2025 LG Electronics Sustainability Report 2026

BETTER LIFE FOR ALL

Life's Good.

Report Overview

LG Electronics is committed to driving meaningful change for sustainable growth and a "Better Life for All." To that end, we have established clear goals and implementation plans that guide our actions. We align the key issues identified through our materiality assessment with LG Electronics' six ESG strategic tasks, and present our major activities and achievements across the areas of environmental, social, and governance in this Sustainability Report. LG Electronics will continue to transparently disclose its key activities and performance through our annual Sustainability Report and actively engage with stakeholders.

Reporting Period

This report is based on key sustainability management activities and performance from January 2025 to December 2025, with some major activities extending through the first half of 2026. For quantitative performance, three years of data from 2023 to 2025 are provided to help observe performance trends.

Reporting Scope

The reporting scope covers LG Electronics' headquarters, all domestic and overseas production sites, and sales subsidiaries. In cases where data collection was limited or calculation criteria were revised, the reporting scope and reasons for these changes are noted separately in the footnotes.

Reporting Principles and Standards

The 2025–2026 LG Electronics Sustainability Report has been prepared in accordance with the GRI Standards 2021. Considering the International Sustainability Standards Board (ISSB)'s sustainability disclosure standards (IFRS S1 and S2), the report is structured to consider governance, strategy, risk management, metrics and targets. Additionally, the report reflects the reporting criteria and frameworks established by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). Financial performance has been prepared on a consolidated financial statement basis in accordance with the Korean International Financial Reporting Standards (K-IFRS). For certain financial information prepared on a separate financial statement basis, relevant notes have been provided.

Third-Party Assurance

This report has undergone third-party assurance by an external organization to ensure the accuracy, objectivity, and reliability of the reporting process and related information. The assurance statement can be found in detail on pages 146 to 147.

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Life's Good.

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CEO Message

LG Electronics continues to take on responsible challenges beyond short-term performance to realize a “Better Life for All.”

Dear valued stakeholders of LG Electronics,

As of 2026, the world stands at a major turning point where the technological paradigm is being rapidly reshaped around artificial intelligence (AI) and global supply chains are becoming fragmented. The global economy faces serious challenges in the form of rising protectionism and higher trade barriers. This is creating unprecedented uncertainty for corporate management. Amid these macro-level waves, LG Electronics is building a foundation for unwavering growth through its bold transformation into a "Smart Life Solution Company."

In 2025, LG Electronics achieved its highest-ever revenue of KRW 89.2 trillion on a consolidated basis, marking a milestone of record revenue for the second consecutive year. The Home Appliance Solution (HS) and Vehicle Solution (VS) businesses sustained growth for the tenth consecutive year, demonstrating the strength of our portfolio. We believe that such business performance can achieve lasting value not merely as financial figures but only when combined with the essential value of sustainability management. In the global market, ESG has now moved beyond regulatory compliance to become a practical measure of competitiveness that determines a company's future cash flow. LG Electronics is proactively responding to the European Sustainability Reporting Standards (ESRS) and the strengthening of supply chain due diligence directives. Through concrete achievements, the company is demonstrating how sustainability enhances operational efficiency and creates new business opportunities.

Under the vision of "Better Life for All," LG Electronics has embedded its six mid- to long-term tasks across its entire business. On the environmental front, we are pursuing tangible reductions with carbon neutrality and circularity as our core pillars. As of 2025, Scope 1 and 2 emissions at major business sites worldwide totaled approximately 842,000 tCO_2eq, a reduction of about 7% compared to the previous year. The waste recycling rate reached 97.3%, achieving the 2030 target of 95% ahead of schedule. In addition, our high-efficiency Eco Solution business, including heat pumps that use eco-friendly refrigerants, has established itself as a successful model that simultaneously secures both social value through climate change response and economic value through revenue growth.

In particular, we have declared this year the "first year of full-scale robot business." We are strengthening our B2B solution business by designing and producing in-house the actuators that account for the core of robot costs. This represents the expansion of the high-efficiency motor technology and energy-saving mass-production technology accumulated in the home appliance sector into the robotics industry.

In addition, in response to surging demand for AI data centers, we are advancing our next-generation liquid and immersion cooling solutions. Building on our accumulated technologies in thermal management, high-efficiency compressors, and eco-friendly refrigerants, we are reducing the power consumption and carbon emissions of data centers. As a key partner to global big tech companies, we are accelerating the growth of the eco-friendly infrastructure market.

In the social domain as well, we focused on enhancing the inclusiveness of our technology. We expanded our accessibility improvements across all product lines. These include sign-language-based AI avatar technology for people with hearing impairments, the broader application of braille and tactile guides, and the "LG Comfort Kit," which helps everyone use our products conveniently regardless of gender, age, or disability. In addition, to strengthen the management of human rights and environmental risks throughout the supply chain, we are advancing our supplier ESG due diligence system and expanding our shared growth fund to support the self-sustaining competitiveness of our partners. These efforts are enhancing the stability of our supply chain, leading to a resilient manufacturing ecosystem that can withstand external risks.

Of course, some gaps emerged between our planned pace and actual progress as we managed the complexity of global carbon emissions (Scope 3) and responded to rapidly changing trade regulations across countries. It is also true that increasing the proportion of eco-friendly materials was not always easy amid short-term cost pressures. However, LG Electronics transparently discloses these challenges and is developing solutions to overcome them. For example, we are introducing "AI Transformation (AX)" across our work processes to improve company-wide work productivity by more than 30% within the next two to three years.

These sincere efforts of ours are also highly regarded in the capital market. In 2025, LG Electronics was selected for the "Top 1%" ranking for the third consecutive year in the Corporate Sustainability Assessment (CSA) conducted by S&P Global, recognized for possessing world-leading sustainability management capabilities. Our inclusion in the Dow Jones Best-in-Class (DJBIC) World Index for the 14th consecutive year is also significant. It demonstrates that our sustainability management is recognized not as mere metrics management but as a practical business activity that enhances long-term corporate value.

Going forward, LG Electronics will move beyond formal reporting and metrics management to lead "tangible change" in which our business model itself has a positive impact on society and the environment. As we cultivate future growth engines such as artificial intelligence, robotics, and smart factories, we will proactively establish ethical standards. We will also do our utmost to operate transparent governance, including the retirement of treasury stock and the expansion of dividends to enhance shareholder value. We ask for your steadfast support and encouragement for LG Electronics' bold challenge to bring inspiration to our customers, health to our planet, and hope to society.

Chief Executive Officer of LG Electronics
Ryu Jae-cheol

Mission and Vision

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 its management principles of 'Creating Value for Customers' and 'People-oriented Management' through 'Jeong-Do Management.'

LG Electronics Mission and Vision

At LG Electronics, guided by our brand philosophy, "Life's Good," we are committed to enriching the lives of our customers by delivering experiences that are ▲First, ▲Unique, and ▲New - what we call F·U·N experiences that didn't exist before.

Mission

Innovation for a Better Life

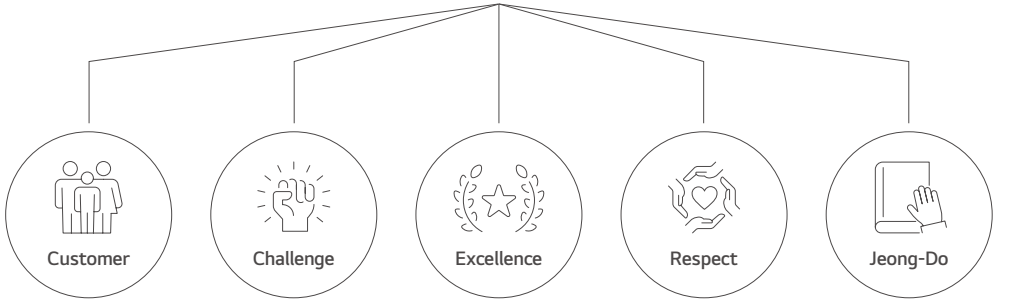
This is the reason for our existence and a promise to our customers.

Vision

Smart Life Solution Company

By 2030, we will become a KRW 100 trillion company by achieving "Triple 7: 7% average annual growth, 7% operating profit margin, and enterprise value(EV/EBITDA) multiple of 7x."

Core Value



Business Division Overview

Home Appliance Solution

As a global home appliance leader that spans future industries such as AI home solutions and robotics, the HS (Home Appliance Solution) Company is advancing its portfolio by expanding subscription and D2C (Direct to Customer) channels.

The HS (Home Appliance Solution) Company is expanding its business areas centered on its AI home platform (LG ThinQ), building on its core home appliances such as washing machines, refrigerators, and air conditioners. In addition, the division is diversifying its portfolio by expanding subscription and D2C channels and entering new categories such as robotics.

As home appliances are closely connected to daily life, they are linked to various environmental and social challenges across the entire business. In response, the HS Company strives to improve energy and resource efficiency throughout the product life cycle, to strengthen its personal data protection system in connection with the expansion of smart appliances, and to ensure accessibility for customers, including older adults and persons with disabilities. In addition, the division addresses these challenges by linking them to product competitiveness, and it also pursues initiatives such as reducing water consumption through Mineral Wash technology and securing the supply chain stability of rare earth elements, which are core components.

Main Products| Washing machines, dryers, vacuum cleaners, refrigerators, cooking appliances, water purifiers, plant cultivators, smart home platform (LG ThinQ), robotics, and compressor and motor components for appliances.

Media Entertainment Solution

As the world's No. 1 OLED TV brand for 13 consecutive years, the MS Company is evolving into a media entertainment company centered on its webOS-based smart TV platform ecosystem of 260 million units.

The Media Entertainment Solution (MS) Company is expanding its business model into advertising, content, and AI personalization services through the webOS platform, building on its premium display business. In particular, it is moving beyond simple display manufacturing to transform itself into a connected TV platform operator.

As it operates 260 million connected TVs worldwide, data protection and security are fundamental prerequisites for its business operations. In response, the MS Company has established a principle of minimal collection of personal data and applies security by design (LG Shield) from the design stage, while continuously improving the energy efficiency of high-power product lines and expanding accessibility features for older adults and persons with disabilities.

Main Products | OLED TVs, QNED TVs, lifestyle screens, Bluetooth earphones, wireless speakers, soundbars, Devices (laptops, monitors, projectors), digital signage.

Business Division Overview

Vehicle Solution

As SDV (Software Defined Vehicle) spreads, the Vehicle Solution (VS) Company is reinventing itself as an innovation partner for future mobility by advancing its premium in-cabin solutions and expanding collaboration with global automakers.

The VS Company supplies infotainment systems, vehicle displays, ADAS, and EV powertrain components while expanding its collaboration with global automakers. In line with the transition to SDV, it is strengthening its software capabilities and security technologies while also reviewing an expansion into a service-based business model.

As automakers' procurement standards continue to rise, demands are also growing for security certification, privacy by design, business continuity planning (BCP), and supply chain carbon data. In response, the VS Company is reviewing the establishment of an infrastructure to collect and track supply chain ESG data such as Scope 3 greenhouse gas emissions and product carbon footprint (PCF), along with the enhancement of the BCP system at its key production sites.

Main Products| Infotainment systems, in-vehicle displays, telematics, ADAS, automotive lighting, electric vehicle drive components .

Eco Solution

The Eco Solution (ES) Company pursues both climate action and business growth. Centered on AI data center cooling solutions, the division is emerging as a total cooling solution provider.

The ES Company operates its business around air conditioners, air conditioning, and refrigeration solutions while expanding into heat pumps and data center cooling solutions. The division is advancing its product portfolio and business model in response to market changes such as tighter refrigerant regulations, electrification across buildings and industries, and rising demand for data center cooling.

To address the phase-out of HFC (Hydrofluorocarbon) refrigerants, the division operates a transition roadmap toward low-GWP (Global Warming Potential) and natural refrigerants while contributing to the reduction of customers' total cost of ownership (TCO) by increasing the proportion of top-efficiency-grade products. In addition, to meet electrification demand, it continues to strengthen its heat pump solutions and expand its presence in the data center cooling market driven by the growth of AI infrastructure.

Main Products | Air conditioners, air purifiers, system air conditioners, dehumidifiers, humidifiers, ventilation systems, chillers, heat pumps, refrigerated and freezer showcases, data center cooling solutions.

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ESG Strategy For the Planet

The 3C Strategy for the Planet

Carbon Neutrality

Achieving Carbon Neutrality and Transitioning to Renewable Energy

LG Electronics plans to reduce greenhouse gas emissions by 2030 through process improvements, adoption of energy-saving technologies, and increased use of renewable energy. Additionally, we aim to achieve carbon neutrality[1] through procurement options such as Green Tariffs and Renewable Energy Certificates (RECs). As a participant in RE100, we have set a goal to transition 100% of electricity consumption across all our domestic and overseas business sites to renewable energy by 2050.

Circularity

Waste Recycling and E-Waste Collection and Recycling

LG Electronics recycles waste generated at all its domestic and overseas business sites and is pursuing zero waste-to-landfill certification at its global sites. Having achieved a 95% waste recycling rate ahead of schedule by 2030, we will continue to maintain a recycling rate above 95%. In addition, we proactively respond to regulatory requirements in the countries where we operate by establishing related policies and collecting e-waste. LG Electronics uses eco-friendly materials not only in product manufacturing but also in packaging, and actively conducts campaigns to collect e-waste and used batteries.

Clean Technology

Developing High-Efficiency Products and Using Eco-Friendly Materials

LG Electronics is reducing carbon emissions per unit during the product use stage through high-efficiency energy products. In particular, LG Electronics is the first company in the Korean home appliance industry to receive validation from the Science Based Targets initiative (SBTi) for its carbon emissions reduction targets during the product use stage.

Carbon emissions per unit refer to the amount of greenhouse gases emitted per unit of a product over its average usage period. These figures are measured per liter of capacity for refrigerators, and per kilogram of washing capacity for washing machines.

Achievements in 2025

17.7%
Global transition to renewable energy

1.09 Million Tons
Reduction in greenhouse gas emissions compared to the 2017 baseline year

97.3%
Waste recycling rate across all domestic and overseas sites

5.65 Million Tons
Cumulative e-waste collected (since 2006)

22.5%
Reduction in carbon emissions per unit during the use stage of the 7 major product categories

277,000 Tons
Cumulative use of recycled plastic (since 2021)

1) In this report, "carbon neutrality" covers the scope of LG Electronics' direct emissions (Scope 1) and energy indirect emissions (Scope 2) at its major business sites worldwide. LG Electronics aims to achieve an actual reduction of 54.6% in its Scope 1 and 2 GHG emissions by 2030 compared to 2017, and this target has been validated against the 1.5°C criteria of the SBTi (Science Based Targets initiative). For the remaining emissions, the company plans to offset them by utilizing carbon credits that meet internationally credible standards. Emissions across the value chain, including the product use stage (Scope 3), are managed under separate reduction targets and management systems, and are not included within the scope of this carbon neutrality target.

ESG Strategy For the People

The 3D Strategy for People

Decent Workplace

Ensuring Safety, Health, Labor, and Human Rights Across the Supply Chain

LG Electronics promotes workplace safety, health, and human rights through its RBA1)-based production site management program. Aiming for zero critical non-conformances at all production sites against audit requirements by 2030, the company conducts self-assessments and audits of its suppliers to identify and improve potential and actual risks, and evaluates the adequacy of suppliers' ESG management to provide related training programs.

1) RBA: Responsible Business Alliance, the world's largest industry coalition dedicated to promoting responsible business practices across global supply chains

Diversity & Inclusion

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

LG Electronics is embedding DEI (Diversity, Equity, and Inclusion) into its organizational culture to ensure every member of the company feels recognized, included, and empowered to reach their full potential. To foster an inclusive workplace, we have set targets to increase the proportion of employees with disabilities in Korea to 3.5%, and the global proportion of female employees to 25.5% by 2030.

Design for All

Improving Accessibility of Products and Service

LG Electronics is committed to ensuring that all customers, regardless of gender, age, or disability, can easily use our products and services. We continue to expand our lineup of products equipped with accessibility technologies and enhance service accessibility through initiatives such as companion care and sign language consultation services. In particular, to fully listen to the opinions of diverse customers, we participate in the global CSUN Assistive Technology Conference (CSUN ATC) and operate an accessibility community called Bold Move. By 2030, we aim to incorporate accessibility features and universal design across all key product lines.

Achievements in 2025

100%
Production Sites Certified to ISO 45001
Excludes newly established entities (one in the U.S. and one in Mexico) that have not yet started mass production

90%
Percentage of production sites with zero critical non-conformances (based on RBA audit requirements)

0.8%
Percentage of high-risk suppliers (based on self-assessment)

22.2%
Ratio of female employees (Global)

2.9%
Employment rate of persons with disabilities (Korea)

12 Product Lines
Voice recognition guidance applied to 12 out of 16 key product lines
(Applicable only to certain models)

16 Types
Launch of 16 Comfort Kit models

Launch of senior-friendly Easy TV,
Expanded production of Easy Tutorials and Appliance School Easy Books

Stakeholder Communication

LG Electronics is intensifying its efforts to engage with various stakeholders, aiming to enhance transparency and effectiveness in ESG management. Through communication channels such as the sustainability management website, the company shares key activities and achievements, while actively listening to and reflecting stakeholders' feedback via social media channels, service centers, surveys, and VOC submissions.

Stakeholder Interests and Participation Channels

Customers

Interests
- Product and service quality
- Environmental impact throughout the product lifecycle
- Value-driven consumption
- Transparent communication

Response Strategies
- VOCs
- Social media channels
- Product exhibitions
- Website
- Customer satisfaction surveys
- Service centers

Government/Institutions/Local Communities

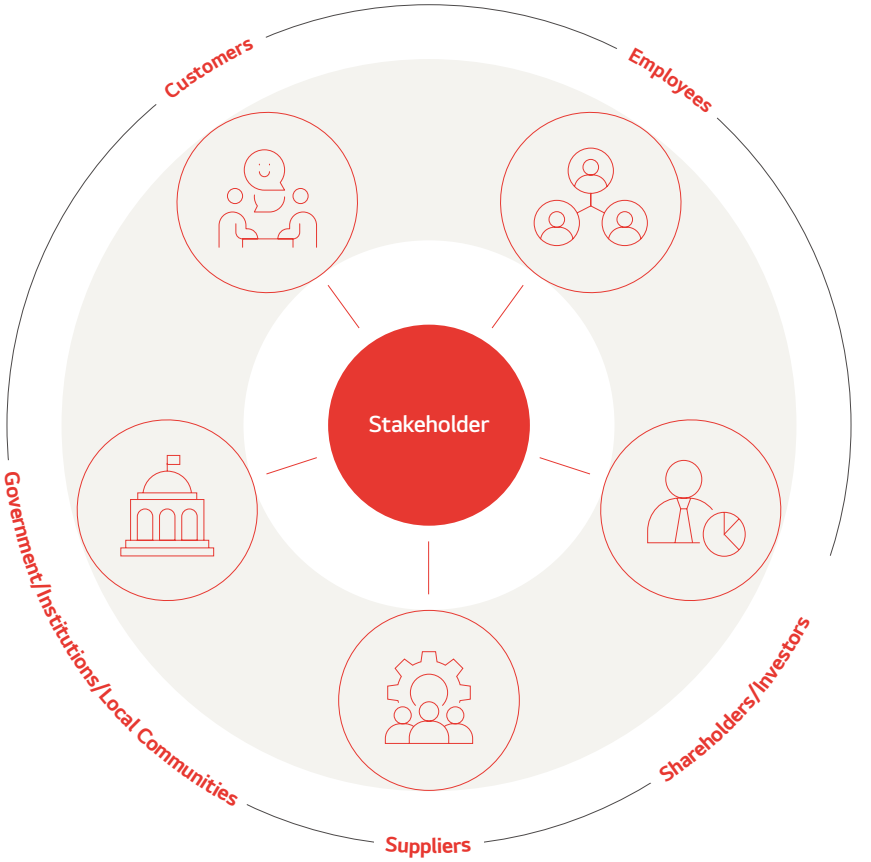
Interests
- Social responsibility to local communities
- Minimizing environmental impact through greenhouse gas reduction and expanding renewable energy

Response Strategies
- Social contribution to the community
- Government liaison meetings
- NGO meetings

Suppliers

Interests
- Supplier support programs
- Fair contracting
- Prohibition of unfair trade
- Win-win cooperation

Response Strategies
- Shared growth support fund
- ESG consulting
- Supplier training
- Regular supplier association meetings



Employees

Interests
- Safe and healthy work environment
- Diversity and inclusion
- Healthy organizational culture
- Employment and benefits
- Education and career development

Response Strategies
- Conversation with management
- Internal communication channels
- Jeong-Do management website
- Junior board
- Labor-management council

Shareholders/Investors

Interests
- Business performance
- Risk management
- Stock price and dividends
- Sustainability agenda

Response Strategies
- General shareholders' meetings
- Earnings call and public disclosures
- Electronic voting system
- Investor meetings

Materiality Assessment

Double Materiality Assessment

Double Materiality Assessment Overview

LG Electronics conducted a double materiality assessment in accordance with the requirements of the ESRS. A double materiality assessment considers both the impact of a company's activities on the environment and society and the financial impact of external factors on the company. In 2026, LG Electronics analyzed the company's actual activities related to each issue and mapped the resulting environmental and social impact pathways. It also enhanced the consistency and objectivity of the assessment results by analyzing external factors that could affect the company and detailing the financial risk and opportunity pathways accordingly.

Double Materiality Assessment Process

Understanding the Company's Sustainability Context

- Comprehensively consider the topics defined by the ESRS and global initiatives that present industry-specific key issues such as SASB and MSCI
  → Establish a potential issue pool of 86 issues (24 environmental, 55 social, and 7 governance)
- Analyze the company's ESG strategy and the key ESG issues of leading peer companies in each business division
- Analyze the SASB-based key issues for each industry by reflecting the industry characteristics of stakeholders across each business division and value chain stage
- Analyze the laws and regulations related to each issue and the requirements of key stakeholders
  → Select 29 issues for assessment (10 environmental, 18 social, and 1 governance)

Identification of Impacts, Risks and Opportunities

- Identify the environmental/social impacts and financial risks/opportunities of the issues subject to assessment and classify their impact characteristics
  - Environmental/Social Impact: the impacts of the company's issue-related activities on the environment and society, classified as positive or negative and as actual or potential
  - Financial Risk/Opportunity: the financial effects of external factors on the company, classified as risks or opportunities

Assessment of Impacts, Risks and Opportunities

- Design the assessment criteria and scales in accordance with the requirements of the ESRS
  - Environmental/Social Impact: scale, scope, irremediable character (negative impacts), and likelihood (potential impacts)
  - Financial Risk/Opportunity: magnitude and likelihood
- Conduct survey assessments targeting the working-level staff in charge of each issue and consolidate the final assessment results through discussions with internal and external stakeholders

Selection of Final Material Topics and Reporting/Disclosure

- Derive the impacts, risks and opportunities that exceed the threshold by consolidating the results of the survey assessments and discussions with internal and external stakeholders
- Select 13 final material issues by consolidating the issues related to each impact, risk and opportunity (3 environmental, 9 social, and 1 governance)
- Report the results of the double materiality assessment to the Board of Directors

Double Materiality Assessment Results

LG Electronics conducted survey assessments and discussions with internal and external stakeholders based on the results of identifying impacts, risks and opportunities for 29 issues. Based on these discussions, the company selected the issues whose impacts, risks and opportunities exceeded the threshold as final material issues (3 environmental, 9 social, and 1 governance).

Double Materiality Assessment Results

ESRS Classification		Material Issues
E1	Climate Change	Climate Change Mitigation
		Energy
E5	Circular Economy	Product Recyclability and Life Cycle
S1	Own Workforce	Employee Privacy
		Employee Diversity
		Employee Health and Safety
S2	Workers in the Value Chain	Prohibition of Child Labor in the Value Chain
		Prohibition of Forced Labor in the Value Chain
S4	Consumers and End-users	End-user Privacy
		Responsible Marketing Practices
		Access to Products and Services
		Health and Safety of End-users
G1	Business Conduct	Prevention and Detection of Corruption and Bribery

* Compared with the 2025 double materiality assessment results, the issue of health and safety of end-users was newly added. The employee diversity issue had been integrated within the 2025 issue of "employee labor rights." In 2026, however, LG Electronics separated it into an independent material issue within the S1 (Own Workforce) area, reflecting the company's business characteristics and management status. The issue of responsibility for suppliers was reclassified from the G1 (Business Conduct) area in 2025 to the S2 (Workers in the Value Chain) area, where it was integrated with supply chain workers' human rights issues such as the prohibition of child labor and forced labor in suppliers. In addition, the issues of risk management, information security risk, the Board of Directors, and innovation management were classified as general issues and excluded at the potential issue pool stage, and were therefore excluded from the material issues.

Materiality Assessment

Double Materiality Assessment

Impacts, Risks and Opportunities Related to Material Issues

LG Electronics identified the impacts, risks and opportunities for the 29 issues subject to assessment. Based on these results, the company carried out its assessment. As a result of the assessment, the company selected 13 final material issues and reviewed the connection between each issue and its overall strategy and management activities. Going forward, LG Electronics plans to incorporate the identified impacts, risks and opportunities into its material issue management system and to disclose annual response targets and performance for each issue in connection with the materiality assessment results.

Type: P Positive O Opportunity N Negative R Risk Value Chain: UP Upstream Down Downstream Own Own Opertaion

Material issues		Environmental/Social Impact	Financial Risk/Opportunity
E5 Circular Economy	Sustainable Resource Inflows and Circular Design	N UP Cause biodiversity loss and natural resource depletion due to the use of virgin raw materials N Own Deepen dependence on virgin raw materials when the use of recycled materials is insufficient	R Face supply instability and cost increases due to regulations mandating the use of recycled materials O Strengthen supply chain resilience by securing secondary resources in advance/ Enhance competitiveness in green financing by reinforcing eco-friendly circular design capabilities
	Site Waste Management and Process Efficiency	P Own Reduce the environmental burden on local communities by obtaining ZWTL certification and expanding waste recovery N Own Cause soil and water pollution through the incineration and landfill of manufacturing process waste	R Incur rising waste treatment costs / Face fines and legal risks in cases of non-compliance with country-specific regulations O Reduce costs and generate new revenue by advancing by-product recovery technologies
	Post-use Product Management and E-Waste Reduction	N Own Expand environmental impacts through improper treatment when the take-back system for waste appliances is insufficient N Down Cause soil and water pollution and generate Scope 3 emissions through the improper treatment of waste appliances	R Incur higher disclosure management costs due to stronger WEEE and EPR take-back obligations and the introduction of the DPP/Face penalties / Restricted market access in cases of non-complianceOpportunity O Diversify revenue streams and create new markets by expanding the refurbishment business based on waste appliance take-back
	Product Recyclability and Life Cycle	P Own Contribute to reducing consumers' Scope 3 emissions by improving energy efficiency and extending product durability P Down Reduce resource consumption at the consumer stage and promote the circular economy through eco-friendly and high-efficiency products	R ESPR compliance costs (design changes, certification) / spare parts and after-sales service (AS) costs under Right to Repair / DPP (Digital Product Passport) implementation costs O Enhance brand value and expand market share in markets that favor eco-friendly and high-efficiency products
S1 Own Workforce	Employee Privacy	N Own Infringe on privacy and cause damage from identity theft as well as undermine organizational trust when employee personal data is leaked or misused	R Increased costs for establishing and operating data privacy systems/Fines and legal defense costs for non-compliance with data protection regulations (e.g., GDPR)/Financial compensation and remediation costs resulting from data breaches
	Employee Diversity Positive	P Own Ensure employee dignity and equal opportunity and strengthen overall organizational and social trust by expanding diversity and inclusion	R Face lower investor confidence and higher capital costs due to a decline in ESG ratings O Strengthen innovation capabilities and enhance competitiveness in securing global talent by ensuring diversity
	Employee Health and Safety	N Own Cause physical and mental harm to employees and loss of workforce due to workplace safety accidents (industrial accidents, occupational diseases, etc.) N Down Cause potential safety accidents and resulting human harm during the work of outsourced personnel at installation and after-sales service sites	R Incur fines and legal costs for violations of the Serious Accidents Punishment Act and the Occupational Safety and Health Act / Reduced operating profit from production disruptions caused by accidents/ Higher insurance premiums and contingent liabilitiesOpportunity O Reduce operational disruption risks from serious accidents and ensure business continuity by establishing a prevention-oriented health and safety system
S2 Workers in the Value Chain	Prohibition of Child and Forced Labor in Suppliers	N UP Infringe on workers' human rights and cause social instability when child labor or forced labor occurs at suppliers	R Incur global revenue penalties of up to 5% for CSDDD violations/ Legal costs for violations of international labor norms (fines and litigation costs) / Higher management costs due to stronger supply chain human rights due diligence obligations / Transaction suspension, restricted orders, and reduced sales in cases of human rights infringement
S4 Consumers and End-users	End-consumer Privacy Negative	N Down Infringe on privacy and cause damage from identity theft when consumer and end-user personal data is leaked or misused	R Incur fines and legal response costs for violations of the GDPR and personal data protection laws/ Sharp decline in consumer trust, service suspension, and reduced sales in the event of a data O Secure structural defense capabilities against cyberattacks and regulatory violations and strengthen consumer trust by establishing an enhanced personal data protection system
	Access to Products and Services	P Down Improve the quality of life for diverse users and strengthen social inclusion by developing products and services that enhance accessibility for consumers and end-users	R Face market access restrictions, penalties, and class action risks for non-compliance with global accessibility regulations (EU EAA, US ADA, etc.) / Risk of certain consumer groups leaving and reputational damage due to insufficient accessibility O Emerge with new market opportunities as accessibility-oriented products and services gain importance amid aging and digitalization
	Health and Safety of End-users	N Down Cause accidents, injuries during use, or harm to vulnerable groups (children and the elderly) when product safety management is insufficient / Spread negative stakeholder perceptions when product-related safety accidents occur	R Incur liability for damages and legal costs for violations of the General Product Safety Regulation (GPSR) and the Product Liability Act (PL Act)/ Reduced sales and brand value damage from recalls, sales suspensions, and class actions in the event of safety accidents O Enhance consumer trust and maintain long-term customer relationships by strengthening product testing and certification technologies and safety design to ensure safety
	Responsible Marketing Practices Negative	N Down Infringe on consumers' reasonable right to choose when misleading, exaggerated, or deceptive advertising and expressions are used/Undermine corporate trust when consumer harm arises from irresponsible marketing activities	R Face penalties and legal sanctions for violations of advertising and labeling laws and the UCPD/ Expanded consumer boycott and reputational risks and reduced sales when deceptive advertising controversies arise O Strengthen consumer trust and maintain long-term customer relationships by establishing a transparent and accurate marketing system
G1 Business Conduct	Prevention and Detection of Corruption and Bribery	N UP Cause negative impacts on counterparties and market fairness when involved in bribery or corrupt practices during overseas sales and public procurement P Own Enhance the rights and interests of stakeholders such as employees, suppliers, and customers and contribute to maintaining market integrity by practicing compliance management	R Incur criminal sanctions, fines, and legal response costs for violations of the Improper Solicitation and Graft Act, FCPA, and EU anti-bribery legal frameworks/Transaction restrictions and reduced sales / Higher capital costs and lower investor confidence O Secure a competitive advantage in the transaction and investment decisions of global customers and investors by establishing effective anti-corruption policies and internal control systems

* The identification of impacts, risks and opportunities for the E1 climate change issue is described in detail on pages 16-18 of this report. For E5 circular economy, given the nature of the issue, managing the material issue of "Product Recyclability and Life Cycle" requires the comprehensive management of issues that are not themselves material, namely sustainable resource inflows and circular design, site waste management and process efficiency, and post-use product management and E-Waste reduction. The company therefore disclosed the related identification of impacts, risks and opportunities together.

