out quarterly in principle, with emergency revisions in response to legislative changes, regulatory responses, and critical failure/claims.

*If separate individual terms and conditions are required, such as for CIC (Company In Company) services, revise them in accordance with the individual terms and conditions revision process.

Information Security

Product Security

Product Security Management System

LG Electronics develops products according to the LG-SDL (LG Electronics Secure Development Lifecycle) to comply with security activities and standards at each stage of development. We also monitor global product security regulations continuously, and incorporate them in our product security policies.

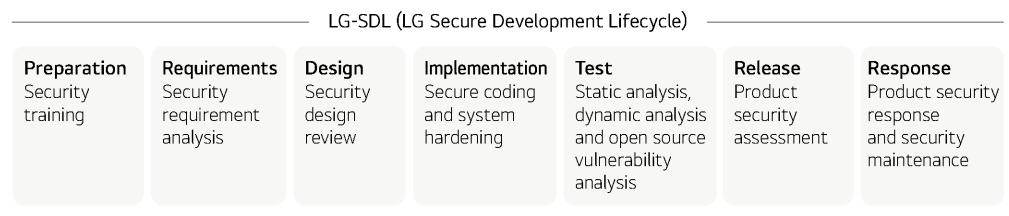
Policy	<ul style="list-style-type: none"> · LG Electronics Product Security Standard · LG Electronics Product Security Assessment 	<ul style="list-style-type: none"> · LG Electronics Product Security Guideline · Supplier Product Security Policy
Organization	<ul style="list-style-type: none"> · Corporate-wide/Development Security Dept. · Product Development Dept. 	<ul style="list-style-type: none"> · Penetration Testing Dept. · Quality Dept.
Training	<ul style="list-style-type: none"> · Security Awareness Training · Cybersecurity Engineering Training 	<ul style="list-style-type: none"> · Secure Coding Training · Product Security Technique Training
Cybersecurity response	<ul style="list-style-type: none"> · Product Security Response Process (LG PSRT) · Security Update 	<ul style="list-style-type: none"> · Security Event Classification Criteria · Bug Bounty Program (LG Bug Bounty)

Global security standards	<ul style="list-style-type: none"> · [US] IoT Cyber Trust Mark Program¹⁾ NIST Cybersecurity Framework²⁾, NIST IR 8259³⁾ · [EU] EU Cyber Resilience Act⁴⁾, EU RED Delegated Act⁵⁾, UK PSTI Act and Regulations⁶⁾, ETSI EN 303 645⁷⁾ · [Automotive Cybersecurity] UNECE UNR. 155 CSMS⁸⁾, ISO/SAE 21434⁹⁾
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- 1) IoT Cyber Trust Mark Program: The IoT label program for IoT products, which the U.S. government is considering implementing by the end of 2014.
- 2) NIST Cybersecurity Framework: NIST Cybersecurity Framework: A framework for improving cybersecurity from the National Institute of Standards and Technology
- 3) NIST IR 8425: The National Institute of Standards and Technology's Cybersecurity Standard for IoT Products
- 4) EU Cyber Resilience Act: A regulation imposing basic product cybersecurity requirements on all products containing digital elements, which the EU is preparing to implement in 2027
- 5) EU RED Delegated Act: Mandatory security regulations, network protection, privacy, and protection against financial fraud for wireless devices in the EU starting August 2025
- 6) UK PSTI Act and Regulations: Product cybersecurity regulations for networked devices set to take effect in the UK in April 2024
- 7) ETSI EN 303 645: Standard security requirements for IoT products by the European Telecommunications Standards Institute (ETSI)
- 8) UNECE UNR. 155 CSMS Regulation: A regulation mandating product cybersecurity engineering for UNECE countries. Imposes mandatory cybersecurity activities on manufacturers and suppliers.
- 9) ISO/SAE 21434: Automotive cybersecurity engineering standards created by the International Organization for Standardization (ISO) and the Society of Automotive Engineers (SAE)

LG-SDL (LG Electronics Secure Development Lifecycle)

Based on the Secure Development Lifecycle, LG Electronics has established a corporate-wide standard for core security activities at each stage of the software development process, and applies them throughout the product development life cycle. We ensure the security of LG Electronics products by detecting and removing potential security vulnerabilities from the early stages of software development and strengthen oversight through our annual product cybersecurity audit.



Product Cybersecurity Measures

LG PSRT	<ul style="list-style-type: none"> · Specialized product security incident response team to enhance the security quality of LG Electronics products and respond promptly to all security issues · Establishing proactive incident prevention measures, and enhancing security levels through vulnerability assessments conducted by internal/external security experts
LG Bug Bounty	<ul style="list-style-type: none"> · Operating a product security reward program · Offering rewards for reporting software security vulnerabilities
LG DevSecOps	<ul style="list-style-type: none"> · Real-time monitoring and providing feedback of product security outputs at each development stage · Operating a continuous product security risk and compliance monitoring system

Product Security International Certification

- ETSI EN 303 645 Certification
- System certification for automobile cybersecurity certification (TUV Rheinland)
- ISO/IEC DIS 18974 (compliance for Open Chain Security Assurance Specification) Certification

ESG Data

Sustainability Management Data	101	Membership·Awards & Recognition	124	SHEE·Quality Certification Status	125	Materiality Assessment	126	Stakeholder Communication	129
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Sustainability Management Data

Economic data

Sales/Operating Income*

	Classification	Unit	2021	2022	2023
Sales	Separate	USD million	23,700.1	21,524.8	22,102.3
	Consolidated		64,599.2	64,645.7	64,487.0
Operating income	Separate	USD million	547.7	85.8	441.6
	Consolidated		3,546.9	2,750.2	2,717.3

* Correction of data due to changes in processing of significant figures

Creation and Distribution of Economic Value

	Classification	Unit	2021	2022	2023
Employee (Employee payroll)	Consolidated		7,396.1	7,444.9	7,711.3
Government (Income taxes paid (Based on Statement of cash flows))	Consolidated		597.2	891.3	776.9
Local communities (Total expenditure of social contribution)	Consolidated	USD million	22.4	18.4	19.8
			343.5	379.9	548.9

Government-Funded Subsidies

	Classification	Unit	2021	2022	2023
Tax relief and tax credits		USD million	71.5	0	6.5

Provision of Defined Benefit Pension Obligation*

Classification	Unit	2021	2022	2023
Expected amount (Present value of defined benefit obligations)	USD million	3,717.1	3,051.2	3,539.6
Fair value of plan assets		(3,545.7)	(3,581.8)	(3,886.0)

* Correction of data due to changes in data creation criteria: specified 'Present value of defined benefit obligations', 'Fair value of plan assets' data in the annual report

2023 Purchase Amount of Key Subsidiaries by Product

Classification	Unit	Total Purchase	Local Purchase
Korea	USD million	8,490.2	5,840.7
Nanjing New Technology		1,101.2	590.2
Taizhou		689.8	605.2
Nanjing Washing Machine		636.9	591.4
Hai Phong		1,698.1	573.4
Cibitung		1,458.8	585.1
Reynosa		1,827.3	24.8
Mexicali		601.3	50.1
Mlawa		1,926.0	731.2
Other		5,372.1	3,380.4
Total		23,801.7	12,972.4

Sustainability Management Data

Purchase Amount by Region

	Classification	단위	2021	2022	2023
Direct purchase amount by region	Korea	USD million	10,199.5	8,173.8	7,865.1
	Asia		7,694.6	6,785.0	6,855.5
	China		4,734.3	3,928.7	3,959.7
	Americas		4,954.2	3,734.1	3,292.9
	Europe/Russia(CIS)		2,774.2	2,153.7	1,646.2
	Middle East and Africa		120.8	185.9	182.3
Direct purchase CMDT* ratio	Display	%	32.1	29.4	26.3
	Mechanical parts		31.3	33.8	34.4
	Circuits		17.6	18.0	18.9
	Semi-conductors		8.8	9.1	10.2
	Raw materials		7.8	6.7	6.3
	Other		2.4	3.0	3.8
Indirect purchase ratio by characteristic	Marketing	Business travel (Airline/Hotel)	47.8	35.6	32.9
	General affairs purchase		20.8	24.7	24.8
	IT		16.3	20.1	22.4
	R&D		5.9	7.5	7.8
	Production		0.9	2.1	2.4
	Logistics		4.1	4.8	4.5
	Professional service		2.4	3.0	3.0
	Utility		1.8	2.2	2.1
			0.0	0.0	0.1

* CMDT: Commodity

Sales by Region

Classification	Unit	2021*	2022	2023	2023 ratio
Korea	USD million	24,040.4	25,781.1	26,239.5	41%
		15,069.0	15,292.4	15,578.6	24%
		10,366.5	9,292.3	9,286.5	14%
		5,776.4	6,074.9	5,733.0	9%
		2,871.1	2,485.3	2,382.9	4%
		2,425.2	2,600.2	2,516.8	4%
China	Business sites	2,273.3	2,044.3	1,946.1	3%
		1,777.4	1,075.2	803.5	1%
		64,599.2	64,645.7	64,487.0	100%
		15	24	34	
		19	34	37	
		3	137	137	

* Correction of 2021 data due to the discontinuation of energy business

Global Base

Classification	Unit	As of March 2024	Effective Tax Rate		
			Classification	Unit	2021
Korea	Separate	10	Earnings before tax	USD million	(873.4)
North America	Consolidated	18	Reported tax	Consolidated	1,723.3
Central and South America	Separate	14	Effective tax rate	Separate	(74.9)
China	Business sites	15	tax rate	Consolidated	(38.4)
Asia	24	19		%	486.6
Middle East and Africa	Separate	34			377.6
Europe	Consolidated	3			551.7
Russia(CIS)	Separate	137			
Total	Consolidated				

* The effective tax rate and cash tax rate are not calculated because the loss is pre-tax.

Sustainability Management Data

Environmental

Internal Energy Consumption

Classification		Unit	2021	2022	2023
Energy consumption	Fuel	MWh	597,222	530,342	479,022
	Steam		111,031	93,726	86,777
	Electricity		1,513,731	1,226,227	1,248,280
	Total		2,221,985	1,850,296	1,814,079
Energy consumption	Fuel	TJ	2,150	1,910	1,724
	Steam		400	337	312
	Electricity		5,449	4,414	4,494
	Total		7,999	6,661	6,531
Non-renewable energy consumption target			2161,436	1,752,197	1,689,251
EACs	Wind power	MWh	64,586	58,961	64,315
	Biomass		-	-	458
	Other		-	-	386
	Subtotal		64,588	58,961	65,159
Renewable energy consumption	Solar power	PPA	-	4,840	12,534
	Wind power		-	-	10,000
	Other		-	31,946	33,576
	Subtotal		-	36,786	56,110
Total self-generated renewable energy consumption	Solar power		5,113	4,336	5,141
	Subtotal		5,113	4,336	5,141
	Total		69,701	100,083	126,410
Renewable energy conversion rate		%	4.6	8.2	10.1

Energy Intensity

Classification	Unit	2021*	2022*	2023
Energy intensity	TJ/USD 100 million	12.38	10.30	10.13

* Correction of 2021 and 2022 data due to changes in data calculation methodology

GHG Emissions (Scope 1/2)

Classification	Unit	2021	2022*	2023
Direct GHG emissions (Scope1)	Korea	172,867	109,942	74,773
	Overseas	159,857	155,307	134,174
Indirect GHG emissions (Scope2)	Korea	325,158	224,496	217,159
	Overseas	494,082	437,816	448,125
Total(Scope 1+2)	tCO ₂ eq	1,151,963	927,561	874,231
GHG emissions (Scope1+2) target	Korea + Overseas	1,193,139	1,053,000	923,000
GHG emission intensity (per unit)	tCO ₂ eq/USD million	17.83	14.35	13.56

* Partial correction of 2022 data due to changes in data calculation methodology

GHG Emissions (Scope 3)*

Classification	Unit	2021	2022	2023
Total	tCO ₂ eq	66,358,720	64,136,060	70,225,133

* Detailed emissions by category within Scope 3 are provided in the 'TCFD Report' on page 144.

[TCFD Report \[GHG Emissions \(Scope 3\)\]](#)

Sustainability Management Data

GHG Reduction Implementation Rate (Korea+Overseas)

Classification	Unit	2021	2022	2023
2030 reduction target achievement rate	%	40	52	55
GHG reduction compared to base year (2017)	Scope 1 + Scope 2	781,776	1,005,578	1,058,894
	Scope 1	771,770	839,245	895,533
	Scope 2	9,406	166,333	163,361
Reduction target compared to base year (2017)	Scope 1 + Scope 2	740,000	880,139	1,010,139
	Scope 1	720,000	730,139	855,139
	Scope 2	20,000	150,000	155,000

Air Pollutant Emissions

Classification	Unit	2021	2022	2023
NOx (Nitrogen oxide)	Korea	15.9	15.9	10.1
	Overseas	34.9	24.0	18.0
	Total	50.9	39.9	28.0
SOx (Sulfur oxide)	Korea	4.8	0.4	0.7
	Overseas	5.0	6.0	5.6
	Total	9.8	6.4	6.3
VOCs (Volatile organic compound)	Korea	23.9	20.3	0.4
	Overseas	231.5	194.9	194.7
	Total	255.4	215.2	195.1
Dust	Korea	12.4	4.9	6.7
	Overseas	29.1	32.9	25.0
	Total	41.5	37.8	31.8

Waste Recycling Rate

Classification	Unit	2021	2022	2023
Total waste amount (Hazardous+General)	Korea	50,680	37,742	27,033
	Overseas	179,181	176,508	154,522
	Total	229,861	214,249	181,554
	Target	%	-	95
Recycled waste amount (Hazardous+General)	Korea	45,146	36,694	26,636
	Overseas	166,315	165,854	146,727
	Total	211,461	202,547	173,363
Waste recycling rate	Korea	89.1	97.2	98.5
	Overseas	%	92.8	94.0
	Total	92.0	94.5	95.5

Sustainability Management Data

Waste by Type and Disposal Method

Classification		Unit	2021	2022	2023
Hazardous waste disposal	Korea	Tons	499	785	577
	Recycled		0	1,216	1,449
	Overseas		499	2,001	2,026
	Total		436	286	213
	Incinerated (general)		0	1,703	1,410
	Overseas		436	1,989	1,623
	Total		5	15	9
	Korea		0	262	151
	Landfilled		5	276	159
	Total				

Classification		Unit	2021	2022	2023
General waste disposal	Korea	Tons	44,647	35,909	26,058
	Recycled		166,315	164,638	145,278
	Overseas		210,962	200,547	171,337
	Total		4,394	499	76
	Incinerated (general)		7,211	3,104	1,465
	Overseas		11,605	3,602	1,541
	Total		699	248	99
	Korea		5,655	5,586	4,769
	Landfilled		6,354	5,834	4,868
	Total				

Recycled Plastic Usage Rate and Amount

Classification	Unit	2021	2022	2023
Recycled material usage rate	%	4.7	6.7	11.2
Recycled material usage	Tons	26,545	32,987	54,423

Critical Chemical Spill*

Classification	Unit	2021	2022	2023
Number of spill	Case	0	0	0
Amount of spill	Tons	0	0	0

* A fatality or serious injury resulting from the spread or spill/leakage of a chemical/untreated environmental pollutant outside the boundaries of a business site.