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AT A GLANCE

Environmental protection is a crucial task for a sustainable future, and the importance of responding to the escalating climate crisis is growing increasingly significant. LG Electronics fully recognizes the severity of these challenges and continues to enhance its environmental management system to implement systematic and comprehensive environmental stewardship. The company has also set targets for carbon neutrality and a full transition to renewable energy, actively driving company-wide action to achieve them.

UN SDGs

Climate Change Response (TCFD)

Climate Change Governance

LG Electronics has established a company-wide climate change governance system grounded in the organic alignment among the Board of Directors, its committees, and management, thereby proactively identifying and managing related risks and opportunities. The ESG Committee, established in April 2021, objectively and independently monitors material issues related to climate change response and regularly oversees the company's response strategies and the current status of implementation. In addition, climate change issues are taken into consideration when making key decisions that may have a significant impact on the company. The committee also reviews greenhouse gas reduction targets, key climate change response policies, and strategies.

Role of the Board of Directors

The Board of Directors regularly reviews and approves mid- to long-term strategies, action plans, and performance outcomes related to climate change through the ESG Committee. In 2025, the ESG Committee deliberated on key climate-related agenda items, including ▲Approval of the Double Materiality Assessment, ▲Reporting on the implementation status and targets of major ESG tasks, and ▲Reporting on the revision of the company-wide renewable electricity transition roadmap. LG Electronics reflects each agenda item in its company-wide implementation plans and incorporates them throughout its internal management processes, including budgeting, the adoption of new renewable electricity, investment in high-efficiency equipment, and the performance management of reduction activities. Climate change issues are not limited to individual ESG agenda items but are comprehensively discussed at the board level through various channels, including ESG performance reporting and publication of the sustainability report.

Key Climate-Related Agenda Items at the 2025 ESG Committee

Date	Agenda Title	Type	Climate-Related Content
June 24, 2025	Approval of the 2025 Double Materiality Assessment	Approval	Includes the selection of climate change–related issues as a material topic
June 24, 2025	Report on the implementation status of key tasks in the first half of 2025	Reporting	Includes a report on the cost-benefit analysis of carbon emissions and the renewable electricity transition, and a report on the implementation status of strategic tasks
June 24, 2025	Report on the revision of the company-wide renewable electricity transition roadmap	Reporting	Includes a report on the PPA-centered implementation roadmap for the renewable electricity transition
November 25, 2025	Report on 2025 ESG management performance and the 2026 plan	Reporting	Includes a report on the implementation status of strategic tasks—such as carbon emissions and the renewable electricity transition—and 2026 targets, as well as a report on the strengthening of climate disclosure

Role and Responsibility of Management

Management recognizes climate change as a key strategic issue and leads the establishment and execution of greenhouse gas reduction goals across Scope 1, 2, and 3. In particular, the ESG Council is led by the CSO (Chief Strategy Officer) and composed of ESG implementation units from each division. Through quarterly meetings, it reviews major ESG tasks such as the expansion of renewable energy use and supply chain emissions management, and discusses implementation plans and areas for improvement. Among the items discussed, those deemed material or requiring board-level decisions are submitted to the ESG Committee. The CSO oversees strategic alignment between the board and management and supports ESG-related decision-making processes.

Climate-Related Incentives[1)]

To strengthen the execution of its climate change response, LG Electronics links climate-related performance to the performance evaluation and incentive systems of key executives and departments. The KPIs of the CSO (Chief Strategy Officer) include Scope 1 and 2 greenhouse gas reduction targets, while the ESG Bureau incorporates indicators such as emissions reduction during the product use stage, the recycled plastic usage rate, and energy transition performance into its evaluation metrics. In addition, LG Electronics individually assigns KPIs linked to greenhouse gas reduction performance to key business divisions, and utilizes each KPI as a means of securing company-wide execution competency for achieving its climate targets.

Current Status of Climate-Related Incentives

Scope	KPIs	Incentives
Chief Strategy Officer (CSO)	• Achievement of climate-related goals • Reduction of greenhouse gas emissions	Performance-based compensation linked to KPI achievement
ESG Bureau Key Functional Units	• Achievement of climate-related goals • Emission per unit during product use stage • Volume of recycled plastic used • Volume of renewable energy used • Energy transition rate	

1) Climate-related incentives are based on 2025; following the organizational restructuring in March 2026, under which the ESG Bureau was transferred under the CFO, the relevant KPIs are currently under review.

Climate Change Response (TCFD)

Strategy

Identification of Climate-Related Risks and Opportunities

LG Electronics identified key climate-related risks and opportunities by taking into account the characteristics of its business model and value chain, and analyzed the impact of each factor on the company along with the corresponding response strategies.

Physical Risk

LG Electronics identified the short-term, mid-term, and long-term impacts of climate change–induced physical risks on its business operations and assets.

Classification	Details	Financial Impact	Period	Impact on LG Electronics	Detailed Response Strategy
Acute	Expenditures such as recovery costs, production delays, and insurance payouts due to natural disasters	Medium	Short-term	As climate change increases the frequency and intensity of extreme weather events such as typhoons, torrential rain, and floods, certain production facilities and logistics hubs may face risks such as short-term production disruptions, facility damage, and increased recovery costs. LG Electronics has approximately 56% of its global production sites located in Asia, including Korea, China, Vietnam, Indonesia, and Thailand, and these regions have been identified as having a relatively high exposure to acute physical risks such as typhoons and floods.	• Conduct regular climate risk inspections and assessments at key business sites at least once a year • Conduct periodic inspections of preparedness for key risks such as typhoons and flooding • Conduct risk assessments incorporating climate change scenarios and improve preparedness systems
					• Conduct regular disaster response training and manual implementation by site: Evacuation, firefighting, first aid, etc. • Strengthen proactive responses through weather information monitoring and collaboration systems with relevant institutions
					• Expand facility safety investments, including the reinforcement of waterproofing and drainage facilities and the protection of key equipment • Establish disaster response manuals for each type of disaster, such as torrential rain, flooding, and typhoons, and conduct regular training • Establish risk prediction systems
Chronic	Increase rate of energy costs, changes in facility maintenance and repair costs, and productivity loss due to climate impacts	Medium	Long-term	Chronic climate changes, such as rising average temperatures, an increasing number of heatwave days, and sea-level rise, may lead to higher energy consumption at business sites, increased heating and cooling costs, and rising facility maintenance and repair costs over the mid-term and long-term.	• Introduce energy-saving equipment and build energy management systems • Smart energy management: Implement real-time IoT-based energy monitoring systems and optimize temperature control using AI prediction • Expand renewable energy: Install solar panels and increase the use of Power Purchase Agreements (PPAs) to mitigate the risks of rising energy costs • Set energy efficiency targets: Establish annual energy improvement goals for each site and monitor performance
				Although short-term risks from sea level rise due to climate change are currently limited, in the long term, coastal flooding, typhoons, and storm surges may pose increasing threats to low-lying business sites.	• Conduct prior assessments of flood risk zones when planning new investments • Review mid- to long-term site stability and feasibility of alternatives in advance • Operate a flexible response system that adapts to evolving risks through continuous risk assessments

LG Electronics reviewed the potential impact of physical risks—such as heatwaves, torrential rain, and sea-level rise—on the operational stability and cost structure of its key business sites through an SSP scenario–based climate change analysis.

Climate Change Response (TCFD)

Transition Risk

LG Electronics identifies the transition risks arising in the course of its climate change response across the areas of policy and regulation, legal, technology, market, and reputation, and these risks may affect its business operations, cost structure, and mid-term and long-term strategy.

Classification		Details	Financial Impact	Period	Impact on LG Electronics	Detailed Response Strategy
Regulation	Current	Increased emissions credit purchase costs and greenhouse gas emission liabilities	High	Short-term	Due to strengthened government climate change response policies, such as Korea's Emissions Trading System (ETS), LG Electronics may need to purchase additional emission allowances exceeding its allocation, increasing its financial burden as allocation targets are reduced. Increased greenhouse gas emissions at major production sites could impact financials through higher allowance costs, and strengthened national reduction targets may further raise the regulatory burden. Such policy shifts could lead to higher production costs, reduced profitability, and weakened competitiveness.	• Monitor greenhouse gas emissions and emissions trading costs • Promote reduction initiatives, including investment in energy-efficient low-carbon facilities and process innovation • Establish and enhance reduction strategies by reflecting assessment results on government policy changes • Expand investment in practical technologies and facilities for greenhouse gas reduction • Report reduction targets and performance to the Board of Directors and the ESG Committee, and incorporate them into executive management decision-making
	Emerging	Operational risks from non-compliance with new policies	Medium	Long-term	Strengthened global climate policies and potential new regulations, such as Carbon Border Adjustment Mechanism[1] and expanded climate risk disclosure obligations, are increasing uncertainties in LG Electronics' operations, exposing the company to risks of additional costs and lost business opportunities in the long-term. In particular, changes in policies in key export markets (e.g., EU CBAM, U.S. IRA) may impact the entire supply chain.	• Monitor global policy trends and analyze business impact scenarios from new regulations • Establish proactive response strategies based on the analysis results • The CBAM, which entered its transition period in October 2023 and imposes full-scale carbon costs from 2026, has a limited short-term impact but requires mid- to long-term measures, such as supply chain risk management, low-carbon material expansion, and product energy efficiency improvement • Monitor and manage risks arising from policy changes in connection with the company-wide risk management system, including the ESG Committee
Legal		Decrease in revenue and adverse impact on transactions	High	Short-term	As a global company that manufactures and sells products in 56 countries, LG Electronics is subject to diverse national environmental regulations and faces broad legal risks in the event of non-compliance. In particular, failure to comply with environmental regulations in key export markets, such as the EU ErP (Energy-related Products) Directive, U.S. energy efficiency standards, and Korea's Emissions Trading System, may lead to direct financial losses. In addition, environmental litigation or regulatory sanctions in global markets may entail indirect damage from the erosion of brand credibility and increased legal response costs. The expansion of climate change–related disclosure obligations is strengthening legal accountability for the accuracy and completeness of disclosures, and any disclosure deemed inadequate or to constitute greenwashing may expose the company to the risk of sanctions by regulatory authorities and investor litigation.	• Monitor changes in environmental laws and regulations in key markets • Strengthen the legal and compliance response system to minimize direct losses, such as administrative fines, product recalls, and export restrictions, arising from violations of global environmental regulations • Mandate a pre-screening process to verify compliance with environmental regulations in each country during the development and launch stages of new products • Prevent the spread of damage through prompt legal responses and consultation with external experts in the event of environmental litigation or regulatory sanctions • Regularly report and review legal risks and response measures through governance bodies such as the ESG Committee
Technology		Increased expenditure due to technology transfer and delays in new technology development	High	Short-term / Mid- to Long-term	As the pace of low-carbon and eco-friendly technology advancement accelerates, there is a risk that existing production processes or products may not meet market demands, resulting in decreased competitiveness, reduced market share, and increased investment burdens. In addition, delays or failures in adopting new technologies may result in the loss of business opportunities and a decline in technological competitiveness.	• Expand R&D investment in climate-responsive technologies such as improving energy efficiency, applying low-carbon materials, and implementing eco-friendly designs • Strengthen technological competitiveness through external technology partnerships and open innovation • Regularly evaluate the costs and performance associated with new technology adoption • Adjust investment priorities based on evaluation results and incorporate strategies to minimize the risk of failure • Regularly report risks associated with major technological changes to management and the ESG Committee to inform strategic decision-making
Market		Decline in demand for products and services due to changing customer preferences	High	Long-term	Shifting market conditions in response to climate change (e.g., increasing demand for low-carbon products, decreasing demand for carbon-intensive products, and strengthening requirements for eco-friendly certifications) may lead to reduced sales of existing products, higher barriers to entry in new markets, and customer attrition. In addition, there is a risk of reduced profitability due to fluctuations in raw material prices and the transfer of carbon costs.	• Expand into new markets such as electric vehicle components and energy solutions, while broadening the low-carbon and eco-friendly product portfolio • Adjust product and service strategies through real-time monitoring of market trends • Proactively reflect eco-friendly certifications and customer requirements through collaboration with major clients • Promote supply chain diversification strategies to mitigate risks related to raw material price and carbon cost fluctuations • Implement price hedging strategies to alleviate the impact of price volatility
Reputation		Risk to investment and business relationships due to negative perception of stakeholder	High	Long-term	Inadequate response to climate change, lack of ESG disclosure, or occurrence of environmental issues may result in reputation risks such as declining trust among investors, customers, and society, damaging brand value and losing investment and market expansion opportunities. In particular, as ESG assessment criteria from global investors and major customers become stricter, any decline in corporate credibility could have a negative impact across the business.	• Disclose climate change-related information and performance based on global standards such as TCFD and CDP • Expanding third-party verification to prevent greenwashing risks • Managing responses to ESG rating agencies, such as MSCI and S&P CSA, and carrying out activities to improve ratings • Minimize the spread of risk through prompt response and corrective actions in the event of environmental issues • Actively share and review the current status of reputation risk management and major issues with the Board of Directors, ESG Committee, and executive management

1) Carbon Border Adjustment Mechanism: A mechanism that applies to six categories of goods (cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen) produced outside the EU and imported into the EU. It calculates the carbon emissions generated during the production of these goods and, in order to ensure cost parity with equivalent goods produced within the EU, requires EU importers to purchase CBAM certificates.

Climate Change Response (TCFD)

Opportunity

LG Electronics recognizes climate change response as an opportunity to enhance competitiveness and drive new growth. Through product innovation, energy transition, and strengthened capabilities to respond to global regulations, the Company is increasing its long-term corporate value.

Classification	Financial Impact	Time Horizon	Detailed Response Strategy
Expansion of Demand for Low-Carbon Products	High	Mid- to long-term	LG Electronics continues to expand its portfolio of products incorporating technologies that improve energy efficiency and reduce greenhouse gas emissions. In particular, based on its proprietary eco-product evaluation index (Eco-Index), the Company aims to increase the proportion of Green 3 Star-rated products from 56.7% in 2025 to 80% by 2030, while promoting design and certification aligned with international standards for major products. In 2025, 13 LG Electronics home appliance products were selected as "Korea's Green Products of the Year," and OLED TVs achieved Carbon Trust certification for five consecutive years, securing the credibility of its high-efficiency product portfolio through third-party certifications.
Cost Reduction and Operational Efficiency through Energy Transition	Medium	Short- to mid-term	In line with its RE100 implementation strategy, LG Electronics is gradually expanding the use of renewable energy and leveraging diverse procurement methods, including self-generation, Power Purchase Agreements (PPAs), and the purchase of Energy Attribute Certificates (EACs). As of 2025, renewable energy procurement reached 231,380 MWh, achieving both electricity cost reduction and Scope 2 emissions reduction. Additionally, the Company is continuously improving site-level energy efficiency through the introduction of IoT-based real-time energy monitoring systems and the acquisition of ISO 50001 certification (22 domestic and overseas sites as of 2025), and manages these efforts in linkage with RE100 implementation rates and annual greenhouse gas reduction indicators.
Strengthening Response to Global Regulations and Securing Environmental Certifications	Medium	Short-term	To respond to strengthened energy efficiency regulations and product carbon information requirements in major markets such as the EU, North America, and Asia, LG Electronics continues to expand its portfolio of energy-efficient products, carbon-labeled products, and eco-certified products. By proactively securing environmentally certified product portfolios compared to competitors, the Company lowers entry barriers in regulated markets, expands premium eco-friendly customer segments, and strengthens competitiveness in B2B procurement requirements. In particular, it establishes product-specific technology roadmaps (TRM) while complying with global regulations such as EU Ecodesign to respond proactively to regulatory changes.
Growth of the VS Business Driven by Electrification Transition	High	Mid- to long-term	As electrification accelerates in the global automotive industry, the VS Company leverages the growing demand for electric vehicle components and energy solutions as a key growth opportunity. In particular, the Division expanded its related product portfolio, including automotive components, infotainment systems, and battery thermal management solutions, recording VS Company sales of KRW 11.1 trillion in 2025. In addition, the Division has established a structure in which future electrification transition leads to the expansion of business opportunities, through long-term supply contracts with major OEMs and increased investment in technology development.
Expansion of B2B Energy Solutions Market	Medium	Mid- to long-term	With increasing demand for decarbonization in the building and industrial sectors, demand for high-efficiency B2B energy solutions such as system air conditioners, heat pumps, and commercial HVAC solutions is expanding. LG Electronics is strengthening its portfolio of energy-efficient solutions centered on the commercial HVAC products of its ES Company and actively leveraging tightening global building energy efficiency regulations as new market expansion opportunities.

Climate Change Response (TCFD)

Climate Risk Analysis

LG Electronics systematically manages the impacts of climate change on its business by identifying climate-related risks and opportunities and assessing financial and operational impacts through scenario analysis. In particular, the Company analyzes physical risks, transition risks, and opportunity factors across major global sites and assets, reviewing the potential mid- to long-term impacts of climate change on business performance.The results of the analysis are reflected in site operations, investment reviews, and the development of mid- to long-term response strategies. In addition, LG Electronics leverages these insights to continuously strengthen its capabilities to manage climate-related risks and capture business opportunities arising from climate change.

Physical Risk Analysis

LG Electronics conducted physical risk analysis for its major global sites and assets based on climate scenarios such as SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5.

Using the S&P Climanomics platform, the Company performed quantitative assessments of owned assets and evaluated the impacts of climate change from both a short-term (2030) and long-term (2100) perspective. The scope of analysis covers more than 85% of total assets, with a focus on key production and R&D sites, taking into account asset size, revenue contribution, and long-term business impact. LG Electronics utilizes the analysis results in existing site operations and new investment evaluations, and discloses the scenario analysis results through CDP Climate Change. In addition, the Company plans to establish a system for quantifying financial impacts by transition and physical risk category in the future.

SSP1-2.6 Scenario I A low-emissions pathway assuming a transition toward sustainable socio-economic systems, supported by strong climate policies and international cooperation, leading to reduced greenhouse gas emissions through improved energy efficiency and expanded renewable energy adoption.

SSP2-4.5 Scenario I A middle-of-the-road pathway in which current socio-economic and policy trends are largely maintained, with partial progress in emissions reduction efforts but limited speed and scope of transition.

SSP3-7.0 Scenario I A high-emissions scenario characterized by weakened international cooperation, intensified resource competition, and constrained implementation of climate policies, resulting in significant challenges for both mitigation and adaptation.

SSP5-8.5 Scenario I A high-emissions pathway driven by a fossil fuel–dependent, high-growth and high-consumption economy, leading to increased greenhouse gas emissions and amplified physical climate risks.

Source: IPCC, Sixth Assessment Report (AR6)

Transition Risk Analysis

LG Electronics assesses the mid- to long-term impacts of transition risks based on carbon neutrality scenarios developed by international organizations and national governments, and establishes response strategies accordingly. In particular, the Company analyzed the impacts of greenhouse gas reduction levels, as well as policy and market changes, primarily based on the International Energy Agency (IEA)'s Net Zero Emissions by 2050 (NZE 2050) scenario and Nationally Determined Contributions (NDCs) under the Paris Agreement.

NZE 2050 Scenario (Net Zero Emissions by 2050) I This scenario outlines a pathway to achieve net-zero CO_2 emissions in the energy sector and industrial processes by 2050. As interim milestones, the IEA proposes significant reductions in CO_2 emissions from the energy sector, expansion of renewable energy, phase-out of internal combustion engine vehicles, and reduction of coal-fired power generation by 2030. To align with the 2030 reduction pathway of the NZE 2050 scenario, LG Electronics has established a target to reduce greenhouse gas emissions by 54.6% by 2030 compared to 2017 levels, and has completed validation by the Science Based Targets initiative (SBTi).

Source: Net Zero by 2050 – A Roadmap for the Global Energy Sector, 2021

NDC Scenario I Nationally Determined Contributions (NDCs) refer to climate targets voluntarily set by each country under the Paris Agreement.

The Republic of Korea has legislated a target to reduce total greenhouse gas emissions by 40% by 2030 compared to 2018 levels and to achieve carbon neutrality by 2050.

Accordingly, companies consider country-specific regulatory environments as key scenario assumptions alongside emissions reduction implementation. In particular, as climate policies such as emissions trading schemes, carbon taxes, Carbon Border Adjustment Mechanism (CBAM), and the Inflation Reduction Act (IRA) are strengthened—especially in OECD countries—investment in low-carbon energy is expected to continue to expand.

Source: UNFCCC and national NDC-related government websites

LG Electronics is responding to transition risks—such as carbon pricing mechanisms including carbon taxes, CBAM, and rising emissions allowance prices—by promoting decarbonization of production processes, strengthening supply chain collaboration, investing in technology development, and expanding eco-friendly products based on its global supply chain.

In addition, the Company provides greenhouse gas emissions assessments and improvement consulting to major suppliers. Through high-efficiency equipment adoption and renewable energy expansion, LG Electronics aims to achieve a 54.6% reduction in Scope 1 and Scope 2 emissions by 2030.

Furthermore, LG Electronics establishes technology roadmaps at the product level, invests in R&D, and expands ENERGY STAR–certified products to respond proactively to increasing market demand for environmentally friendly solutions.

Climate Change Response (TCFD)

Strategy

Climate Change Response Strategy

Establishment of Greenhouse Gas Reduction Targets and Implementation Strategies

LG Electronics has established and is implementing phased strategies across the entire product life cycle to achieve its mid- to long-term greenhouse gas reduction targets.

In particular, in 2021, the Company became the first in the Korean home appliance industry to have its greenhouse gas reduction targets validated by the Science Based Targets initiative (SBTi), thereby securing the objectivity and credibility of these targets. The status of reduction implementation is reported to the SBTi and the ESG Committee based on annual reduction performance, and is operated in linkage with a KPI-based performance management system. To begin with, the Company has set a target to reduce its total greenhouse gas emissions, including direct emissions generated during the production stage (Scope 1) and indirect emissions from energy use (Scope 2), by 54.6% by 2030 compared to 2017 levels, and it manages annual reduction performance as part of its internal KPIs and reporting indicators to the ESG Committee. In addition, for the product use stage, LG Electronics has set a target to reduce greenhouse gas emissions per unit (per product or per operating hour) by 20% by 2030 compared to 2020 levels for major product categories. This target is incorporated as a KPI at the new product planning and design stages and is being managed accordingly.

LG Electronics Greenhouse Gas Reduction Plan

Reduction of Greenhouse Gas in Production and Manufacturing Processes

- Reduce greenhouse gas emissions by 54.6% by 2030 compared to 2017 levels, in line with SBTi standards

Implementation of External Greenhouse Gas Reduction Programs

- Promote external projects linked to climate finance, including the recovery of refrigerants emitted during the manufacturing and disposal of air conditioners
- Secure an additional 250,000 tons of greenhouse gas reduction performance by 2037 (Based on 50% of the total reduction volume of 500,000 tons attributed to LG Electronics through a joint project with a waste refrigerant recovery and treatment company)

Reduction of Greenhouse Gas Emissions in the Product Use Stage (Scope 3)

- Reduce greenhouse gas emissions per unit during the use stage of seven major product categories by 20% by 2030 compared to 2020 levels

Activities

Greenhouse Gas Reduction

Reduction of Greenhouse Gas Emissions in the Production Stage

LG Electronics is introducing high-efficiency energy equipment and emission reduction facilities into its manufacturing processes to reduce greenhouse gas emissions generated during the production stage. In particular, to address situations where refrigerant recovery is required due to operational issues after refrigerant charging, the Company has implemented systems to recover and recycle refrigerants when recovery is required after charging, preventing refrigerant leakage in advance.

Reduction of Greenhouse Gas Emissions in the Product Use Stage

LG Electronics manages greenhouse gas emissions across the entire value chain, including the product use stage, by measuring and managing all Scope 3 categories. The Company is also reducing emissions during the product use stage by developing and selling high-efficiency products. As of the 2021 baseline, approximately 90% of product use stage emissions come from major products, including TVs, refrigerators, washing machines, dryers, residential air conditioners, and system air conditioner monitors. Accordingly, LG Electronics has established a Technology Road Map (TRM) aligned with global energy regulations in its B2B Air Solutions business and implements detailed strategies to improve product energy efficiency.

The company also uses AI technologies in major home appliances to analyze usage patterns and improve operational efficiency, supported by cloud-based platforms for data collection and analysis. These efforts help improve software and expand services that reduce greenhouse gas emissions during product use.

LG Electronics is also applying next-generation thermal management technologies, such as immersion cooling solutions, to data centers to improve power efficiency and manage heat in high-density IT environments.

1) EU Ecodesign Directive: Regulations related to environmental and energy efficiency requirements that producers, distributors, and sellers must comply with from the product design stage

Key Reduction Achievements

Achieved a reduction exceeding the target by 22.5% in 2025	Achieved a 20% improvement in energy efficiency across the washing machine product lineup	Achieved an 8.4% improvement in energy efficiency across the refrigerator product lineup	Achieved an 11.4% improvement in energy efficiency across the dryer product lineup
Against the 2030 target of a 22.5% reduction in emissions per unit	Energy efficiency improved by 15.1% from 2024, reducing CO_2 by approximately 330,000 tons despite increased sales	Reduced CO_2 emissions by 120,000 tons despite an increase in sales volume compared to 2024	Achieved an 11.4% improvement in energy efficiency per kilogram of drying capacity for dryers compared to 2024

Reduction of Greenhouse Gas Emissions in the Product Distribution Stage

LG Electronics is continuously promoting the reduction of greenhouse gas emissions in the distribution stage in collaboration with LX Pantos, a logistics partner.

LX Pantos Climate Change Response

External Greenhouse Gas Reduction Project

LG Electronics is promoting an external greenhouse gas reduction project to recover and treat refrigerants from defective products generated during the air conditioner manufacturing process. The company currently recovers and treats approximately 25 tons of waste refrigerant annually, equivalent to approximately 50,000 tCO_2 in GHG emission reductions annually. Since 2022, LG Electronics has recovered waste refrigerant that would otherwise have been released into the atmosphere and treating it through specialized refrigerant treatment companies. The Company is currently pursuing the registration of this activity as an external greenhouse gas reduction project under the Ministry of Environment's carbon offset program by developing and applying a new methodology. Following approval of the methodology, LG Electronics plans to proceed with the external reduction project in accordance with the project approval procedures.

Climate Change Response (TCFD)

Activities

Physical Risk Response Activities

LG Electronics promotes activities to mitigate risks based on the results of physical risk analyses.

Strengthening Climate Disaster Response Capabilities	• Conducts risk assessments and establishes response scenarios to prepare for region-specific climate disasters • Reinforces facilities in high-risk areas, improves disaster prevention infrastructure, and establishes and conducts emergency response manuals and training
Securing Supply Chain Resilience	• Establishes inventory strategies, secures alternative suppliers, and promotes supply diversification to prepare for supply chain disruptions caused by physical disasters
Operation of Integrated Climate Information-based Response System	• Establishes a long-term physical risk response system based on climate vulnerability assessments at major business sites, monitoring of weather forecasts, and the development of a climate information sharing system
Investment in Eco-friendly Infrastructure and Technologies	• Introduces infrastructure incorporating energy-efficient facilities and climate-resilient designs • Utilizes digital-based technologies, including IoT-based facility condition prediction and AI-based maintenance technologies

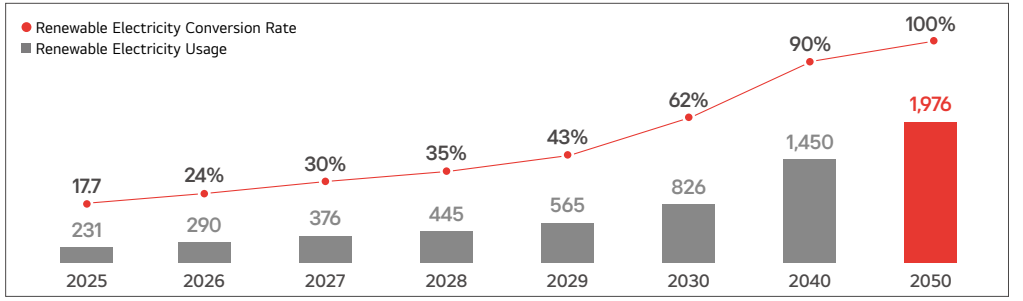
Renewable Energy Transition

LG Electronics joined RE100 in June 2023 and is pursuing a phased transition toward 100% renewable energy by 2050. Taking into comprehensive consideration the operational status of its domestic and overseas business sites and the relevant regulations of the countries in which they are located, the company is reviewing various renewable power procurement options, including green tariffs, the purchase of Energy Attribute Certificates (EACs), and Power Purchase Agreements (PPAs)[1]. In 2025, LG Electronics procured a total of 231,380 MWh of renewable energy through self-generation, PPAs, and the purchase of renewable energy certificates. In addition, at Changwon Smart Park, the company uses renewable power through a 2 MW solar PPA utilizing its on-site parking lot. LG Electronics also introduces approximately 44,000 MWh of renewable energy annually through wind, hydro, and solar power, and is advancing an 11 MW solar power project capable of generating 16,500 MWh of electricity per year by investing equity in its production subsidiary in India.

1) PPA (Power Purchase Agreement): A contract directly signed between an electricity consumer and a renewable energy generator for the use of renewable energy

Roadmap for Achieving RE100

Unit: GWh



Participation in International Climate Change Initiatives

LG Electronics collaborates with domestic and international expert organizations, associations, and initiatives to introduce and implement effective climate change response policies based on international agreements related to climate change such as the Paris Agreement[1] and the IPCC[2]. The company regularly reviews the positions and activities of participating organizations to assess alignment with LG Electronics' internal policy, and in cases where material discrepancies are identified, the company considers requesting corrective actions from the organization or withdrawing the membership.

1) Paris Agreement: An agreement adopted on December 12, 2015, by 195 countries during the 21st session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC), held in Paris, France from November 30 to December 11, 2015
2) IPCC: Intergovernmental Panel on Climate Change

K-EV100

Since April 2021, LG Electronics has participated in the 'K-EV100 (Transition to Korean Zero-Emission Vehicle)[1]' campaign led by the Ministry of Climate, Energy and Environment, and continues to increase the proportion of eco-friendly vehicles[2] among its owned and leased fleets to achieve its goal of fully transitioning its business vehicles to eco-friendly alternatives by 2030.

1) K-EV100 (Transition to Korean Zero-Emission Vehicle): A campaign led by the Ministry of Climate, Energy and Environment in which participating companies declare and gradually implement the full conversion of their owned and leased vehicles to zero-emission vehicles by 2030
2) Eco-friendly vehicles: Vehicles that meet zero- or low-emission standards and offer high energy efficiency

Energy Management System (ISO 50001) Certification

LG Electronics continues to expand the acquisition of ISO 50001 certification to reduce energy consumption and improve energy efficiency at its domestic and overseas business sites. To ensure standardized management, the company has established 'Energy and Greenhouse Gas Management Standards/Guidelines' and conducts regular inspections and audits of its site energy management systems.

Number of ISO 50001 Certified Production Sites (As of 2025)

Category	Certified Sites	Total Sites (Production Sites)
Domestic	5 sites	5 sites
Overseas	17 sites	25 sites[1]

Rate of certification obtained

73%

1) Excluding newly established entities (one in the U.S. and one in Mexico) that have not yet stabilized mass production

Green Company Certification

LG Electronics has established an environmental management system based on Green Company certification to minimize environmental impact across its overall business site operations. Among its domestic business sites, Changwon Smart Park 1 and 2, Gumi Future Park 1, Pyeongtaek Digital Park, and Magok LG Science Park have maintained their Green Company certifications[1].

1) Green Company certification: A system overseen by the Ministry of Climate, Energy and Environment that certifies the business sites of companies that contribute to environmental improvement through the significant reduction of pollutants, savings in resources and energy, improvements in product environmental performance, and the establishment of environmental management systems

Climate Change Response (TCFD)

Risk Management

LG Electronics manages climate change risks in an integrated manner across the organization, based on a dual approach that combines top-down strategy formulation and bottom-up on-site identification. Under a structure that links each decision-making body—including the ESG Committee, the CSO-led ESG Council, and business divisions—the company responds to climate change risks in accordance with its company-wide risk management system.First, major ESG issues, including climate change risks, are managed top-down centered on the ESG Committee. The Committee reviews and oversees investments for climate change response and mid-to-long-term greenhouse gas reduction strategies, and each business division establishes its own strategies and targets accordingly. In addition, LG Electronics quantitatively identifies and regularly reviews environmental, energy, and greenhouse gas-related risks and opportunities at the asset and operational levels, and reports related issues to key decision-making bodies such as the Board of Directors and management. In particular, the company carries out its activities based on the ISO 50001 energy management system and the PDCA process, and risks specific to products and solutions are managed and addressed by the relevant business division.

Climate Risk Management Process

The ESG Council is led by the CSO and attended by decision-makers from all relevant departments. By conducting both top-down and bottom-up reviews of the risks associated with each issue on the agenda, the Council effectively manages risks and secures new opportunities.

The ESG Council, led by the CSO, includes key decision-makers from all relevant divisions. When climate-related risks or opportunities are identified as agenda items, their impact is evaluated and priorities are determined. Response strategies for climate-related risks are established through deliberation with business divisions, while strategies for capturing opportunities are also developed. Final decisions are made after review by the ESG Committee, based on proposals submitted by the ESG Council.

In addition, to establish and implement climate-related risk management measures, LG Electronics analyzes the impact of risk factors and utilizes scenario analysis results based on internationally recognized climate scenarios, including NZE 2050, NDC, and SSP (1-2.6/2-4.5/3-7.0/5-8.5) Scenario analysis is conducted through a comprehensive process that includes identifying climate risks and opportunities, selecting scenarios, and analyzing financial impacts, and response strategies are established based on the likelihood of occurrence and impact of each scenario.

Climate Risk Management Process

Identification of Climate Risks and Opportunities → Assessment of Impacts Based on Scenarios → Establishment of Response Strategies and Action Plans → Reporting to the CEO and ESG Committee → Implementation of Response Strategies and Action Plans

Climate Change Response Targets

LG Electronics has established greenhouse gas emissions reduction targets covering Scope 1, 2, and 3, and is advancing its greenhouse gas management system based on a mid- to long-term roadmap that has been validated by the Science Based Targets initiative (SBTi). In addition, the Company monitors the implementation performance of its carbon neutrality initiatives on a monthly basis and manages its greenhouse gas reduction performance to achieve its carbon neutrality targets.

Climate Change Response Targets

01

54.6% reduction in GHG emissions by 2030 compared to 2017

- Continuous investments in facilities to reduce emissions (initial investments began in 2015, with annual investment scale increasing)
  - Improvements in energy efficiency and replacement of outdated, low-efficiency equipment

02

• 100% transition to renewable energy by 2050

- Priority introduction of renewable energy at overseas business sites where economic viability has been secured, expanding the transition to renewable energy use
  - Achieved 100% renewable energy transition at U.S. production/sales subsidiaries and logistics sites, and Brazil production subsidiary (2022)
- Expansion of renewable energy transition based on current laws and site conditions in countries where Korean and overseas business sites are located
- Reviewing applicable options such as green pricing programs, EAC purchases, and third-party PPAs for renewable energy procurement

03

• Secure emission reductions through external greenhouse gas reduction projects

- Prevent greenhouse gas emissions in advance by recovering waste refrigerants within manufacturing processes, and secure additional reduction performance by registering these activities as external reduction projects under the Ministry of Environment's carbon offset scheme
- Secure voluntary carbon credits by linking the tangible greenhouse gas reduction effects generated during the product use stage and customer operation processes with external reduction projects, and gradually expand external reduction projects by focusing on business-technology-based reduction activities, including heat pump fuel switching, the application of high-efficiency and energy-saving technologies, and the transition to eco-friendly refrigerants

04

Reduce greenhouse gas emissions per unit during the product use stage by 20% by 2030 (compared to 2020)

- First in the domestic home appliance industry to have its reduction targets validated by the global Science Based Targets initiative (SBTi)
- Reduce carbon emissions and energy consumption for major product categories, including refrigerators, washing machines, monitors, TVs, dryers, and both commercial and residential air conditioners
- Promote activities to enhance environmental performance, including product lightweighting, resource conservation, and improved energy efficiency, and expand the launch of products applying high-efficiency energy technologies
- Establish and implement detailed product-specific targets based on the Technology Road Map (TRM)
- Ensure compliance with global energy regulations, including Energy-related Products (ErP), and establish internal energy-related targets and detailed strategies

Climate Change Response (TCFD)

Metrics and Targets

GHG Emissions (Scope 1, Scope 2)

To achieve carbon neutrality by 2030, LG Electronics is actively pursuing the reduction of Scope 1 and 2 emissions at its domestic and overseas business sites through process improvements, the adoption of energy-saving technologies, and the expansion of renewable energy use, and its 2021 greenhouse gas reduction targets have been validated by the SBTi.

Category		Unit	2023	2024	2025
Direct GHG emissions (Scope 1)	Domestic	1,000 tCO_2eq	75	77	75
	Overseas		134	148	132
Indirect GHG emissions (Scope 2)	Domestic		217	226	222
	Overseas		448	455	412
Total (Scope 1+ Scope 2)			**874**	**907**	**842**
GHG Emissions Intensity		1,000 tCO_2eq /KRW 100 million	1.06	1.03	0.94

※ For details on the verification scope, boundaries, methodology, etc., please refer to the Greenhouse Gas Emissions Verification Statement (p.143, 144)
※ Total emissions may differ from the sum of direct and indirect emissions due to decimal rounding.

Global GHG Emissions (Scope 1, Scope 2)

Year	Unit	Direct GHG Emissions (Scope 1)	Indirect GHG Emissions (Scope 2)	Scope 1+Scope 2
2019	1,000 tCO_2eq	604	869	1,473
2020		429	865	1,294
2021		333	819	1,152
2022		265	662	928
2023		209	665	874
2024		225	681	907
2025		207	634	842
2030 Target[1]				878[1]

1) 54.6% reduction compared to 2017 levels in line with SBTi standards
※ For details on the verification scope, boundaries, methodology, etc., please refer to the Greenhouse Gas Emissions Verification Statement (p.143, 144)
※ Total emissions may differ from the sum of direct and indirect emissions due to decimal rounding.

GHG Emissions (Scope 3)

	Category	Materiality[1]	Unit	2023	2024	2025
Category 1	Purchased Goods and Services	H	tCO_2eq	2,712,121	2,468,350	2,254,187
Category 2	Capital Goods	L		400,997	287,860	245,524
Category 3	Fuel/Energy-Related Activities	L		135,070	151,474	147,547
Category 4[2]	Upstream Transportation and Distribution	H		826,753	1,363,300	1,625,445
Category 5	Waste Generated in Operations	L		12,769	10,588	12,761
Category 6	Business Travel	L		46,073	78,307	62,744
Category 7	Employee Commuting	L		78,055	82,500	75,310
Category 8	Upstream Leased Assets	L		65,377	90,795	99,396
Category 9[3]	Downstream Transportation and Distribution	H		Not applicable	Not applicable	Not applicable
Category 10	Processing of Sold Products	L		37,810	39,239	37,445
Category 11	Use of Sold Products	L		61,207,842	65,061,927	64,070,256
Category 12	End-of-Life Treatment of Sold Products	H		1,153,377	1,220,204	1,227,391
Category 13	Downstream Leased Assets	L		3,005	3,005	1,021
Category 14	Franchises	L		Not applicable	Not applicable	Not applicable
Category 15	Investments	H		2,482,319	1,902,052	1,758,556
Total				**69,161,568**	**72,759,601**	**71,617,583**

1) Categories with less than 1% contribution to total GHG emissions are marked as L (Low), and those with 1% or more as H (High)
2) Both the stage where suppliers deliver components to LG Electronics and the downstream distribution stage to end customers are included
3) In accordance with the GHG Protocol, emissions from the distribution stage of LG Electronics' finished products are included in and calculated under Category 4.
※ For details on the verification scope, boundaries, methodology, etc., please refer to the Greenhouse Gas Emissions Verification Statement (p.145)

Environmental Management Organizational Operation System

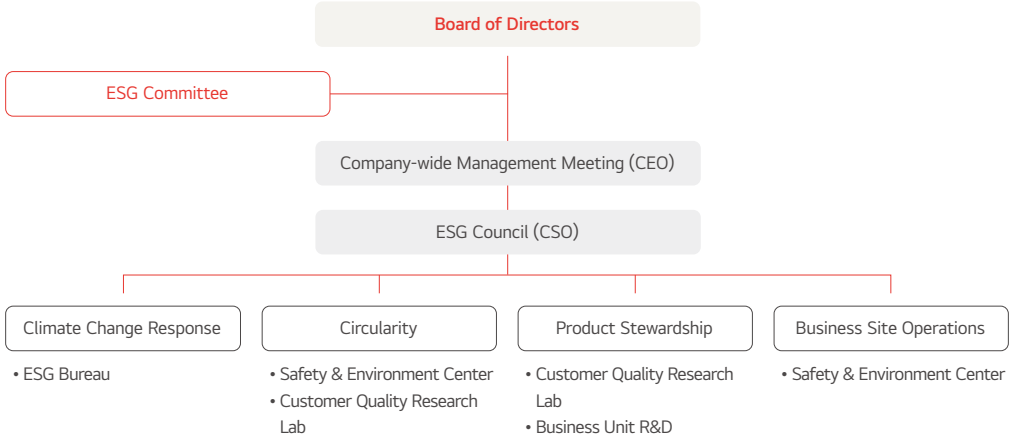
Governance

Environmental Management System

LG Electronics has established and operates a governance structure that clearly defines the roles and responsibilities of each organization to effectively manage and strengthen execution competency across all aspects of environmental management, including climate change response.

Board of Directors and Top Management

LG Electronics integrates the management of environmental performance and risk response through the ESG Committee within the Board of Directors and management meetings involving top management. The ESG Committee reviews the performance of environmental management twice a year, including revisions to environmental management policies, responses to environmental laws and regulations, and response to climate change, while meetings of top management discuss the inspection of environmental risks and measures to spread response strategies and culture.



Dedicated Environmental Management Organization

LG Electronics designates a dedicated organization to carry out environmental management tasks efficiently. This organization monitors environmental laws, regulations, and stakeholder requirements, prepares responses, and sets environmental management metrics and goals. It also establishes and operates environmental management systems and provides education, raises awareness, and discloses information to key stakeholders.

Organization Name	ESG Bureau	Customer Quality Research Lab	Safety & Environment Center
Responsibilities	Establishing strategies related to company-wide climate change response and energy transition	Managing product environmental performance, responding to hazardous substances in products, and collecting e-waste	Managing comprehensive environmental issues associated with business site operations and ensuring regulatory compliance

Principles of Environmental Responsibility

As a responsible corporate citizen, LG Electronics upholds environmental protection as a core value in all business activities and adheres strictly to environmental laws and international agreements as a fundamental principle. To this end, the company has established environmental policies aligned with the UN Sustainable Development Goals (SDGs) and defined clear management principles for a wide range of environmental issues, including air and water pollution, hazardous chemicals, waste, energy, greenhouse gases, water resources, biodiversity, and forest preservation. These policies extend beyond legal compliance, encompassing employee training programs and awareness campaigns. Progress and mid-to-long-term performance against these goals are transparently disclosed on the company's website and in its Sustainability Report. Through these efforts, LG Electronics has built and continues to strengthen a company-wide framework for environmental responsibility.

Link for Website

Environmental Management System (ISO 14001) Certification

To effectively manage environmental risk factors, LG Electronics has established a system to identify, evaluate, manage, and improve the necessary elements of environmental management. Based on this system, all domestic and overseas sites have obtained ISO 14001 certification and continue to renew it regularly.

Number of ISO 14001 Certified Production Sites (As of 2025)

Category	Certified Sites	Total Sites (Production Sites)
Domestic	5 sites	5 sites
Overseas	25 sites	25 sites[1]

Rate of certification obtained

100%

1) Excluding newly established entities (one in the U.S. and one in Mexico) that have not yet stabilized mass production

Circularity

Governance

Resource Circulation Management System

LG Electronics operates a resource circulation management system across the entire product life cycle—from planning and production to use and recycling—with the aim of enhancing resource efficiency and minimizing waste generation. Resource circulation is not managed by a single organization, but through a collaborative structure in which relevant functions, such as business divisions and the procurement, production, quality, and environmental departments, share roles and responsibilities at each stage.

At the product planning and development stage, each business division designs products and services by considering resource use and circularity from a life cycle perspective. In addition, mid- to long-term technology roadmaps (TRM) and product planning processes incorporate factors such as expanding the application of recycled materials and reducing resource consumption.

At the raw material and parts stage, the procurement function plays a central role in applying recycled plastics and eco-friendly materials, managing related standards, and reflecting resource circulation requirements across the supply chain.

At the production and quality stage, LG Electronics promotes waste management, the expansion of resource recycling, and improvements in process efficiency. In addition, the Company operates a life cycle management system centered on quality and environmental functions to ensure compliance with environmental regulations for products and materials, and carries out practical improvement activities through collaboration with business divisions and manufacturing organizations.

In this way, LG Electronics' resource circulation governance is operated as a company-wide, integrated management system based on cross-functional collaboration. Leveraging the expertise of each organization, the company continuously enhances resource efficiency and circularity.

Strategy

LG Electronics is committed to building a sustainable future based on resource circulation and has established a clear strategic direction to achieve this goal. The company has developed a comprehensive resource circulation strategy that spans the entire product life cycle and is systematically implementing it at each stage. By advancing its waste management systems and enhancing the recovery and recycling of e-waste, the company aims to improve resource efficiency while minimizing its environmental impact.

Resource Circulation Strategy

LG Electronics implements a resource circulation strategy throughout the entire life cycle of its products. At the material selection stage, the company gives priority to resources with high recyclability and strong carbon reduction potential, and actively promotes the reuse of components identified as recyclable based on waste recovery status and economic feasibility. During the production stage, modular design and efficient manufacturing processes enable the recovery of scrap, which is then recycled as a reusable material. In the usage stage, LG Electronics extends product lifespans by enhancing durability and providing repair manuals, while increasing resource efficiency through home appliance subscription services. At the disposal stage, the company strengthens waste collection and recycling efforts centered around the Chilseo Recycling Center (CRC), contributing to the sustainable circular economy.

Waste Management Policy

E-waste Recovery & Recycling Policy

LG Electronics operates a "Global E-Waste Collection and Disposal Policy" to minimize environmental impact at the disposal stage of electronic products, in line with the principle of Individual Producer Responsibility (IPR), which holds manufacturers accountable for the recovery of e-waste.

The Global E-waste Collection and Disposal Policy outlines LG Electronics' commitment to complying with e-waste recovery and recycling regulations, supporting the Individual Producer Responsibility (IPR) system, and providing global recovery guidance for customers. In addition, based on this policy, LG Electronics has established e-waste collection and treatment systems across 91 regions in 56 countries as of the end of 2025, and the relevant information is disclosed on the Company's website. The Global E-waste Collection Facilities and Systems by region consist of requirements for recycling vendors and detailed information on region-specific recycling partners.

The Global E-waste Collection and Disposal Policy | Global E-waste Collection Facilities and Systems

01 | Resource Procurement → **02 | Production** → **03 | Usage** → **04 | Disposal**

Material Selection
- Assesses material significance based on product application scale and environmental attributes, including recyclability and carbon footprint
- Strategies are developed with a focus on high-priority materials.

Reusing Components
- Analysis on waste recovery status and ROI
- Based on analysis results, components with reuse potential are actively repurposed.

Modular Process
- Modular and standardized product design
- Production Line Efficiency
- Quality Management System Operation
- Improved parts replaceability

Recycling Scrap
- Residual scrap from the production process is collected and reintegrated into component manufacturing.
- Development of parts using recycled materials is actively pursued.

Durability
- Products are designed for extended lifespans.
- Standardized quality management systems are established and operated

Repairability
- Modular designs
- Providing repair manuals
- Maintaining spare parts inventory
- Ensuring fair access to repair services
- Complying with relevant regulations

Subscription Products
- Customer participation in environmental activities, such as waste reduction and circular economy
- Subscription platforms are being further advanced.

Collecting E-Waste
- Operates the Chilseo Recycling Center (CRC)
- Collects regional waste
- Enhances automation and advancement of recycling (RC) facilities

Closed-Loop Waste System
- Use of CRC-collected products in component and electronics manufacturing
- Packaging materials collected by Pantos and repurposed either as raw materials through packaging waste recyclers or for recycled EPS production via resin manufacturers
- Promotes a global closed-loop resource circulation system

Circularity

Activities

Waste Management System

Waste Data Management

LG Electronics systematically manages waste to enhance resource circulation value at all business sites. Based on the waste management system, each business site regularly records and reviews the types and volumes of waste generated. The Company analyzes the status of waste management based on this data to identify opportunities for improvement. Each business site periodically inputs data related to waste generation, treatment, and recycling into the company-wide system. The input data is accumulated in an automated system. Subsequently, anomalies and trend changes in the data are monitored on a regular basis. Where necessary, reviews are conducted by relevant departments to ensure data reliability, thereby establishing a framework to respond to waste-related risks.

Goal Setting	• Establish annual targets for recycling rates, waste emissions, and e-waste recovery • Monitor monthly waste generation and e-waste recovery performance	01
Vendor Contracting	• Review legal compliance and management status of waste management vendors • Review regulatory compliance for waste permits and legal treatability by type and category	02
Generation	• Waste generated from research samples and test materials at business sites • Scrap waste from offices and production facilities	03
Storage	• Review legal compliance and management status of waste management vendors • Review regulatory compliance for waste permits and legal treatability by type and category	04
Transport	• Monitor waste transport vehicle logs • Ensure legal compliance during waste transfer	05
Treatment	• Conduct regular inspections of waste management vendors to assess lawful processing practices	06

Evaluation of Waste Management Vendors

LG Electronics has strengthened its criteria for the selection and management of waste treatment service providers since 2024 to enhance screening capabilities. All LG Electronics business sites exclusively work with waste management vendors authorized by national governments and conduct regular evaluations at least once a year to closely assess compliance and operational practices. Additionally, to minimize environmental impact and ensure eco-friendly waste processing, LG Electronics provides tailored guidance based on each vendor's specific characteristics and practices, supporting continuous oversight and improvement.

Zero Waste to Landfill (ZWTL[1]) Certification

LG Electronics annually renews its Zero Waste to Landfill certification from UL, a globally recognized safety standards certification body, to ensure the reliability and transparency of waste recycling at its business sites. All domestic sites, including R&D sites, have obtained the certification, with all five domestic production sites achieving the highest Platinum level. Overseas, 11 production sites have obtained the certification, seven of them at the Platinum level. LG Electronics plans to complete certification for all domestic and overseas production sites by 2026.

1) ZWTL (Zero Waste to Landfill): An eco-friendly certification by UL (U.S.-based standards organization), awarded in three tiers based on waste recycling rates—Silver (90–94%), Gold (95–99%), and Platinum (100%)

Waste Reduction Activities

Improvement of Product Materials and Structure

LG Electronics is continuously improving the design and materials of existing products, as well as developing eco-friendly products, to minimize waste generation and enhance resource efficiency. In 2025, LG Electronics improved the materials and structure of its TV models (model name 50UT8350KNA). Compared to the previous model (model name 50LF6500), the product weight was reduced by approximately 19% (2.8 kg), product volume by 7% (0.013 m^3), and packaging weight by 3% (0.11 kg). Recycled plastic (0.71 kg) was applied to the plastic back cover of the TV. For the monitor model (model name 27MS500), compared to the previous model (model name 27MK600M), the product weight was reduced by approximately 27% (1.3kg), product volume by 9% (0.005 m^3), and packaging weight by 11% (0.03 kg). Recycled plastic (0.54 kg) was also applied to the plastic back cover.

TV Model (Model Name: 50UT8350KNA) Improvement Results

Weight	Product Volume	Packaging Weight	Recycled Plastic
19% reduction (2.8 kg)	7% reduction (0.013 m^3)	3% reduction (0.11 kg)	Recycled plastic applied (0.71 kg)

Monitor Model (Model Name: 27MS500) Improvement Results

Weight	Product Volume	Packaging Weight	Recycled Plastic
27% reduction (1.3 kg)	9% reduction (0.005 m^3)	11% reduction (0.03 kg)	Recycled plastic applied (0.54 kg)

Waste Reduction Activities by Business Site

LG Electronics' Magok Science Park, Gasan R&D Campus, Seocho R&D Campus, Yangjae R&D Campus, Pyeongtaek Digital Park, and Pyeongtaek Chiller sites participate in the Bi:Cycle Campaign, recycling used paper hand towels generated in restrooms. The Bi:Cycle Campaign is an eco-friendly program led by Yuhan-Kimberly, promoting resource circulation by separating and collecting waste and producing and consuming products made from recycled materials. In addition, LG Electronics operates e-waste collection campaigns targeting all employees across business sites, making continuous efforts to reduce waste generated at each site.

Changwon Smart Park 1	• Reduced an additional 30 tons of defective vinyl packaging waste through improved packaging methods • Diverted 178 tons of waste glass previously sent to landfill to recycling
Pyeongtaek Chiller	• Reduced 7 tons of waste wood by replacing wooden pallets used in the process with steel pallets

1) An eco-friendly campaign led by Yuhan-Kimberly that promotes resource circulation by separating and collecting waste and producing and consuming products made from recycled materials.

Circularity

Activities

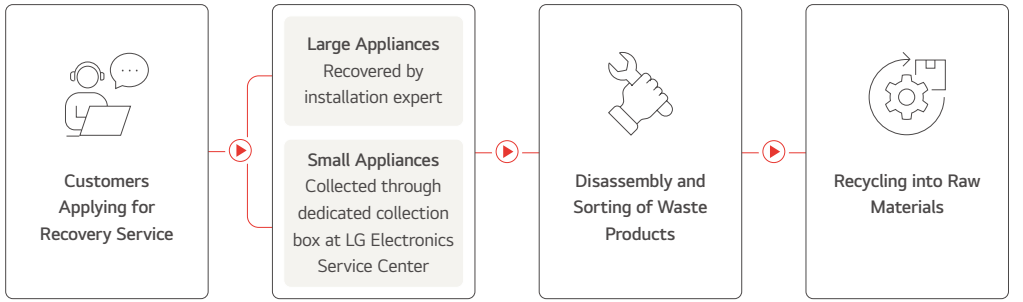
Waste Recycling

Free E-waste Recovery

Since 2003, LG Electronics has participated in the "Extended Producer Responsibility (EPR)" program by providing a free e-waste recovery service. This policy holds manufacturers and importers responsible for the recovery and recycling of waste generated by the use of their products, promoting resource circulation and minimizing environmental impact.

Based on this framework, LG Electronics operates a free e-waste recovery service to improve recycling rates while proactively identifying and controlling potential environmental risks throughout the recovery process. Notably, recyclability is assessed during the product development stage, allowing waste reduction measures to be integrated into product design. In addition, continuous monitoring and inspection of the recovery and recycling process help minimize risks associated with unrecovered or improperly treated waste.

Recovered e-waste is transported to the Chilseo Recycling Center (CRC) in the Gyeongnam region, where it undergoes a systematic recycling and hazardous substance treatment process. CRC not only recycles waste but also mitigates risks identified during the recovery process by environmentally friendly treatment of hazardous materials contained in the e-waste.



Collection/Recycling of Small-Scale Secondary Batteries

LG Electronics has been strengthening its collection and recycling system for waste batteries, which are increasing due to the growing prevalence of wireless products, following the signing of a memorandum of understanding (MOU) with the Korea Environment Corporation and Resource Circulation Governance in May 2024. Through this initiative, the Company extracts rare metals, such as nickel and cobalt, from non-recyclable small waste batteries—metals that are highly dependent on imports—thereby contributing to resource security.

In addition, LG Electronics is leading efforts to systematize the collection of used vacuum cleaner batteries and raise awareness of the circular economy through its customer-participation "Battery Turn" campaign. Held regularly twice a year since 2022, the campaign has taken place seven times through 2025, attracting a cumulative total of approximately 170,000 participants and collecting about 128 tons of used batteries—equivalent to roughly 280,000 units (based on the A9 model).

Annual Rare Metal Recovery Volumes

Unit: kg

Category	2023	2024	2025	Cumulative Total (2022~2025)
Cobalt	368	336	306	1,127
Nickel	2,716	2,439	2,282	8,324
Lithium	281	344	293	1,086
Manganese	323	168	127	674

Circularity

Activities

Application of Resource Circulation Technologies

Eco-friendly Packaging Materials

LG Electronics is expanding the use of eco-friendly packaging materials and components, such as paper-based cushioning materials including pulp mold and recycled EPS (Expandable Polystyrene), to ensure product protection and stability while minimizing resource consumption.

2023	2024	2025
• Developed and applied recycled cushioning material containing 50% waste polystyrene • Expanded use of eco-friendly printing and FSC-certified packaging materials	• Air purifier (Montblanc, 24kg): Developed a high-weight pulp mold, which is currently being applied • Vacuum cleaner (NR, 25kg): Currently developing a high-weight pulp mold	• Development of cost-effective pulp mold for vacuum cleaners in progress • Development of high-recycled-content EPS (PCR 70%) in progress

LG Electronics is transitioning to paper and recycled materials for its packaging to reduce plastic waste. Since 2021, the company has applied pulp mold cushioning to small products, including laptops, soundbars, and portable speakers. In 2023, the company developed the industry's first high-strength paper cushioning capable of supporting a 20 kg air purifier (Montblanc model) Recently, the application has been expanded to mid-sized home appliances, such as vacuum cleaners, air conditioners, and indoor units, and development is underway with the goal of extending its application to large products weighing up to 70 kg. In addition, when the use of plastic cushioning materials is unavoidable, LG Electronics has introduced a solution that utilizes recycled EPS containing more than 50% waste plastic to reduce resource consumption while maintaining shock-absorbing performance. In 2024, recycled EPS cushioning materials were piloted in dryer packaging, and performance verification has been completed. The Company plans to expand their application to products such as washing machines and refrigerators in the future.

Paper cushioning used in speaker packaging

Paper cushioning used in air purifier packaging

Refurbish Product Operation

LG Electronics operates a refurbish product system that restores collected products to a reusable condition from a product life cycle perspective. The refurbish process consists of product collection, detailed inspection and diagnosis, internal and external examination and adjustment, performance and safety verification, and quality confirmation. Products that pass stringent quality verification procedures are assigned a separate model suffix and released as refurbish products.

Going forward, LG Electronics plans to expand the supply of refurbish products at reasonable prices and reduce the production of new products, thereby contributing to positive environmental impacts such as reduced raw material use, lower greenhouse gas emissions, and waste reduction.

Water-Soluble Glass Technology

LG Electronics is developing eco-friendly marine materials based on water-soluble glass as a solution for restoring marine ecosystems and securing blue carbon. The marine material, Marine Balance, gradually releases minerals essential for the growth of marine plants, promoting the growth and reproduction of halophytes, seaweed, and microalgae. LG Electronics verified the effectiveness of Marine Balance through agreements with Busan Metropolitan City, the Seoul National University Blue Carbon Project Group, and Suncheon City, with application tests confirming approximately three times higher growth and survival rates compared to the control group. The company is also developing an eco-friendly laundry material (LG Mineral Wash) using water-soluble glass technology. Dissolving in water and releasing mineral ions to enable washing, it requires no surfactants and can help reduce water consumption. LG Electronics is pursuing partnerships to expand LG Mineral Wash globally.

E-Circular Product Certification

LG Electronics continues to expand the development of products reflecting resource circularity and eco-friendliness. In 2025, a total of 137 models—including 11 TVs, 39 refrigerators, and 31 styler models—received the "E-Cycle Excellent Product Certification" sponsored by the Ministry of Climate, Energy and Environment. The flagship LG OLED evo (model names: OLED55C6, OLED48C6, OLED42C6) has been certified for four consecutive years since 2023, improving resource efficiency by reducing the number of components through a backlight-free design. By applying composite fiber materials instead of plastic, the product uses only about 40% as much plastic as an LCD TV of the same size.In addition, the new portable screen LG StanbyME 2 Max was selected as an "E-Cycle Excellent Product" in recognition of its resource circularity. From 2023 to 2025, LG Electronics recycled approximately 20,000 tons of waste plastic by applying recycled plastic to various TV products, and plans to recycle approximately 7,700 tons in 2026. Furthermore, the 2026 LG OLED TV G6 (83/77/65/55-inch) models received "Carbon Footprint" certification from Carbon Trust, a UK-based nonprofit certification body, and all new OLED models (W6/G6/C6/B6) and the premium LCD TV Micro RGB evo model obtained "Resource Efficiency" certification from Intertek, a global testing and certification body.

Current Status of LG Electronics Excellent E-Circular Product Certification

Unit: Number of Models

Year	Product Category	Number of Models
2023	TV	2
	Air Purifier	18
	Vacuum Cleaner	2
	Refrigerator	46
2024	TV	5
	Washing Machine	7
	Refrigerator	42
2025	TV	11
	Refrigerator	39
	Styler	31
	Dishwasher	42
	Vacuum Cleaner	14

Circularity

Targets and Metrics

LG Electronics establishes clear targets and monitors performance to enhance execution capability in resource circulation and manage it systematically. By continuously comparing and managing progress against targets based on key resource circulation metrics, the Company strengthens its execution capability to achieve these goals.

Three Key Resource Circulation Targets

Increase in Waste Recycling Rate at Work Sites

Achieved a 95% recycling rate for waste generated at all business sites (Domestic & Overseas)

Expansion of Cumulative E-Waste Recovery

Achieved a cumulative e-waste recovery volume of 8 million tons (2006–2030)

Expansion of Cumulative Use of Recycled Plastics

Achieved a cumulative recycled plastic usage volume of 600,000 tons (2021–2030)

LG Electronics establishes waste reduction roadmaps tailored to the characteristics of each business site and focuses on achieving its targets through process improvements and the development of eco-friendly materials. The Company also operates customized waste reduction training programs for all employees on a regular basis to raise environmental awareness and promotes thorough waste separation and sorting to continuously expand the utilization rate of recyclable resources. At domestic and overseas business sites, heat generated during the waste incineration process is recovered through waste treatment vendors and recycled within the treatment process or supplied to external companies as an energy source, thereby improving energy efficiency. As a result of these efforts, LG Electronics recorded a waste recycling rate of 97.3% across all domestic and overseas business sites in 2025, achieving its 2030 target of 95% ahead of schedule.

Performance and Goals for E-Waste Management

LG Electronics has set a goal to recover a cumulative total of 8 million tons of e-waste from 2006 to 2030. As of 2025, the company has recovered a cumulative 5.65 million tons. To meet this target, LG Electronics operates e-waste recovery programs in 91 locations across 56 countries, including Korea, and closely monitors management performance across these regions.