Discharge of Chemical Substance and Use of Hazardous Chemical Substance

Classification	Unit	2021	2022	2023
Hazardous chemical substance usage	Tons	20,542	11,821	11,693
Chemical substance discharged		12	4	0

Water Resource (Water Withdrawal, Water Recycling)

Classification		Unit	2021	2022	2023
Water withdrawal	Total (Ground water+Underground water+Seawater+Water supply+Other)	Tons	10,512	7,078	6,491
	Surface water		0	0.3	0.08
	Ground water		963	822	834
	Seawater		0	0	0
	Water supply		9,505	6,255	5,657
	Other		44	0	0
Water withdrawal target	Ground water+Underground water+Seawater+Water supply+Other	Tons	11,500	7,800	7,200
Water recycling	Internal water recycling		667	397*	325
Water recycling	External water recycling	Tons	0	50	69
	Total		667	447	394

* Identified and corrected errors in 2022 internal water recycling data

Sustainability Management Data

Water Resource Discharge Status

Classification		Unit	2021	2022	2023
Total waste water discharge	Internal treatment facility	Korea	4,151,137	1,282,505	530,931
	Internal treatment facility	Overseas	1,134,492	992,538	8,646
	Total		5,285,629	2,275,043	539,577
	External treatment facility	Korea	0	0	944,944
	External treatment facility	Overseas	0	0	193,501
	Total		0	0	1,138,445
	Waste water discharge	Korea	4,151,137	1,282,505	539,577
	Waste water discharge	Overseas	1,134,492	992,538	1,138,445
	Total		5,285,629	2,275,043	1,678,022
		Tons	17	13	-
Waste water quality – COD*			167	174	103
			185	187	103
Waste water quality – SS			17	4	3
Waste water quality – T-N			67	79	53
			84	83	56
			66	13	3
			30	29	31
			96	42	34

Classification		Unit	2021	2022	2023
Tons	Korea		0	0	0
	Overseas		2	2	2
	Total		2	2	2
	Korea		0	0	5
	Overseas		0	0	0
	Total		0	0	5

* COD emissions from Korean business sites are counted as TOC emissions starting in 2023 according to the amended Water Environment Conservation Act.

Environment-Friendly Motor Vehicle*

Classification	Unit	2021	2022	2023
Number of environment-friendly motor vehicles owned	Vehicle	306	298	345
Total number of vehicles owned		2,657	2,608	2,412
Percentage of environment-friendly motor vehicle	%	11.5	11.4	14.3

* Electric vehicles + hybrid vehicles

Environmental Violations

Classification	Unit	2021	2022	2023
Number of monetary sanctions	Case	1	0	0
Financial value of fines	USD	201,031.38	0*	0
Number of non-monetary sanctions	Case	0	0	0

* Correction of previous reporting data due to change in data criteria (aggregation of cases over \$10,000 from this year's report)

Sustainability Management Data

Social

Percentage of New Suppliers Screened with Social Impact Assessment

Classification	Unit	2021	2022	2023
Percentage of new suppliers screened with social impact assessment	%	100	100	100

Self-Assessment of Production Sites based on RBA (Responsible Business Alliance)

Classification	Unit	2021	2022	2023
Number of business sites subject to self-assessment	Company	33	30	30
Average point of self-assessment of business sites	Point	91.0	81.5	90
Number of low risk business sites		29	17	24
Number of medium risk business sites	Company	4	13	6
Number of high risk business sites		0	0	0

Supplier Assessment and Development

	Classification	Unit	2021	2022	2023
ESG self-diagnosis	Suppliers	Target		1,289	1,325
		Completed	Company	1,289	1,231
		Diagnosis ratio	%	100	93
	Significant suppliers	Target		605	339
		Completed	Company	406	192
		Diagnosis ratio	%	67	57
ESG on-site diagnosis (by LG Electronics)	High risk suppliers	Target		13	8
		Completed	Company	13	8
		Diagnosis ratio	%	100	100
	High risk significant suppliers	Target		3	0
		Completed	Company	3	0
		Diagnosis ratio	%	100	-

Risk Management Specialization Training for Suppliers

Training	Classification	Unit	2021	2022	2023
Participated suppliers	Korea	Times	2	2	3
		Total	3	0	1
Number of participants	Korea	Company	439	526	507
		Person	536	836	693

Sustainability Management Data

Key Negative Social Impacts in the Supply Chain and Actions Taken

	Classification	Unit	2021	2022	2023
Supplier assessment	Number of suppliers that have been assessed for social impact (partners that have conducted self-assessment by year)	Company	1,289	1,231	1,266
	Number of suppliers identified as having actual/potential negative social impact*		13	8	12
	Percentage of suppliers discussed improvements in response to assessment results		%	100	100
	Number of suppliers terminated based on assessment result		0	0	0
Corrective action	Number of suppliers supported with corrective action implementation plans	Company	13	8	12
	Percentage of suppliers identified as having actual/potential negative social impacts who are supported with corrective action implementation plans		%	100	100
Capacity building program	Number of participated suppliers	Company	-	-	1,046
	Percentage of participated key suppliers		%	-	16.4**

* Correction of previous reporting data due to change in data criteria (last year's report reported the number of high-risk suppliers identified after corrective action and final assessment, while this year's report reports the number of high-risk supplier based on initial assessment results)

** Key suppliers that have taken the training (172) / Total number of suppliers that have taken the training (1,046)

Free Training Support for Suppliers

	Classification	Unit	2021	2022	2023
Number of suppliers	Company	Person	456	690	972
Number of employees at suppliers	Person	Person	2,610	2,767	2,505

Financial Support for Suppliers

	Classification	Unit	2021	2022	2023
Support amount	Direct funding	USD million	24.8	25.2	28.7
	Win-win growth fund		90.3	135.6	150.7
	ESG fund		-	-	10.3
	Win-win payment system		7,019.5	5,617.6	5,579.7
Subtotal			7,134.6	5,778.4	5,769.4
Supported companies	Direct funding	Company	26	34	45
	Win-win growth fund		120	152	127
	ESG fund		-	-	10
	Win-win payment system		1,527	1,538	1,533
Subtotal			1,673	1,724	1,715

Fire and Safety consulting for Suppliers

	Classification	Unit	2021	2022	2023
Korea			242	231	236
Overseas		Case	-	-	-
Total			242	231	236

Suppliers Grievance Handling*

	Classification	Unit	2023
Number of grievances handled	Case	Person	4

* Data aggregated since 2023

Sustainability Management Data

Occupational Injury Occurrence

Classification	Unit	2021		2022		2023	
		LG Electronics	Contractors*	LG Electronics	Contractors*	LG Electronics	Contractors*
LTIFR (Lost-Time Injuries Frequency Rate)**							
Korea		0.72	0.54	0.70	0.48	0.43	0.38
Overseas	Case/Million hours worked	214	0.93	3.67	1.09	1.07	0.20
Average		1.32	0.81	2.08	0.92***	0.73	0.25
OIFR (Occupational Injuries Frequency Rate)**							
Korea		0	0	0	0	0	0
Overseas	Case/Million hours worked	0	0	0	0	0	0
Average		0	0	0	0	0	0
Lost time injuries							
Korea		50	10	46	8	30	6
Overseas	Case	112	38	208	50	64	9
Total		162	48	254	58	94	15
Total Hours worked							
Korea		70	18	66	17	69	16
Overseas	Million hours	52	41	57	46	60	44
Total		122	59	122	63	129	60
Number of accident							
Injury		160	46	249	58	94	15
Infection		0	0	0	0	0	0
Occupational disease		2	1	3	0	0	0
Fire/explosion	Case	0	0	2	0	0	0
Spill/leakage		0	1	0	0	0	0
Legal violation		0	0	0	0	0	0
Total		162	48	254	58	94	15

Classification	Unit	2021		2022		2023	
		LG Electronics	Contractors*	LG Electronics	Contractors*	LG Electronics	Contractors*
Number of people in accidents (number of injuries)							
Injury		160	46	249	58	94	15
Infection		0	0	0	0	0	0
Occupational disease		2	1	3	0	0	0
Fire/explosion	Person	0	0	0	0	0	0
Spill/leakage		0	0	0	0	0	0
Legal violation		0	0	0	0	0	0
Total		162	47	252	58	94	15
Number of people in accidents (number of fatalities)							
Injury		0	2	0	1	0	0
Infection		0	0	0	0	0	0
Occupational disease		0	0	0	0	0	0
Fire/explosion	0	0	0	0	0	0	
Spill/leakage	0	0	0	0	0	0	
Legal violation	0	0	0	0	0	0	
Total		0	2	0	1	0	0

* Excluding construction companies

** Calculation method: Case/Million Hours worked

*** Corrections of data following reconfirmation of all overseas subsidiaries' data for 2022

Employee Safety and Environment Training Status

Classification	Unit	2021			2022			2023		
		Hours	Hours	Hours						
General training* hours								543,332	475,373	568,980
Special training** hours								4,816	4,214	3,144
Professional training*** hours								4,996	12,456	3,824
Number of people completed general training								31,613	30,323	30,129
Number of people completed special training	Person							224	196	146
Number of people completed professional training								643	617	531

* General training: regular training on safety and health, Special safety training, promotion training, safety environment mindset training, etc.

** Special training: Customized training by job group/class for overseas production subsidiary president, purchase university, etc.

*** Professional training: For safety and environmental jobs such as auditor courses, disaster prevention capacity building, etc.

Sustainability Management Data

Number of Employees by Region

Classification	Unit	2021	2022	2023
Korea	Person	36,499	34,645	35,111
Asia		7,964	8,470	8,516
Central and South America		8,738	8,179	7,361
China		5,729	5,978	6,407
India		4,344	4,540	4,833
Europe		4,470	4,488	4,326
North America		3,559	3,393	3,399
Middle East and Africa		1,323	1,407	1,497
Russia(CIS)		1,490	1,316	1,111
Japan		221	236	252
Total		74,337	72,652	72,813

Number of Employees by Position

Classification	Unit	2021	2022	2023
Associates	Male	50,208	48,232	47,728
	Female	14,862	14,813	14,780
	Subtotal	65,070	63,045	62,508
Managers*	Male	8,024	8,280	8,818
	Female	944	1,039	1,196
	Subtotal	8,968	9,319	10,014
Executives and above	Male	288	276	285
	Female	8	12	12
	Subtotal	296	288	297

* Number of people who have a job title

Number of Employees by Employment Contract

Classification	Unit	2021	2022	2023
Percentage of permanent employees	%	98	98	98
Permanent	Total	57,102	55,874	55,673
	Aged 29 or under	7,750	8,315	8,571
	Aged 30 to 49	40,545	38,869	37,756
	Aged 50 or older	8,807	8,690	9,346
Temporary	Total	15,525	15,671	15,735
	Aged 29 or under	3,800	3,872	3,850
	Aged 30 to 49	10,837	10,795	10,785
	Aged 50 or older	888	1,004	1,100
Person	Total	1,421	914	1,152
	Aged 29 or under	1,147	674	816
	Aged 30 to 49	250	216	263
	Aged 50 or older	24	24	73
Male	Total	289	193	253
	Aged 29 or under	180	113	131
	Aged 30 to 49	95	71	108
	Aged 50 or older	14	9	14
Female	Total	180	113	131
	Aged 29 or under	95	71	108
	Aged 30 to 49	25	20	18
	Aged 50 or older	14	9	14

Number of Employees by Employment Type

Classification	Unit	2021	2022	2023
Full-time	Male	58,511	56,768	56,807
	Female	15,789	15,801	15,931
Part-time	Male	12	20	18
	Female	25	63	57
Subtotal		74,337	72,652	72,813

Sustainability Management Data

Ratio of Senior Managers Hired Locally in Major Business Sites

Classification	Unit	2021	2022	2023
Number of local hires	Person	15,326	15,670	13,092
Senior people among hires*		160	156	191
Ratio of senior people among hires	%	1.0	1.0	1.5

* Senior workforce: New hires who have a job title

Hiring Status

Classification		Unit	2021	2022	2023
Total	Total		16,852	17,442	14,659
	Subtotal		11,022	11,551	9,719
New hire - Permanent	Male	Aged 29 or under	6,627	6,971	5,780
		Aged 30 to 49	4,120	4,301	3,664
		Aged 50 or older	275	279	275
		Subtotal	5,830	5,891	4,940
New hire - Temporary	Female	Aged 29 or under	3,260	3,300	2,808
		Aged 30 to 49	2,466	2,489	2,031
		Aged 50 or older	104	102	101
		Subtotal	2,529	2,623	1,746
New hire - Permanent	Male	Aged 29 or under	1,889	1,984	1,445
		Aged 30 to 49	1,696	1,784	1,261
		Aged 50 or older	175	182	168
		Subtotal	18	18	16
New hire - Temporary	Female	Aged 29 or under	640	639	301
		Aged 30 to 49	510	508	197
		Aged 50 or older	103	104	93
		Subtotal	27	27	11
Number of new hires (permanent+temporary)			19,381	20,065	16,405
Ratio of open positions filled by internal candidates (internal hires)*		%	21.6	11.5	10.6
Average cost of hire		USD	3,403.94	2,809.96	2,587.76

* Correction of 2021 and 2022 data for data realization

Turnover Status*

Classification		Unit	2021	2022	2023
Korea	Number of turnover by age group	Aged 29 or under	211	302	226
		Aged 30 to 49	802	1,425	710
		Aged 50 or older	419	1,488	719
	Turnover ratio by age group	Aged 29 or under	14.7	9.4	13.7
Overseas		Aged 30 to 49	56.0	44.3	42.9
		Aged 50 or older	29.3	46.3	43.4
	Number of turnover by age group	Aged 29 or under	4,608	7,953	6,586
		Aged 30 to 49	4,140	6,612	5,852
Overseas		Aged 50 or older	455	533	593
	Turnover ratio by age group	Aged 29 or under	50.1	52.7	50.5
		Aged 30 to 49	45.0	43.8	44.9
		Aged 50 or older	4.9	3.5	4.6
Number of turnover by gender	Male	Person	7,117	12,380	9,751
	Female	Person	3,518	5,933	4,935
Turnover ratio by gender	Male		66.9	67.6	66.4
	Female		33.1	32.4	33.6
Employee voluntary turnover rate		%	8.4	10.7	7.8
Total turnover rate (voluntary turnover + involuntary turnover)			15.3	25.8	20.7