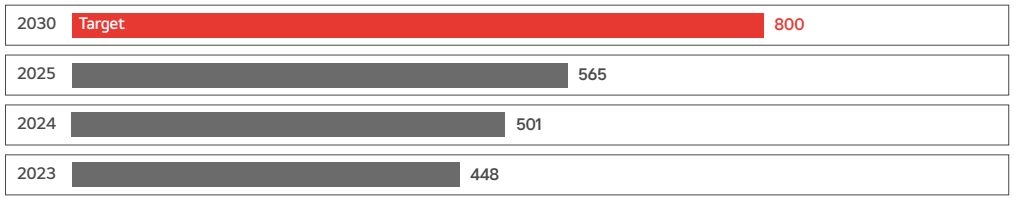
Regional E-Waste Management Performance[1)]

Region	Unit	2023	2024[7)]	2025
Europe	Ton	101,898	124,089	177,135
South Korea		126,848	125,138	158,278
North America[2)]		30,635	28,334	28,334
Asia[3)]		134,110	151,774	179,945
CIS[4)]		10,291	92	6,650
Latin America[5)]		51,361	95,905	81,660
Africa[6)]		7,298	7,298	7,298

1) In some countries, projected values are used.
2) North America: United States, Canada
3) Asia: Japan, India, Australia, Singapore
4) CIS: Russia
5) Latin America: Brazil, Colombia, Mexico, Peru
6) Africa: South Africa
7) Revision of 2024 data due to replacement of estimated values with actual measurements

Cumulative E-Waste Recovery Volumes

(Since 2006, unit: 10,000 tons)



* Due to variations in reporting schedules by country, data may not be available for all regions at the time of publication. In such cases, prior-year recovery volumes or estimated values based on recovery rates from neighboring countries are used. These figures are subject to slight adjustments in the following year's report.

Performance and Goals for Using Recycled Plastic

LG Electronics contributes to resource circulation and environmental protection by incorporating recycled plastics, extracted from collected e-waste, into the production of new products. In addition, the Company has set a goal to use a cumulative total of 600,000 tons of recycled plastic between 2021 and 2030. As of 2025, LG Electronics has used a cumulative 277,000 tons

Category	Unit	2023	2024	2025
Use of recycled plastic	ton	54,423	74,079	88,797
Use of recycled plastic raw materials		21,632	27,455	30,031
Cumulative use of recycled plastic	10,000 tons	11.4	18.8	27.7
Achievement rate (Target cumulative 600,000 tons)	%	19%	31%	46%

Product Stewardship

Governance

LG Electronics regards the comprehensive consideration of environmental, safety, and quality factors across the entire product life cycle—from planning to production, use, and disposal—as a core principle of product responsibility. Product responsibility is not an area managed solely by a single organization; rather, it operates as a collaborative structure in which all relevant company-wide departments, including development, quality, purchasing, and production, share roles and responsibilities at each stage.

In particular, LG Electronics has established a life cycle-oriented management system based on cross-functional collaboration, and continuously enhances the environmental performance, safety, and reliability of its products based on the expertise of each department. In addition, through this collaborative governance, the Company embeds product responsibility across its overall operations and continues to create substantive changes and achievements toward the provision of sustainable products and services.

In the product planning and development stage, each division establishes a mid- to long-term Technology Road Map (TRM) with the goal of realizing eco-friendly products and services, and promotes product planning and design based on it. In this process, life cycle-oriented factors such as improving energy efficiency, reducing environmental impacts, and enhancing user safety and convenience are reflected from the early stages of product design.

In the materials and components stage, LG Electronics operates a management system for applying eco-friendly materials such as recycled plastic, centered on the purchasing function, and ensures compliance with and management of material standards across the supply chain. In addition, the Company makes decisions that consider environmental impacts from the raw material stage of the materials used in its products.

The management of hazardous substances in products and regulatory compliance are led and operated mainly by the relevant functions within the quality organization. This organization establishes relevant standards in response to changes in global environmental and product regulations, and collaborates with the divisions and related departments to review regulatory compliance throughout product development and mass production.

Eco-friendly Products

LG Electronics is internalizing eco-friendly strategies in product and service development processes to minimize environmental impacts and strengthen product responsibility. In particular, LG Electronics is expanding its sustainable product portfolio through improving energy efficiency, reducing carbon emissions, and managing hazardous substances.

Eco-friendly Product Management System

LG Electronics has established Eco-Friendly Product Management Policy across the entire product development life cycle to reduce environmental impacts. Based on these processes, LG Electronics promotes product design that considers environmental sustainability throughout the entire lifecycle. By setting specific environmental targets—including improving energy efficiency, expanding reuse and recyclability, and reducing hazardous substances—LG Electronics applies the Eco-NPI (New Product Introduction) checklist at the product development stage to systematically incorporate eco-friendly elements.

In addition, LG Electronics manages environmental attributes and performance across the entire product life cycle and conducts regular assessments. The Company also operates a Clean Tech research organization to promote environmentally friendly design and technologies, thereby continuously enhancing environmental performance and expanding its sustainable product portfolio.

Eco-friendly Product Management Activities

Acquisition of Green Technology Certification

LG Electronics has obtained four Green Technology certifications from the Ministry of Trade, Industry and Energy (MOTIE) by 2025 across various product categories, including home appliances, TVs, and monitors. In addition, the has acquired seven Green Technology Product certifications for cases where such technologies have been applied and commercialized in actual products.

Eco Index

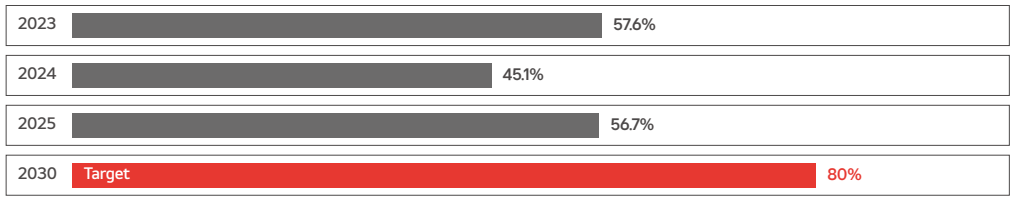
Since 2011, LG Electronics has introduced and operated its proprietary Eco Index to assess the environmental performance of its products. The Eco Index classifies products into four ratings—Green 1, 2, 3, and Star—based on eco-design criteria, and the evaluation standards are continuously updated to reflect environmental policies and regulatory trends. LG Electronics is focusing on expanding the proportion of Green 3 Star-rated products and aims to achieve 80% of total products with a Green 3 Star rating by 2030.

Eco Index Evaluation Criteria

Category	Green 1 Star	Green 2 Star	Green 3 Star
Human	Compliance with hazardous substances regulations	Voluntary substitution with less hazardous substances	
Energy	Compliance with energy efficiency standards	Achievement of average market efficiency	Securing best-in-class energy efficiency
Resource	Compliance with recyclability regulations	Design for improved resource efficiency	
Innovation	Leading activities in eco-friendly products (e.g., Eco-Label certification, development of advanced technologies)		

Proportion of Products with Green 3 Star

*Based on number of advanced projects



Product Stewardship

Eco-friendly Products

Conducting Life Cycle Assessments

LG Electronics has established a systematic management framework based on Life Cycle Assessment (LCA) to identify and proactively respond to environmental and hazardous substance-related risks that may arise throughout the life cycle of its products and services. Since 2011, the Company has built a database based on Life Cycle Inventory (LCI) analysis for major products and conducts annual life cycle assessments for key product categories, including TVs, refrigerators, washing machines, air conditioners, and monitors, to monitor potential risks.

In 2016, LG Electronics developed a simplified life cycle assessment tool, and in 2018, expanded the assessment scope to include 13 environmental impact categories, including global warming, thereby enabling the control of environmental risks from the early stages of product design. In addition, through a chemical substances management program for suppliers, LG Electronics is strengthening risk response capabilities across the entire supply chain.

1995
Introduced Life Cycle Assessment

2002
Life Cycle Assessments for major product categories and third-party validation (TVs, refrigerators, washing machines, air conditioners, monitors, etc.)

2009
Carbon emissions calculated and disclosed for major product categories

2011
Established a Life Cycle Inventory database and third-party validation

2016
Mandatory life cycle assessment during the development phase of major product categories, Development of a simplified LCA tool

2018
Improved the functionality of the simplified LCA tool (expanded evaluation across 13 impact categories, including global warming)

2018–Present
Conducted LCAs for major product categories (TVs, refrigerators, washing machines, air conditioners, monitors, etc.) and obtained eco-friendly certifications based on product LCAs (Carbon Trust, International EPD, UL certification, etc.)

Environmental Certifications Based on Life Cycle Assessment

LG Electronics has obtained environmental certifications based on Life Cycle Assessment, which evaluates the environmental impacts of products—such as carbon emissions—across all stages from production, distribution, and use to disposal.

In November 2022, the Objet Collection refrigerator became the world's first refrigerator produced by a global home appliance manufacturer to obtain Norway's Environmental Product Declaration (EPD) certification, and subsequently obtained International EPD certification in September 2023. In particular, the Objet Collection refrigerator applies a high-efficiency linear compressor and vacuum insulation materials, and reduces energy consumption by maximizing the efficiency of the refrigeration cycle.

In addition, LG Electronics has continuously obtained Carbon Footprint certification from the UK-based Carbon Trust for its OLED TVs for five consecutive years. The Company has also received Resource Efficiency certification from Intertek, a global testing and certification body, for three consecutive years.

Management of Carbon Emissions by Life Cycle Stage

LG Electronics measures and manages carbon emissions across each stage of the product life cycle for its major products, with the goal of developing high-efficiency products and solutions that reduce carbon emissions during the use phase. According to the 2025 measurement results of carbon emissions by product category, the highest proportion of emissions occurs during the use phase, followed by the pre-manufacturing stage.

Carbon Emissions by Life Cycle Stage Across Product Categories[1)]

Stage	Unit	Pre-manufacturing	Manufacturing	Transportation	Usage	Disposal
Refrigerator	%	21.2	1.5	4.7	68.1	4.6
Washing Machine		39.0	0.02	1.0	59.4	0.6
Air Conditioner		15.2		0.3	83.5	0.6
TV		35.0	0.1	0.5	63.4	1.0
Monitor		47.9	0.2	0.1	51.3	0.6

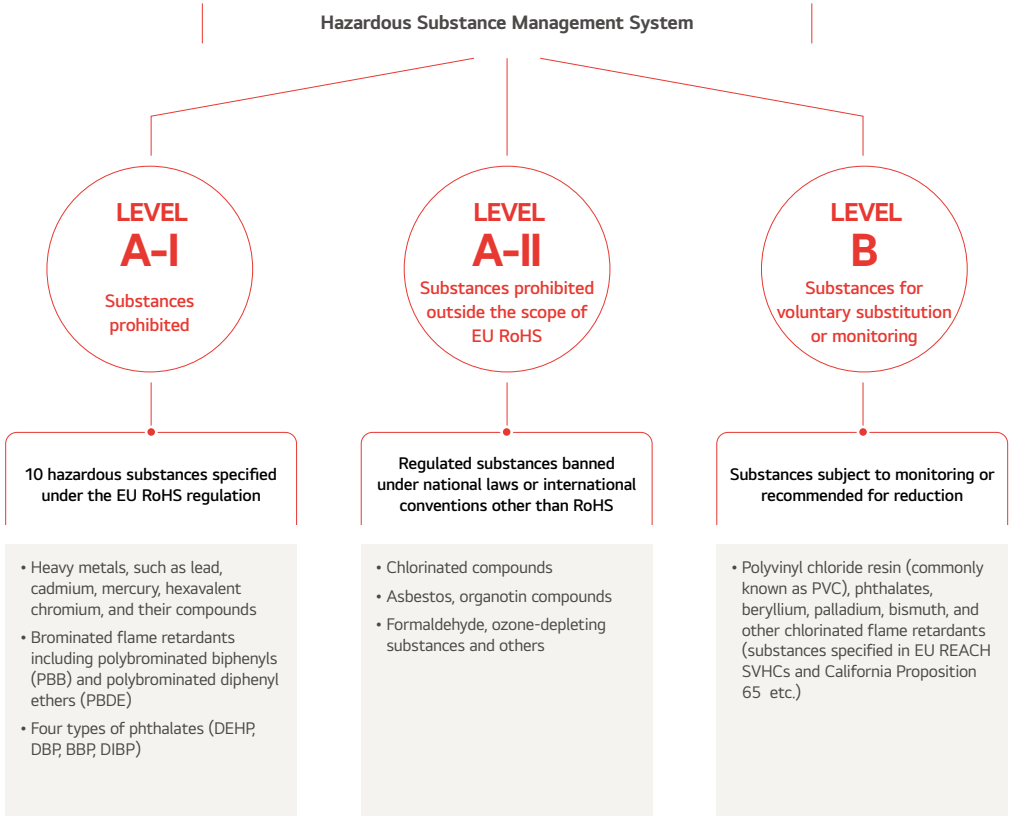
1) Based on 2025 carbon emissions data for selected models in each product category

Product Stewardship

Eco-friendly Products

Hazardous Substance Management System in Products

LG Electronics has subdivided its hazardous substance management system into LEVEL A-I, LEVEL A-II, and LEVEL B, incorporating eco-friendly design from the earliest stages of product development. On this basis, the company minimizes the use of hazardous substances in its products and expands the use of sustainable materials. LEVEL A-I covers substances whose use in products is completely prohibited, while LEVEL A-II includes internationally prohibited substances beyond those restricted under the EU RoHS (Restriction of Hazardous Substances) directive. LEVEL B, in turn, classifies substances that require voluntary substitution or monitoring. Through this system, LG Electronics minimizes the use of hazardous substances in its products and expands the use of sustainable materials.



Hazardous Substance Management Activities in Products

Risk Management through Voluntary Substitution of Hazardous Substances

LG Electronics develops alternative materials and components in collaboration with suppliers, with the aim of reducing hazardous substances while maintaining product performance and quality. In particular, substances considered to pose potential risks—such as polyvinyl chloride (PVC), brominated flame retardants (BFRs), and per- and polyfluoroalkyl substances (PFAS)—are being replaced with eco-friendly materials, and the use of regulated substances is strictly prohibited in accordance with international regulations such as RoHS and REACH.

For substances with inherently higher risk profiles, LG Electronics verifies substitution feasibility through safety and reliability testing and strengthens the identification and improvement of chemical substances across the entire supply chain. Through these efforts, hazardous substance risks are effectively managed across the entire product life cycle, from product design to production.

OLED TV	• Applied PVC-free internal cables (2013) • Applied replacement parts for antimony trioxide in certain TV components (2012) • Adopted mercury-free display panels • Replaced brominated/chlorinated flame retardants in the exterior plastics of OLED TVs (2019)
Notebook	• Launched PVC/BFR-free notebooks (excluding FPCB, CARE, PCB, batteries, adapters, keyboards, cables, touchpads, thermal modules, cable connectors, mouse, and power cords) (2013)
Monitor	• Applied PVC-free LCD modules (2011) • Applied BFR-free LCD modules (2013) • Replaced brominated/chlorinated flame retardants in the exterior plastics of standard monitors (2019)
Oven	• Applied PFAS-free cookware for ovens in North America (2024)
Refrigerator, Washing Machine, Air Conditioner	• 2025 External plastic parts using non-brominated/non-chlorinated flame retardants (under development) • Developed and applied a PVC-free noise-reduction part (Skirt Lower) for refrigerators
Others	• Eliminated HBCD, a type of brominated flame retardant, from both products and packaging • Voluntarily replaced hazardous substances such as phthalates and beryllium

Chemical Substance Risk Management for Suppliers

Since 2005, LG Electronics has operated the Green Program Plus (GP Plus) for its suppliers, continuously providing technology and expertise to strengthen eco-friendly competitiveness. Through this program, LG Electronics establishes green partnerships with suppliers to enhance environmental management capabilities across the supply chain and proactively respond to global environmental regulations.

In addition, LG Electronics operates training programs to foster hazardous substance measurement experts, thereby enhancing measurement and management capabilities and improving data reliability. These programs target both supplier personnel responsible for hazardous substance testing equipment and LG Electronics employees responsible for green partnerships, strengthening regulatory compliance capabilities and environmental expertise.

Site Operations

Pollutant Management

Strategy

LG Electronics maintains air and water pollutant emissions from its sites below 70% of legally mandated concentration standards. First, the company operates optimized systems for pollutant reduction at each site, tailored to the specific chemical substances and raw materials used. Since 2022, the company has implemented IoT and predictive anomaly detection systems in its air pollution prevention facilities to proactively monitor operational status and track air pollutants in real time. Additionally, the company conducts risk assessments on discharged wastewater to detect potentially hazardous, non-regulated pollutants, thereby minimizing environmental impacts on local communities.

Management Practices

Research Center for Atmospheric Research

LG Electronics established an in-house Research Center for Atmospheric Research to precisely and systematically manage air pollutant emissions from its sites. The center continuously monitors air pollutants across all domestic sites, conducting scientific analysis and research based on the measured data. Furthermore, environmental experts ensure the reliability of measurement while advancing research and technological development to gradually expand the scope of measurable pollutants.

Key Equipment at the Research Center for Atmospheric Research

Category	Key Equipment
Sampling Equipment	Particulate/gas samplers, field gas analyzers, etc.
Analytical Equipment	ICP-OES, TD-GC/MS, HPLC, IC, UV, etc.
Pretreatment Equipment	Ultrapure water production system, microwave hydrolysis, etc.

Air Pollutant Management Certification

LG Electronics participates in accredited domestic and international assessments to objectively verify the analytical reliability of its Research Center for Atmospheric Research. In 2025, the company participated in the Ad-hoc Air Quality Proficiency Testing and On-site Assessment administered by the National Institute of Environmental Research (NIER) under the Ministry of Climate, Energy and Environment, in accordance with the Enforcement Rule of the Environmental Testing and Inspection Act. This assessment evaluates measurement and analytical capabilities alongside compliance with legal requirements for laboratory operations. LG Electronics received a 'Compliant' rating for its capacity to analyze air pollutants in emissions—including dust, ammonia, VOCs, and heavy metals—officially validating the Laboratory's measurement and analytical competencies.

Furthermore, the company has participated annually since 2022 in the international proficiency testing for air pollutants administered by the U.S. Environmental Resource Associates (ERA), earning the 'Laboratory of Excellence' certification by achieving an 'Acceptable' rating for four consecutive years. As an ISO/IEC-accredited international proficiency testing provider, ERA evaluates analytical capabilities, accuracy, and reliability for environmental pollutants across air, water, and soil. The 'Laboratory of Excellence' certification is awarded exclusively to institutions meeting the "Satisfactory" criteria across all evaluation parameters. The company demonstrated its world-class analytical capabilities by receiving "Satisfactory" ratings in all air quality parameters, including heavy metals (copper, zinc, lead, nickel, cadmium, and chromium), volatile organic compounds (benzene, ethylbenzene, styrene, etc.), hydrogen chloride, and fluorine.

Pollutant Risk Management

LG Electronics systematically identifies and manages pollutant risks across all business sites based on the ISO 14001 Environmental Management System.

Air Pollutants

The company continuously monitors air pollutant emissions at all sites using the Research Center for Atmospheric Research and an IoT-based real-time monitoring system. It identifies high-risk areas through annual environmental aspect assessments and has reinforced pollution control facilities and improved processes to address these risks.

Water Pollutants

We conduct annual potential risk analyses on discharged wastewater to proactively identify water quality risks, including the presence of unregulated pollutants. In response to identified risks, we have improved water treatment facilities and strengthened effluent management standards.

Hazardous Chemicals

We conduct preliminary risk assessments when introducing new substances or modifying processes to identify potential hazards, and proactively manage compliance risks by monitoring domestic and international regulatory trends. Furthermore, we mitigate chemical risks across the supply chain by eliminating or substituting hazardous substances and providing supplier training.

Site Operations

Water Resource Management

Water Resource Management Strategy

LG Electronics actively advances its sustainable water resource management strategy by participating in initiatives that promote river purification and water restoration. To this end, the company systematically monitors water intake, consumption, and discharge volumes at each business site, implementing reduction measures to improve water use efficiency while strengthening collaboration with local communities. Additionally, LG Electronics strategically assesses water-related risks and impacts by evaluating water usage data, associated risk factors, and whether sites are located in water-stressed or water-risk areas.

Water Resource Management Initiatives

Business Agreement for Addressing the Water Crisis

LG Electronics has entered into the 'Business Agreement for Addressing Climate Change and the Water Crisis' with the Ministry of Climate, Energy and Environment, advancing a sustainable water management strategy based on a public-private cooperation framework. This strategy centers on the 'Water Positive' concept, which aims to return more water to nature than the company consumes. To achieve this, the company has established concrete action plans, including reducing water consumption, reusing graywater and wastewater, improving watershed water quality, and securing additional water resources. In addition, LG Electronics plays a leading role in raising social awareness of water-related issues and promoting a culture of responsible corporate water management, based on its sustainable water management strategy.

Four Key Focus Areas of the Business Agreement for Addressing Climate Change and the Water Crisis

01 Raising awareness of water-related risks stemming from climate change and strengthening joint response efforts

02 Identifying and promoting collaborative initiatives for sustainable water management, such as securing water resources and improving watershed water quality

03 Providing policy support, including incentives and R&D, to identify and disseminate best practices in water management

04 Actively participating in global water-related initiatives, including Water Positive

Effluent Monitoring

LG Electronics continuously monitors effluent quality at its business sites and enforces internal discharge standards for water pollutants that are stricter than legal requirements, maintaining discharge levels at or below 70% of the legal limits. In particular, the company proactively manages risks by conducting annual potential risk assessments for effluent at sites where pollutant leaks could cause public concern or enter water bodies used as drinking water sources.

Water Reduction Performance

To improve water use efficiency, LG Electronics continuously operates production line water recycling and zero liquid discharge systems at its Business sites. By replacing equipment cooling water with circulating water and recycling water used on production lines as test water after removing impurities through filtration systems, the company reduces water consumption at the production line stage through improved water efficiency.

Furthermore, in May 2025, the company installed a new zero liquid discharge system at the Magok LG Science Park to reclaim wastewater from laboratories and air pollution control facilities, and expanded the reuse of rainwater beyond landscaping to include graywater for toilets. The company is also recycling water through zero liquid discharge systems at manufacturing plants in water-stressed regions, including Mexico, Saudi Arabia, and India, saving 270,000 tons of water annually on a global basis.

2025 Water Positive Alliance Launch Ceremony

Site Operations

Water Resource Management

Development of Water Reduction Technologies

LG Electronics is developing products and technologies to reduce water consumption during the use phase across its major product lines. The company equipped its AI DD (Direct Drive) washing machines with a feature that detects laundry weight and fabric type to optimize wash cycles, and designed the TurboWash 360 washing machine to enable shorter wash times. Furthermore, the company systematically manages water efficiency by developing high-efficiency washing machines that meet ENERGY STAR certification standards, and has integrated an eco-cycle washing method into its dishwashers.

Products Featuring Water Reduction Technologies

Product Name	Technology Applications and Outcomes
AI DD Washing Machine	• Reduced water consumption by 10.6% based on Intertek testing through AI-based weight and fabric recognition
TurboWash 360 Washing Machine	• Reduced water consumption by 36% by adopting a 3D spray nozzle design
ENERGY STAR Certified Washing Machine	• Reduced water consumption by 33% compared to previous models through improved product efficiency
Dishwasher Eco Cycle	• Reduced water consumption by 27% compared to the standard cycle through lower wash temperatures and adjusted wash times

Water Resource Risk Management

Water Resource Risk Management, Assessment, and Monitoring

LG Electronics effectively manages water resources by building a comprehensive water inventory, assessing water-related risks—including source depletion, quality degradation, and increased usage—and monitoring consumption at production sites. At the Magok site, the company implemented a Zero Liquid Discharge (ZLD) system to recycle wastewater for landscaping and industrial purposes. The company also operates dedicated wastewater treatment and recycling systems. To ensure water resource stability, the company has developed contingency plans to secure emergency water reserves, enabling facilities to operate for at least two days in the event of a water supply disruption.

Water Management Metrics and Targets

LG Electronics systematically manages its water withdrawal and wastewater discharge to ensure the efficient management of water resources. In 2025, total water withdrawal amounted to 7,164 thousand tons, of which municipal water accounted for the largest share at 5,908 thousand tons (82.5%), followed by ground water at 853 thousand tons (11.9%) and surface water at 403 thousand tons (5.6%). In addition, wastewater generated at major business sites such as the Pyeongtaek Chiller, Magok Science Park, Gumi Future Park, and Changwon Smart Park passes through nearby wastewater treatment plants and sewage treatment plants. It is then safely discharged into the Jinwicheon Stream, the Han River, the Gwangamcheon River, and Jinhae Bay.

Water Management Metrics

2025 Water Withdrawal[1)]

Category	Water Withdrawal (1,000 tons)	Proportion (%)
Ground water	853	11.9
Municipal water	5,908	82.5
Surface water	403	5.6
Total	7,164	100

1) In 2025, water withdrawal totaled 7,164 thousand tons, meeting the annual target of 7,200 thousand tons.

ESG Data [Water Resources (Water Withdrawal)]

Domestic Wastewater Discharge Status

Business Sites	Secondary Treatment Plant	Discharge Area
Pyeongtaek Chiller	Jinwi Wastewater Treatment Plant	Jinwicheon Stream
Magok Science Park	Seonam Water Reuse Center	Han River
Gumi Future Park	Gumi Sewage Treatment Plant	Gwangamcheon River
Changwon Smart Park	Deokdong Sewage Treatment Plant	Jinhae Bay

ESG Data [Water Resource Discharge Status]

Site Operations

Chemical Management

Chemical Management Activities

Chemical Risk Assessment

LG Electronics has established and operates a company-wide risk assessment system and response strategy to proactively address stricter domestic and international chemical regulations. First, the company regularly monitors global legal requirements and regulatory trends, proactively reviews potential conflicts with chemical regulations from the initial product design stage, and evaluates and applies alternative substances when necessary. Additionally, when introducing new substances or modifying processes, the company carries out preliminary risk assessments to identify potential hazards, evaluate associated risks, and implement appropriate measures for improvement. Based on these assessment results, the company proactively mitigates potential hazards and risk factors, minimizing chemical-related risks across its sites.

Chemical Risk Management Activities

Category	Details
Regulatory Analysis	• Review chemical regulations and develop response measures • Conduct hazardous chemical removal and substitution activities in accordance with internal management standards • Monitor global chemical regulatory trends
Production Quality	• Review chemical components used during the production stage
Supply Chain Management	• Establish hazardous substance management standards for suppliers and collect chemical usage information across the supply chain • Comply with chemical handling standards and operate facilities • Prepare and maintain MSDS and ingredient specifications
Operations	• Operate chemical information management systems • Conduct prior review of newly handled chemicals • Strengthen management of hazardous chemicals and RBA-controlled substances
R&D	• Assess hazards of materials used in research and development

Inspection and Management of Chemical Handling Facilities

LG Electronics complies with standards for the storage, use, and disposal of chemicals, focusing on accident prevention through on-site management of chemical handling facilities across all global production sites. Furthermore, the company has established early detection and emergency alarm systems for chemical leaks to ensure rapid incident response. It systematically manages these facilities in accordance with national laws by designating chemical managers and maintaining hazardous chemical ledgers.

Chemical Accident Response Training

To minimize risks associated with chemical accidents, LG Electronics establishes crisis response scenarios and trains employees on the corresponding procedures. The company regularly conducts mock drills that simulate chemical leaks and casualties across all domestic and overseas production sites. It also provides online and offline training on evacuation procedures and action guidelines to ensure employees respond swiftly and appropriately in the event of an accident.

In 2025, 40 disaster prevention center personnel participated in the Private Disaster Prevention Personnel Training hosted by the National Institute of Chemical Safety under the Ministry of Climate, Energy and Environment. Participants improved their ability to respond to chemical incidents by taking part in hands-on exercises that simulated leaks at different handling facilities. Additionally, LG Electronics expanded the training to include safety and environment leaders to improve the on-site applicability of its chemical accident response drills in 2026.

Chemical Accident Response Training (Completion of National Institute of Chemical Safety Training)

Site Operations

Chemical Management

Chemical Handling Training

LG Electronics provides systematic safety management training covering the entire chemical life cycle, from procurement to storage, use, and disposal. Employees receive training on chemical hazards, risks, and handling precautions. The company provides emergency protective equipment appropriate for the chemicals in use and ensures employees are trained to use it correctly.

Additionally, LG Electronics signed a Memorandum of Understanding (MOU) with the National Institute of Chemical Safety to enhance chemical accident response capabilities, introducing virtual reality (VR)-based experiential training content. The company established chemical accident VR training facilities within the safety experience centers at Changwon LG Smart Park, Magok LG Science Park, and Pyeongtaek Digital Park. In addition, these facilities provide training that allows employees to virtually experience potential industrial accidents, such as laboratory incidents and toxic gas leaks, thereby improving their practical response capabilities.

Hazardous Chemical Management Training

LG Electronics operates customized training programs to strengthen its chemical management capabilities. A total of 4,280 employees completed the training, which is provided to all site personnel, not just those handling hazardous chemicals. Furthermore, the company provides separate intensive training for all employees at sites licensed for hazardous chemical operations.

2025 hazardous chemical training records

Training Course		Target Participants	Unit	Total
Hazardous Chemicals		Inspectors	Persons	2
		Direct Handlers		18
Hazardous Chemical Worker Training		All employees at sites with hazardous chemical business permits or registrations		4,280
Inhwawon	Introduction to Safety and Environment			7
	Advanced Safety			11
	Risk Assessment Leader Training			9
	Practical ESG Management			0
Total				4,327

Chemical Risk Management

LG Electronics has introduced the LG Chemical Management System (LG CMS) across all of its domestic business sites to manage and mitigate risks arising from global chemical regulations, including the Act on the Registration and Evaluation of Chemical Substances (K-REACH), the Chemicals Control Act, and EU REACH[1].

First, LG Electronics operates an integrated management process covering chemical identification, regulatory review, usage reduction, and emergency response. In principle, the company restricts hazardous chemicals and RBA-regulated substances. When use is unavoidable, a dedicated department reviews the related hazards and risks through a pre-approval process before approval. Monthly usage is reported to the responsible executive, and annual reviews are conducted to explore substitution or elimination opportunities and support continuous improvement.

In addition, LG Electronics monitors the latest chemical regulatory trends to respond swiftly to legal changes and manages the use of regulated substances throughout its supply chain.

Chemical Management Process

Scope and Details of Preliminary Review

- All chemical substances used for production and R&D across domestic and international business sites
- Prior acquisition of chemical substance information, including Material Safety Data Sheets (MSDS) and LoC
- Preliminary review by specialized departments on regulatory compliance by country and the hazards/risks of substances

Purchasing and Receiving

- Only chemical substances that have passed the preliminary screening process are permitted for receiving
- Receiving allowed only after verifying appropriate storage and usage locations

Usage Management

- All products in use are managed with chemical product labeling
- Designation of chemical substance managers and training for relevant personnel
- Operation and management of chemical handling facilities in compliance with legal requirements

Disposal Management

- Periodic inventory checks of chemical products to verify current status and dispose of unused products
- Disposal in accordance with national waste management regulations

1) EU REACH: EU Registration, Evaluation, Authorization and Restriction of Chemicals

Nature-related Risk Response (TNFD)

Governance

Nature-related Risk Response Governance

Management System and Organizational Structure

LG Electronics operates a response system centered on the ESG Bureau to manage natural capital risks. Serving as the central coordinating body, the ESG Secretariat establishes company-wide response guidelines and builds the governance framework before these risks materialize. It leads the design and execution of the management system until risk management processes are fully internalized across business units. Furthermore, to ensure comprehensive risk identification and expert analysis, the Secretariat collaborates closely with relevant departments, including the risk management department under the Chief Risk Officer (CRO) and the Safety & Environment Center, to proactively identify potential risk factors at operating sites and assess their business impact.

Roadmap for Advancing Governance

Based on the outcomes of the initial risk analysis of its operations, LG Electronics is considering developing a roadmap to advance its natural capital governance in phases. The company is currently in Phase 1 (Risk Identification and Foundation Building) and plans to progressively finalize specific implementation schedules and methodologies for Phase 2 and beyond, guided by the analysis results.