* Correction of 2021 and 2022 data due to change in data calculation criteria to permanent employees (excluding temporary)

Sustainability Management Data

Number of Voluntary Retirees and Retirement Rates*

Classification		Unit	2021	2022	2023
Permanent	Voluntary retirement rate	%	8.4	10.7	7.8
	Number of voluntary retirees	Person	5,824	7,625	5,539
	Average number of employees		69,671	71,187	70,861
Male	Voluntary retirement rate	%	7.1	9.2	6.7
	Number of voluntary retirees	Person	3,968	5,146	3,729
	Average number of employees		55,590	55,773	55,311
Female	Voluntary retirement rate	%	13.2	16.1	11.6
	Number of voluntary retirees	Person	1,856	2,479	1,810
	Average number of employees		14,081	15,414	15,550
Korea	Aged 29 or under	Voluntary retirement rate	%	8.4	10.0
		Number of voluntary retirees	Person	210	265
		Average number of employees		2,502	2,650
	Aged 30 to 49	Voluntary retirement rate	%	2.8	3.3
		Number of voluntary retirees	Person	757	860
		Average number of employees		27,175	25,750
	Aged 50 or older	Voluntary retirement rate	%	0.4	0.4
		Number of voluntary retirees	Person	26	21
		Average number of employees		5,980	5,744
Overseas	Aged 29 or under	Voluntary retirement rate	%	30.0	35.8
		Number of voluntary retirees	Person	2,337	3,226
		Average number of employees		7,802	9,023
	Aged 30 to 49	Voluntary retirement rate	%	9.9	12.4
		Number of voluntary retirees	Person	2,290	3,023
		Average number of employees		23,079	24,305
	Aged 50 or older	Voluntary retirement rate	%	6.5	6.2
		Number of voluntary retirees	Person	204	226
		Average number of employees		3,134	3,622

* Average number of employees: Average number of employees per month for each year / Corrections to data reported in 2021 and 2022 due to change in data calculation criteria

Workers with Disabilities (Korea)

Classification		Unit	2021	2022	2023
Employment rate of people with disabilities*	Total		2.3	2.4	2.5
	Male	%	2.3	2.3	2.4
	Female		2.4	2.7	3.0
Number of disabled workers	Total		831	817	856
	Direct employment (Male)		440	410	411
	Direct employment (Female)	Person	11	11	19
	Indirect employment (Male)		271	271	285
	Indirect employment (Female)		109	125	141
Number of permanent employees			36,072	34,101	34,357

* Combined employment rate of permanent disabled workers in LG Electronics and Hanuri (Hanuri: a business established by LG Electronics to expand employment of workers with disabilities, where workers are in charge of managing cafes, environmental restoration, dishwashing and dormitories, etc.)

Parental Leave Usage

Classification		Unit	2021*	2022*	2023
Total number of employees who took parental leave	Male		222	283	238
	Female		303	329	360
	Total		525	612	598
Total number of employees who returned to work after parental leave	Male		229	217	245
	Female	Person	280	218	275
	Total		509	435	520
Total number of employees who return to work after parental leave ends and have been employed for 12 months	Male		179	180	178
	Female		280	239	197
	Total		459	419	375
Ratio of employees who returned to work after parental leave	Male		87.7	88.6	94.2
	Female		91.5	83.2	86.5
Ratio of employees who return to work after parental leave ends and have been employed for 12 months	Male	%	86.9	78.6	82.0
	Female		87.8	85.4	90.4

* Correction of data due to changes in data calculation criteria

Sustainability Management Data

Base Pay Rate by Gender

Classification	Unit	2021	2022	2023
Executive level	Male	100	100	100
	Female	114	91	94

Percentage of Entry Level Wages to Minimum Wage by Gender

Classification	Unit	2021*	2022	2023
Male entry-level employee	Office position	175	178	176
	Technical position	132	133	132
Female entry-level employee	Office position	175	178	176
	Technical position	132	133	132

* Partial correction of 2021 data due to change in data calculation criteria

Gender Diversity by Position

Classification	Unit	2021	2022	2023
Number of people with titles in revenue related positions	Total	7,587	7,849	8,396
	Male	6,950	7,157	7,598
	Female	637	692	798
Number of people without titles in revenue related positions	Total	57,512	56,001	55,323
	Male	45,041	43,552	42,930
	Female	12,471	12,449	12,393
Percentage of female employees with titles in revenue related positions	%	7.1	7.4	8.0
Percentage of female employees in R&D related positions	%	15.0	15.5	16.1
Number of male permanent employees in R&D related positions	Person	16,794	16,674	17,187
Number of female permanent employees in R&D related positions	Person	2,971	3,067	3,294
Percentage of female employees in management positions	Junior management positions	10.5	11.2	11.9
	Top management positions	2.7	4.2	4.1
	All management positions	10.3	11.0	11.8
Percentage of female employees in STEM-related positions	%	15.0	15.5	16.1

Sustainability Management Data

Gender and Age Diversity of Job Title Holders

Classification	Unit	2021	2022	2023
Percentage of job title holders	%	12.3	13.0	13.9
Percentage of male job title holders	%	89.5	88.8	88.1
Total		8,004	8,255	8,781
Number of male job title holders (Permanent)				
Aged 29 or under		238	217	197
Aged 30 to 49		6,017	6,094	6,459
Aged 50 or older	Person	1,749	1,944	2,125
Number of male employees		56,811	55,598	55,673
Number of male permanent employees		288	276	279
Percentage of female title holders	%	10.5	11.2	11.9
Total		941	1,036	1,188
Number of female job title holders (Permanent)				
Aged 29 or under		46	43	47
Aged 30 to 49		782	873	984
Aged 50 or older	Person	113	120	157
Number of female employee		15,517	15,659	15,735
Number of female permanent employees		8	12	12
Number of female executives				

Percentage of Employees who Received Performance Evaluations

Classification	Unit	2021	2022	2023
All employees	%	100	100	100

Average Training Hours per Employee

Classification	Unit	2021	2022*	2023
Korea	Male	53.0	78.7	78.4
	Female	58.1	69.6	73.2
Overseas	Male	8.6	13.9	16.8
	Female	8.7	15.4	17.0
Total	Male	321	47.5	49.0
	Female	23.5	33.1	36.1

* Partial correction of 2022 data due to parameter adjustments as of year-end

Sustainability Management Data

Average Training Hours by Age

Classification	Unit	2021	2022	2023
Korea	Hours	88.8	143.4	160.9
		68.0	90.4	84.8
		40.0	41.7	55.4
Overseas	Hours	21.9	36.3	40.7
		18.7	20.6	22.0
		10.9	14.9	17.6
Total	Hours	45.9	68.5	80.2
		46.1	61.3	58.0
		29.6	31.8	41.7

Average Training Hours by Position

Classification	Unit	2021	2022*	2023
Korea	P3	60.2	77.0	72.1
	P2	65.9	99.5	94.0
	P1	111.1	119.2	169.6
	Other	28.4	25.1	30.5
Overseas	G4	6.1	9.2	9.0
	G3	14.0	22.7	23.1
	G2	15.8	24.4	24.2
	G1	16.9	27.0	35.9
Other		0.2	2.2	0.5

* Partial correction of 2022 data due to parameter adjustments as of year-end

Sustainability Management Data

Permanent Employee Education and Training

Classification		Unit	2021	2022	2023
Average training hours per permanent employee	Total	Hours/Person	31.6	45.1	47.1
	Male		33.8	48.5	50.0
	Female		23.6	33.0	36.7
Total training hours of permanent employees	Total	Hours	2,295,076	3,226,535	3,360,991
	Male		1,928,550	2,709,171	2,783,503
	Female		366,525	517,364	577,488
Permanent employee statutory training hours*	Total	USD/Person	1.1	1.1	1.4
	Male		1.2	1.2	1.4
	Female		0.7	0.7	1.2
Total training amount for permanent employees		USD million	503.5	579.4	632.4
Average amount of training per permanent employee**	Total	Person	36.6	41.5	45.2
	No. of permanent employees		72,627	71,545	71,408
	Male		57,102	55,874	55,673
Female		Person	15,525	15,671	15,735

* Excluding overseas business sites

** Including overseas business sites

Average Training Hours by Program*

Classification		Unit	2021	2022	2023
Korea	Leadership	Hours	5.5	1.1	1.3
	Job Duty		14.4	12.8	7.2
	Other		7.8	3.7	4.9
Overseas	Leadership	Hours	1.9	2.2	3.0
	Job Duty		7.4	7.2	6.8
	Other		3.4	3.9	4.1
Total	Leadership	USD/Person	5.0	1.2	1.5
	Job Duty		11.2	9.9	7.0
	Other		7.0	3.6	4.7

* Correction of 2022 data due to parameter adjustments as of year-end, Online and offline combined training Hours

Sustainability Management Data

ESG Strategy and Policy Training

Classification		Unit	2021	2022	2023
Total	Target	Person	-	46,583	45,964
	Number of trainees		-	29,109	34,009
Korea	Target		-	25,853	26,428
	Number of trainees		-	20,471	22,486
Overseas	Target		-	20,730	19,536
	Number of trainees		-	8,638	11,523

Social Contribution

Classification		Unit	2021	2022	2023
Expenditure by type of social contribution	Social contribution expenditure as a percentage of revenue*	%	0.06	0.09	0.06
	Social contribution expenditure as a percentage of operating income*		1.01	2.11	1.53
Expenditure by area of social contribution	Social contribution expenditure	USD million	35.9	58.1	41.4
	Total		35.9	58.1	41.4
Expenditure by area of social contribution	Charitable donations		25.3	19.6	15.3
	Local community investment		0.2	2.9	1.7
Expenditure by area of social contribution	Commercial initiatives		10.4	35.6	24.5
	Total		35.9	58.1	41.4
Expenditure by area of social contribution	Welfare		4.9	3.8	9.4
	Education		6.4	5.3	2.7
Expenditure by area of social contribution	Environment		0.8	0.7	0.5
	Health		0.8	1.0	0.4
Expenditure by area of social contribution	Culture		8.2	31.9	25.1
	Disaster		0.7	1.9	1.0
Expenditure by area of social contribution	Other		14.0	13.6	2.4

* Calculated as revenue and operating income on a consolidated basis

Sustainability Management Data

Local Community Engagement, Impact Assessment and Development Program Operation

Classification	Unit	2021	2022	2023
Number of countries where stakeholder advisory meetings were held*		1	1	1
Number of broad-based local community advisory groups that include underprivileged people*	EA	1	1	1

* Accessibility Advisory Group (Korea, in operation since 2021)

Stakeholder Human Rights Grievance Handling

Classification	Unit	2021	2022	2023
Number of received cases		44	74	59
Number of cases handled	Case	44	74	59
Grievance handling ratio	%	100	100	100

Number of Violations of Indigenous Peoples' Rights in the Region Where We Operate and Actions Taken

Classification	Unit	2021	2022	2023
Number of violations of indigenous peoples' rights*	Case	0	0	0

* Based on reported cases

Percentage of Security Personnel Trained on Human Rights Policies and Safeguarding Procedures

Classification	Unit	2021	2022	2023
Number of security personnel	Person	365	364	364
Number of security personnel trained		365	364	364
Training completion rate	%	100	100	100

Labor-Management Relations

	Classification	Unit	2021	2022	2023
Korea	Number of employees		39,822	37,699	36,042
	Number of union members	Person	12,219	11,801	10,157
	Membership rate	%	31	31	28
Overseas	Number of employees		44,606	45,932	46,892
	Number of union members*	Person	-	-	14,956
	Membership rate	%	-	-	32
Total union membership rate			-	-	30

* The number of overseas union members for 2021 and 2022 are not available; the number of overseas union members in 2023 are based on 17 of 28 subsidiaries (11 of which have no unions).

Employee Satisfaction

	Classification	Unit	2021	2022	2023
Employee satisfaction survey participation rate	Korean office position		75.0	74.3	77.1*
	Korean technical position	%	84.0	82.0	84.6**
	Overseas office position		Not conducted	75.0	76.6***

* 18,499 people participated

** 6,956 people participated

*** 14,675 people participated

Sustainability Management Data

Psychological Counseling Center Operation Status

Classification		Unit	2021	2022	2023
Personal counseling program	Times		4,241	5,316	5,803
Group programs and training			214	292	309
Family matters			32.7	31.2	33.8
Mental health	%		23.6	19.4	21.2
Characteristic			14.8	16.0	16.5
Other			29.0	33.4	28.5

Status of Employee Training on Human Rights Policy and Procedure

Classification		Unit	2021	2022	2023
Number of hours of employees training on human rights policies and procedures related to the business	Hours		831	1,264	2,041
Number of employees trained on human rights policies and procedures related to the business	By position		831	1,214	2,041
	By job group	Person	0	50	0
	Online		831	1,264	2,041

Business Sites subject to Human Rights Impact Assessment*

Classification		Unit	2021	2022	2023
Number of global business sites			33	30	30
Number of business sites subject to human rights review or human rights impact assessment by country	Business sites		33	30	30
Percentage of business sites subject to human rights review or human rights impact assessment by country	%		100	100	100

* Evaluated across global production sites

Junior Board Grievance Handling Performance

Classification		Unit	2021	2022	2023
Received agenda item		Case	10	12	11
Completed agenda item			10	10	11

3TG Minerals RMAP Conformant Smelter Status

Classification		Unit	2021	2022	2023
Tin	Certified		51	58	65
	In progress		4	0	3
	Not certified		26	22	24
Tantalum	Certified		38	33	33
	In progress		0	0	1
	Not certified		1	5	4
Tungsten	Certified		38	34	31
	In progress	EA	0	0	0
	Not certified		5	10	10
Gold	Certified		99	92	87
	In progress		0	0	2
	Not certified		12	20	70
Total	Certified		226	217	216
	In progress		4	0	6
	Not certified		44	57	108

Customer Satisfaction Survey*

Classification		Unit	2021	2022	2023
Korea			84.6	87.7	92.5
Overseas	Point		66.8	69.9	63.6

* Survey of customers who have received repair services from LG Electronics

Assessment of the Safety and Health Impact of Products and Services*

Classification		Unit	2021	2022	2023
Percentage of major products and services assessed for safety and health impact	%		100	100	100

* Product safety risk assessment criteria (internal criteria)

Sustainability Management Data

Governance

Operation of the BOD

Classification		Unit	2021	2022	2023
BOD meetings held	Times		11	9	8
BOD deliberation on agenda	Approved	Case	47	45	30
	Reported		15	11	16
BOD attendance rate	Executive	% Independent	100	89	86.6
	Independent		100	100	100
	Total		100	96.8	96.3
Number of reports on materiality issue	Total	Times	11	9	8
Review cycle for economic, environmental, and social topics	Total	Year	1	1	1

Governance and Employee Diversity

Classification		Unit	2021	2022	2023
Number of employee	By gender	Person	Male	58,523	56,790
	Female		Female	15,814	15,988
Number of executives officers	Aged 29 or under		Aged 29 or under	12,877	12,974
	By age		Aged 30 to 49	51,727	49,951
Percentage of female executives	Aged 50 or older		Aged 50 or older	9,733	10,533
	Total		Total	296	288
	Male		Male	288	285
Percentage of female executives		%	Female	8	12
Percentage of female executives		%		4.2	4.0

Governance and Employee Diversity_BOD Composition Ratio

	Classification	Unit	2021	2022	2023
BOD composition by gender	Male	%	86	86	86
	Female		14	14	14
Number of female directors	Person		1	1	1

Composition of the Highest Decision-Making Body and Subcommittees

	Classification	Unit	2021	2022	2023
Executive or non-executive directors (Total)			7	7	7*
No. of executive directors			2	2	2
No. of independent directors	Person		4	4	4
Number of non-executive directors			1	1	1
Independent director candidate recommendation committee	Total number of members		3	3	3
	No. of independent directors		2	2	2
	Attendance rate of independent directors	%	100	100	100
Audit committee	Total number of members	Person	4	4	4
	No. of independent directors		4	4	4
	Attendance rate of independent directors	%	100	100	100

* Director Doo Yong Bae resigned on Dec 15, 2023

Compensation Policy

	Classification	Unit	2021	2022	2023
Salary	CEO		1,193.1	1,196.6	1,195.1
	CFO		523.6	483.3	488.5
Bonus	CEO		1,171.2	182.0	597.2
	CFO	USD thousand	379.3	230.0	121.7
	CEO		2,364.3	1,378.6	1,792.3
Total	CFO		902.9	713.3	610.2
	Independent directors (Audit committee members)		341.8	323.0	319.3

Sustainability Management Data

Compliance Management Status

	Classification	Unit	2021	2022	2023
On-site compliance manager	Compliance manager	Person	156	151	122
	Risk manager		500	533	557
Compliance committee meeting	Company-wise	Times	4	4	4
	On-site		3	3	3
Compliance self-check survey	Korea Participants	Person	28,451	25,827	25,821
	Korea Respondents		21,088	20,406	25,336
	Overseas Participants	Person	18,921	19,325	19,423
	Overseas Respondents		14,067	13,149	19,104
	Total Participants		47,372	45,152	45,244
	Total Respondents		35,155	33,555	44,440

Compliance Training Status

	Classification	Unit	2021	2022	2023
Korea	Employees subject to training	Person	28,451	25,827	25,821
	Employees completed training		26,868	24,731	25,336
Online training	Employees subject to training	Person	18,921	19,325	19,423
	Employees completed training		17,651	18,438	19,104
Total	Employees subject to training		47,372	45,152	45,244
	Employees completed training		44,519	43,169	44,440
Employee completed offline training for specific job titles and positions (number of sessions)	Training on new team leader	Person (Times)	116(2)	208(1)	303(3)
	Overseas expatriate leadership training		196(5)	126(5)	135(3)
	New entrepreneur training		42(1)	24(2)	127(1)
	Dispatch manager onboarding training		30(2)	29(1)	24(2)

Status of Violation Reports Received and Actions Taken*

	Classification	Unit	2021	2022	2023
Violation reporting status	Corruption and illegalities	Case	25	27	29
	Other (HR, unfair trade, etc.)		87	90	63
	Complaint (customer complaint, suppliers grievance, etc.)		141	108	77
	Subtotal		253	225	169
Status of self-diagnostic actions	Disciplinary dismissal/recommended resignation		9	11	12
	Minor discipline		52	120	106
	Severe discipline		76	101	98
	Subtotal		137	232	216

* The number of reports received in the previous year that were investigated and found to be true or partially true.

Number and Percentage of Business Sites Assessed for Corruption Risk

Classification	Unit	2021	2022	2023
Number of business sites*	Business sites	101	95	108
Percentage of business sites	%	99	99	100

* Selection of business sites for assessment based on internal criteria

Sustainability Management Data

Notification and Training on Anti-corruption Policy and Procedure

Classification		Unit	2021	2022	2023
Number and percentage of notified or trained board members	Korea	Person(%)	7(100)	7(100)	7(100)
			26,868(94.4)	24,731(95.8)	25,336(98.1)
			17,651(93.3)	18,438(95.4)	19,104(98.4)
Number and percentage of notified or trained employees	Korea	Person	44,519	43,169	44,440
	Overseas		0	237(53)	289(88)
	Total		0	0	757(81)
Number and percentage of notified or trained suppliers*	Korea	Company (%)	0	237(19)	1,046(83)
	Overseas		0	0	757(81)
	Total		0	237(19)	1,046(83)

* Correction of previous reporting data due to change in data calculation criteria (change in criteria to number of suppliers receiving actual on- and offline training)

Other Legal and Regulatory Violation

Classification	Unit	2021	2022	2023
Amount of major fines	USD thousand	860.9	155.7	11,058.7
Number of non-monetary sanctions	Times	0	0	1

Number of Inquiries to the Counseling Center Dedicated to Jeong-Do Management

Classification	2021		2022		2023	
	Case	%	Case	%	Case	%
Interpretation of Regulations/Code of Ethics	27	27	7	7	6	7
Conflicts of interest	29	21	36	37	23	25
Expense handling	27	33	30	31	17	18
Congratulatory & condolatory money or goods	0	4	4	4	0	0
Other (regulation, HR, etc.)	29	34	20	21	46	50
Total	112	100	97	100	92	100

Sustainability Management Data

Jeong-Do Management Online and Offline Training Completion Status

	Classification	Unit	2021*	2022	2023
Employee	Online training	Person	35,104	36,070	37,304
	Offline training		1,692	4,605	10,231
	Total		36,796	40,675	47,535
Suppliers	Number of participating suppliers	Company	1	5	17
	Number of participating employees at suppliers	Person	30	4,605	47,535

* Partial correction of 2021 data to add people who were omitted

Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data

	Classification	Unit	2021	2022	2023
Case	Complaints received from outside parties and substantiated by the organization	Case	0	0	0
	Complaints from regulatory bodies		0	0	0
	Total number of identified leaks, thefts, or losses of customer data		0	0	0
	Total number of identified leaks, thefts, or losses of employee data		0	1	0

Contributions & Other Spending

Classification	Unit	2021	2022	2023
Trade associations or think tanks	USD thousand	967.7	1,620.9	908.9

Membership·Awards & Recognition

Major Affiliation/Participating Organizations

Korea Electronics Association	RBA (Responsible Business Alliance)
Korea Chemicals Management Association	Korea Chamber of Commerce and Industry
Korea Display Industry Association	Global Standard No.1
Korea International Trade Association	Korea Products Safety Association
Korea AEO Association	Fair Competition Federation
National Academy of Engineering of Korea	Korea Electronics Association (Private Sector Electronic Trade Cooperation)
Korea Association for ICT Promotion	Korea Enterprises Federation
Korea Listed Companies Association	Korea Radio Promotion Association
Korean Association for Industrial Technology Security	Korea Refrigeration and Air-conditioning Industry Association
The Federation of Korean Industries	Korea Investor Relations Service
Trade related IPR(Intellectual Property Rights) Protection Association	Professionals in Business Industrial Health Association
TGE (Target Gender Equity) Initiative	UN Global Compact
Maekyung Safety and Environment Institute	RMI (Responsible Minerals Initiative)
BNBP (Biz N Biodiversity Platform)	RE100 (Renewable Energy100)
AOM (Alliance for Open Media)	HCA (Home Connectivity Alliance)
CSA (Connectivity Standards Alliance)	SBTi (Science-based Target Initiative)
MicroLED Industry Association	AHRI (Air-Conditioning, Heating & Refrigeration Institute in the US)

ESG External Assessment Status

External Assessment	Key Achievement	Assessment Agency
DJSI ^①	Listed on DJSI World for 12 consecutive years	S&P Global Sustainable1
	Listed on DJSI Asia Pacific for 14 consecutive years	
	Listed on DJSI Korea for 15 consecutive years	
MSCI ^② ESG Ratings	Grade A	MSCI
CDP Climate	Grade A in Climate Change 2022 Grade D in Water Security 2023	CDP

Major Awards & Recognition

Date	Details	Awarded by
2024.06	GM OTS (On-Time Shipping) Platinum Award	General Motors (GM)
2024.06	2024 Social Contribution Company Award	Korea Economic Daily
2024.06	The 18th Korea Packaging Competition Minister of Trade, Industry and Energy Award	Ministry of Trade, Industry and Energy
2024.05	Brand Customer Loyalty Awards 2024	Customers Council
2024.04	Red Dot Design Award - Best of the Best (2), Innovative Award (1), Winner (25)	Red Dot of Germany
2024.03	Performance Award	US Air-Conditioning, Heating & Refrigeration Institute (AHRI)
2024.03	2023 Energy Star Award for Sustained Excellence	US Environmental Protection Agency
2024.03	GM Supplier of the Year Awards	General Motors (GM)
2024.03	Performance Award	US Air-Conditioning, Heating & Refrigeration Institute (AHRI)
2024.02	iF Design Award (29)	International Forum Design GmbH of Germany
2024.02	BPW Gold Award	Business & Professional Women Korea (BPW Korea)
2024.01	VGP (Visual GrandPrix) 2023 Award Gold Medal	Ongen Publishing in Japan
2023.11	Ergonomic Design Award (4)	Ergonomics Society of Korea
2023.11	CES 2024 Best Innovation Award (2), Innovation Award (31)	US Consumer Technology Association (CTA)
2023.07	Green Product of the Year Award	Korea Green Purchasing Network
2023.07	Energy Winner of the Year Award, Carbon Neutrality Award	Consumers Korea
2023.05	Brand Customer Loyalty Awards 2023	Customers Council
2023.04	Red Dot Design Award 2023 (24)	Red Dot of Germany
2023.04	iF Design Award Gold Medal	International Forum Design GmbH of Germany

External Assessment	Key Achievement	Assessment Agency
KCGS	Comprehensive Grade A	KCGS
FTSE Russell's ESG Ratings	Listed on FTSE4Good for 10 consecutive years	FTSE Russell

①) DJSI: Dow Jones Sustainability Index

②) MSCI: Morgan Stanley Capital International

SHEE-Quality Certification Status

Region	Country	Business Site	Environmental Management	Safety and Health	Energy	Quality Certification
North America	US	LGETN (Tennessee)	ISO 14001	ISO 45001	-	-
	Mexico	LGEMN (Monterrey)	ISO 14001	ISO 45001	-	ISO 9001
Central and South America	Mexico	LGERS (Reynosa)	ISO 14001	ISO 45001	-	ISO 9001
	Mexico	LGEMX (Mexicali)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Brazil	LGESP_M (Manaus)	ISO 14001	ISO 45001	-	ISO 9001
Europe/Russia(CIS)	Poland	LGEMA (Mlawa)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Poland	LGEWR (Wrocław)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Russia	LGERA (Ruza)	ISO 14001	ISO 45001	ISO 50001	CIG-023
Middle East and Africa	Egypt	LGEEG (10th of Ramadan)	ISO 14001	ISO 45001	-	ISO 9001
	Saudi Arabia	LGESR (Riyadh)	ISO 14001	ISO 45001	-	ISO 9001
	Türkiye	LGEAT (İstanbul)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
India	India	LGEIL_N (Noida)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	India	LGEIL_P (Pune)	ISO 14001	ISO 45001	-	ISO 9001
Southeast Asia	Thailand	LGETH (Rayong)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Vietnam	LGEVH (Hai Phong)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Indonesia	LGEIN_C (Cibitung)	ISO 14001	ISO 45001	-	ISO 9001
		LGEIN_T (Tangerang)	ISO 14001	ISO 45001	ISO 50001	ISO 9001

Region	Country	Business Site	Environmental Management	Safety and Health	Energy	Quality Certification
China	China	LGEPN (Nanjing (Washing Machine))	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	China	LGENT (Nanjing (New Tech))	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	China	LGENV (Nanjing (Automobile))	ISO 14001	ISO 45001	-	IATF 16969
	China	LGETR(Taizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	China	LGETA(Tianjin)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	China	LGEQA (Qingdao Chiller)	ISO 14001	ISO 45001	-	ISO 9001
	China	LGEQH (Qinhuangdao)	ISO 14001	ISO 45001	-	ISO 9001
	China	LGEHZ (Huizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
Korea	Korea	Changwon1	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Korea	Changwon2	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Korea	Gumi	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	Korea	Pyeongtaek	ISO 14001	ISO 45001	ISO 50001	IATF 16969
	Korea	Pyeongtaek	ISO 14001	ISO 45001	ISO 50001	E-Mark
	Korea	Pyeongtaek (Chiller)	ISO 14001	ISO 45001	ISO 50001	CIG-023

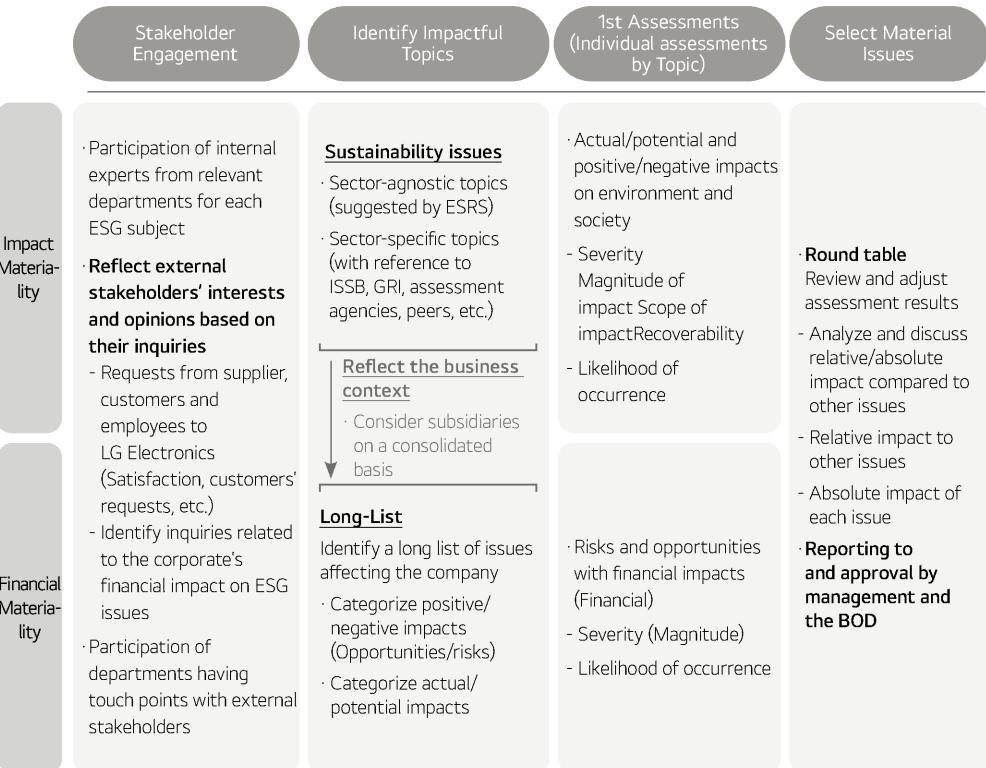
* Certification for newly established production subsidiaries (LGEUS CAC, LGEUS EVC, LGEVR) will be pursued after 2023 (As of June 2024)