Risk Identification and Foundation Building	Internalization of the Governance System	Expansion Across the Value Chain
• Conducting natural capital dependency and impact assessments focused on direct operations, led by the ESG Secretariat • Establishing an initial risk management framework	• Formalizing the oversight function of the ESG Committee under the Board of Directors • Integrating natural capital risks into the Enterprise Risk Management (ERM) system	• Expanding the scope of analysis and management across the entire supply chain (upstream and downstream), including raw material procurement, logistics, and services • Reviewing the expansion of the governance structure, including a company-wide integrated committee

Strategy

LG Electronics recognizes the potential long-term impacts of natural capital loss on business operations and supply chain stability, and is developing strategies to systematically reduce its dependencies and impacts on natural capital.

Nature-related Risk Response Strategy

Integration of Nature-related Risks into Business Strategy

LG Electronics manages natural capital-related risks, including water resources, biodiversity, and soil, by integrating them into its Enterprise Risk Management (ERM) system. Based on the results of its LEAP analysis, LG Electronics prioritizes the application of measures to reduce natural capital dependency at high-risk business sites, and plans to gradually expand the scope of analysis to the upstream raw material procurement and downstream product distribution stages and to disclose the results through its sustainability report.

Reducing Absolute Resource Use

To mitigate negative impacts on natural capital during direct operations—such as water consumption, waste generation, and hazardous substance emissions—the company has established the reduction of resource use as its primary strategy. Additionally, it is committed to simultaneously reducing its dependence and negative impacts on natural capital by optimizing manufacturing processes, expanding water reuse systems, and achieving zero waste to landfill.

Alignment with the Circular Economy Model

To simultaneously conserve natural capital and strengthen business competitiveness, LG Electronics is progressively enhancing its Closed-loop resource circulation system, which spans product manufacturing, use, recovery, and recycling.

LG Electronics validated the business case by conducting a pilot refurbishment program for employees in 2025, and based on these results, is advancing formal commercialization centered on select home appliance categories in 2026. In the mid-term and long term, LG Electronics plans to gradually establish a circular economy value chain that minimizes the input of new resources and simultaneously reduces both its dependence on and negative impacts on natural capital, by enhancing the product recovery and refurbishment processes linked to its appliance subscription services.

Implementation Phase	Details
STEP 1 Establishing a Business Case	• Verify resource circulation efficiency and operational feasibility through a pilot sale of refurbished products to employees in 2025 • Measure the reduction in natural capital impacts using collected data and establish the foundation for a management system
STEP 2 Phased Commercialization	• Formalize the refurbishment business to assess market response and operational efficiency, focusing on specific home appliances • Ensure business stability through initial small-scale operations and explore the potential for expansion into other product categories and services
STEP 3 Establishing a Circular Economy Value Chain	• Advance product recovery and refurbishment processes in conjunction with home appliance subscription services • Gradually establish a circular system that reduces virgin resource inputs and contributes to natural capital conservation

Nature-related Risk Response (TNFD)

Risk Management

LG Electronics identified natural capital risks at its business sites based on the TNFD's LEAP (Locate, Evaluate, Assess, Prepare) methodology and conducted an analysis to align these risks with its business strategy. The company first applied this approach to the home appliance sector (ISIC 2750) and plans to sequentially expand the scope of analysis to the vehicle component and HVAC sectors.

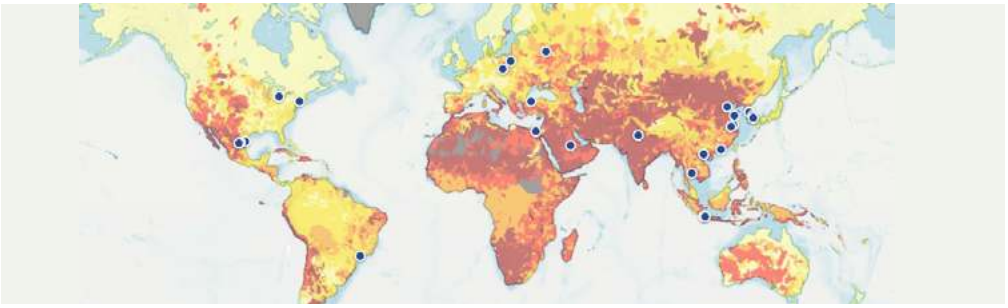
Nature-related Risk Management Process

Locate | Identifying Natural Capital Interfaces

LG Electronics conducted a water risk location analysis across 30 global production sites, aligning the scope of its natural capital analysis with its greenhouse gas verification boundary. The company utilized the WRI Aqueduct Water Risk Atlas to calculate the water risk rating for each site, and the ENCORE tool to analyze its natural capital dependency and impact profile for the home appliance manufacturing sector (ISIC 2750).

The analysis revealed that 11 of the 30 sites (37%) are located in areas with High or greater water risk. Notably, six sites in India (Noida and Pune), China (Tianjin and Qingdao), and Indonesia (Tangerang and Cibitung) are classified as Extremely High (4-5), indicating high exposure to risks such as reduced water availability, droughts, and deteriorating local water quality. In contrast, domestic sites fall into the Low to Low-Medium categories, operating in relatively stable water environments.

Water Risk Status by Site



Overall Water Risk	Number of Sites	Major Sites
Extremely High (4-5)	6 sites	India (Noida, Pune), China (Tianjin, Qingdao), Indonesia (Tangerang, Cibitung)
High (3-4)	5 sites	Vietnam, China (Taizhou), Mexico (Reynosa), Egypt, Saudi Arabia
Medium-High (2-3)	8 sites	US (Tennessee), Mexico (Monterrey/Ramos), Brazil, Poland (Mlawa), Russia, Thailand, China (Huizhou)
Low-Medium (1-2)	9 sites	Korea (Digital Park, Science Park, Gumi, Pyeongtaek Chiller), US (Michigan), Poland (Wrocław), China (2 sites in Nanjing), Turkey
Low (0-1)	2 sites	Changwon Plants 1 and 2

Evaluate | Assessing Natural Capital Dependencies and Impacts

Water resources represent the most critical area in LG Electronics' management of natural capital, and dependency on them was measured to be high across the entire manufacturing process. With 37% of all business sites located in areas with High or greater water risk, the decline in water availability due to climate change was analyzed as a direct factor threatening the continuity of production operations.

Dependency Analysis

LG Electronics analyzed its natural capital dependencies for the home appliance manufacturing sector (ISIC 2750) using the ENCORE tool, revealing that 7 out of 14 ecosystem services have a dependency level of Medium or higher.

In terms of provisioning services, water supply showed a Medium dependency. An adequate supply of water in both quantity and quality is essential throughout the manufacturing process, including surface treatment and coating, washing and rinsing, cooling, and HVAC systems.

In the regulating and maintenance services category, six areas were rated as Medium: flood mitigation, storm mitigation, water flow regulation, water purification, solid waste remediation, and precipitation pattern regulation. This represents that the increasing frequency of extreme weather events driven by climate change and shifts in water availability pose a direct risk to production facility operations.

Importance	Category	Ecosystem services
Medium	Provisioning services	Water supply
Medium	Regulating & maintenance services	Flood mitigation, storm mitigation, water flow regulation, water purification, solid waste remediation, precipitation pattern regulation
Low	Regulating & maintenance services	Air dilution, soil and sediment retention, local climate regulation
Very Low	Regulating & maintenance services	Air filtration, global climate regulation, sensory impact mitigation, noise reduction

Impact Analysis

Regarding the impact of LG Electronics' manufacturing activities on natural capital, water consumption, toxic emissions to water and soil, and noise and light pollution were rated as Medium. Greenhouse gas emissions, non-GHG air pollutants, solid waste generation, and land use were rated as Low.

Importance	Impact categories
Medium	Water consumption, toxic emissions to water and soil, noise and light pollution
Low	GHG emissions, non-GHG air pollutants, solid waste generation, land use

Nature-related Risk Response (TNFD)

Risk Management

Nature-related Risk Management Process

Assess | Key response priorities and strategic takeaways

LG Electronics prioritized natural capital risks based on the analysis from the Locate and Evaluate phases, establishing response strategies that integrate business impact and location sensitivity.

Category	Water Risk Rating	Business Impact	Response Priority
India (Noida, Pune), China (Tianjin, Qingdao), Indonesia (Tangerang, Cibitung)	Extremely High	Potential instability in water supply	Top priority
Vietnam, China (Taizhou), Mexico (Reynosa), Egypt, Saudi Arabia	High	Potential increase in water costs and decline in operational efficiency	Priority
U.S. (Tennessee), Mexico (Monterrey and Ramos), Brazil, Poland (Mlawa), Russia, Thailand, China (Huizhou)	Medium-High	Medium-term monitoring required	Management
Korea, U.S. (Michigan), Poland (Wroc), China (two sites in Nanjing), Turkey	Low-Medium	Currently low risk	Monitoring
Korea, U.S. (Michigan), Poland (Wroc), China (two sites in Nanjing), Turkey	Low	Currently low risk	Monitoring

I The company has identified reducing absolute resource input as its top priority. It is expanding water reuse systems and improving process water efficiency at six Extremely High-risk sites, while continuing to explore additional measures to reduce water risks.

II The company is strengthening management of risks related to toxic emissions into water and soil. It operates a hazardous chemical life cycle management system (LGCMS, LG Chemical Management System) and regularly monitors effluent water quality to minimize the impact of chemicals used in appliance manufacturing.

III The company is working to reduce its dependence and negative impacts on natural capital through circular economy models. By formalizing its refurbishment business, it is reducing virgin resource inputs and gradually evolving its business model to ease the burden on natural capital across the product life cycle

Risk Type	Potential Business Impact	Time Horizon
Decline in water availability	Production disruptions and rising water procurement costs	Short- to medium-term
Stricter water pollution regulations	Increased treatment costs due to stricter discharge standards	Medium-term
Extreme weather events	Damage to production facilities and supply chain disruptions	Short-term
Mandatory natural capital disclosure	Increased reporting costs and reputational risk from inaction	Medium- to long-term

Prepare | Disclosure preparation and management system internalization

Based on the LEAP analysis, LG Electronics is gradually embedding natural capital risk management into its corporate decision-making structure. High-risk sites and key risk factors identified through the analysis are reported to the ESG Committee and the risk management department under the Chief Risk Officer (CRO), and will be managed under the Enterprise Risk Management (ERM) system. Going forward, the company plans to expand the analysis across the value chain, including raw material procurement and product distribution, and regularly disclose related information in its sustainability report.

Metrics and Targets

LG Electronics establishes key management indicators based on the results of natural capital risk analyses using the LEAP methodology, and systematically monitors negative impacts on natural capital across its overall site operations. In addition, moving beyond its current natural capital risk management centered on direct site operations, LG Electronics plans to quantify natural capital impacts across the entire value chain, from raw material procurement to product use and disposal, and to establish specific targets based on these findings.

Nature-related Risk Metrics and Targets

LG Electronics established key management metrics based on its LEAP-aligned natural capital risk analysis and systematically monitors adverse impacts on natural capital across all operations.

Key Indicators

Category	Metric	2025 Status
Water Risk	Percentage of sites in areas with High or greater water risk	37% (11/30 sites)
Water Risk	Number of sites rated Extremely High	6 sites (Noida and Pune, India; Tianjin and Qingdao, China; Tangerang and Cibitung, Indonesia)
Water Use	Annual water withdrawal	7,164,000 tons
Waste Management	Landfill rate of site waste	2%

LG Electronics conducts environmental conservation activities in cooperation with local communities, particularly in areas with high water risk.

In India, LG Electronics operates the 'Let's Build a House' program in cooperation with Habitat for Humanity India in the areas near its Extremely High-rated sites in Maharashtra (Pune) and Noida. This program supports housing and sanitation facilities, including toilets and water purification systems, for residents in areas with limited access to drinking water, and from 2021 to 2024, it provided housing facilities to a total of 46 households and sanitation facilities to 80 households in Maharashtra and Uttar Pradesh.

In Indonesia, LG Electronics continues ecosystem restoration activities through the 'LG Loves Green' program in the areas near Tangerang and Cibitung, where its Extremely High-rated sites are located. The company has planted a cumulative total of 32,000 trees, including mangrove saplings, at key locations such as the Muara Angke Wildlife Sanctuary in Jakarta, and is simultaneously advancing resource circulation and raising local environmental awareness by conducting collection campaigns for waste home appliances, used clothing, and food waste.

LG Electronics recognizes these community activities as a complementary means of natural capital risk management, and plans to manage them by incorporating the status of linkage with community environmental conservation activities into its natural capital management indicators, focusing on sites with High or greater water risk.

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AT A GLANCE

A corporation's role extends beyond profit generation; it must grow together with society and take responsibility for the sustainability of the broader community. In line with this, LG Electronics is committed to proactively fulfilling its role in creating a fair working environment, fostering a culture of diversity and inclusion, and engaging in mutual growth with local communities. Furthermore, LG Electronics strives to ensure that all stakeholders benefit meaningfully from its business operations, thereby contributing to the qualitative development of society through sustainable management.

UN SDGs

Human Rights Management

Governance

LG Electronics has established a systematic operational foundation to implement human rights management. Through collaboration among a board committee, a dedicated organization, and relevant departments, the company identifies and manages human rights issues. Based on this framework, LG Electronics continues to enhance its capabilities to prevent and respond to human rights risks and pursues responsible management to protect the human rights of its employees and stakeholders.

Human Rights Management Operational System

LG Electronics regards respect for human rights as a core value of corporate management and has established a governance structure to effectively implement it. Based on the philosophy of 'People-oriented Management', the company establishes short-term and mid-to-long-term action plans and implements them across the company. The ESG Committee, a committee under the Board of Directors, is responsible for reviewing, deliberating, and resolving significant human rights-related issues, including labor, human rights, and health and safety, as well as the company's overall sustainability management activities. The ESG Council conducts preliminary reviews of major agenda items and, composed of top-level executives, closely manages the key action plans and their current status of implementation.

In addition, the strategic response and practical improvements related to human rights risks are overseen by the Enterprise Crisis Management Committee, which convenes semiannually under the leadership of the Chief Risk Officer (CRO), the company's top risk executive. The Enterprise Crisis Management Committee identifies major sustainability-related risks, including those related to human rights, and operates a control and response system focused on key risks. In conjunction with this, LG Electronics operates a system that enables relevant departments to carry out activities spanning human rights strategy development, policy implementation, and improvement.

Roles and Responsibilities of Key Departments

ESG Bureau	• Establishment of mid- to long-term goals for overall sustainability management, including human rights, and monitoring of implementation • Operation of the ESG Committee and ESG Council • Operation of human rights due diligence programs based on RBA requirements as the department in charge of RBA compliance • Support for production sites to prepare for customer-requested audits
Labor Management Division	• Establishment and institutionalization of human rights policies • Operation of human rights protection processes • Identification and improvement of human rights impacts • Operation of psychological counseling center
Safety & Environment Center	• Establishment of safety, health, and environmental standards at business sites and support for implementation by on-site departments • Operation of health care centers
Ethics Bureau	• Operation of sexual harassment prevention center • Establishment of internal reporting channels and independent investigation systems
IR Division	• Disclosure and communication of human rights information to investors
Compliance Bureau	• Integrated management of global human rights regulations • Prevention of human rights risks and legal compliance support

Strategy

Human Rights Management Policy

LG Electronics considers the protection of human rights a core element of its human rights management strategy and has established and adheres to various human rights management and labor policies that incorporate human rights principles. In addition, the company promotes human rights advancement activities based on continuous communication with a wide range of stakeholders, including employees, suppliers, local communities, customers, governments, and investors.

Commitment to Respect for Human Rights

LG Electronics respects international human rights standards such as the Universal Declaration of Human Rights, the ILO Core Conventions, the ILO 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, and complies with relevant laws and regulations in all countries and regions where it conducts business. In cases where local laws and regulations conflict with international standards, LG Electronics gives priority to the standard that is more favorable to workers.

In addition, LG Electronics regards the protection of human dignity as a core value and implements it across the company. First, LG Electronics has established a policy to prevent human rights violations that encompasses all of its employees and the employees of its suppliers, and regularly monitors its implementation. Furthermore, LG Electronics requires all partner companies to comply with the relevant standards to prevent human rights violations from occurring across the entire value chain, including customers, services, distribution, logistics, and local communities.

Beyond this, as a Regular Member of the Responsible Business Alliance (RBA), a global coalition for the implementation of corporate social responsibility, LG Electronics does not stop at supporting the RBA Code of Conduct but regularly conducts systematic implementation activities such as its own human rights due diligence, supplier assessments, training, and corrective actions. Moreover, LG Electronics has joined the UN Global Compact, the world's largest sustainability initiative, and reflects its Ten Principles, including human rights, throughout its management activities.

Human Rights Principles

In June 2024, LG Electronics established its 'Human Rights Principles' by integrating internal human rights management policies, and publicly announced it after the review by the ESG Council. This principle applies not only to our employees and suppliers but also to all stakeholders including customers, local communities, governments, and investors. It provides comprehensive guidance and practical standards for human rights management.

Additionally, in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs), LG Electronics specifically incorporates key issues identified through human rights impact assessments, including self-assessments, third-party audits and on-site audits, grievance handling, and stakeholder engagement. The company is committed to preventing and remedying potential human rights violations arising from its business activities, and has formalized its stakeholder engagement and human rights governance systems.

Establishment of the Labor Management System Guideline

In August 2025, LG Electronics established the 'Labor Management System Guideline' to systematically manage labor rights. Developed with reference to the RBA 8.0 standard, the guideline consists of a total of 10 provisions, including authority and responsibility, stakeholder identification, risk due diligence, the risk mitigation process, and performance review.

Human Rights Management

Strategy

Human Rights Management Policy

LG Electronics has established and implements a company-wide human rights policy. Based on international human rights and industry standards—including the UN Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights, the ILO Core Conventions, and the RBA Code of Conduct—the policy serves as practical guidance for protecting the human rights of employees and other key stakeholders.

LG Electronics also provides training and awareness programs for employees to deepen their understanding of human rights and strengthen policy implementation. The policy is regularly revised to reflect the latest international standards and stakeholder expectations, and all revisions are disclosed.

LG Electronics Human Rights Management Policies

Policy	Scope	Content
Human Rights Principles	All internal and external stakeholders	All stakeholders, including LG Electronics employees, suppliers, local communities, and consumers, possess human dignity and value, and have the right to pursue happiness. The Human Rights Principles, established by integrating existing human rights-related policies, respect relevant international standards and mandate compliance with the laws and regulations of the countries and regions where LG Electronics operates. In cases where local laws conflict with international standards, the more stringent standard is applied. The principles also cover key areas of human rights impact identified through human rights impact assessments, as well as remedy and grievance handling and human rights governance.
Global Labor Policy and Guidelines	Employees, Suppliers, and Stakeholders	All LG Electronics employees and related personnel possess human dignity and value, and have the right to pursue happiness in their labor. LG Electronics complies with the human rights and labor standards of international organizations such as the UN and the ILO, and upholds human dignity for all, regardless of age or gender, as a fundamental value of its business. The company adheres to labor laws and regulations in each country and region, strives to ensure employment stability and fair wages from both social and economic perspectives, and works to maintain a safe and supportive work environment. Furthermore, LG Electronics affirms that these standards are basic obligations for all suppliers doing business with the company and values to be shared with all stakeholders.
Safety and Health Management, Environmental Management Policy	Employees	LG Electronics prioritizes the safety and health of its employees, customers, and local community members. The company strives to create a safe and healthy workplace by taking a leading role in the field of occupational health and safety and through its commitment to continuous improvement. Additionally, the company considers the environment a critical element of its business operations. The company is committed to preserving the global environment and promoting sustainable social development, as well as improving the quality of life for stakeholders, by minimizing resource use, operating eco-friendly processes, developing environmentally conscious products, and optimizing energy efficiency.
Code of Ethics	Employees	LG Electronics shares the management philosophy of "Customer-Value Creation" and "People-Oriented Management," promoting autonomous management based on freedom and responsibility, in line with the spirit of its Management Charter. The company respects the principles of a free market economy that encourages fair and open competition, and seeks mutual benefit with all stakeholders based on trust and cooperation. To this end, LG Electronics has established a Code of Ethics as a standard for proper behavior and sound value judgment for all employees and is committed to its faithful implementation.
Code of Conduct	Employees	Through transparent and responsible business practices, LG Electronics aims to strengthen both employee capabilities and corporate competitiveness, thereby creating greater value for all stakeholders, including customers, employees, and shareholders. Accordingly, LG Electronics employees worldwide pledge to comply with local laws and regulations, engage in fair competition, and conduct business in accordance with the company's global standards.
Diversity and Inclusion Policy	Employees	LG Electronics believes that a corporate culture that respects the diverse experiences and backgrounds of individuals fosters flexible thinking, cultivates insight, and empowers employees to fully demonstrate their talents. The company supports the diverse preferences and choices of all employees and does not tolerate discrimination based on such differences. At LG Electronics, everyone is expected to recognize and respect each other's differences and to work as their authentic selves. In our culture of diversity and inclusion, every employee can contribute creative and innovative solutions by bringing a variety of perspectives to the table.
AI Ethics Principles	Employees	In response to growing ethical concerns surrounding artificial intelligence, LG Electronics has contributed to the establishment of AI Ethics Principles by participating in the LG AI Ethics Committee and its working groups, which focus on the ethical development and use of AI. The AI Ethics Principles serve as principles of appropriate behavior and sound value judgment that all LG employees who develop and utilize AI must comply with. These Principles were established to ensure AI reliability and prevent ethical issues in advance, and consist of five core values: Human Dignity, Fairness, Safety, Accountability, and Transparency.

Human Rights Management

Activities

Human Rights Issue Management

Operation of Grievance Channels

LG Electronics operates various grievance mechanisms to ensure that all stakeholders can freely raise human rights-related concerns. At major hubs, including Korea, practical responses to workplace grievances are provided through the Grievance Handling Committee, the Sexual Harassment Prevention Center, the Junior Board, and the Psychological Counseling Center. At overseas business sites, locally suitable channels such as one-on-one interviews, monthly managerial labor meetings, VOE boxes, a grievance handling application, and online QR code reporting systems are in operation.

LG Group's shared ethics reporting website (ethics.lg.co.kr) supports Korean, English, Chinese, and European languages to ensure global accessibility, and whistleblowers are protected under a strict confidentiality principle. Personnel responsible for handling reports are designated through confidentiality agreements, and in the event of any disadvantage to the whistleblower, restoration and protective measures are implemented. Additionally, the company provides regular training to enhance employees' awareness of and accessibility to grievance handling process, while promoting channels to increase practical usage.

Operating Process for Domestic Grievance Channels

Grievance Handling Committee	• A standing organization established in accordance with the 「act on the promotion of employees' participation and cooperation」, operated by selecting one grievance committee member each from labor and management within the labor-management council • Matters that are difficult to judge solely by the grievance handling committee member must be submitted to the labor-management council for discussion and resolution
Junior Board	• A consultative body representing office workers, operating a grievance resolution process through eight Junior Boards established company-wide • The overall procedure from grievance collection, handling, to result sharing is separately managed according to each Junior Board's operating standards
Sexual Harassment Prevention Center	• A body that handles sexual harassment grievances and reports, investigations, follow-up actions, and preventive activities • Operated as a virtual organization in collaboration with related departments (Labor Management, Ethics Bureau, Legal Affairs, Psychological Counseling Center, etc.)
Psychological Counseling Center	• Provides support through psychological counseling when grievances arise due to personal or work-related stress (counseling available via in-person, video call, phone call, email, and SNS) • A total of 11 counseling centers are operated at Twin Towers, Pyeongtaek, Magok, Seocho, Gumi, Changwon 1, Changwon 2, Customer Value Innovation Division, Seoul Station Building, and Incheon

Remediation and Follow-up Measures for Victims

LG Electronics operates a follow-up action system to ensure recovery for victims and prevent recurrence in cases where negative impacts arise from human rights violations. When a human rights violation is confirmed through internal or external human rights due diligence, the company promptly verifies the facts, prepares appropriate remedies for the situation, and implements institutional improvements by analyzing the root cause to prevent recurrence of the same issue. These measures apply not only to LG Electronics employees but also to workers employed by suppliers. In cases where human rights violations are confirmed, the company requests remedial actions from the supplier to ensure recovery or compensation for the victim and, when necessary, provides support such as training and consulting.

Survey on the Prevention of Sexual Harassment and Bullying

LG Electronics conducts an annual anonymous survey, led by its Sexual Harassment Prevention Center, to assess the level of employee awareness regarding the prevention of sexual harassment and bullying. In 2025, 17,771 employees at its domestic business sites participated in the survey, and the company implements necessary measures through additional surveys for those who wish to take part. The survey results are shared with organizational leaders and used for management purposes, and follow-up measures are implemented, including the provision of offline training and psychological counseling for those who wish to receive it.

Human Rights Communication

Labor Management Council

LG Electronics operates the 'Labor Relations Council', a labor-management council based on the 「Act on the promotion of employees' participation and cooperation」.

The Labor Relations Council is composed of worker representatives elected through direct voting by all employees and management representatives and aims to promote shared interests. Through quarterly meetings, the Council discusses the company's key business status and operational plans, and conducts discussions on various issues, including the working environment, welfare benefits, safety and health, and process improvements. The business performance and operational plans discussed in the Council are shared with worker representatives every quarter, and the agreed-upon improvements to the working environment are communicated to all employees. To enhance communication and participation, all changes and improvement activities are posted on internal bulletin boards for at least one week.

Current Status of Resolved Matters Related to Working Conditions by Labor-Management Council

Category	Unit	2024	2025
Business plans and performance	Cases	4	4
Welfare enhancement		4	4
Maternity protection / Work-life balance		2	2
HR and labor systems		5	4
New technology / Process improvement		1	-
Production planning		1	-
Other resolved grievance		1	3
Total		18	17

Human Rights Management

Activities

Labor Union

The LG Electronics labor union contributes to enhancing corporate sustainability by protecting the rights and interests of its employees, fostering a sound labor-management culture, and fulfilling its social responsibilities. In particular, through Union Social Responsibility (USR) activities, the union participates in various social contribution initiatives, including support for the underprivileged both domestically and internationally, disaster relief efforts, and public cooperation. Additionally, based on its special consultative status with the United Nations Economic and Social Council (UN ECOSOC), the LG Electronics labor union shares outstanding USR practices with the international community and takes a leading role in promoting a responsible labor culture.

Status of Domestic Labor Union Operations in 2025

Labor Union Members	Consecutive Period of Wage and Collective Bargaining without Strikes
9,364 members (26.6% of all domestic employees)	37 years

Junior Board

LG Electronics operates the 'Junior Board' system to reflect employee feedback in management and to promptly resolve grievances. By providing feedback on suggestions submitted through the Junior Board, LG Electronics strengthens internal communication and resolves grievance risks at an early stage. For grievance-related suggestions, those deemed significant based on impact scope and urgency are selected, and 100% of these key issues are addressed each year.

Junior Board Grievance Handling Performance

Objective	Details	Metric	Unit	Performance		
				2023	2024	2025
Achieve 100% resolution of Junior Board grievance cases	Achieve 100% resolution for grievances submitted to the Junior Board	Junior Board grievance resolution rate	%	100	100	100

Psychological Counseling Center

LG Electronics operates counseling centers at 11 domestic business sites to actively support work-life balance and the psychological well-being of employees. Professional counseling psychologists with expertise[1] in counseling and consulting are in each counseling center, offering customized counseling programs that reflect the demographic composition, job characteristics, and organizational culture of each site.

The psychological counseling center provides not only support for individual psychological difficulties but also team programs and leadership programs that address organizational issues such as interpersonal relationships, communication, and stress management. It also operates family-oriented programs to support employees' psychological stability, work engagement and job satisfaction. Counseling is provided not only in person but also through various channels such as video calls, email, telephone, and social media to enhance accessibility and convenience, and it has recently been expanded to include group programs and training.

LG Electronics operates a company-wide Counseling Center Council and holds monthly video meetings to enhance the quality of its counseling services and develop new programs. Additionally, LG Electronics plans to further strengthen psychological support by expanding programs based on site and employee needs, improving access, and enhancing early response capabilities to psychological risks.

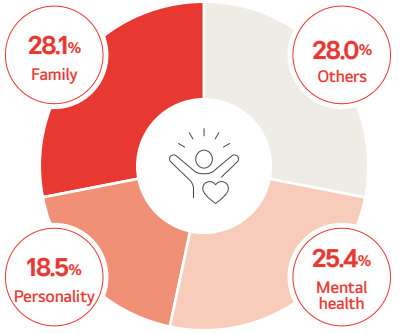
1) For the Counseling Centers at Pyeongtaek Digital Park, Magok LG Science Park, and the Customer Value Innovation Division, two counseling psychologists are assigned. For the remaining business sites, one professional is assigned to each.

Current Status of Psychological Counseling Center Usage in 2025

In 2025, LG Electronics conducted a total of 7,190 individual psychological counseling sessions, with counseling topics varying widely across areas such as family (28.1%), mental health (25.4%), and personality (18.5%). Rather than the number of users, LG Electronics sets the number of cases and the number of program sessions as its key indicators, thereby identifying both counseling demand and the organization's capacity for support.

The psychological counseling center does not stop at individual counseling but expands team programs and training based on psychological information, thereby contributing to organizational revitalization and the promotion and protection of employees' psychological health. In particular, the center develops and operates customized group and training programs tailored to the needs of employees and the organization, reflecting differences in workforce composition, job characteristics, and organizational culture at each business site. In addition, LG Electronics carries out various promotional activities to reduce the burden on employees in using these services, thereby enhancing the accessibility of counseling services for employees and their families.

Classification	Topics		Total
Personal Counseling Program	Total Counseling Sessions		7,190
	Types of Counseling	Family	28.1%
		Mental health	25.4%
		Personality	18.5%
		Others	28.0%
Group Counseling and Training Program			322
Promotional Activities			166



* Status of Psychological Counseling Operations in 2025

Human Rights Management

Activities

Training for Human Rights Manager

LG Electronics provides regular training to personnel at its production sites. Since 2024, the company expanded the scope of this training to include all global employees, explaining relevant international standards such as the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, while also presenting its labor policy, including the provision prohibiting forced labor.

In addition, since 2023, the company has conducted real-time online training every year across regions, including Korea, China, Mexico, Asia, and the Americas, offering two courses: Labor Rights & Ethics and Safety, Health & Environment. The real-time online training, delivered in four languages, was attended by 96 labor and ethics personnel and 94 safety and environment personnel from all production sites, and it went beyond simply presenting audit requirements by providing content based on real-life cases and auditor-led sessions.

In addition, LG Electronics operates training using the RBA Academy, an online training platform provided by the RBA, to strengthen the expertise of its human rights personnel and their understanding of international standards. The platform covers a wide range of topics, including forced labor and working hours, and is available in multiple languages to enhance accessibility for global employees. In 2025, 157 personnel completed 1,867 courses through the platform. LG Electronics plans to adopt the RBA Academy as a core training channel and expand participation to include personnel from in-house suppliers as well.