Materiality Assessment

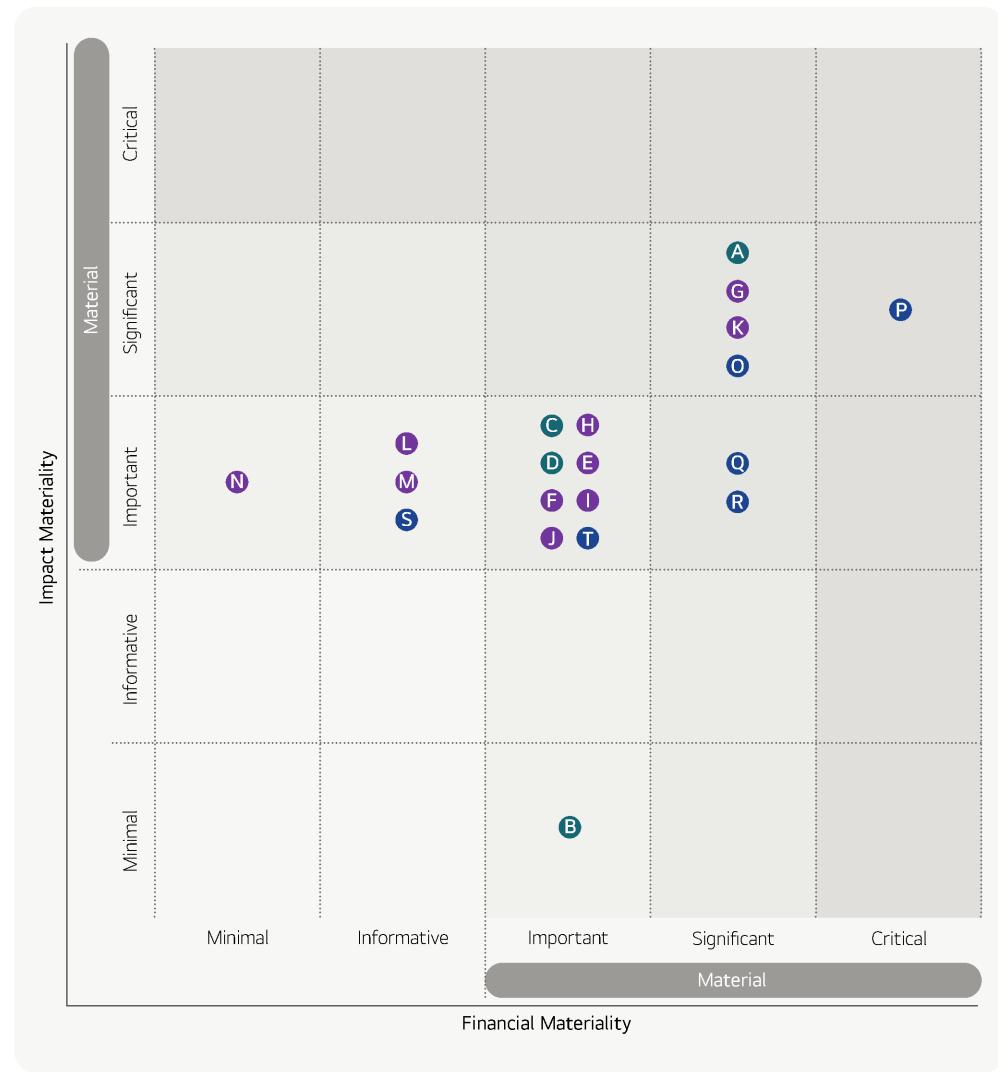
Double Materiality Assessment

LG Electronics conducted a double materiality assessment that considers both environmental and social impacts and financial impacts to identify material ESG issues related to stakeholders and the environment across its business. The assessment was conducted in accordance with the EU's European Sustainability Reporting Standard (ESRS), and we developed the methodology by applying the guidelines of the European Financial Reporting Advisory Group (EFRAG) and incorporating our own interpretation. The results of the materiality assessment are reflected in LG Electronics' risk management. Issues identified through the materiality assessment are reported as material risks, and executives in relevant departments are recommended to set quantitative targets through the evaluation system. In addition, non-financial indicators based on materiality assessment impact the executive evaluation and compensation, and those opportunities will be further expanded. LG Electronics aims to enhance its corporate value by managing risks and maximizing business opportunities through materiality assessments, and contribute to positive impacts on the environment and society.

Stakeholder Engagement	1	All internal departments from LG Electronics HQ and Business Companies related to each topic participated in the double materiality assessment. While LG Electronics has not communicated directly with external stakeholders such as customers and investors for the purpose of materiality assessment, LG Electronics has reflected on the inquiries and requests from external stakeholders in the past and included the perspectives of internal experts who are familiar with the expectations and needs of our stakeholders.
Identify Impactful Topics	2	LG Electronics has identified 40 ESG topics that have environmental and social impacts across the value chain of its business. We included industry-wide topics suggested by ESRS, industry and company-specific topics from the International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI), and topics covered by major ESG assessments, and categorized the topics into positive/negative impacts and actual/potential impacts.
1st Assessment (Individual assessment by topic)	3	The departments dedicated to ESG topics assessed each of the 40 topics, taking into account mitigation measures implemented (in daily operations) to reduce negative impacts or risks. The ESG Strategy Department then reviewed scores that may have been under- or overestimated and adjusted some figures to minimize the differences in individual departments' assessments.
Select Material Issues	4	A round table with all departments participating in the assessment made the final review and adjustments, and the material issues were selected, accordingly.
BOD Approval	5	The material issues were reported to the management in the ESG Council and finally approved by BOD in the ESG Committee.



Materiality Assessment



LG Electronics identified ESG-related financial materiality topics as well as environmental and social impact materiality. Of the 40 topics, we identified 20 topics as material ESG issues for LG Electronics. Among the topics that were identified as material issues, environmental and social challenges are closely aligned with our six strategic tasks. We strive to make a positive impact on society and the environment with our products and services, and to make financial contributions.

Classification	Material Issues	Impact materiality		Finance		Relevant Page
		Actual	Potential	Risk	Opportunity	
Environmental	A Climate change mitigation	●	●	●	●	15-18, 137-145
	B Climate change adaptation	-	●	●	-	15-18, 137-145
	C Product environmental consciousness and life cycle management	-	●	●	●	23-24, 27
	D Clean technology development	-	●	●	●	10-11
	E Human rights management	●	●	●	-	30-43
	F Employees' life quality	●	●	●	●	44
Society	G Employees' safety and health	●	●	●	-	52-55
	H Suppliers' employee safety and health	●	●	●	-	56-62
	I Suppliers' ESG risk management	●	●	●	-	58-65
	J Diversity, equity, and inclusion	●	●	●	●	44-45
	K Product and service accessibility	●	●	-	●	71-74
	L Human resource development and management	●	●	●	●	44-51
Governance	M Social contribution	●	●	-	●	75-79
	N Corporate culture	●	●	●	●	46-47
	O Risk and crisis management	●	●	●	-	92-94
	P Responsible technology innovation	●	●	-	●	32, 71-74, 94
	Q Compliance and ethics	●	●	●	-	86-91
	R Sound governance	●	●	●	-	81-85
	S Transparent information disclosure	●	●	●	●	1-148
	T Privacy and information security	●	●	●	-	95-99

Materiality Assessment

Managing Material Issues

Top 3 Financial Impact Issues

Key Issues	Risk and Opportunity Factors	Impact	Response Strategies	KPI
Climate Change Mitigation	<ul style="list-style-type: none"> Increasing demand to reduce GHG emissions and energy consumption in the production process due to the international community's requirements for carbon neutrality 	Risk	<ul style="list-style-type: none"> Expand process improvement and energy-saving technologies - Adopt energy-efficient equipment and carbon emission reduction devices to the production process to reduce GHG emissions in the product production stage by 54.6% compared to 2017 levels, in accordance with SBTi criteria - Purchase renewable energy and expand solar power installations - Join the Renewable Energy 100 (RE100) initiative to cover 100% of our Korean and overseas business sites with renewable energy by 2050 	<ul style="list-style-type: none"> Carbon neutrality (54.6% reduction in the product production stage emissions by 2030) Transition to renewable energy (aiming to achieve 100% by 2050)
Suppliers' ESG Risk Management	<ul style="list-style-type: none"> Need to proactively address risks across the company's value chain Create win-win opportunities for the entire value chain by supporting suppliers' ESG management to improve sustainability 	Risk	<ul style="list-style-type: none"> Strengthen ESG risk management for suppliers - Review suppliers in risk areas such as labor rights, safety and health, environment, and business ethics in accordance with RBA standards - Monitor conflict minerals and cobalt information submitted by suppliers on monthly basis 	<ul style="list-style-type: none"> Maintain 0.5% or less high risk in suppliers' self-inspection
Responsible Technology Innovation	<ul style="list-style-type: none"> Increasing consumer interest in environmentally conscious products and services offers LG Electronics a long-term opportunity to increase sales 	Revenue	<ul style="list-style-type: none"> Reduce carbon emissions intensity for major product categories - Analyze and manage environmental impacts through LCA - Reduce carbon emissions and improve power efficiency in seven major product categories that account for about 90% of the carbon emissions generated during the product use stage of LG Electronics products - Expand the use of recycled plastics 	<ul style="list-style-type: none"> Reduce carbon emission intensity at the product use stage for all models of 7 major product categories (compared to 2020) Increase cumulative usage of recycled plastics (2021-2030)

Top 2 Environmental/Social Impact Issues

Key Issues	Value Chain	Impact Area	Type	Output	Impact Assessment Method	Outcome
Suppliers' Employee Safety And Health	Supply Chain	Suppliers' employees	Negative impact: Higher costs for supplier / Positive impact: Lower social costs For small suppliers, health and safety risks can be more frequent than in larger companies. In particular, the financial loss impact of safety incidents on suppliers is increasing due to stricter safety laws and regulations. Furthermore, social costs are incurred when workers are injured.	Number of critical incidents at supplier	Cost of loss for suppliers	Cost reduction by preventing safety incidents
Product and Service Accessibility	Product	Consumer use	Positive impact: Enhanced product usability and satisfaction Home appliances can improve quality of life for all customers, including people with disabilities and the elderly, by making it easier for them to use products and services without strenuous effort.	Percentage of products with accessibility features/universal design	Surveys of people with disabilities and the elderly	Improvement of product usage and after-sales service satisfaction

Stakeholder Communication

LG Electronics strives to communicate transparently with various stakeholders to enhance its ESG management. We share our major activities through a number of communication channels, including our sustainability management website, and we listen to stakeholders' opinions through social media channels, service centers, surveys, and VOCs. We will enhance the transparency and efficiency of ESG management through continuous communication with our stakeholders.

Interests and Participation Channels by Stakeholder

Customer	
Interest	Response Strategy
· Quality of products and services	· VOCs · SNS channel
· Environmental impact throughout the product life cycle	· Product exhibition · Website
· Value consumption	· Customer satisfaction survey
· Transparent communication	· Service center

Employee	
Interest	Response Strategy
· Safe and healthy working environment	· Conversation with management
· Diversity and inclusion	· Internal communication channel
· Healthy organizational culture	· Jeong-Do management website · Junior board
· Employment and benefits	· Labor management council
· Education and career development	



Shareholder/Investor	
Interest	Response Strategy
· Business performance	· Regular meeting of shareholders
· Risk management	· Earnings conference call and disclosure
· Stock prices and dividends	· Electronic voting system
· Sustainable management agenda	· Investors meeting

Supplier	
Interest	Response Strategy
· Supplier support program	· Shared growth support fund
· Fair contracts	· ESG consulting
· Prohibition of unfair trade practices	· Supplier education
· Win-win growth activities	· Regular operation of the cooperative association

Government/Institutions/Local community	
Interest	Response Strategy
· Social responsibility to the community	· Social contribution to the community
· Minimize environmental impact by reducing GHG emissions and expanding use of renewable energy	· Government meeting · NGO meeting

Appendix

GRI Index	131	SASB Index	134	UN SDGs Index	135	TCFD Report	137	Greenhouse Gas Verification Statement	146	Independent Assurance Statement	149
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GRI Index

GRI Standard 2021		Remarks
GRI 1: Foundation 2021	Explanation	Reporting data for the period from January 1, 2023 to December 31, 2023, based on GRI Standards 2021. Some key activities and achievements may include data prior to 2023 or the first half of 2024.
	GRI 1	GRI 1: Foundation 2021
	GRI sector standards	Currently unavailable since the standard for the industry to which LG Electronics applies has not been announced

GRI Standard 2021		Indicator	Reporting Page	Remarks
General Disclosures				
GRI 2: General Disclosures 2021	2-1	Organizational details	5	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	2	
	2-5	External assurance	146	
	2-6	Activities, value chain and other business relationships	5-6	Refer to annual report
	2-7	Employees	5,110-114	
	2-8	Workers who are not employees	110	
	2-9	Governance structure and composition	81-85	
	2-10	Nomination and selection of the highest governance body	81	
	2-11	Chair of the highest governance body	81	
	2-12	Role of the highest governance body in overseeing the management of impacts	85	
	2-13	Delegation of responsibility for managing impacts	85	
	2-14	Role of the highest governance body in sustainability reporting	85, 126	
	2-15	Conflicts of interest	81-82	
	2-16	Communication of critical concerns	85	

GRI Standard 2021	Indicator	Reporting Page	Remarks
General Disclosures			
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	81-83
	2-18	Evaluation of the performance of the highest governance body	83
	2-19	Remuneration policies	83
	2-20	Process to determine remuneration	83
	2-21	Annual total compensation ratio	-
	2-22	Statement on sustainable development strategy	3
	2-23	Policy commitments	13-14, 30-31, 56, 63, 86, 95
	2-24	Embedding policy commitments	13-14, 30, 34, 57, 63, 86, 92-93, 95
	2-25	Processes to remediate negative impacts	41-42
	2-26	Mechanisms for seeking advice and raising concerns	62, 86, 90
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	86-91, 106, 121-123
	2-28	Membership associations	124
	2-29	Approach to stakeholder engagement	129
	2-30	Collective bargaining agreements	37, 118