Training Status in 2025

Training Program	Target Participants	Key Content	
RBA Academy	All personnel at production sites (157 people)	1,867 courses completed (average of 11.9 per person)	
		[Common, Mandatory] RBA VAP audit, RBA Corrective Action Plan (CAP)	[HR Personnel, Mandatory] RBA Code of Conduct – Labor RBA Code of Conduct - Ethics, Introduction to Human Rights Due Diligence, Forced Labor Due Diligence
		[HR Personnel, Optional] Recruitment procedures, Management of Labor Dispatch Agencies, Working Hours	[ESH Personnel, Mandatory] RBA Code of Conduct - Health & Safety RBA Code of Conduct - Environment, Chemical Substance Management, First Aid
		[ESH Personnel, Optional] Emergency response, Safety and Health Management System, Environmental Protection [Common, Optional] RBA Code of Conduct 8.0	
Introduction to Key ESG Audit Programs and Corrective Action Plan	All production site labor/ethics managers (96 people)	Key audit requirements under RBA 8.0 Common non-conformities in RBA audits Key audit requirements from Costco	Common non-conformities in Costco audits How to develop a CAP (Corrective Action Plan) How to conduct internal audits
	All production site safety/environment managers (94 people)	Key audit requirements under RBA 8.0 Common non-conformities in RBA audits Key audit requirements from Costco	Common non-conformities in Costco audits How to develop a CAP (Corrective Action Plan)

Human Rights Impact Assessment

Human Rights Due Diligence Process

LG Electronics conducts human rights due diligence on all domestic and overseas production sites, as well as on its suppliers, to identify and assess human rights risks that may arise from its business activities. Each year, the company conducts self-assessments and on-site audits to identify both actual and potential human rights risks, and takes appropriate measures to address these issues. If adverse impacts are identified through due diligence, LG Electronics not only takes preventive steps but also establishes improvement plans and measures to prevent recurrence. In particular, repeated or serious issues are escalated as agenda items to internal decision-making bodies, such as the ESG Council, to develop company-wide countermeasures and improvement goals, the implementation of which is continuously monitored and managed.

Definition of Human Rights Impact Factors and Planning	• Define the factors that may lead to human rights impacts • Set the scope and targets of the assessment -All domestic and overseas business Sites, Suppliers(Tier 1 suppliers), companies in the supply chain of cobalt and 4 major minerals, Local Communities[1], Customers[2]
Identification of Human Rights Impacts	• Identify impacts through self-assessment based on the RBA Code of Conduct • Conduct on-site audits based on RBA VAP (Validated Assessment Program) audit standards - In-depth checklists by department, On-site inspection surveys, Interviews with responsible personnel and on-site workers
Human Rights Impact Assessment	• Prioritize identified human rights impacts • Major human rights issues identified in 2025 - Forced labor, Child labor, Working hours, Wages and benefits, Non-discrimination/ Non-harassment, Freedom of association and collective bargaining
Establishment and Implementation of Mitigation Measures	• Establish mitigation and preventive measures at production sites and company-wide - Production sites (LG Electronics and suppliers): Analyze root causes of identified negative human rights impacts and implement measures to prevent recurrence • Establish remedial action expanded across the company if repetitive or serious human rights issues are identified on a company-wide basis (LG Electronics and suppliers)
Monitoring and Follow-up Management	• Conduct additional on-site audits • Conduct document-based reviews to verify evidence of improvement • Monitor KPIs • Report progress through relevant working groups and councils
Communication with Stakeholders	• Publish the Sustainability Report - Disclose information on the company website - Hold stakeholder roundtables

1) For local communities, the focus is on preventing negative impacts through compliance with relevant laws, and local communities' feedback is gathered via roundtables when significant changes or issues arise at business sites.
2) In terms of customers, efforts are made to proactively prevent negative impacts across the entire consumer experience and continuously improve service accessibility, enabling diverse users to use products without inconvenience.

Human Rights Management

Risk Management

Conducting Human Rights Impact Assessment

Human Rights Self-Assessment and On-Site Audits at Production Sites

As a full member of the Responsible Business Alliance (RBA), LG Electronics conducts regular human rights due diligence at domestic and overseas production sites and suppliers in line with the UN Guiding Principles on Business and Human Rights (UNGPs). Human rights issues are identified through channels such as third-party RBA audits, customer-requested audits, internal self-assessments, anonymous reports, and labor-management councils. The issues are then categorized and managed by risk level, with corrective actions taken as needed.

2025 Human Rights Self-Assessments and On-Site Audits at Production Sites

Scope		29 domestic and overseas production sites, In-house suppliers[1]
Human rights impact assessment	Self-assessments	Assessments of 29 production sites based on the RBA self-assessment tool (Risk SAQ: Self-Assessment Questionnaire))
	On-site audits[2]	A total of 22 on-site audits, including 10 RBA Validated Assessment Program (VAP) audits and 12 customer-standard audits
Result	Self-assessments	6 sites classified as low-risk, 23 sites classified as moderate-risk, 0 sites classified as high-risk
	On-site audits[2]	Non-compliance cases decreased by 32.9% compared to the previous year

1) Conducted self-assessments and on-site audits of in-house suppliers at each corporate entity (100% of 237 companies completed in 2025)
2) Based on customer requested on-site audits - 33 cases in 2023, 19 cases in 2024, 22 cases in 2025

Starting in 2024, LG Electronics has applied Risk SAQ, the standard self-assessment tool introduced with the 'RBA Code of Conduct 8.0', to all production sites. The questionnaire consists of Risk and Control sections and reflects inherent risks such as geographical factors and workforce composition at each site.

Composition of Self-Assessment Questions

Category	Risk Questions	Control Questions
Labor	• Employment of foreign migrant workers, use of labor dispatch agencies and short-term contract workers, retention of personal documents, demand for fees, ratio of young workers, provision of pay statements, and the presence of labor unions and collective bargaining agreements	• Labor management systems and policies, supplier requirements related to forced labor prohibition, roles, responsibilities, and monitoring for forced labor, age verification, attendance management, anti-harassment and anti-discrimination policies, disciplinary procedures, and grievance mechanisms
Health &Safety	• Equipment safety risks, dormitory safety, musculoskeletal-burden tasks, high-voltage hazardous work, disaster prevention systems, emergency exits, confined spaces, evacuation drills, maternity protection, and occupational safety and health training	• Occupational safety and health management system, related policies, occupational safety and health committee, risk assessment procedures, emergency response programs, accident and injury management records, chemical substance management, and hazard control procedures
Environ-ment	• Permit management, water pollution risks, water-stressed areas, energy and greenhouse gas management, and energy costs relative to revenue	• Environmental management system, related policies, emissions and waste management programs, noise risk management, waste management, chemical and designated waste management, and greenhouse gas management
Ethics	• Potential connections to public officials, intellectual property protection, fair trade, false advertising, personal data protection, integrity, conflict minerals, and supplier management	• Ethics management system, related policies, information disclosure procedures, procedures for protecting the personal data of stakeholders, and compliance procedures related to false advertising and fair trade

2025 Self-Assessment Results by Risk Area and Region at Production Sites

Category	Overall	Labor& Human Rights	Health&Safety	Environment	Ethics	Forced Labor	Number of Sites
Americas	◐	◐	◐	◐	○	◐	4
Asia	◐	◐	◐	◐	◐	◐	6
Europe/CIS	◐	○	◐	◐	○	◐	3
China	◐	○	◐	◐	◐	◐	8
Middle East & Africa	◐	◐	◐	◐	◐	◐	3
South Korea	◐	◐	◐	◐	◐	◐	5
Total	◐	◐	◐	◐	◐	◐	29

○ Low Risk ◐ Moderate Risk ● High Risk

As a result of the 2025 self-assessment of production sites, no major violations were identified in the labor area. However, potential risks of forced labor were identified at certain high-risk sites located in countries with a high proportion of foreign workers and temporary employees. In response, LG Electronics is reinforcing its risk management system by conducting a full-scale investigation of in-house suppliers[1] operating in the affected sites, establishing inspection guidelines, and implementing regular on-site inspections on an annual basis.

1) In-house suppliers are not directly employed by LG Electronics, but are workers affiliated with external service providers. They primarily support the company's daily operations by performing tasks such as security, cafeteria services, cleaning, and landscaping.

2025 Third-Party On-Site Audits Requested by Customers (Total: 22 cases) - Nonconformity Results

Category	Item	Proportion	2025 Key Improvement Tasks
Labor	Working Hours	20%	• Strengthen and comply with working hour management standards • Reduce proportion of dispatch workers (China) • Conduct regular audits of in-house suppliers
	Labor Management System	13%	
	Wages/ Benefits	6%	
Health &Safety	Emergency Preparedness	11%	• Enhancement of the Permit Management Process for Safety, Environment, Fire, and Construction
	Occupational Health & Safety	6%	
	Industrial Accidents and Diseases	5%	
Supply Chain	Supplier Management	5%	

Human Rights Management

Risk Management

Establishment and Implementation of Mitigation Measures by Key Impact

LG Electronics conducts human rights impact assessments for its domestic and overseas production sites, as well as for its suppliers. Through these assessments, the company systematically identifies the level of human rights risk and key areas of vulnerability for each site. In addition, for items emphasized in international standards, the company carries out indicator-based and case-based analyses.

	Key Human Rights Impact	Department in Charge	Vulnerable Stakeholders	Due Diligence	Mitigation Measures
Forced Labor	• Manage risks that may arise among vulnerable groups, such as lower-tier supply chains in developing countries and foreign migrant workers • Implement controls over violations such as failure to prepare or provide employment contracts, demands for recruitment fees, and the imposition of penalties upon resignation	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Refund in full the confirmed fees paid by workers themselves • Improve unreasonable clauses and missing items in employment contracts • Conduct a full survey of in-house suppliers, add clauses prohibiting forced labor to contracts, and carry out on-site inspections at a 100% rate - Revise and rewrite contract forms, as cases were identified in which mandatory items were missing from employment contracts at certain suppliers • Identify a case in which the proportion of dispatched workers at a corporate entity in China exceeded the legal threshold of 10% and complete corrective action
Child Labor	• Comply with the statutory minimum employment age in all countries and regions • Verify identity and age through official documents at the time of hiring • Immediately remove child workers from duties upon identification and ensure completion of compulsory education	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Review in detail whether child labor occurs by combining reviews of government-issued official documents with on-site due diligence - Confirm that no children were found at any business site • Improve the wage system for industrial trainees in accordance with RBA standards - Confirm through third-party on-site audits, that the wages of some industrial trainees at overseas corporate entities were below the statutory minimum wage - Implement improvements to the wage system, as RBA regulations do not allow payments below the minimum wage for periods exceeding six months, although this was legal under local law
Working Hours	• Actively guarantee workers' right to rest as stipulated by labor-related laws, including holidays and annual leave • Implement working hour management based on the attendance management system • Foster an efficient work culture, including flexible work arrangements	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Monthly Survey of Attendance Records (LG Electronics) • Self-assessment • On-site inspection (internal, third-party, client)	• Reorganize management standards by comprehensively considering job characteristics, such as production planning and logistics, as well as regional conditions, after cases exceeding RBA standards were identified at certain business sites and in-house suppliers - Analyze the causes of overtime and establish improvement measures - Establish management targets by division and conduct monitoring - Establish standards for prior approval and working hour limits - Institutionalize morning meetings and operation preparation time - Strengthen the management system for in-house suppliers (such as security, landscaping, and cleaning) at each corporate entity - Operate an early warning system for personnel with excessive working hours
Wages and Benefits	• Pay wages at or above the statutory minimum wage in all countries and regions • Pay overtime allowances and link attendance records with the payroll system • Apply no discrimination in wages and provide social insurance and statutory benefits in accordance with local laws	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Review in detail whether the terms specified in employment contracts match actual payments, whether social security systems are applied, and whether pay statements are provided • Complete the reorganization of contracts, as cases of unpaid social insurance were identified at certain suppliers in China • Reorganize the wage system and correct payment records, as discrepancies were identified between employment contracts and actual payments • Provide re-education on the obligation to issue pay statements and conduct regular inspections for suppliers with insufficient provision of pay statements • Implement immediate improvements and establish measures to prevent recurrence, as cases of unpaid overtime premiums and holiday work allowances were identified at in-house suppliers of certain overseas corporate entities
Non-Discrimination/ Non-Harassment/ Humane Treatment	• Ensure that employees are not subject to discrimination or disadvantage for reasons unrelated to their competency or job duties • Create an environment where employees can work in a safe and mutually respectful setting	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Strengthen the operation of the Sexual Harassment Prevention Center (Korea) and guidance on internal grievance channels • Implement improvements that take future recruitment processes into account, as a case was identified in which a job posting at an overseas corporate entity included gender and age restrictions (men aged 25 or younger) • Implement immediate improvements, as it was found that an overseas corporate entity had not submitted its revised employment rules to the competent authorities or posted them internally • Revise procedures toward establishing accessibility improvements and a pre-screening system, as cases were identified at certain corporate entities of inadequate internal procedures for handling requests and providing accommodations for workers with disabilities

Human Rights Management

Risk Management

Establishment and Implementation of Mitigation Measures by Key Impact

LG Electronics conducts human rights impact assessments for its domestic and overseas production sites, as well as for its suppliers. Through these assessments, the company systematically identifies the level of human rights risk and key areas of vulnerability for each site. In addition, for items emphasized in international standards, the company carries out indicator-based and case-based analyses.

Key Human Rights Impact		Department in Charge	Vulnerable Stakeholders	Due Diligence	Mitigation Measures
Freedom of Association and Collective Bargaining	• Establish management standards to ensure that no disadvantage arises from joining, participating in, or forming a labor union • Institutionalize open communication based on mutual respect between workers and management	• Labor Relations Department • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client)	• Conduct third-party audits and document reviews regarding whether collective bargaining agreements are concluded and provided in accordance with local laws, whether the rights under the agreements align with actual working conditions, and the matters specified in related documents • Re-educate employees on relevant laws and reorganize the document delivery process, as cases were identified in which signed agreements were not provided to workers after the conclusion of collective bargaining agreements • Expand the detailed items of the maternity protection clauses and supplement them with guidelines that consider worker convenience and the effectiveness of the system, as a lack of specificity was identified in the maternity protection items (such as men's medical leave and spousal maternity leave) during the 2024 wage negotiations • Complete system improvements to ensure that no disadvantage arises upon reinstatement by reviewing the criteria for reinstating full-time union officials to their original positions, in order to mitigate the possibility of deteriorated working conditions for some returning employees, and include anti-discrimination provisions related to union activities in the company-wide guidelines • Operate labor-management councils ranging from the business-site level to the company-wide level (Korea) • Maintain regular communication and cooperation with shift unions and minority unions (Korea) • Establish and operate a labor-management council (Indonesia R&D center)
Health & Safety	• Implement safety and health management standards to prevent industrial accidents that may occur at all business sites • Create and maintain a safe working environment to protect the life and physical safety of workers • Fulfill safety and health management responsibilities for workers, including those of suppliers	• Safety & Environment Center • Shared Growth Department	Employees Workers from suppliers	• Self-assessment • On-site inspection (internal, third-party, client) • Regular/special inspections on safety and environment at all business sites • Fire safety inspections (suppliers)	• Enhance the permit management process for safety, environment, fire, and construction
Environment	• Establish and implement management standards for environmental impacts that may arise during business site operations • Comply with laws and regulations on the prevention of environmental pollution and the protection of community environmental rights • Inspect and improve the level of environmental management across the supply chain, including suppliers	• Safety & Environment Center • Shared Growth Department	Employees Workers from suppliers Local communities	• Self-assessment • On-site inspection (internal, third-party, client)	• Establish a supplier GHG inventory system • Join RE100 (transition to 100% renewable energy by 2050)
Responsible Sourcing of Minerals	• Practice responsible mineral sourcing to manage human rights violation risks that may arise in conflict-affected and high-risk areas • Ensure transparency in the mineral supply chain and apply due diligence standards to the smelting and refining stages • Manage whether suppliers and vendors comply with responsible mineral sourcing standards	•Customer Quality Research Lab • Procurement departments by division	Workers from suppliers Local communities	• Conflict mineral management system • RMAP(Responsible Minerals Assurance Process) certification audit	• Exclude uncertified smelters from the supply chain • Publish an annual due diligence report
Personal Information Security	• Comply with the principles for the lawful collection, use, and storage of the personal data of employees, customers, and suppliers • Implement management standards to prevent infringements such as the leakage and misuse of personal data • Operate a data protection system to protect the rights of data subjects	• Information Security Department	Employees Workers from suppliers Customers	• Personal information impact assessments and penetration testing	• Establish and revise personal information management policies (strengthen personal information security and conduct audits and evaluations)

Human Rights Management

Risk Management

Advancing the Human Rights Risk Management System for Continuous Improvement

LG Electronics is continuously enhancing its company-wide institutional reforms and risk management systems based on the results of human rights impact assessments. For cases identified through actual on-site inspections and worker interviews, a structured response process has been established, covering preventive measures, effective corrective actions, and prevention of recurrence.

For example, regarding issues related to working hours and overtime, the principles of voluntary participation and the ability to refuse without disadvantage are communicated, and for high-risk items such as fire safety and chemical handling, preventive activities are conducted in parallel with strengthened on-site inspections. For non-compliance identified during on-site audits, plans for improvement are established at the business site level, and the completion of corrective actions within the designated timeline is regularly checked. In 2025, the Enterprise Crisis Management Committee selected four key vulnerable items as mid- to long-term improvement plans and managed them at the KPI level.

Additionally, starting in 2024, LG Electronics expanded the scope of its human rights due diligence and impact assessments to include all internal production sites and the entire network of suppliers. To establish a risk management system aligned with international standards, the company participated in the UNGC's "Business and Human Rights Accelerator" program.

Mid- to Long-Term Improvement Tasks and Current Status of Improvement Selected by the Enterprise Crisis Management Committee in 2025

Improvement Tasks	Current Status of Improvement
Raising and compliance with working hour management standards	Goal achieved (compliance rate improved by 12.1% compared to 2024)
Reduction of the proportion of dispatched workers (China)	80% achieved (4 out of 5 corporate entities)
Regular inspections of working conditions at in-house suppliers	Goal achieved (100% on-site inspections completed for 237 companies)
Enhancement of the permit management process for safety, environment, fire, and construction	Goal achieved (improvements completed for 305 items subject to renewal)

Targets and Metrics

Human Rights Management Targets

LG Electronics sets key indicators such as human rights impact assessments, and resolution of grievances as part of its human rights management , and manages annual performance accordingly.

Human Rights Management Targets

Objective	Details	Metric	Unit	Performance		
				2023	2024	2025[2]
Expanding human rights training	Expand training hours for employees on human rights policies and procedures	Training hours	hours	2,041	45,494[1]	-
Conducting human rights impact assessments	Conduct human rights reviews and impact assessments at all global production sites	Implementation rate of human rights impact assessments	%	100	100	100

1) As of 2024, position-specific training has been discontinued and company-wide human rights training has been implemented for all employees (25,481 domestic and 20,013 overseas participants)
2) For 2025, due to delays in finalizing detailed implementation guidelines for global supply chain due diligence regulations (such as the EU FLR and CSDDD), the training program will be redesigned and implemented within 2026

Future Goals by Key Human Rights Impacts

Key Human Rights Impact	Future Goals
Forced Labor	• Continue conducting on-site inspections of in-house suppliers at all overseas production subsidiaries (at least once a year) • Publish guidelines that are tailored to labor conditions and the characteristics of migrant worker employment to prevent forced labor issues
Child Labor	• If child labor is identified, immediately remove the child from work, support completing mandatory education, and implement measures to prevent loss of income
Working Hours	• Systematically manage regular/overtime working hours and rest periods in accordance with labor regulations • Promote flexible working arrangements to enhance employee productivity and ensure work-life balance
Wages and Benefits	• Continuously review and improve welfare benefit systems to reflect employee needs
Living Wage	• Review case studies related to living wage through participation in the RBA Living Wage Taskforce • Provide input and conduct internal reviews on proposed revisions to the RBA Code of Conduct and audit standards
Non-Discrimination/ Non-Harassment/Humane Treatment	• Actively review and implement various additional measures to prevent discrimination during the recruitment process
Freedom of Association and Collective Bargaining	• Ensure workers' freedom to voluntarily form associations by distributing collective bargaining documents in accordance with national and regional laws

Talent Management

Strategy

LG Electronics continuously enhances the flexibility of its work methods and organizational operation systems to respond to the rapidly changing business environment. At the same time, the company operates a variety of talent development programs to enable each employee to fully demonstrate their expertise. Through these efforts, LG Electronics strengthens a performance-oriented culture across the organization while promoting sustainable growth through the strategic management of human resources.

HR System and Organizational Culture Framework Based on LG Way

LG Electronics operates a systematic HR governance framework based on performance-oriented principles, grounded in LG Way, the management philosophy of the group. The performance culture emphasized in the LG Way encourages employees to set challenging goals and continuously strive for results. It also focuses on evaluating both short- and long-term performance and competencies, and providing appropriate rewards accordingly.

Fair and Transparent Evaluation and Compensation System	LG Electronics has established a performance-based compensation system and continues to operate it.	• Ongoing performance management • 360-degree evaluation system • Rating review committee • Evaluation appeals process
Talent Development and Innovative Promotion System	To foster a horizontal and creative organizational culture, LG Electronics operates a three-tier system based on roles, competencies, and performance. Moving away from the traditional hierarchical structure, it promotes a flexible culture grounded in autonomy and accountability.	• Selective promotion system • Development programs • Protection against promotion disadvantages for maternity protected employees
Advanced Welfare Programs for Work-Life Balance	LG Electronics respects its employees' autonomy and decision-making authority, and operates various programs to support a work-life balance.	• Flexible work arrangements • Remote work system • Summer vacation and recommended leave programs
Family-friendly Work Environment	To support the harmony between work and family, LG Electronics operates family-friendly policies that exceed legal standards.	• Expanded parental leave and maternity leave • Reduced working hours during child-rearing periods • On-site childcare facilities • Maternity protection programs tailored to each stage of life
Diversity and Inclusion	LG Electronics respects the diversity of its employees and continually strives to build an inclusive organizational culture free from discrimination and harassment.	• Establishment of anti-discrimination and anti-harassment systems • Dedicated recruitment briefings for women's universities in Korea • Expanded recruitment programs for persons with disabilities

Talent Development

Talent Development Programs

Talent Development Program Framework

LG Electronics regards talent development as a core management strategy for continuous growth. To foster Great Leaders who will lead organizational change and employee growth, the company operates development programs for a wide range of employees, from team leaders to executives, thereby preventing risks such as leadership gaps and lack of organizational capability.

In addition, LG Electronics has segmented its training areas based on employees' positions and roles, and has introduced a variety of learning methods, such as coaching and mentoring that pass on the experience and wisdom of senior employees, and voluntary learning communities and networking activities through which employees share knowledge and grow together with their peers. Based on these efforts, the company systematically develops key talent and places well-prepared individuals in the right positions, thereby preventing risks related to talent shortages and role mismatches. Furthermore, LG Electronics focuses on operating the following programs with the goal of strengthening organizational capabilities.

Program name	Topics and Format
Biz. Insight Upgrade for Executives	• Development and implementation of leadership programs for executives to lead organizational innovation • Customized, in-depth sessions focused on business-related technologies • Expanded humanities and arts seminars to broaden insights
Leadership Upgrade for Organizational Leaders	• Learning experiences to strengthen people leadership capabilities for all division/team leaders • Mental care support for leaders to help build high-performing organizations
Upgrade of Employees' Work Capabilities and Skills	• Reskilling/Upskilling programs to respond to changes in the business portfolio • Expanded job training and continuous learning CP(Career Pathway) transition, self-directed learning
Upgrade of Onboarding Experience for New Employees	• Improved experience of "Welcome, Connection, Growth" through a structured one-year onboarding journey • Enhanced positive experiences for employees through onboarding • Operation of the "Next Chapter" first-anniversary growth program
Upgrade of Overseas Subsidiary Capabilities	• Promotion of leadership behavior changes throughout the full expatriate journey • Provision of an early-readiness program for new PDs through design-based hands-on simulation experience • Enhanced people management capabilities of overseas leaders • Standardization of onboarding processes for employees at overseas subsidiaries

Talent Management

Talent Development

Company-wide Reskilling/Upskilling Programs

LG Electronics is continuously expanding its reskilling (job retraining) and upskilling (capability enhancement) programs to proactively respond to rapid digital transformation and changes in the industrial landscape, such as the growing adoption of artificial intelligence (AI) and the restructuring of industries around eco-friendly technologies. These programs focus not only on driving business performance and enhancing employment stability, but also on helping employees build competitiveness and achieve continuous growth in future core technology areas such as AI and eco-friendly technologies. Through these initiatives, the company is effectively developing key talent internally, thereby establishing a virtuous cycle that simultaneously strengthens business continuity and future competitiveness.

People Leadership and Mental Wellness Care

LG Electronics presents a leadership development paradigm optimized to fit organizational characteristics so that leaders can drive tangible change in the field. Moving away from conventional one-size-fits-all training methods, the company has designed the communication journey between leaders and members as a single, integrated brand. Based on the "LG Way Performance-Creating Report," the company diagnoses each team's unique characteristics and, on this basis, provides strategic guides that can be directly applied to interviews and work instructions, thereby enhancing the effectiveness of leadership. In addition, the company strengthens networking sessions where fellow leaders share their concerns and benchmark one another, boosting their confidence in executing leadership. The company has also comprehensively expanded its mental care system so that leaders, the backbone of the organization, can maintain healthy energy. By operating a multidimensional program ranging from everyday care to professional counseling based on the results of in-depth wellness diagnostics, the company achieved meaningful results, with significant improvements in participating leaders' work and life happiness index.

People Leadership Journey

Mental Care System Hue: LEARN in Jeju

AI-Based Simulation for Global Talent Development

In line with the company-wide Digital & AI Transformation, LG Electronics has fully introduced "AI-based business simulation game technology" into talent development. For newly appointed expatriates, the company operates a "six-stage refined simulation" that reflects the complex decision-making situations of local subsidiaries to proactively manage early-assignment risks, and combines the practical feedback of senior expatriates to enhance the completeness of leadership. Furthermore, the company has built a cross-border leadership pipeline through an AI leadership game for overseas local leader candidates, and systematically strengthens hands-on decision-making capabilities by providing AI marketing strategy simulations to domestic and overseas sales talent. The "Blended Learning" model, which combines the efficiency of online learning with the in-depth communication of offline learning, presents a new direction for smart learning that goes beyond simple knowledge transfer to directly drive tangible performance, and serves as a foundation on which global key talent can continuously take on challenges and grow.

01 **Real Case-Based Content Development**
Turning actual cases from the past three years into assignments

02 **Business Simulation Framework**
Six-stage decision-making process

03 **AI-Based Web Simulation**
Vibe Coding online engagement

04 **Feedback Sessions with Senior PDs**
At least two coaching sessions with senior expatriates

05 **Writing Reflection Notes**
Internalizing and reflecting on what was learned

"STUDIO341" to Foster In-House Venture

LG Electronics is simultaneously pursuing the discovery of innovative business models and the diversification of business risk through "STUDIO341," its in-house venture incubation program reinvented in 2023. The five Season 1 teams that spun off in July 2024 have successfully grown their businesses to date, and this year, having had their growth potential recognized by external investors, they plan to attract follow-on investment (Pre-A) at increased valuations. In 2025, so that the in-house venture program could make a tangible contribution to LG Electronics, the company ran the Season 2 program from May, centered on themes that are aligned with and create synergy with LG Electronics' strategy, such as AI and robotics. Through collaboration with Bluepoint Partners, a startup-specialized investment and incubation company, the program went through a process of identifying customers' problems and developing products and services to solve them. In April 2026, the company held the STUDIO341 Demo Day and selected four final spin-off teams through professional and objective evaluation centered on external experts. The teams selected for final spin-off will receive investment of up to KRW 400 million from LG Electronics and Bluepoint Partners, and will complete their spin-off in early July, gaining the opportunity to create mutual synergy with LG Electronics in the fields of AI, robotics, and materials.In addition, Sinsungo and X-UP, the Season 1 spin-off companies, also conducted IR pitching through the Demo Day and achieved tangible results, including discussing follow-on investment with numerous investors on-site. Through STUDIO341, LG Electronics discovers new businesses by utilizing a variety of internal and external resources, including technology, talent, and funding. In addition, by exploring new businesses from the customer and market perspective rather than from the company's internal perspective, and by rapidly incubating and validating them externally, the company reduces the resources invested in new business incubation and mitigates the risk of new business failure.Furthermore, by providing employees with the opportunity to drive businesses directly in the market rather than within the company, it contributes to developing hands-on talent.

Introduction to STUDIO341 Season 2 Spin-off Team

Team	Business Model
AGI Labs	Enterprise AI Coding Agent for Code Quality Improvement
ATOMMER	Fabless-Based Advanced Flame-Retardant Material Design Solution
SECA Labs	AI Solution for Detecting HW Design Data Consistency Errors
Kitchen Automation	B2B Kitchen Automation Robot and Operation Management Solution

STUDIO341 Demoday

Talent Management

Talent Development

Operation of the Life Planning Support Program(Domestic)

LG Electronics operates the "Bravo My Life (BML)" program to help employees design a stable and proactive post-retirement life. BML program focuses on supporting life planning with various post-retirement paths in mind, including reemployment and entrepreneurship.

Upon enrollment, employees are allowed to reduce their working hours to balance current work with retirement preparation. In addition, the program not only provides opportunities for self-development through reduced working hours, but also supports activity expenses and training expenses to help employees make practical preparations for their retirement.

Operation of the Culture/ Liberal Arts Lectures for Employees

LG Electronics actively supports not only the development of employees' job-related competencies but also the cultivation of cultural literacy and the expansion of creative thinking to enhance employee engagement.

In particular, the company regularly invites experts, leaders, and renowned figures from various sectors of society to operate a lecture program in which they share insights and experiences on a wide range of topics. Through programs such as "Knowledge Concert," "Culture Talk," "Culture Week," and "CULTURE DAY," employees encounter the latest trends and learn new perspectives, and grow into talent equipped with more flexible and profound thinking capabilities grounded in humanistic insight and creative inspiration.

Culture Week

1:1 Caring Program

LG Electronics operates a structured, role-based growth system that enables individual employees to find meaning in their work, take the initiative in creating results, and grow, along with the growth of the organization. The company has established standard career development maps for each Function leader and expert track and has formulated C-D-P (Career-Development-Planning) plans, and every February, during the goal-setting period, employees prepare their career development requests and specify their career development goals through agreement with their leaders. Subsequently, the company manages HR risks by reviewing progress together with leaders on a semi-annual basis and continuously providing support so that employees can achieve their planned goals.

Counseling	Planning	Training-Job	Staffing
1:1 meetings with supervisors	Creation of personalized career development plans	Mandatory group training, job-specific training, and degree programs (domestic/overseas)	Promotions and job appointments

Evaluation and Compensation

Evaluation and Compensation System

LG Electronics operates a transparent and fair performance management governance system based on performance-oriented principles. At the beginning of each year, individual goals are set, and performance is systematically managed through agile communication, including ongoing feedback and one-on-one meetings between leaders and team members, and at least one formal feedback session per year. A performance rating review committee, led by the responsible executive and including organizational leaders and the HR department, is convened to deliberate on evaluation outcomes. Employees are guaranteed the right to appeal, request feedback sessions, and consult with HR regarding their evaluation results.

Goal Setting and Ongoing Management

Leaders establish organizational goals and share them with team members to help individuals align their personal objectives with those of the organization. In particular, this approach enhances employees' understanding of their work and its importance, while also ensuring that organizational performance translates into individual success. Based on the goals set, employees regularly review their progress and exchange feedback through scheduled and ad-hoc meetings, and receive the support needed to improve their performance.

Multi-faceted Evaluation and Feedback

LG Electronics conducts multi-faceted evaluation to ensure objectivity and incorporate diverse perspectives. First, for leadership-level employees, 360-degree multi-dimensional feedback is collected once a year from diverse stakeholders, including supervisors, peers, and subordinates. In addition, general employees may voluntarily engage in peer feedback to offer and receive advice on collaboration practices and competency growth.