GRI Index

GRI Standard 2021		Indicator	Reporting Page	Remarks
Material Topics				
GRI 3:	3-1	Process to determine material topics	126-127	
Material Topics 2021	3-2	List of material topics	129	
Responsible Technology Innovation				
GRI 301: Materials	301-1	Materials used by weight or volume	-	LG Electronics is developing products using recycled materials and environmentally conscious packaging materials.
	301-2	Recycled input materials used	-	
	301-3	Reclaimed products and their packaging materials	21	
Compliance and Ethics Management				
GRI 205: Anti-corruption	205-1	Total number and percentage of operations assessed for risks related to corruption and identified significant risks	121	
	205-2	Communication and training about anti-corruption policies and procedures	122	
	205-3	Confirmed incidents of corruption and actions taken	-	
GIR 206: Anti-competitive Behavior	206-1	Number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	122	
Climate Change Mitigation and Adaptation				
GRI 302: Energy	302-1	Energy consumption within the organization	103	
	302-2	Energy consumption outside of the organization	103	
	302-3	Energy intensity	103	
	302-4	Reduction of energy consumption	103	
	302-5	Reductions in energy requirements of products and services	17, 103	

GRI Standard 2021		Indicator	Reporting Page	Remarks
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	103	
	305-2	Energy indirect (Scope 2) GHG emissions	103	
	305-3	Other indirect (Scope 3) GHG emissions	103	
	305-4	GHG emissions intensity	103	
	305-5	Reduction of GHG emissions	104	
	305-6	Emissions of ozone-depleting substances (ODS)	-	N/A
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	104	

GRI Index

GRI Standard 2021		Indicator	Reporting Page	Remarks
Employee Health and Safety				
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	52-55	
	403-2	Hazard identification, risk assessment, and incident investigation	52-55	
	403-3	Occupational health services	52-55	
	403-4	Worker participation, consultation, and communication on occupational health and safety	52-55	
	403-5	Worker training on occupational health and safety	52-55, 109	
	403-6	Promotion of worker health	55	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52-55	
	403-8	Workers covered by an occupational health and safety management system	52-55	
	403-9	Work-related injuries	109	
	403-10	Work-related ill health	109	
Diversity and Inclusion				
GRI 405: Diversity and Equal Opportunity	405-1	Governance bodies and employee composition by category	120	
	405-2	Ratio of basic salary and remuneration of women to men	113	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	37	
Supply Chain Sustainability				
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	58-60	
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	58-60	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	107	
	414-2	Negative social impacts in the supply chain and actions taken	107	

GRI Standard 2021		Indicator	Reporting Page	Remarks
Product and Service Quality/Safety				
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	119	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	122	
Human Capital Development and Management				
GRI 401: Employment	401-1	New employee hires and employee turnover	111	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	44-51	
	401-3	Parental leave	112	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	114	
	404-2	Programs for upgrading employee skills and transition assistance programs	48-51	
	404-3	Percentage of employees receiving regular performance and career development reviews	114	

SASB Index

Sustainability Disclosure Topics & Accounting Metrics

Classification	Metrics	Category	Unit	Code	Reporting Content	Reporting Page
Product Security	Description of approach to identifying and addressing data security risks in products	Discussion & Analysis	N/A	TC-HW230a.1	Information security	95-99
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative		TC-HW330a.1	Sustainability management data	110
	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	%	TC-HW410a.1	-	-
Product Lifecycle Management	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative		TC-HW410a.2	-	-
	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative		TC-HW410a.3	-	-
	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Tons, %	TC-HW410a.4	Collection and treatment of e-waste	18-19
	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative		TC-HW430a.1		56-65
Supply Chain Management	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Quantitative	%	TC-HW430a.2	Supply chain	56-65
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion & Analysis	N/A	TC-HW440a.1		56-65

Activity Metrics

Metrics	Code	Reporting Content	Reporting Page
Number of units produced by product category	TC-HW-000.A	-	-
Area of manufacturing facilities	TC-HW-000.B	Global business site	6
Percentage of production from owned facilities	TC-HW-000.C	-	-

UN SDGs Index

Balanced Growth for Local Communities

Program	UN SDGs	Activity
Military Support (2015-)		<ul style="list-style-type: none"> Formed a sisterhood relationship with the 3rd ROK Special Forces Brigade and delivered consolation funds and necessary products
LG Ambassador Challenge (2017-)		<ul style="list-style-type: none"> Organized a contest program to support solutions to local community issues (2017-, Bangladesh) Residents establish plans to resolve community issues on their own, appoint selected people as LG Ambassadors, and support community issue resolution Program operating in six countries (2022-)
Residential Improvement Project for the Ethiopian Veterans Village (2021-2023)		<ul style="list-style-type: none"> In collaboration with Community Chest of Korea and Habitat for Humanity Korea, started a residential improvement project in the Ethiopian Veterans Village With a budget of USD 535.9 thousand, renovated homes for veterans and low-income families, built community kitchens and toilets, installed drainage facilities, and built communal shower facilities Provided training on CCTV, camera repair and maintenance, a specific course within the electronic device repair course
LG Healthy Home Campaign (2020-2023)		<ul style="list-style-type: none"> Campaign to share videos on social media about the importance and value of home, with the goal of making staying at home healthier in the new normal caused by COVID-19 (25 countries) For participants who share short videos of the pleasures of being at home, LG Electronics built homes for low-income families in India, Vietnam, and Kenya with poor housing conditions Built a shared community center with Habitat for Humanity Korea (communal kitchen, communal bathrooms, drainage, etc.)
Agricultural Cooperation Fund (2020-)		<ul style="list-style-type: none"> Through sisterhood relationships with villages, LG Electronics supplied home appliances to underprivileged neighborhoods, in addition to delivering laptops to underprivileged college students living in sister villages Volunteer work during busy farming seasons or when labor is needed Participated in recovery work following disasters such as earthquakes and floods
Cholera Vaccination in Ethiopia (2021-2023)		<ul style="list-style-type: none"> Implemented cholera vaccination campaigns (organized by International Vaccine Institute (ivi)) (2010-2015) Immunized more than 40,000 people for 3 years with an affordable, easy-to-carry oral vaccine
LG Hope School (2021-2023)		<ul style="list-style-type: none"> Created an environment that enabled out-of-school children to go to school in the Democratic Republic of Congo by utilizing solar-powered charging systems Collaborated with Korean startup 'YOLK' to install solar-powered charging systems in three schools in Goma and distribute 750 power banks (2021)
Support for cataract surgery in India (2022-)		<ul style="list-style-type: none"> Supported more than 8,700 cataract surgeries in partnership with five eye clinics in India Supported making eye health services more accessible to vulnerable populations given that cataracts are the leading cause of blindness in India, accounting for about 80% of cases

UN SDGs Index

Program	UN SDGs	Activity
LG Hope Screen (2011-)		<ul style="list-style-type: none"> Using LG billboards located in New York's Times Square and London's Piccadilly Square, provided free advertisements to UN international organizations and non-profit organizations Worked with UN agencies (UNEP, UNCCD, and UN FAO) in 2023 to promote public service announcements on billboards to raise collective awareness of various social issues, including "Fighting Plastic Pollution," "Combating Global Desertification" and "Food and Water Security."
Global IT Challenge for Youth with Disabilities (2011-)		<ul style="list-style-type: none"> Created a foundation for youth with disabilities to enter society through education and employment by closing the information gap and contributing to the improvement of disability awareness in participating countries Through a global IT festival for youth with disabilities that transcends boundaries of disability, religion, culture, and country, youth with various types of disabilities (mental, hearing, vision, and development) from 20 countries participated in five events in the IT Paralympics
Ethiopia LG-KOICA Hope Vocational Training School (2014-)		<ul style="list-style-type: none"> Supported youth's independence through technology education in partnership with the Ethiopian government, Korea International Cooperation Agency (KOICA), and World Together Provided ICT vocational training for youth and women to support their self-reliance
Cambodia LG-KOICA Hope Vocational Training School (2021-)		<ul style="list-style-type: none"> Assisted in the development of young manpower by providing quality vocational training programs and equipment to 3 local vocational training centers in Cambodia, in cooperation with the Korea International Cooperation Agency (KOICA) and Good Neighbor Provided vocational education for ICT jobs to support the self-reliance of youths and women
One Heart : Psychological Stability and Self-reliance Support Program (2021-2023)		<ul style="list-style-type: none"> In partnership with the Community Chest of Korea (CCK) and Korea Food for the Hungry International (KFI), LG Electronics developed and launched the 'One Heart' application, an online and offline psychological counseling platform, so that young people preparing for their independence (children who have 'aged out' of institutional care) can stand on their own feet (October 2021) Provided 600 professional counseling sessions for psychological and emotional support and 1,000 commentary counseling sessions to about 6,000 people (about 900 youth preparing for independence), and provided information on living, scholarships, education, and employment necessary for independence.
Support of 'StandbyMe' for youth with disabilities (2022-2023)		<ul style="list-style-type: none"> Supported digital accessibility by providing LG StandbyMe products to young adults with limited mobility due to rare muscle diseases and disabilities Donated 60 LG StandbyMe units through the LG StandbyMe Donation Campaign with Seoul Rehabilitation Hospital, a public children's rehabilitation hospital in Seoul, Korea (2022) Donated 30 LG StandbyMe units to the 'Kkulmat Rainbow Class,' an online education program run by the Seoul Metropolitan Office of Education's Education Research and Information Center for students with health impairments and students who need special care (2023)

Employee Engagement Activities

Program	UN SDGs	Activity
Executive's CSR Fund (Korea: 2004~/Overseas: 2019)		<ul style="list-style-type: none"> Voluntary participation of executives contributing 0.5% of their salary for social contribution activities Matching grants of 50% of funds raised by executives to support a variety of social contribution activities Providing support after determining the appropriateness of activities through the Executive Fund Steering Committee (1 chairperson and 5 members) held in the first and second half of the year
Life's Good Volunteer (2010-)		<ul style="list-style-type: none"> LG Electronics employees use their talents to give back to the local community Product inspection and free repair for social welfare facilities, development of interactive chatbots for non-profit organizations, etc.
Life's Good Day (2011-)		<ul style="list-style-type: none"> Donating expenses saved when employees select specific menus with reduced portions in the company cafeteria

TCFD Report

Climate-related Issues and the Role of the International Community

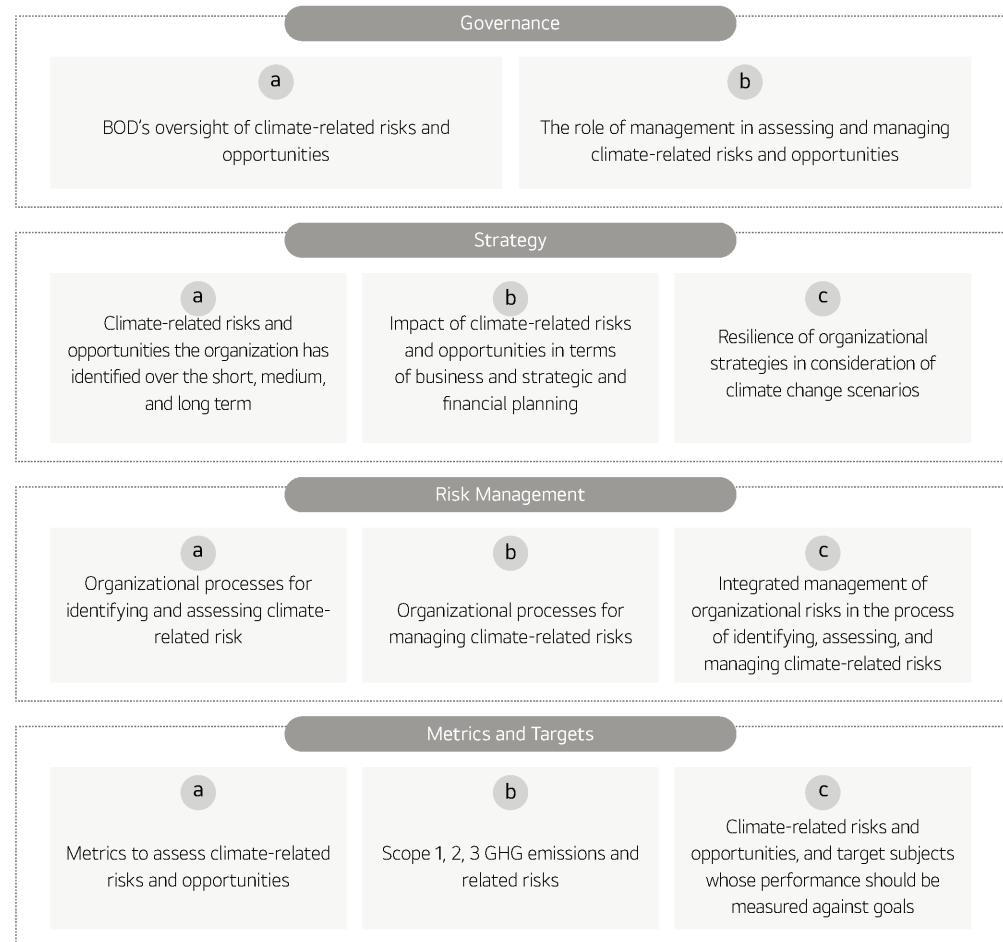
As the intensity and frequency of extreme weather events caused by global warming increase, climate change is increasingly perceived as a major threat to society. Following the signing of the climate change agreement at the 1992 summit in Rio de Janeiro by various world leaders, the international community has emphasized its importance, and has continued to have discussions and come to agreements on climate change over the past several decades. Through the Paris Agreement adopted in December 2015 at the United Nations Climate Change Conference, specific reduction targets were established with the aim of keeping the global average temperature rise below 2°C, and preferably limiting it to 1.5°C, compared to pre-industrial levels.

Climate change issues that the world is striving to address are causing major changes not only through extreme weather patterns but also in the overall global economy and social structure, including energy use in our society, production and transportation methods within industries. To respond to these changes and overcome the climate change crisis, governments around the world are implementing various policies and measures, and similarly, companies are continuing their efforts to respond to changes in social, economic and trade structures by reducing carbon emissions, using renewable energy, developing and investing in low-carbon green technologies.

LG Electronics recognizes climate change as a key issue and has established a direction and strategies to achieve its goals in this area. Since 2021, we have been disclosing climate change-related information in accordance with the TCFD¹⁾ recommendations through the Sustainability Report to meet the demands of the international community.

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

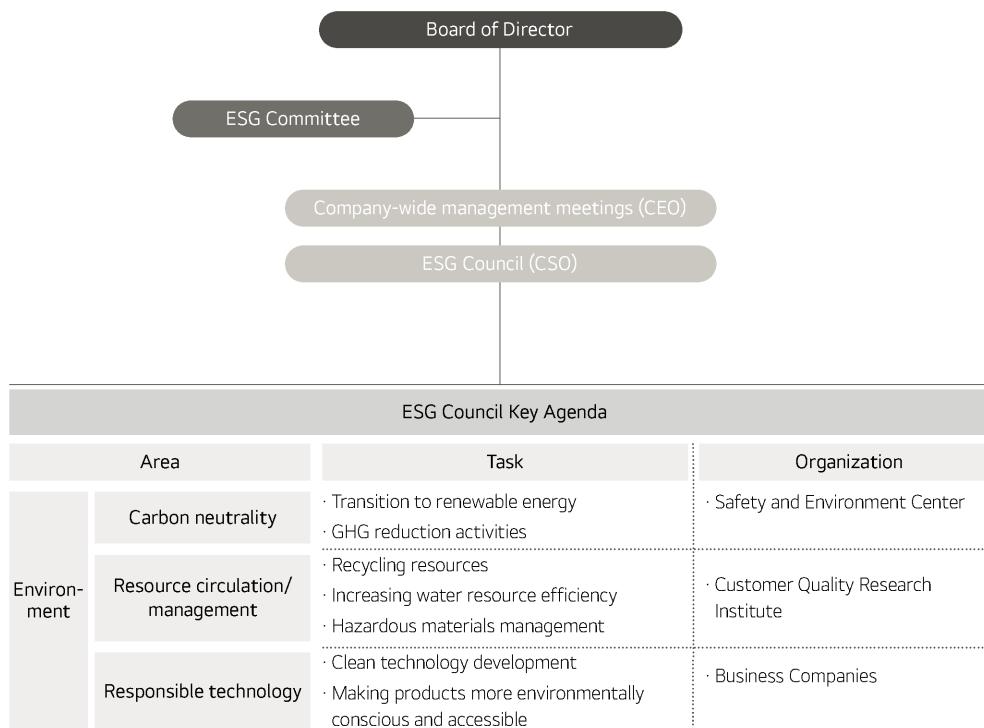
TCFD Framework



TCFD Report

1. Governance

Since 2021, the ESG Committee under the Board of Directors has been overseeing and reviewing the overall ESG management activities and direction, including climate change, twice a year to ensure effective decision-making and management of climate change issues company-wide.



BOD-level Supervision of Climate-Related Risks and Opportunities

In April 2021, LG Electronics established the ESG Committee under the Board of Directors. The ESG Committee is responsible for reviewing and making decisions on basic policies, goals, and strategies across the ESG domains in order to achieve long-term sustainable growth by strengthening ESG management. The ESG Committee of LG Electronics focuses on environmental and energy issues, including climate change response, as a key area of focus.

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

LG Electronics' management recognizes climate change as a critical issue that can affect the entire business of the company and the international community, and is reviewing climate change-related risks and opportunities. The ESG Committee makes key decisions on climate change-related issues, including reviewing the implementation of mid- and long-term GHG reduction targets and investment decisions on major reduction projects, and the decisions made by the Committee are reflected in corporate policies for implementation.

Target	Incentive	KPIs
CRO		<ul style="list-style-type: none"> · Achieving climate-related goals · GHG emissions reduction
Safety and Environment Group Leader		
Relevant departments	<p>Financial incentives for meeting KPIs</p>	<ul style="list-style-type: none"> · Achieving climate-related goals - Emission intensity at the product use stage - Use of recycled plastic - Use of renewable energy - Energy transition rate

TCFD Report

2. Strategy

LG Electronics aims to analyze in more detail climate change risks and opportunities and develop a systematic response plan, in order to disclose to stakeholders that its 2030 carbon neutrality goal and implementation are based on long-term climate change scenarios, and to respond transparently to the requirements to disclose its performance. In this regard, LG Electronics reviewed climate change risks and opportunities through the following analysis. We evaluated the financial impacts of climate change on LG Electronics using a five-point scale – High, Medium-High, Medium, Medium-Low, and Low – by applying the risk assessment criteria outlined in the CDP¹⁾ methodology, a leading disclosure guideline.

¹⁾ CDP (Carbon Disclosure Project): An international nonprofit organization that sets standards for companies, cities, states, regions, and public institutions to disclose their environmental impacts.

Risk Classification	Details	Financial Impact	Period	Impact on LG Electronics	Response Plans
Transition Risk	Current Regulation	Increased cost of purchasing emission credits and GHG emissions liabilities	High Short term	As a company subject to the Korean GHG emissions trading system, LG Electronics is obliged to purchase GHG emission credits to comply with the law in the event its emissions exceed the GHG emissions allowance granted by the Korean government. LG Electronics may need to purchase credits in the future due to an increase in GHG emissions, which could occur due to the growth of the home appliances sector and expansion of the automotive parts business, and may also face increased purchase costs due to an increase in the price of GHG credits in Korea, which may affect its financial soundness due to an increase in GHG emission liabilities.	LG Electronics conducts a GHG emissions cost analysis for its existing assets and new assets related to increase GHG emissions due to climate change, and reviews and manages company-wide policy risks based on the evaluation results. In addition, LG Electronics invests in technologies and facilities to reduce GHG emissions in order to achieve the GHG reduction targets set by the government.
	Emerging	Risks posed to business operations due to a lack of response to new policies	Medium Long term	Climate change-related regulations at home and abroad, such as the Carbon Border Adjustment Mechanism (CBAM) ²⁾ and the increased obligation to disclose climate risks/opportunities, are continuously being strengthened, and since LG Electronics operates a number of overseas business sites, new regulations that emerging regulations in foreign countries may pose significant risks to business strategies and operations.	In the short term, LG Electronics is not expected to be directly affected by the EU Carbon Border Adjustment Mechanism (CBAM), which is scheduled to be implemented in October 2023. However, in the long term, regulations are expected to become more stringent, including an expanded scope of application, and thus we are continuously reviewing and managing new policies that may affect our business operations through the ESG Committee.
	Legal	Reduction in sales and adverse effects on transactions	High Short term	Legal issues, including environmental lawsuits related to climate change, can have a serious impact on LG Electronics' reputation and brand image. LG Electronics is obligated to report its GHG emissions and energy usage to the Korean government on an annual basis.	To meet legal requirements, LG Electronics is analyzing and responding to major legal risks related to climate change. LG Electronics has completed the GHG inventory of all its business sites in compliance with government regulations, and submits GHG emissions statements and third-party assurance reports every year.
	Technology	Increased spending due to technology transfer and delays in new technology development	High Short term	Customer demand for energy-efficient, low-carbon, environmentally conscious products is growing, and the technologies to meet this demand are changing rapidly. In addition, governments around the world are tightening energy efficiency standards for home appliances, requiring the development of high-efficiency energy technologies.	LG Electronics is continuously managing risks that may arise from failures in technology transfer or new technology development related to climate change response.

²⁾ CBAM (Carbon Border Adjustment Mechanism): A system that identifies the amount of carbon emitted in the production process of six categories of goods (cement, steel, aluminum, fertilizer, chemicals and hydrogen, electricity) produced in non-EU countries and imported into the EU, and imposes a carbon price on EU importers equal to the carbon price on the same goods if they had been produced in the EU.

TCFD Report

Risk Classification	Details	Financial Impact	Period	Impact on LG Electronics	Response Plans
Transition Risk	Market Decrease in existing products/services as a result of changes in customer preference	High	Long term	Recently, customers and buyers in the market have increasingly been demanding the disclosure of information on carbon emissions and renewable energy use. Failure to meet buyer requirements is a risk factor that can lead to loss of business opportunities. In addition, as LG Electronics expands its automotive parts business, automakers are requesting specific targets and actions for carbon neutrality and increased use of renewable energy.	To proactively address market demands for climate change response, the Business Companies of LG Electronics conduct relevant risk assessments and the ESG Committee manages company-wide risks. Since 2021, LG Electronics has been implementing a mid- to long-term renewable energy transition plan to convert 60% of its electricity usage at its global production sites excluding Korea to renewable energy by 2030, and 100% of electricity usage at production sites including Korea to renewable energy by 2050.
	Reputation Increased negative views from stakeholders, resulting in investment and transaction risks	High	Long term	A decline in LG Electronics' reputation regarding of climate change could adversely affect the company's ability to raise capital by failing to meet the expectations of investors, who perceive climate change action as an important investment factor.	In 2019, LG Electronics set the goal of achieving carbon neutrality by 2030 and established an implementation roadmap. LG Electronics joined the Science Based Targets initiative to validate its carbon neutrality goal, and in 2023 joined the RE100 initiative. LG Electronics manages reputational risks from investors, stakeholders, and by disclosing annual progress on its implementation roadmap.
Physical Risk	Acute Costs incurred due to asset damage	Medium	Short term	The frequency and intensity of natural disasters are increasing due to climate change, and natural disasters, especially tropical cyclones, can directly damage an organization's production facilities, buildings, and other assets in a short period of time. LG Electronics operates an H&A production plant in Changwon, Korea, which is vulnerable to typhoons and heavy rains during the summer season. In the short term, severe damage from typhoons due to extreme weather is expected.	<p>Risk Assessment and Preparedness</p> <ul style="list-style-type: none"> Conduct regular risk assessments (annually) Regularly evaluate preparedness for major hazards such as typhoons, flooding, etc. Continuously improve risk assessment and preparedness system to reflect climate change scenarios <p>Enhancing Facility Safety</p> <ul style="list-style-type: none"> Increase investments in facility safety: waterproofing, rainwater storage facilities, strengthening building structure Prepare emergency response manual and conduct training: Evacuation procedures, fire extinguishing drills, first aid drills, etc. Establish a risk prediction system <p>Strengthening Cooperation</p> <ul style="list-style-type: none"> Strengthen cooperation with relevant organizations including the National Weather Service, local governments, etc.: share the latest weather information, cooperate on disaster response Cooperation with local communities: assist in evacuating residents and recovering from damage
	Chronic Increased operational costs	Medium	Long term	<p>As the average global temperature rises due to global warming, facilities need to use more energy to maintain a constant temperature. This can result in additional operating costs and carbon emissions.</p> <p>Severe weather events may cause disruptions to LG Electronics' production facilities and logistics network, which may result in additional costs.</p> <p>Global warming may increase the risk of flooding due to rising sea levels in the areas near LG Electronics' business sites.</p>	<p>Improving Energy Efficiency</p> <ul style="list-style-type: none"> Introduce energy-saving equipment and establish an energy management system Expand the use of renewable energy: introduce solar power and wind power generation facilities Introduce environmentally conscious production processes <p>Reducing Carbon Emissions</p> <ul style="list-style-type: none"> Set carbon emission reduction targets and manage them systematically Participate in carbon credit trading Invest in afforestation and environmentally conscious technology development <p>Disaster Recovery and Recurrence Prevention</p> <ul style="list-style-type: none"> Ensure rapid disaster recovery and implement measures to prevent recurrence Minimize financial losses with insurance <p>Technology Innovation</p> <ul style="list-style-type: none"> Invest in developing advanced technologies for climate change response and adaptation Develop systems for prediction and response using artificial intelligence, Internet of Things (IoT), and other technologies <p>Relocating and Rebuilding Business Sites</p> <ul style="list-style-type: none"> Consider relocating business sites located in areas at risk of being affected by sea level rise Introduce sustainable building methods: use environmentally conscious building materials and energy-efficient design

TCFD Report

3. Risk Management

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

Top-Down Risk Identification and Assessment

LG Electronics' ESG Committee, attended by the CEO and independent directors, is highest decision-making body for overall ESG issues, such as environment, energy, and climate change across all Divisions and sites. The committee makes decisions on the large-scale investments necessary to reduce LG Electronics' climate change risk, approves new businesses related to climate change, and oversees the approval and performance of LG Electronics' mid- to long-term GHG reduction strategies and the expansion of renewable power use. The strategies and goals of each division and management organization reflect the company's overall climate change policy and direction, which are endorsed by the committee.

Bottom-Up Risk Identification and Assessment

At the asset level, we define risks and opportunities to be managed on a daily basis, and at the operational level, we manage their implementation status on a monthly basis based on internal regulations around the environment, safety, and energy/GHG. This is based on the ISO 50001 Energy Management System and is managed under daily, monthly, and annual plans by applying the continuous improvement cycle of ISO 50001's Plan, Do, Check, Act. In addition, risks and opportunities specific to LG Electronics' products and solutions are managed by individual divisions and appropriate measures are taken.

A Framework for the Integrated Management of Climate Change Risks

Every quarter, the ESG Council conducts a company-wide, integrated review of climate change risks and opportunities and deliberate on measures to manage them. LG Electronics' integrated approach to managing climate change risks involves discussing the issues, solutions, and new opportunities from the perspective of each organization and Business Company in a single discussion process among all departments and leaders involved in the issue to effectively manage risks and secure new opportunities. The ESG Council is organized by the CSO and attended by decision-makers from all departments related to the issues on the agenda. The council shares the assessment of the risks or opportunities of each issue and establishes necessary measures. It also plays a role in formulating financial investments, resource allocation, and detailed strategies to mitigate climate change risks and seize new opportunities. Key issues discussed at the Council are reported to the CEO and ESG Committee for determining future direction and final decisions.

Risk Management Process

LG Electronics identifies the impacts of major climate change-related risks through scenario analysis, and establishes and implements risk management plans based on these results.

1. Definition of Major Risks

LG Electronics classifies climate change risks into two main categories: business impacts and reputational impacts related to social awareness. Business impact is the risk that climate change may have a financial impact equivalent to a reduction in projects or production/sales. We managed this by establishing proactive response strategies for each item, such as possible financial losses and loss of life. Reputational risk is defined as the risk of damage to corporate image and financial losses due to legal sanctions and conflicts related to climate change. In particular, LG Electronics, which focuses on consumer products, categorizes reputational risk as a significant impact because a decline in corporate image due to legal sanctions or conflicts can lead to a decrease in sales. Physical risk is the financial risk of direct damage to assets such as facilities and buildings, and reduced production/sales caused by increased frequency and intensity of natural disasters due to climate change, which increases the cost of doing business.

2. Impact on LG Electronics by Scenario and Countermeasure

LG Electronics conducted a quantitative and qualitative analysis of climate change risks and opportunities using the NZE 2050 and NCD transition scenarios as well as the RCP¹⁾ 1.9, RCP 2.6, and RCP 8.5 scenarios to derive climate change risks and opportunities and establish mid- to long-term responses. We are also establishing risk and opportunity analysis and response plans for each scenario over the short term (0-3 years), medium term (3-10 years), and long term (10-25 years) within a scope that includes LG Electronics' production sites, supply chain (upstream), and the product use stage (downstream).