2025 Scope and Schedule of Major Evaluations

Category	Personnel Subject to Evaluation	Schedule
Performance Evaluation	All employees	Once a year (October-November)
Job Competency Evaluation		
Leadership Evaluation	Organizational leaders	Once a year (September)
Peer Evaluation	All employees (excluding organizational leaders)	Once a year (September)

Talent Management

Organizational Culture

Based on a participation-driven value system, LG Electronics is committed to continuously pursuing "Innovation for a Better Life" that all employees can relate to and realize together. To this end, the company is strengthening the foundation for sustainable growth by fostering a healthy organizational culture centered on diversity, inclusion, and the experience and development of its employees.

Organizational Culture Management Strategy

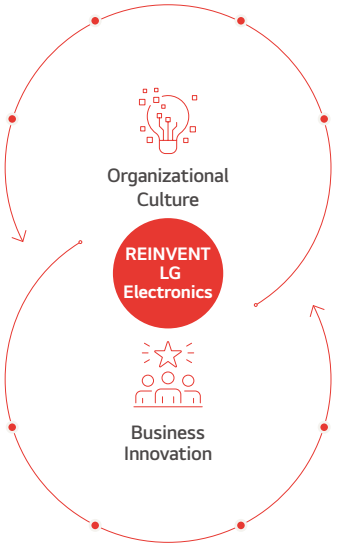
REINVENT LG Electronics

System and Infrastructure
- NERP IC360

Institutions and Policies
- Customer-oriented Evaluation (R-NPS)
- Corporate Venture Program (STUDIO341) and New Business Support
- SW Reskilling Program

Ways of Working
- Defining 'My Customer' and Customer Value
- Leadership-driven workplace culture innovation
- Fostering a practice-driven culture to adapt to technological changes

Leadership
- Strengthening people leadership for organizational change
- Assessing and improving change progress through the REINVENT Pulse Survey



Value Chain
AX, CX, Brand, OBS

Business Strategy
- Announcement of LG Electronics' Future Vision

Shared Values
- Based on employee feedback, the REINVENT guide and character were visualized and established as a shared organizational language that everyone can relate to

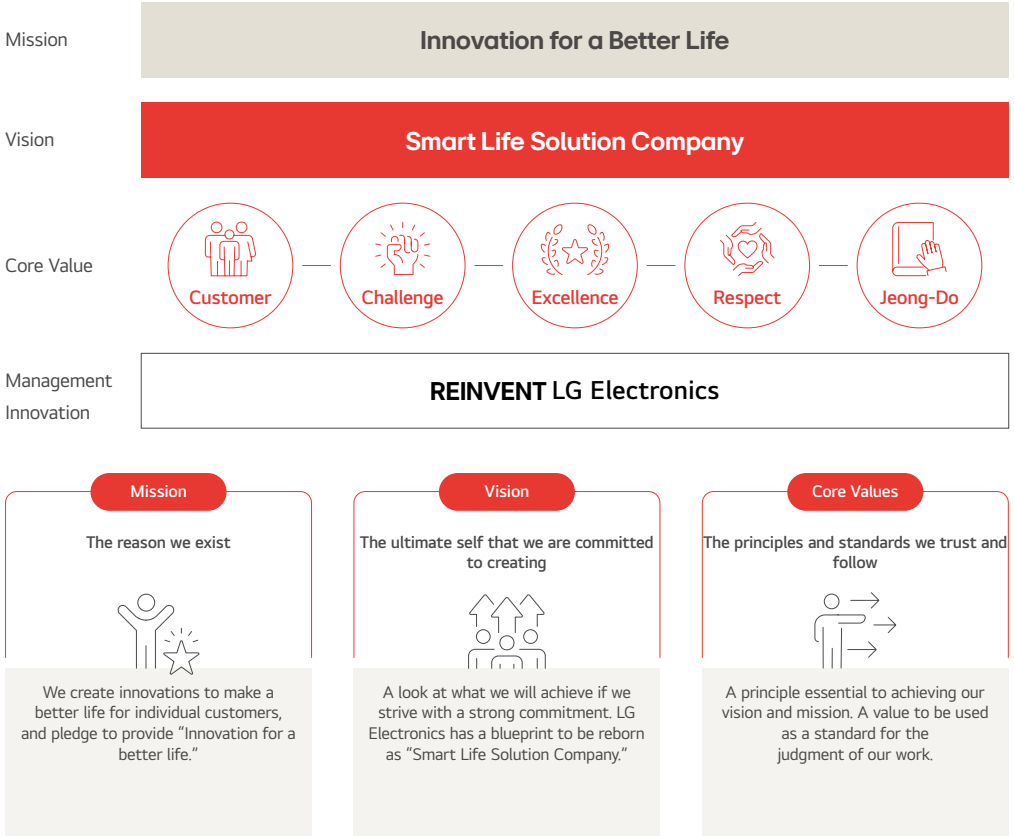
Enhancing Employee Positive Experiences
- Employee Life-Cycle Caring Program (includes gifts for employee's children entering elementary school or taking college entrance exams, and regional family programs)
- Internal communication efforts to design and manage employee engagement experiences

LG Electronics is driving the "REINVENT LG Electronics" initiative to build an organizational culture in which each employee's passion and capabilities can be fully realized. This initiative goes beyond a mere slogan and has established itself as a practical code of conduct that reflects employees' dreams and aspirations, and it serves as a core foundation for spreading a positive Employee Experience and creating sustainable growth momentum for the company.

"REINVENT LG Electronics," which the company has created together with its employees, aims for an innovation in organizational culture that employees relate to and voluntarily put into practice. Based on this, the company is boldly improving inefficient work practices and outdated systems within the organization, and is evolving into a platform that drives continuous change and innovation as well as a reference point for cultivating a healthy and productive organizational culture.

Employee-Driven Organizational Culture

The core values serve as the foundation for establishing LG Electronics' vision and driving sustainable growth, and have become the primary decision-making criteria that all employees prioritize when performing their work. LG Electronics' future vision and growth direction were established based on the opinions presented through the direct participation of approximately 3,500 employees, which demonstrates that employees play an active role as key agents in shaping the organization's strategy.



Talent Management

Organizational Culture

Organizational Culture Improvement

Family-Friendly Programs

LG Electronics operates family-friendly welfare programs that proactively prevent the risks of career interruption and organizational attrition so that employees can maintain a work-life balance and continue their careers stably. These programs function not merely as the provision of welfare benefits, but as a strategic risk management system that prevents employees' career gaps and enhances their work engagement.

First, the company provides reduced working hours for expectant mothers, maternity leave, and spousal maternity leave for the health and stable working environment of employees during pregnancy and childbirth. After childbirth, the company minimizes the risk of career gaps by operating up to two years of parental leave, which exceeds the legal standard, and a reduced working hours system during child-rearing periods, and by ensuring business continuity within the organization upon return to work, it prevents employee attrition and establishes a long-term talent retention system.

In addition, considering that the health and economic stability of families are directly linked to employees' work engagement, the company operates multifaceted welfare programs such as family medical expense support, children's tuition support, and gifts for children entering school. Furthermore, the company supports employees in sharing the organization's vision and culture with their families and strengthening emotional bonds through family invitation events and family-participation programs, thereby helping to foster a long-term sense of organizational belonging.

Work-Life Balance Support Programs

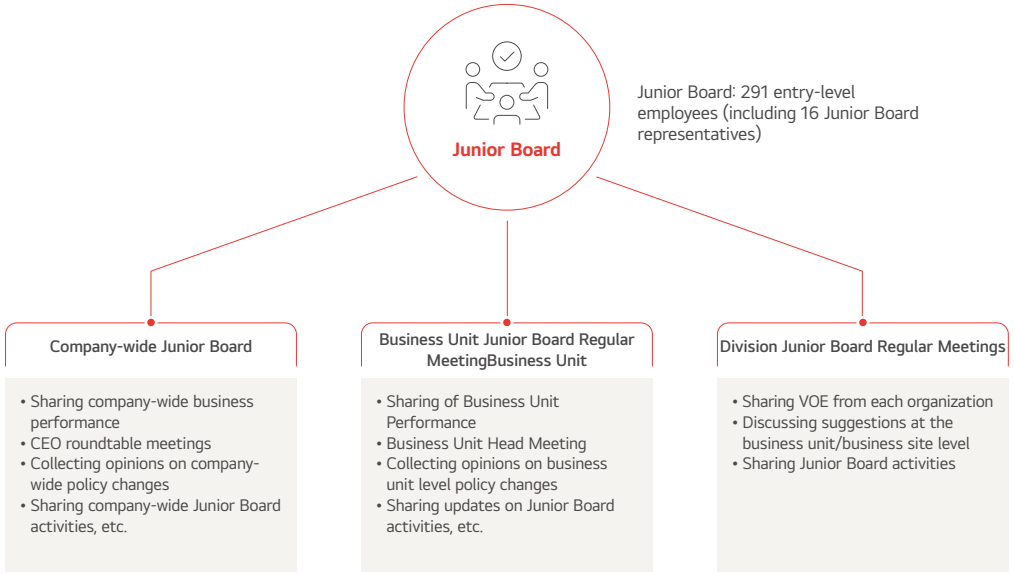
LG Electronics operates flexible work arrangements, a remote work system, and various work formats to enhance employees' work engagement while supporting work-life balance.

Category	Details
Flexible Work Hours	• Employees are encouraged to manage their time independently by adjusting their working hours outside of core time, which helps reduce stress and mitigate the risk of work overload.
Remote Work System	• Depending on job characteristics and individual circumstances, LG Electronics operates a remote work system, including work-from-home options, to ensure business continuity even during emergencies such as a pandemic by establishing a structured and responsive framework.
Various Work Models	• By offering flexible work arrangements that go beyond legal requirements, such as reduced working hours during childcare periods and part-time positions, the company reflects employee's personal situations and helps reduce the risk of turnover.
Right to Rest	• Through summer vacations, year-round recommended leave, and annual leave promotion policies, LG Electronics ensures ample opportunities for rest and rejuvenation, thereby enhancing work performance and enabling long-term risk management.

Communication with Employees

Junior Board

LG Electronics operates a company-wide communication Junior Board to strengthen internal communication and effectively reflect employees' voices in management. The Junior Board serves as a communication channel where employees from various ranks and roles voluntarily participate to propose ideas on organizational operations and share them directly with management. Furthermore, the company has established a structured communication system by organically linking Junior Boards at the division and department levels with the company-wide Junior Board Council. This forms a communication structure based on employee engagement. Such a communication framework also promotes active employee participation from an ESG perspective, laying the foundation for a sustainable management culture within the organization.



Talent Management

Organizational Culture

1on1 Communication Program (Domestic)

To prevent risks such as stagnation in employee growth and decline in trust and to effectively support organizational adaptation, LG Electronics conducts 1on1 meetings. The 1on1 meetings are conducted in a format where employees take the lead in setting discussion topics and communicate freely, and in the field, employees share concerns that are difficult to address in daily work or fundamental questions about organizational operations with team leaders and organizational heads. Furthermore, through 1on1 meetings, LG Electronics conducts in-depth communication to explore directions for resolving employees' concerns, thereby enhancing employee engagement and understanding of the organization.

1on1 Meetings

01 Communication to Strengthen People Leadership Influence

- Leaders communicate individually with team members and help to exert influence within the organization and build positive relationships.

02 Support for Employee Growth and Adaptation

- Clarifies employee's vision and roles, laying the foundation for their growth within the organization

03 Strengthening Interconnection Within the Organization

- Enhances connections between employees and leaders, promoting interaction and collaboration, and reinforcing a sense of belonging within the organization.

Communication System Between Management and Employees

LG Electronics operates various communication channels to enhance communication between management and employees. Most notably, the company has established a communication structure that actively listens to and reflects the opinions of the organization through communication programs led by C-level executives and the heads of each division and business unit.

Key Communication Programs	Communication Topics and Methods	
CEO Town Hall Meeting CXO Town Hall Meeting	A two-way communication program that shares strategic vision and management performance in real time and transparently reflects on-site voices in management strategy through executive Q&A and suggestion channels	
Head Manager/Division Head-led Communication	In alignment with company-wide communication programs, each business division holds sessions to exchange opinions with employees on specific topics, share internal updates, and gather employee concerns, which the respective Head Managers or Division Heads lead.	
	• HS: HS Town Hall Meeting • MS: Head Manager New Humirock Live Talk • VS: VS Town Hall Meeting • ES: ESsential Talk	• Korea Sales & Marketing Company: Joy Concert • CTO: All Hands Meeting • Production Engineering Research Institute: DoDream Talk Concert • Customer Value Innovation Division: CS ONE Talk

Employee Satisfaction Surveys

LG Electronics conducts regular LG Way surveys targeting all employees to assess trends in organizational culture and employee perceptions, thereby identifying potential risks in advance. The survey is part of a risk management process designed to monitor and proactively address key organizational culture risk factors, including communication, trust, and engagement, within the organization.

In 2025, LG Electronics conducted the survey with 21,374 office employees and 7,253 production employees in Korea, and provides the survey results to each leader in the form of an analytical report that enables them to assess the health of their organization. Each leader transparently shares the results with employees and connects them to follow-up discussions and actions for improving organizational culture and mitigating risks.

Furthermore, LG Electronics establishes customized practical guides for each organization based on the survey data, thereby strengthening company-wide execution capabilities. In particular, the company has established a strategy to prevent risks and enhance resilience in order to structurally address key issues in the field, thereby laying a foundation for responding promptly and effectively when problems arise. Going forward, the company plans to solidify a data-driven "Feedback Loop" and to continuously develop an advanced organizational culture management system that combines ongoing monitoring with follow-up management.

Talent Management

Diversity and Inclusion

Promoting Diversity and Inclusion

LG Electronics is systematically building an organizational culture based on Diversity, Equity, and Inclusion (DEI) as a core strategy for sustainable growth. This approach aims to establish a structural foundation that transforms employee diversity into a competitive advantage, while also enhancing adaptability in global markets and strengthening creative problem-solving capabilities within the organization. In addition, as part of its DEI strategy, LG Electronics continues to implement structural improvements to expand the recruitment, career development, and leadership of female talent. During the hiring process, the company diversifies the entry pathways for female talent and expands its mid-term and long-term pool of female leaders through career development programs and customized leadership training. In addition, to fulfill its social responsibility in employing people with disabilities, the company creates an inclusive employment environment by establishing dedicated recruitment channels and operating standard workplaces. From the perspective of organizational culture, LG Electronics is simultaneously conducting awareness-raising initiatives focused on eliminating unconscious bias and fostering inclusive communication. Through DEI-related training programs and mandatory courses for leaders, the company aims to promote company-wide awareness and ensure execution competency of its strategies. Furthermore, LG Electronics establishes DEI indicators aligned with global standards and sets quantitative targets, such as the proportion of female managers and the employment rate of people with disabilities, to regularly monitor the level of diversity and inclusion within the company.

Respect for Employee Diversity and Prohibition of Discrimination and Harassment

LG Electronics upholds the diversity and inclusion of its employees as core values and strives to prevent and manage organizational culture risks arising from discrimination or harassment.

Application of Zero-Tolerance Policy

LG Electronics applies a zero-tolerance principle that strictly prohibits all forms of discrimination based on gender, age, race, disability, sexual orientation, educational background, and other factors across all areas of employment, including recruitment, promotion, evaluation, and compensation. The company also applies a zero-tolerance principle to all acts of workplace harassment, including verbal, physical, and visual harassment, thereby securing diversity and inclusion.

Anti-discrimination training

LG Electronics conducts anti-discrimination training to secure the diversity and inclusion of its employees. The training raises awareness of laws and policies related to anti-discrimination and provides guidance on the reporting and victim protection systems in the event of related incidents. In addition, when a related incident occurs, the company establishes measures to prevent recurrence and continues awareness-raising activities to prevent similar cases.

Diversity, Equity, and Inclusion (DEI) Metrics and Targets

LG Electronics fosters an environment in which all employees are recognized, feel a sense of belonging, and can realize their potential, based on a culture of Diversity, Equity, and Inclusion (DEI). To this end, the company sets quantitative DEI-related goals and systematically monitors key indicators.

LG Electronics has set quantitative goals to increase the global female employee ratio to 25.5% and the domestic employment rate of persons with disabilities to 3.5% by 2030, and continues efforts to expand recruitment and improve organizational culture to achieve these targets. As of 2025, the female employee ratio was 22.2% and the employment rate of persons with disabilities was 2.9%, and the company plans to further strengthen an inclusive organizational culture through various recruitment and development programs.

New Female Hires at LG Electronics

Classification	Unit	2023		2024		2025	
		Female	Total (Female+Male)	Female	Total (Female+Male)	Female	Total (Female+Male)
Regular Employees	Persons	4,940	14,659	3,703	12,344	3,777	12,172
Non-Regular Employees		301	1,746	329	1,612	245	1,542

Ratio of Female Employees and Managers at LG Electronics

Classification	Unit	2023		2024		2025	
		Employees	Managers	Employees	Managers	Employees	Managers
Male	%	78	88.1	77.9	87.8	77.8	86.8
Female		22	11.9	22.1	12.2	22.2	13.2

Employment Rate of Persons with Disabilities at LG Electronics (Domestic only)

Classification	Unit	2023	2024	2025
Total	%	2.5	2.6	2.9
Male		2.0	2.1	2.3
Female		0.5	0.5	0.6

Safety and Health

Governance

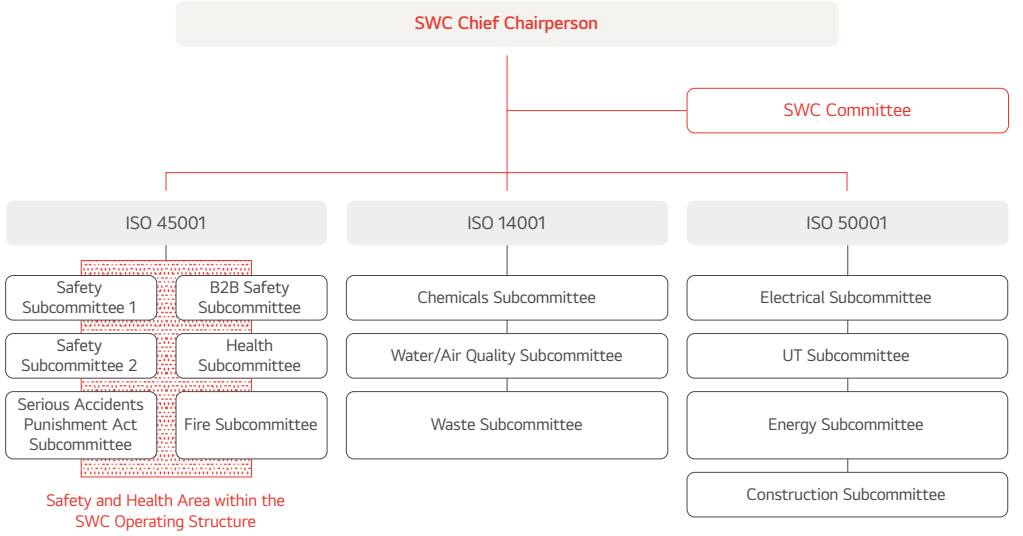
LG Electronics has established a clear accountability system and a structured governance framework to ensure a safe and healthy workplace. Under the leadership of top management, a company-wide safety and health management system is in operation, with ongoing improvements aimed at strengthening management capabilities.

Safety and Health Management Governance

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

LG Electronics operates the SHEE standards system, based on its safety and health management policy and company-wide management regulations. The company continuously monitors global safety regulatory trends and legislative updates and incorporates newly enacted or revised standards into its system following review and analysis by the Smart Working Committee. The committee includes representatives from each subcommittee—Safety, B2B, Health, Fire, Serious Accidents Punishment Act, Chemicals, Water/Air Quality, Waste, Electrical/Construction, and Energy/UT—and enacts and revises safety manuals under the supervision of the Chief Safety and Environment Officer. In 2025, the committee enacted 78 manuals and revised 146 manuals and 83 standards. In addition, LG Electronics mandates ISO 45001 certification for safety and health management at all business sites to ensure compliance with global safety and health standards.

Smart Working Committee (SWC) Operating Structure



Safety and Health Reporting System

In accordance with the revised Occupational Safety and Health Act, the CEO of LG Electronics has established the company's annual safety and health plan and reported it to the Board of Directors for approval every year since January 2021. In addition, the company secures company-wide risk management capabilities by regularly reporting to the Board of Directors each year on its safety and health management policy, the structure, staffing, and roles of its safety and health organization, budget, facility status, performance from the previous year, and activity plans for the following year.

Operational Status of Company-wide Safety and Health Reporting System

Category	Frequency	Subject
Board Reporting on Safety and Health	Annually	Regular reporting of key safety and health matters to the Board of Directors
Occupational Safety and Health Committee	Quarterly	Deliberation and resolution of important matters concerning the safety and health of workers
Executive Council on Safety and Health	Monthly	Deliberation and resolution by executives on important matters of the Safety & Environment Center

Roles and Responsibilities by Safety and Health Subcommittee

Each subcommittee carries out its activities in consideration of the laws and work areas for which it is responsible. In addition, the company systematically monitors compliance with legal requirements and effectively promotes risk prevention activities tailored to the characteristics of each subcommittee.

Category	Scope of Work
Safety Subcommittee 1	Occupational Safety and Health Act, Nuclear Safety Act, Serious Accidents Punishment Act
Safety Subcommittee 2	Occupational Safety and Health Act, Industrial Accident Compensation Insurance Act, Act on the Establishment of Safe Laboratory Environment
Serious Accidents Punishment Act	Serious Accidents Punishment Act
B2B Safety Subcommittee	Occupational Safety and Health Act, Framework Act on the Construction Industry, Serious Accidents Punishment Act
Health Subcommittee	Occupational Safety and Health Act, Medical Service Act, National Health Promotion Act, Infectious Disease Control and Prevention Act
Fire Subcommittee	Framework Act on Firefighting Services, Firefighting System Installation Business Act, Act on the Safety Control of Hazardous Substances, Act on Installation and Management of Firefighting Systems

Evaluation of Performance and Remuneration for Management

LG Electronics incorporates occupational safety and health indicators into the performance evaluations of executives and management, underscoring their accountability for non-financial factors. Key performance indicators include serious accidents, major industrial accidents, number and details of regulatory violations, lost-time injury rate, and accident prevention activities. Accordingly, the responsible organization systematically manages these key performance metrics through the establishment of the Safety & Environment Center's goal-setting framework, which supports the management of safety and health accidents, regulatory compliance, and preventive measures.

Safety and Health

Strategy

Safety and Health Management Strategy

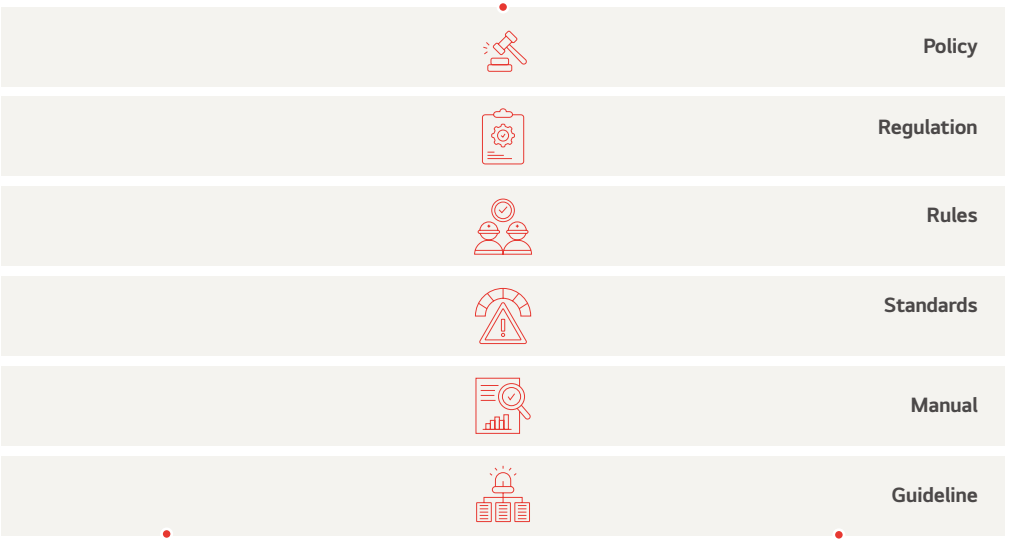
LG Electronics has established and announced its "Safety and Health Management Policy," affirming its commitment to prioritizing the safety and health of all stakeholders, including employees and suppliers, as a top management concern, and to fulfilling its responsibilities to create safe and healthy workplaces. This policy applies to all global business sites, all employees, and all stakeholders across the value chain, including suppliers, and is approved annually by the Board of Directors. The policy also recognizes safety and health as a core corporate value. It explicitly states the company's commitment to providing the necessary personnel and budgetary support to achieve the goal of "zero serious accidents" at all business sites.

Safety and Health Management Policy

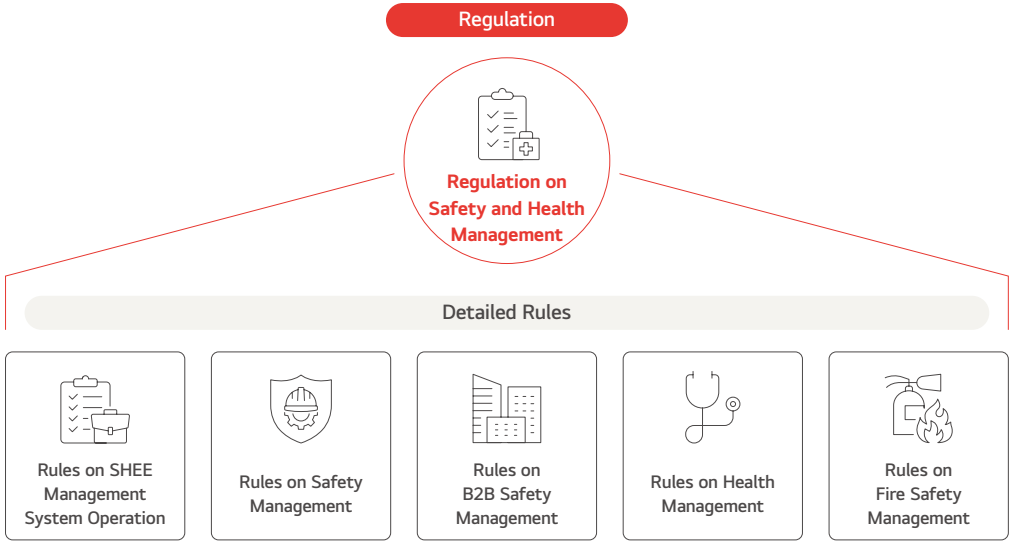
LG Electronics' safety and health management regulations are structured around the operational rules of the management system and include specific rules on safety management, B2B safety management, health management, and fire safety management. These are systematically managed in accordance with the subordinate standards under each rule. All safety and health-related laws, regulations, and procedures are deliberated and resolved through the Occupational Safety and Health Committee. In addition, LG Electronics is committed to fostering a company-wide safety culture by transparently providing safety-related information to all employees and stakeholders to whom the regulations apply, and by proactively addressing hazardous and harmful risk factors.

Safety and Health Management Policy

SHEE Integrated Standard Framework



Detailed Rules under LG Electronics' Safety and Health Regulations



Safety and Health

Activities

Safety Accident Response

Safety Accident Reporting Process

LG Electronics has established measures to promptly respond to accidents and prevent recurrence based on its standardized accident reporting manual. In the event of an injury or illness, an initial report and information report are submitted. In collaboration with the site's Safety and Environment Department, the company investigates the details and root causes of the accident. Based on these findings, the company develops plans to improve safety and prevent accidents, and issues a Safety Alert, which is shared with employees across both domestic and international sites. After the improvements, the accident closure is reported through the Safety and Environment IT system.

Internal Safety and Health Accident Reporting Process

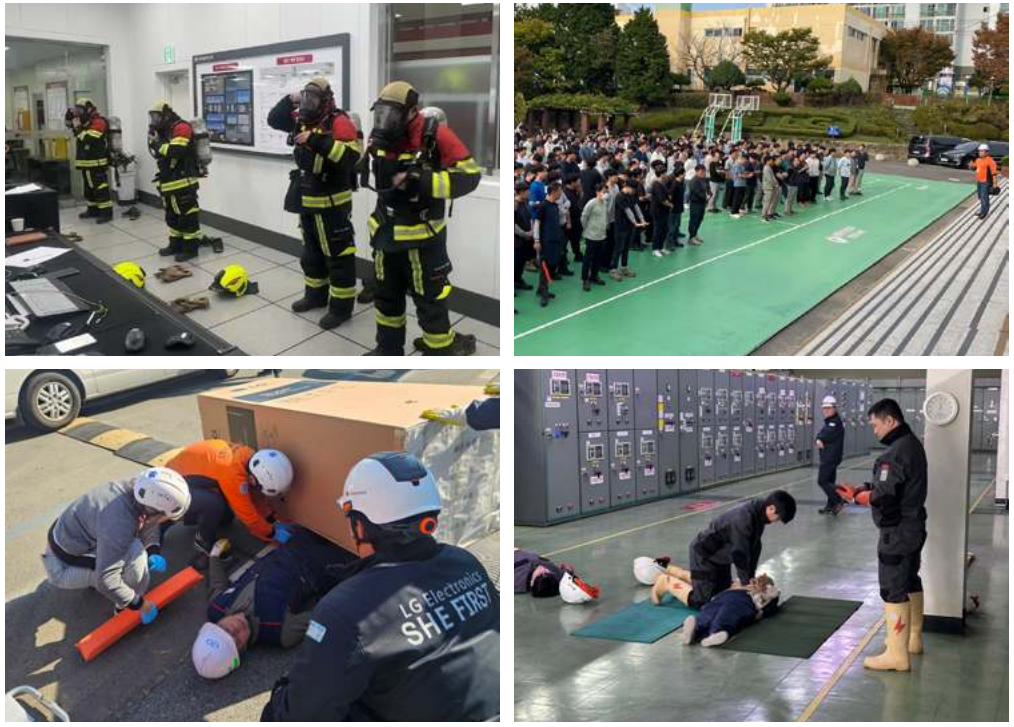
Initial Report	Information Report	Accident Investigation and Measures to Prevent Recurrence	Accident Closing Report
• Quick communication of the situation • Conduct emergency response	• Constitute the crisis response committee • Identify the accident type	• Analyze the root cause • Establish measures to prevent recurrence	• Review the response system • Report final result

Meeting on Accident Cause Analysis and Measures to Prevent Recurrence

LG Electronics ensures workplace safety by promptly responding to safety incidents and establishing preventive measures based on its accident reporting manual, thereby preventing similar incidents from occurring at other sites. Furthermore, the company conducts a "Meeting on Accident Cause Analysis and Measures to Prevent Recurrence," held on the second Wednesday of each month, where the root causes and preventive measures are shared company-wide; in 2025, a total of 18 meetings were conducted. For all incidents resulting in one or more lost work days, a thorough root cause analysis is conducted, and countermeasures are implemented to prevent similar incidents, with the relevant details shared with employees both domestically and internationally.

Activities to Develop Crisis Response Capability

LG Electronics has identified eight major risk categories: serious industrial accidents, fire accidents, hazardous or flammable gas leaks, infectious diseases, chemical spills, emissions of air and water pollutants, utility supply disruptions and power outages, and natural disasters. The company continuously updates its crisis response manuals and scenarios accordingly. Annual evacuation drills are conducted for all employees, and performance evaluations of disaster prevention centers at domestic sites are held, with awards granted to top-performing teams to enhance overall crisis response capacity. Company-wide training is also provided to enhance employees' first aid and CPR skills, with 9,850 participants having completed the training as of 2025. In addition, tabletop exercises and comprehensive crisis response drills are conducted biannually, based on established manuals, to assess and reinforce the practical effectiveness of the company's emergency response system.