¹⁾ RCP: Representative Concentration Pathways

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1) Transition Scenario

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

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

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

(Source: UNFCCC and government sites for national NDCs)

2) Physical Scenario

RCP 1.9 scenario This scenario proposes achieving net-zero by 2050 to curb the global average temperature rise to below 1.5°C compared to pre-industrial levels.

(Source: IPCC 1.5°C Special Report, 2018)

RCP 2.6 scenario The scenario is to limit atmospheric GHG concentrations from humanity's use of fossil fuels to about 420 ppm of CO₂ by 2100. The RCP 2.6 scenario proposes that the international community use rapid and differentiated reduction measures by 2030 to curb global average temperature rise to below 2°C compared to pre-industrial levels.

(Source: IPCC Fifth Assessment report, 2014)

RCP 8.5 scenario In this scenario, if current policies and efforts to cope with climate change are insufficient and rapid and ambitious goals and strategies are not pursued, the global average temperature rise is expected to reach 3-7°C by 2100. This could lead to catastrophic disasters caused by global warming. In particular, the RCP 8.5 scenario highlights the physical risks from global warming, including damage to coastal businesses due to sea level rise, regional water resource depletion, and severe wind and water damage. This will require a close examination of the potential damage to global manufacturing operations and supply chains, and a significant allocation of resources to improve proactive response capabilities.

To ensure the sustainability of its global production bases and supply chain, LG Electronics is reviewing its business portfolio and considering changes to its business strategy to improve its adaptability to environmental changes. We are increasing investments that will improve our ability to respond to physical risks from severe natural disasters, and recognize the need for additional voluntary efforts beyond our carbon neutrality goal in 2030. We are also striving to strengthen external communications that can contribute to social change, such as policy changes and improving customer awareness.

TCFD Report

4. Metrics & Targets

GHG Reduction Goals for Implementing Carbon Neutrality

Based on a 1.5°C scenario, LG Electronics has set a GHG reduction target of 54.6% by 2030 compared to 2017 levels in accordance with SBTi criteria, and has completed SBTi verification of its 2021 GHG reduction target by setting a scientific target that takes into account macroeconomic variables. LG Electronics is regularly monitoring its GHG emissions, and will continue to develop and enhance its reduction program to achieve the target.

1. Scope 1, 2: 54.6% reduction in GHG emissions by 2030 compared to 2017 (SBTi verified in 2021)

GHG Emissions (Scope 1, 2)

Classification	Unit	2021	2022*	2023
Direct GHG emission (Scope 1)	Korea	173	110	75
	Overseas	160	155	134
Indirect GHG emission (Scope 2)	Korea	325	224	217
	Overseas	494	438	448
Total (Scope 1+ Scope 2)		1,152	928	874
GHG emission intensity (per unit)	1,000 tCO ₂ eq/ USD billion	17.83	14.35	13.56

* Correction of data due to changes in the processing of significant figures

- Applicable business sites
- Korea: Business sites operated in Korea under the control of LG Electronics
- Overseas: LG Electronics' overseas production sites (30 locations)
- Verification principles and criteria
- Korea: Guidelines for emissions reporting and certification in GHG emissions trading systems, Verification guidelines for GHG trading system operations
- Overseas: ISO 14064-3:2006 (GHG – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions)
- Verification methods
- Korea: LG Electronics GHG emissions and energy usage statement, LG Electronics GHG data management and collection, emissions calculation and reporting process
- Overseas: LG Electronics GHG emissions report, LG Electronics GHG data management and collection, emissions calculation and reporting process

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2. Scope 3: 20% reduction in GHG emission intensity during the product use stage by 2030 compared to 2020 (verified by SBTi in 2021)

LG Electronics conducted calculations for all categories of Scope 3 from 2023 to the first half of 2024. In the process, we identified limitations such as non-disclosure of data from suppliers, aggregation of data from external investors subsidiaries and affiliates and variations in data quality among global business sites. Considering these limitations, we plan to review the materiality of each category and the potential for improvement before proceeding with management and mitigation activities.

GHG Emissions (Scope 3)

Category	Materiality ¹⁾	Coverage	Unit	2021	2022	2023
Category 1 ²⁾ Purchased goods and services	H	Tier 1 suppliers within 90% of total purchase cost		2,965,535	2,790,017	2,807,879
Category 2 Capital goods	L	Tangible assets newly acquired in the reporting year		-	-	400,997
Category 3 Fuel and energy related activities	L	Fuel and energy used by business sites excluding Scope 1 and 2 emissions		-	-	135,070
Category 4 ³⁾ Upstream transportation	H	Based on incoming parts in 2023 (missing weights, excluding outliers (3.5%))+ product distribution (including 90%+)	tCO ₂ eq	-	-	1,794,560
Category 5 Waste generation in operations	L	All waste generated locally and globally		-	-	12,769
Category 6 Business travel	L	Over 95% of business travel data		11,538	19,746	46,073
Category 7 Employee commuting	L	All employees		-	-	78,055
Category 8 Upstream leased assets	L	All upstream leased assets		-	-	65,377

	Category	Materiality ¹⁾	Coverage	Unit	2021	2022	2023
Category 9	Downstream transportation	L	-		-	-	-
Category 10	Processing of sold products	L	All intermediate products		-	-	37,810
Category 11 ⁴⁾	Use of sold products	H	Excluding less than 1% of sales or GHG emissions by product category (based on 2021 SBTi registered data) for 7 finished products (residential air conditioners, system air conditioners, TVs, monitors, washing machines, refrigerators, and dryers)		63,154,027	61,082,416	61,207,842
Category 12	End-of-life treatment of sold products	H			-	-	1,153,377
Category 13	Downstream leased assets	L	All downstream leased assets	tCO ₂ eq	-	-	3,005
Category 14	Franchises	L	N/A		N/A	N/A	N/A
Category 15	Investments	H	Subsidiaries, affiliates, and joint ventures not included in Scope 1 and 2		-	-	2,482,319
	Total				66,358,720	64,136,060	70,225,133

1) L (Low) if the category's carbon emissions contribution is less than 1%, H (High) if it is 1% or more.

2) Up to 2023, we collected and managed data offline, but in 2024, we introduced a data collection and management system for suppliers, provided training, guidance, and support to key suppliers, and worked to correct errors in previous data collected from suppliers (numerical entry, unit conversion, scope adjustment, etc.) and made corrections to the data for 2021, 2022, and 2023. Due to the limitations in data collection and disclosure from suppliers, 83% of total purchases in 2023, 88% in 2022, and 83% in 2021 were applied.

3) Includes both the supply of components from suppliers to LG Electronics and the distribution of LG Electronics's final products to customers

4) In 2024, we identified that the heating function of some air conditioner models sold in certain countries was omitted through third-party verification (DNV) of our calculations, so we recalculated and corrected the carbon emissions.

TCFD Report

Organizational Energy Usage

Classification	Unit	2021	2022	2023
Non-renewable fuels Direct GHG emissions (Scope 1)	LNG (Korea)	632	548	496
	LNG (Overseas)	948	845	615
	Coal (Korea)	0	0	0
	Coal (Overseas)	0	0	0
	Other (Korea)	70	67	56
	Other (Overseas)	500	450	557
	Subtotal	2,150	1,910	1,724
Renewable energy	Solar Power*	19	33	64
	Wind Power	233	212	268
	Biomass	-	-	1
	Other	-	115	122
	Subtotal	252	360	455
Energy**	Electricity (Korea)	2,508	1,736	1,686
	Electricity (Overseas)	2,942	2,678	2,808
	Steam (Korea)	397	335	310
	Steam (Overseas)	3	2	2
Energy intensity (per unit)***	TJ/USD 100 million	12.38	10.30	10.13

· Applicable business sites
 - Korea: Business sites operated in Korea under the control of LG Electronics
 - Overseas: LG Electronics' overseas production sites (26 locations)
 · Energy subject to verification: Energy used in combustion facilities and externally supplied power and heat at business sites
 · Calculation of energy consumption: Based on net calorific value; steam consumption includes steam recovered from waste heat in Korea
 · Verification status: Third-party verification was completed

* Changed solar thermal power to photovoltaic energy

** Changed purchased energy to energy (including self-generation) data

*** Correction of 2021 and 2022 energy intensity data due to a change in data calculation methodology

Goals for 2030 Carbon Neutrality

1. 54.6% Reduction in GHG Emissions by 2030 Compared to 2017

- Continue to invest in facilities to reduce emissions (initial investment made in 2015, with investments increasing each year)
 - Improve energy efficiency, replace older low-efficiency equipment, etc.

2. GHG Reduction by Participating in UN CDM Projects

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

3. Expansion of Renewable Energy

- Aim to achieve 100% renewable energy by 2050
 - 100% conversion into renewable energy for US production/sales subsidiaries, logistics, and Brazilian production subsidiary (2022)

Greenhouse Gas Verification Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by LG Electronics Inc. ("LG Electronics") to verify the LG Electronics' Greenhouse Gas Inventory Report for the calendar year 2023 ("the report") based upon a reasonable level of assurance. LG Electronics is responsible for the preparation of the GHG emissions data on the basis set out within the guidelines on the operation of GHG emission trading scheme ("ETS") (Notification No. 2023-221 of Ministry of Environment'). Our responsibility in performing this work is to the management of LG Electronics only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

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

- Organizational boundary for reporting: Korean business sites of LG Electronics (Fugitive emissions from refrigerant are included^①)

^① Limited level of assurance is only covered for Fugitive emission by purchasing of refrigerant in Direct emissions.

Verification Approach

The verification has been conducted by DNV on February to March 2024 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2023-221, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2021-112, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the GHG emissions report for the calendar year 2023
- We have reviewed and verified the process to generate, aggregate and report the emissions

Conclusions

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions set out in LG Electronics' report are not fairly stated. The GHG emissions of LG Electronics for the year 2023 were confirmed as below;

Greenhouse Gas Emissions of LG Electronics Korean business site for Yr 2023

(Unit: ton CO₂ equivalent)

LG Electronics (Domestic, in Korea)	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total Emissions
Excl. Refrigerant	30,693		247,852
Incl. Refrigerant	74,787*		291,946

* Fugitive emission (44,094 tCO₂eq) by purchasing of refrigerant is included in Direct emissions.



May 2024
Seoul, Korea
Jang-Sub Lee
Country Representative
DNV Business Assurance Korea Ltd.

Greenhouse Gas Verification Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by LG Electronics Inc. ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory Report ("the report") in the calendar year 2023. The Company is responsible for the preparation of the GHG emissions data on the basis set out within the 'ISO 14064-1:2018, The GHG Protocol: A corporate reporting and accounting standard and 2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance opinion.

Objectives and scope of verification

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows:

- Organizational Boundary: 26 overseas business sites of the company
- Operational Boundary: Scope 1 (Direct emissions) & Scope 2 (Indirect emissions)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process, we have reviewed as follows:

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. These may include partially hypothetical and projected data and information (refer to the report for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

Greenhouse Gas Emissions of LG Electronics overseas business sites for Yr 2023

(Unit: ton CO₂ equivalent)

LG Electronics	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total Emissions
Overseas business sites	126,738*	448,125	574,863

* Fugitive emission (68,437 tCO₂eq) by purchasing of refrigerant is included in Direct emissions.

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



13th May 2024
Seoul, Korea
Jang-Sub Lee
Country Representative
DNV Business Assurance Korea

Greenhouse Gas Verification Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by LG Electronics Inc. ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory ("the inventory"). The Company is responsible for the preparation of the GHG emissions data on the basis set out within the 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard (2004)', 'The Corporate Value Chain (Scope 3) Accounting and Reporting Standard' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this verification opinion.

Objectives and scope of verification

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows:

- Organizational Boundary: LG Electronics Inc.
- Operational Boundary: Scope 3 (Other indirect emissions)
 - Upstream: 8 Categories - 1, 2, 3, 4, 5, 6, 7, 8
 - Downstream: 5 Categories - 10, 11, 12, 13, 15
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory. As part of the verification process, we have reviewed as follows:

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information (refer to the inventory for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the inventory is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

Other indirect emissions (Scope 3: Category 11) of LG electronics

(Unit: ton CO₂eq)

Year	Upstream	Downstream	Total Emissions
2023	5,340,780	64,884,353	70,225,133

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

※ Refer to Annex for greenhouse gas emissions by categories.



28th June 2024
Jang-Sub Lee
Country Representative
DNV Business Assurance Korea

Annex to 'PRJN-704268-2024-AST-ENG'

Other indirect emissions (Scope 3) of LG Electronics in 2023

(Unit: ton CO₂eq)

Categories	Upstream	Downstream	Emissions
1 Purchased goods and services	2,807,879		2,807,879
2 Capital goods	400,997		400,997
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	135,070		135,070
4 Upstream transportation and distribution	1,794,560		1,794,560
5 Waste generated in operation	12,769		12,769
6 Business travel	46,073		46,073
7 Employee commuting	78,055		78,055
8 Upstream leased assets	65,377		65,377
10 Processing of sold products		37,810	37,810
11 Use of sold products		61,207,842	61,207,842
12 End-of-life treatment of sold products		1,153,377	1,153,377
13 Downstream leased assets		3,005	3,005
15 Investments		2,482,319	2,482,319
Total emissions	5,340,780	64,884,353	70,225,133

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

Independent Assurance Statement

To readers of LG Electronics Sustainability Report 2023-2024

Introduction

Korea Management Registrar (KMR) was commissioned by LG Electronics to conduct an independent assurance of its Sustainability Report 2023-2024 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of LG Electronics. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with LG Electronics and issue an assurance statement.

Scope and Standards

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

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

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 205: Anti-corruption
 - GRI 302: Energy
 - GRI 303: Water and Effluents
 - GRI 305: Emissions
 - GRI 306: Waste
 - GRI 401: Employment
 - GRI 403: Occupational Health and Safety
 - GRI 404: Training and Education
 - GRI 405: Diversity and Equal Opportunity
 - GRI 406: Non-discrimination
 - GRI 408: Child Labor
 - GRI 409: Forced or Compulsory Labor

- GRI 414: Supplier Social Assessment

- GRI 416: Customer Privacy

- Etc. Material Issue

- Material Topic Issue

- The Data of Supply Chain Management

- Voice of Customer

- Health and Safety (Dead rate, LTIFR)

As for the reporting boundary, the engagement excludes the data and information of LG Electronics's partners, suppliers and any third parties.

KMR's Approach

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

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

Limitations and Recommendations

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

Independent Assurance Statement

Conclusion and Opinion

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

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

Reliability of Specific Sustainability Performance Information

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

Competence and Independence

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

June 2024 Seoul, Korea



CEO E. J. Hwang