Crisis Response Capability Development Training

Safety and Health

Activities

Right to Stop Work

LG Electronics has established a process that allows both its employees and the employees of its suppliers to stop work and evacuate in the event of an imminent danger that could lead to an industrial accident, in order to guarantee the rights granted under the Occupational Safety and Health Act. Through this, the company protects its employees from hazardous situations arising from processes, tasks, and equipment.

In particular, when a hazardous risk factor is identified, the company immediately enforces a work stoppage and posts a Stop Work Order at the relevant site, and it operates a strict procedure under which work may resume only after the Chief Safety and Environment Officer confirms that the risk factor has been resolved and approves the resumption of work. Through such procedures, LG Electronics enhances on-site safety and contributes to establishing a company-wide safety culture.

Occurrence of a Hazardous Situation	Imminent risk of industrial accident	01
Suspension of Work	Employees or contractors must immediately stop work and evacuate	02
Reporting	The situation must be reported to the supervisor and the site safety and health team (or safety unit)	03
Corrective Actions	The supervisor and the head of the site safety management department must verify the risk factors and implement corrective measures. (*Work suspension remains in effect until all measures to prevent further harm are completed.)	04
Resumption of Work	The head of the safety management department or a designated safety officer must confirm the elimination of the risk and verify the implementation of safety measures before work can resume.	05

Enhancing Safety Awareness

Safety and Health Communication

LG Electronics is committed to fostering a culture of safety throughout the organization by conducting monthly "Safety Talks" during management meetings for each business division to discuss key safety and environmental issues, and by reinforcing safety leadership through quarterly "Safety Walks" led by management. In addition, the company has established company-wide safety and health codes of conduct and displays promotional materials aligned with guidelines from the Ministry of Employment and Labor, thereby improving access to workplace medical services and health promotion programs. Furthermore, LG Electronics operates a "One-on-One Safety Hotline" channel that allows employees of LG Electronics and suppliers, as well as customers, to immediately report urgent hazards or unsafe working conditions anytime, anywhere, or to propose improvements. All reports are handled with a quick response and resolution in principle, and to encourage greater participation, rewards are provided based on the level of contribution to accident prevention. In addition, LG Electronics selected company-wide safety and environment Best Practices (BP), sharing one top award and two excellence awards at LG-SHEC, the Group's safety and environment event, and operates a monthly regular council with in-house suppliers and construction contractors.

Safety and Health Training for Employees

In accordance with the Occupational Safety and Health Act, LG Electronics provides mandatory safety and health training to both workers and supervisors. Regular training is conducted semiannually for all employees, while specialized training is provided to supervisors and workers engaged in high-risk tasks, such as crane operations, to continuously reinforce safety awareness. Additional training is also conducted for newly hired employees and for those whose job responsibilities have changed, and monthly video training is provided for safety and environment personnel at overseas production subsidiaries.

Training Type	Training upon Hiring	Regular Training	Training upon Change in Job Scope	Special Training	Managerial and Supervisory Training	Total
Number of Trainees (Domestic)	1,907 persons	31,592 persons	729 persons	2,699 persons	1,792 persons	**38,719 persons**

In addition, to strengthen employees' capabilities in safety and health, LG Electronics provides training by detailed area—safety, health, fire safety, environment, and ESG—based on the College of Safety and Environment (LG Academy) curriculum. The training is offered in progressive stages, from foundational courses on safety, environment, and ESG principles to advanced programs that enhance professional expertise, and risk assessment training is conducted for site leaders and safety and health professionals, further reinforcing employees' safety and health competencies.

Introduction (Level 1)	Practical (Level 2)	Advanced (Level 3)	Expert/Leader (Level 4/5)
• Introduction to Safety and Environment • Introduction to Corporate Disaster Management	• Advanced Safety • Advanced Health • Advanced Fire Safety • Advanced Environment • ESG Management Practice	• Risk Assessment Leader Training • Global Auditor Training (NEBOSH)	• Safety Leadership

Furthermore, since 2018, LG Electronics has operated the "Safety-On" Safety Experience Center, which offers immersive training using VR, AR, and industrial robots to provide training that enables response in real-life situations such as fire response, equipment safety, and CPR. The center is designed as an experiential space equipped with a total of 28 safety training facilities. In addition, online training that can be completed remotely is offered in parallel, allowing participation without constraints of time and space, thereby further strengthening company-wide safety risk management capabilities. The company has also newly established hands-on training sites for practical safety training (Pyeongtaek, 660㎡; Magok, 248㎡).

Safety and Health Training

Safety and Health

Activities

Employee Health Promotion

LG Electronics operates regular health check-ups and one-on-one Health Caring services as part of a company-wide health management strategy, and develops personalized health management plans for high-risk groups. To encourage voluntary participation in health management, the company operates a support system that subsidizes health management expenses upon submission of individual health management plans. In addition, the company operates on-site clinics, health care centers, and psychological counseling centers to establish an integrated system for managing physical and mental health, and systematically manages employee health risks through a variety of health promotion programs, including smoking cessation, management of metabolic syndrome, and weight control. Furthermore, LG Electronics promotes company-wide health management guidelines and programs based on the guidelines of the Ministry of Employment and Labor so that employees can easily access health-related information, thereby embedding a company-wide culture of health management.

Employee Health Promotion Program

Employee Mental Health Management

LG Electronics operates programs to manage employees' stress. Through these programs, the company proactively identifies risks arising from work-related stress and strengthens the foundation for psychological and physical stability, thereby simultaneously promoting risk mitigation and productivity improvement within the organization.

- Workplace stress management : The company provides professional psychological counseling services (EAP: Employee Assistance Program) to help relieve job stress and personal difficulties. It also operates mental health management programs, such as meditation and stress relief training, to support employees' psychological stability.
- Sports & health initiatives : Through a variety of health management and sports activity initiatives—such as operating fitness centers at major business sites, supporting in-house sports clubs, and offering health promotion campaigns and health lectures—the company supports employees' health promotion and the creation of a vibrant organizational culture.

Other Occupational Safety and Health Activities

- Strengthened the safety management system by promoting the right to stop work and operating the Safety-Police observation program at business sites.
- Established a dedicated safety management organization for B2B new business product installation sites to oversee and support accident prevention activities.
- Promoted employee participation to enhance safety/environmental accident prevention efforts.
- Performed employee-led S-Bank activities to identify potential hazards, report near-miss incidents, and propose improvements within business sites.
- In the event of safety incidents at subsidiaries, reviewed accident occurrences, established and monitored improvement measures, and responded to related issues.
- Conducted monthly theme-based inspections, legal compliance checks, and crisis response training at all production subsidiaries, followed by corrective actions for non-conformities.
- Provided diagnostics, training, standards, and integrated IT system support to strengthen the autonomous safety management capabilities of overseas production subsidiaries.

Risk Management

LG Electronics has established a systematic emergency response process for safety and environmental crises and maintains a prompt response system for accidents that may occur at domestic and international business sites. To this end, the company has standardized its company-wide crisis response process to enable immediate action and swift recovery in the event of a crisis.

Operation of the Integrated SHEE Evaluation System

LG Electronics has established the SHEE integrated evaluation system to systematize company-wide safety and health risk management, and promotes the establishment of a company-wide safety culture based on this. The SHEE integrated evaluation system identifies potential hazards in advance by using a safety and environmental diagnostic checklist for domestic and overseas business sites. Each business site derives improvement tasks based on the identified hazards and continuously monitors their implementation process. In addition, the company systematically manages its company-wide safety management level by regularly reviewing accident prevention activities, the achievement of safety goals, and compliance with regulations through an ISO 45001-based safety and health management system.

In addition, LG Electronics operates the SHEE integrated evaluation system in connection with the SHEE integrated IT system, which unifies the management structure across the headquarters, business divisions, and overseas subsidiaries. The SHEE integrated IT system supports a prompt response to risks by integrating the management of compliance with safety and health regulations, risk factor management, and work process monitoring. LG Electronics minimizes safety risks by taking immediate corrective actions for risk factors identified through the operation of the system and by continuously improving its management level.

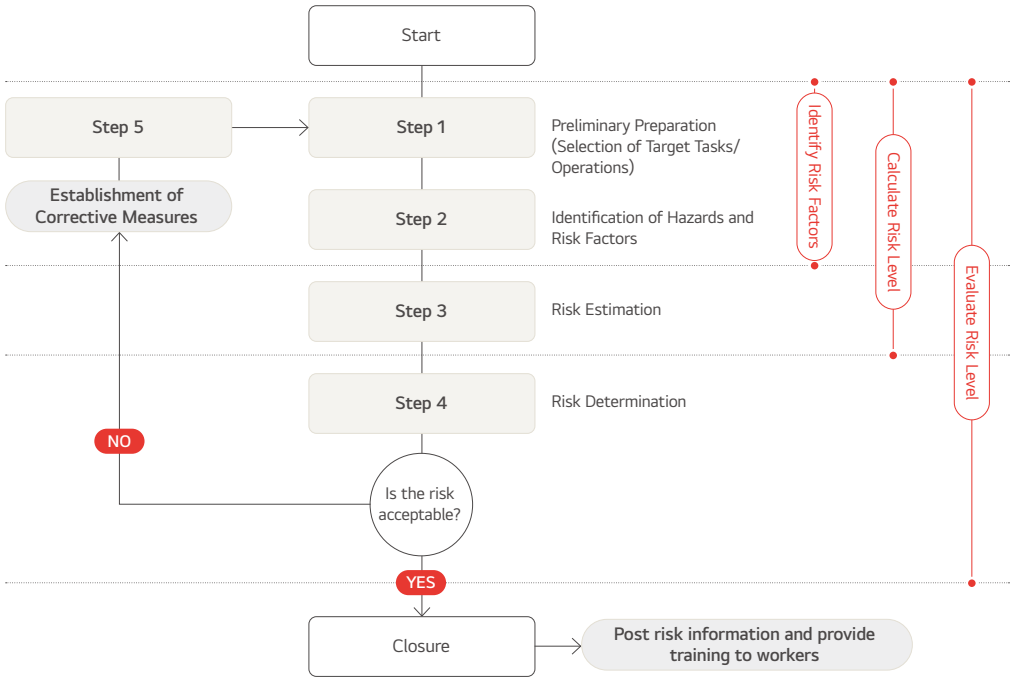
Safety and Health

Risk Management

Identification of Potential Hazards and Corrective Actions

LG Electronics proactively identifies potential hazards in business sites through risk assessments. Regular evaluations are conducted across all business sites to detect hazardous and risk factors. Based on the results, the risks are categorized by level of severity and prioritized accordingly. When a risk factor is classified as high-risk, a detailed corrective action plan is established. Upon implementing corrective measures, a quantitative evaluation is conducted to assess the effectiveness of the improvements, based on frequency and severity. In 2025, LG Electronics identified a potential risk of a worker's body part entering certain zones of automated equipment. Accordingly, safety covers and safety devices such as light curtains were added to equipment with a risk of entrapment or collision, and as a result, the risk score was reduced from 9 to 3.

Process for Identifying Potential Hazards and Conducting Risk Assessment



Targets

LG Electronics establishes concrete goals related to safety and health and systematically implements them and manages their performance. In addition, the company continues to strengthen a field-oriented safety culture through training for all employees and a prevention-oriented approach.

Short-to-Mid-term SHEE Goals

LG Electronics sets and systematically manages short- to mid-term SHEE (Safety, Health, Environment, and Energy) goals, while closely monitoring performance. In particular, the goal of zero serious accidents is systematically managed through SIF (Serious Injury & Fatality)-based preventive management, the improvement of company-wide risk factors via horizontal inspections, and reviews by the Accident Review Council (a regular consultative body).

Goals	Achievements	Plan	
		Short-term	Mid-term
	2025 status	2026	~2027
Achieve zero serious industrial accidents	2 fatal accidents[1]	0 accidents	0 accidents
Maintain an incident rate at least 30% below the industry average	At or below 30%	At or below 30%	At or below 30%
Achieve zero serious environmental/chemical accidents	0 accidents	0 accidents	0 accidents
Develop a new platform for the SHEE Portal	SHEE Compliance AI Agent Development	Integration with the SHEE Compliance AI Agent	① Enhancement of accessibility and convenience ② Expansion to overseas subsidiaries

1) [Safety and Health Risk Management and Fundamental Safety System]
LG Electronics places the life and safety of its employees as its top priority. However, safety accidents recently occurred at its production subsidiary in Thailand and during a business trip in the United States. Recognizing the gravity of these incidents, LG Electronics conducted a thorough root cause analysis and overhauled its safety management system across all global business sites to prevent recurrence.

1. Ensuring Fundamental Safety in Global Production Processes
Following the electrodeposition coating process accident at its production subsidiary in Thailand, LG Electronics installed triple safety mechanisms based on a "fail-safe" design that maintains safety even during human error or equipment malfunction, and extended this measure to all domestic and overseas Business sites operating the same process. The company also re-conducted risk assessments across all business sites and strengthened onsite safety management by standardizing equipment safety criteria and revising work instructions.

2. Enhancing Safety and Health Management for Overseas Business Trips
Regarding the accident during a business trip to a client in the United States, LG Electronics identified the circumstances in close cooperation with the client and established a preventive travel safety management system to protect employees from the pre-trip stage. A new "Business Traveler Safety and Health Training" course was introduced for all employees, covering local regulations, advance preparations, and emergency response. The company also made it mandatory to verify pre-trip risk assessments, the designation of a safety officer, and completion of special training through its system.

Supply Chain

Governance

LG Electronics is committed to building a sustainable supply chain that encompasses ESG risk response, supplier capability enhancement, and responsible sourcing of resources. Additionally, we have established a systematic management framework to enhance transparency and accountability throughout the supply chain, enabling us to respond proactively to key issues.

Supply Chain Management Governance

LG Electronics manages supply chain issues primarily through consultative bodies, such as the ESG Council and the Supplier Review Council, and through its working-level departments. The ESG Council, chaired by the CSO (Chief Strategy Officer), regularly reviews the ESG risk management plans and performance of its suppliers' supply chains. The ESG Council discusses supplier ESG issues and key agenda items, and to address the legislation of ESG management and due diligence related to domestic and overseas supply chains, it reports on and monitors quarterly supply chain management status and improvement performance, including shared growth activities. Furthermore, through the Supplier Review Council, the company conducts registration reviews for new suppliers and reviews of financial support for suppliers. Beyond this, relevant departments such as the Global Operation Center (Shared Growth Division) and the Customer Quality Research Lab are responsible for the working-level tasks of ensuring the stability of the supply chain.

Supply Chain Management Council

Category	Operation Frequency	Key Agenda
ESG Council	Quarterly	• Deliberation and resolution on supplier ESG risk management and follow-up action plans
Supplier Review Council	Monthly	• Review of new supplier registration • Review of supplier financial support

Responsibilities and Roles of Key Departments

Global Operation Center (Shared Growth Division)	Customer Quality Research Lab
• Establishes supplier human rights management standards and operates audit programs • Conducts capability-building activities for procurement managers and supplier executives/ personnel • Operates supplier ESG management support programs	• Manages human rights issues in procurement processes - Oversees traceability of conflict minerals (tin, tungsten, tantalum, gold) and cobalt included in products, and manages RMAP(Responsible Minerals Assurance Process) certification • Manages hazardous substances contained in products

Strategy

LG Electronics establishes strategies for Shared Growth with Suppliers and sets forth guiding principles to address key issues such as conflict minerals, while continuously strengthening our execution competency for responsible supply chain management. We also collaborate with diverse stakeholders across the supply chain to uphold our ethical responsibilities and shared values, continually refining our supply chain management practices to align with global standards.

Supply Chain Management Policy

To build a sustainable supply chain, LG Electronics integrates ESG factors across all procurement practices and strengthens transparency and accountability throughout the supply chain by complying with internal policies and external requirements.

LG Electronics Supply Chain ESG Policy

Supply Chain Management Policy

LG Electronics has established a supply chain management policy to build a responsible and environmentally friendly supply chain, supporting suppliers not only in enhancing their business competitiveness but also in strengthening their capabilities in labor rights, environmental protection, and occupational health and safety.

01 As the importance of human rights and environmental issues increases and legal and institutional regulations surrounding the supply chain become more stringent, LG Electronics is committed to ensuring that all workers within the supply chain operate in a safe and respectful environment. As a member of the RBA, we require our suppliers to comply with the RBA Code of Conduct and manage the supply chain to meet international ESG standards, including customer requirements. In particular, ESG performance is reflected as a key metric in the selection of new suppliers and the evaluation of existing ones, with preference given to suppliers demonstrating strong ESG performance.

02 Recognizing that ESG management across the supply chain is directly linked to business continuity, we operate a transparent and structured management system through close collaboration among relevant departments. In addition, to ensure the effective implementation of supply chain ESG programs, we provide regular training to internal stakeholders, including procurement managers, on related standards, processes, and roles, thereby strengthening expertise and execution competency.

03 ESG risks[1] arising within the supply chain can have a significant impact on corporate reputation and business operations. Accordingly, LG Electronics voluntarily adheres to the most stringent standards among domestic and international regulations, the RBA Code of Conduct, and customer requirements, and goes beyond common societal norms to proactively identify, assess, manage, and respond to ESG risks[1]. We continuously review and improve internal processes to ensure that our procurement practices, including pricing, delivery policies, and sourcing strategies, do not conflict with compliance to the Supplier Code of Conduct or the achievement of ESG objectives.

04 Prompt and effective responses to ESG risks[1] within the supply chain are essential to resolving issues. To this end, all organizations foster a culture of transparent communication regarding risk occurrences, take immediate corrective action on identified risks, and strive to eliminate root causes.

05 Through company-wide commitment and effort, we continuously improve and mitigate ESG risks[1] within the supply chain. In particular, for major non-compliances that are repeatedly identified, we establish and implement measures to prevent recurrence through root cause analysis. Suppliers who fall below ESG assessment criteria are given the opportunity to improve. However, if they fail to meet the minimum requirements within the designated period or lack the willingness to improve, new business may be restricted, or existing business relationships may be terminated.

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

Supply Chain

Strategy

Supplier Code of Conduct

As a member of the Responsible Business Alliance (RBA), LG Electronics has established and operates a Supplier Code of Conduct based on the RBA Code of Conduct. This code is continuously updated to reflect international standards and revisions to the RBA Code. It is transparently disclosed to external stakeholders through the LG Electronics website and the supplier portal, and it is explicitly stipulated in supplier contracts. The Supplier Code of Conduct outlines fundamental principles that all suppliers must comply with, covering ethics, environment, labor and human rights, health and safety, and management systems. The 5th edition of the code, revised in May 2024, incorporates the latest RBA Code of Conduct 8.0, introducing new provisions that prohibit all forms of forced labor, ensure equal pay for equal work, guarantee the right to form legitimate worker organizations, and manage biodiversity and deforestation.

All suppliers under contract with LG Electronics are required to comply with this Code of Conduct and are responsible for ensuring its application throughout their supply chain (including subcontractors and lower-tier suppliers). To this end, suppliers must implement procedures such as supply chain due diligence, employee training, internal or external audits, corrective action implementation, and tracking and reporting compliance with contractual terms. Suppliers are also required to mandate compliance with the Code of Conduct among their subcontractors and continuously monitor their adherence.

If a supplier refuses to address non-compliance issues, LG Electronics reserves the right to terminate the business relationship. In addition, suppliers must take this Code of Conduct into account in their management decision-making and business operations and actively cooperate with ESG risk assessments and due diligence conducted by LG Electronics or third-party organizations.

LG Electronics Supplier Code of Conduct (Korean)
LG Electronics Supplier Code of Conduct (English)
LG Electronics Supplier Portal

Activities

LG Electronics has established and operates a comprehensive risk management framework to systematically identify and manage ESG risks across its supply chain. We have developed a proactive response system that incorporates supplier self-assessments, on-site audits, and conflict mineral risk evaluations, thereby enhancing the sustainability of our supply chain.

New Supplier Registration Process[1)]

LG Electronics registers new suppliers only when they meet the company's ESG assessment criteria. The process begins with verification of compliance with the Supplier Code of Conduct and international trade regulations. A comprehensive evaluation of potential suppliers is then conducted based on the TQRDCME (100%)2) framework. Certain sub-items of the evaluation reflect the characteristics of components by product line, and the Management (M) category is weighted according to the supplier's compliance with ESG requirements.

Following registration, an annual evaluation is conducted. Based on the results, incentives such as increased order volume and development priority are provided to encourage suppliers to continuously develop and maintain their ESG capabilities.

1) Review is conducted only for component suppliers to be registered in the company's system
2) TQRDCME(100%): Technology(20%), Quality(30%), Responsiveness(5%), Delivery(10%), Cost(10%), Management(15%/Including ESG assessment), Environment(10%)

Transaction Request	Review	Sanction Screening	Follow-up Management
Suppliers	Procurement Team	Compliance Team	Procurement Team

Establishment and Operation of Supplier Grievance System

LG Electronics operates a comprehensive management system to proactively identify and address human rights and ethical risks associated with suppliers. The company has conducted regular surveys targeting suppliers to assess potential risk factors that may arise during business transactions. Furthermore, LG Electronics has strengthened preventive measures against misconduct and conflicts of interest by providing ESG training videos based on the RBA framework to suppliers. In addition, supplier-related risks are continuously monitored through the company's whistleblowing channel, the 'Jeong-Do Management Cyber Reporting System'.

In addition, LG Electronics conducts an annual survey of its suppliers in cooperation with Gallup, an external specialized organization, and operates a system to identify and address transactional risks with suppliers based on survey findings. Through these efforts, the company prevents supplier risks and builds trust-based partnerships through ongoing risk monitoring.

Supply Chain

Activities

Supplier Carbon Emissions Management

LG Electronics is strengthening its supplier carbon emissions management system to proactively identify and control climate change risks across the supply chain. In 2024, the company collaborated with the Korea Productivity Center to provide carbon reduction consulting to 15 key suppliers. This initiative enhanced risk management capabilities across the entire process from data analysis and measurement to diagnostics, task identification, and target setting. Through this effort, LG Electronics established a foundation that enables suppliers to systematically manage carbon emission risks and implement voluntary reduction measures.

Since 2022, LG Electronics has conducted carbon emissions surveys targeting suppliers that account for the top 90% of its total purchase value, and currently collects carbon emissions data covering approximately 84% of its total purchase value. While the initial assessment conducted in 2021 was carried out manually and faced limitations in data reliability and management, the adoption of an IT system for carbon emissions monitoring and management in 2023 has ensured greater accuracy and consistency. Since 2024, the company has used this system to re-examine carbon emissions data from 2021 to 2023, and in 2025, it surveyed the 2024 carbon emissions data, thereby strengthened its risk monitoring framework.

Additionally, the company operates a financial support program to help mitigate carbon reduction risks within supplier operations. It actively promotes energy efficiency, carbon reduction technologies, and the transition to renewable energy.

Supplier Health and Safety Management

To support suppliers in strengthening their health and safety capabilities, LG Electronics provides on-site inspections, training, and consulting services. In 2025, LG Electronics conducted fire safety on-site inspections at 225 domestic suppliers to identify potential risk factors early and provided guidelines to enhance preventive measures. In addition, the scope of on-site inspections has been expanded to include overseas suppliers, and an IT system has been implemented to establish a company-wide monitoring framework. In 2025, LG Electronics provided safety experience training to 226 suppliers to prevent safety accidents.

Shared Growth

Supplier Shared Growth Strategy

Based on the value of 'Vigorous efforts for sustainable growth with suppliers', LG Electronics has established three core principles and five strategic tasks for shared growth. These are actively shared with suppliers and serve as the guiding framework for mutual cooperation activities.

Key Value

Vigorous efforts for sustainable growth with suppliers

Three Major Spirits

- **Trust and Communication**
  - Jeong-Do Management
  - Fair Competition
- **Change and Innovation**
  - Manufacturing Competitiveness
  - No.1 Spirit
- **Shared Destiny**
  - Social Responsibility
  - Mutual Win-Win

Five Strategic Tasks

01	02	03	04	05
Competitiveness Improvement	Next-generation Technology Support	Funding	Training and Human Resources Support	Mutual Communication Enhancement

LG Electronics Win-win Growth Strategy

Supply Chain

Shared Growth

Support for Supplier ESG Management

LG Electronics is advancing a strategic approach to support ESG management among its suppliers, planning to promote their sustainable growth and enhance their competitiveness. In particular, in 2025, the company introduced smart factory solutions, focusing on improving supplier productivity and strengthening manufacturing competitiveness. The smart factory solutions are grounded in LG Electronics' expertise and know-how in automation and production, enabling suppliers to internalize DX-based quality management systems and productivity enhancement practices. LG Electronics also conducts in-depth analyses of each supplier's specific needs and provides field-oriented solutions, thereby fostering an environment where suppliers can optimize manufacturing processes while embedding ESG management practices.

Supplier ESG Management Support Program

Direct Funding

- Interest-free direct funding totaling about KRW 37.5 billion, KRW 172.6 billion in shared growth fund support, KRW 67.1 billion in ESG fund support (as of 2025)

Technology Support (in partnership with government)

- Expansion of beneficiary suppliers in the ESG domain by operating a dedicated team for government programs
- Support suppliers' participation in government programs such as ESG consulting, solar power, and equipment replacement to achieve carbon reduction effects for suppliers

ESG Management Support

- Support for third-party ESG audits of domestic and overseas suppliers
- Reduction of high-risk supplier ratio through ESG self-assessments and on-site inspections

Support for Carbon Emissions Management Capabilities

- Completed system implementation to enhance data reliability in supplier carbon emissions monitoring
- Advanced emissions data through supplier data analysis

Support for Training and Benchmarking

- Strengthened supplier ESG competency through ethics policy education
- Education programs provided for both domestic and overseas suppliers

Incentive System

- Operation of incentive programs based on regular supplier evaluations (e.g., increased order volume, provision of preferred right to development)

Current Status of ESG Management Support for Suppliers

Category	Item	Unit	2023	2024	2025
Financial Support	Interest-free Direct Financing	KRW 100 million	375	375	375
	Shared Growth Fund		1,968	1,934	1,726
	ESG Fund		135	349	671
Total			2,478	2,658	2,772

Category	Item		Unit	2023	2024	2025
ESG Competency Support	ESG Management	ESG Self-assessment	Companies	1,266	1,236	1,058
		Third-party Audit Support		50	72	71
	Carbon Emissions Management Capability	Carbon Emissions Investigation		637	644	770
	Training Support (Fire/Safety)	Offline Training		194	267	226

ESG Management Training for Suppliers

LG Electronics conducts annual ESG management training for its suppliers to enhance awareness and strengthen the capacity to respond to evolving global regulations, such as the recently reinforced EU Corporate Sustainability Due Diligence Directive (CSDDD) and ESG disclosure requirements. The training focuses on key areas, including the reduction and management of greenhouse gas emissions, as well as the identification and response to risks related to human rights, safety, and the environment. In 2025, as part of efforts to improve online training courses to enhance the effectiveness of ESG training, the company provided intensive, in-depth offline training for employees, primarily at domestic suppliers. In addition, LG Electronics provides training and guidance to suppliers to enhance their chemical regulatory compliance capabilities throughout the supply chain.

Achievements in ESG Competency Development Training for Suppliers

Category		Scope	Unit	2023	2024	2025
Improvement in ESG Competency	Supplier Participating in the Program	Domestic/ Overseas	Companies	1,046	638	422
	Employee Participating in the Program		Persons	1,046	672	445
	Key Supplier Participating in the Program		Companies	172	106	68
	Core Supplier Participation Rate (%)		%	16.4	16.6	16.0

Supply Chain

Conflict Minerals Management

Conflict Minerals Management Strategy

LG Electronics is committed to avoiding the use of minerals mined from conflict-affected areas or those that are associated with labor rights violations or environmental degradation. We adhere to responsible mineral-related policies and standards, and operate a global conflict minerals management organization to ensure the responsible sourcing and procurement of minerals.

This global conflict minerals management organization implements various measures to verify the effective operation of our responsible minerals sourcing program. These include analyzing external trends such as customer requests, regulatory compliance, use of RMI tools, international forums, and demands from NGOs and the media. Through our conflict minerals management system, we manage and improve supplier updates and smelter information when inaccuracies or uncertainties are identified. We also conduct internal reporting and support procedures to enhance the effectiveness of the conflict minerals program, address customer requests, and mitigate conflict mineral risks. In addition, as a member of the Responsible Minerals Initiative (RMI)[1], LG Electronics participates in working groups and promotes smelter engagement, mineral information disclosures, and conflict mineral due diligence. The company also contributes to origin verification and audit support efforts.

Furthermore, LG Electronics maintains external communication through its website and dedicated email address (conflict-mineral@lge.com).

1) Responsible Minerals Initiative (RMI): Provides member companies with regular updates on global smelter mineral usage and hosts forums to share best practices for addressing conflict mineral issues.

LG Electronics Conflict Minerals Policy

100% Use of RMAP-Conformant Smelters

The Responsible Minerals Assurance Process (RMAP), overseen by the Responsible Minerals Initiative (RMI), is a due diligence and assurance initiative that certifies smelters that do not source conflict minerals. To ensure the responsible sourcing of minerals used in its products, LG Electronics monitors the origin of the four major conflict minerals—tantalum, tungsten, tin, and gold—across its suppliers and requires that all smelters in the supply chain be RMAP-conformant. Although the introduction of new components or changes in current status of smelter certification may result in the temporary use of non-conformant smelters, LG Electronics has set a target of 100% use of conformant smelters and conducts regular inspections and maintenance. However, as certification status may vary annually due to market conditions and changes in the composition of the supply chain, LG Electronics conducts regular inspections and continuous management activities to ensure 100% use of certified smelters.

Conflict Minerals Risk Management Process

Conflict Minerals Management

LG Electronics has established internal management standards to operate the required systems and processes for managing conflict minerals. These standards apply not only to all products developed, manufactured, sold, or supplied by LG Electronics, but also to products and raw materials developed, manufactured, or custom-ordered by suppliers. LG Electronics regularly reviews and updates its conflict minerals management standards and provides training on the updated requirements to employees and suppliers. In cases where raw materials supplied to LG Electronics contain conflict minerals, the company conducts due diligence in accordance with the OECD Guidance.

Conflict Minerals Assessment, Due Diligence, and Risk Evaluation

To avoid the use of unethical resources, such as conflict minerals, cobalt, and mica, LG Electronics conducts inspections and due diligence on its suppliers and raw materials, and regularly assesses the associated risk levels. Information on suppliers using conflict minerals is obtained through the RMI's RMAP due diligence results, Reasonable Country of Origin Sourcing Iquiry (RCOI), and other publicly available data. The origin of conflict minerals is verified through the Hazardous Substances Management System and the Conflict Minerals Management System (CMMS). Through these assessments, key risk factors are identified, and appropriate actions are taken when a supplier is classified as high-risk. LG Electronics also requires responsible mineral sourcing certification from all smelters in the supply chain and continuously engages with suppliers and partner companies to encourage their participation in certification programs.

Risk Assessment Process for Conflict Minerals

Data Submission	Verification	Due Diligence	Assessment
• Submit data related to production and sourcing of conflict minerals such as all suppliers, smelters and refiners • Submit origin data of cobalt and mica in addition to 4 major conflict minerals since 2019	• Cross-check between submitted data and actual origin of conflict minerals and cobalt registered in CMMS • Check whether raw materials contain conflict minerals or cobalt through HSMS	• Update RMAP certification status identified by RMI due diligence program • Verify risks of conflict minerals and cobalt incurred by suppliers of LG Electronics based on RMI due diligence result • Manage erroneous information on smelters, and use of banned or uncertified smelters through monthly monitoring	• Assess risk level of conflict minerals of suppliers according to RMI or other due diligence and request suppliers with a high-risk level for remediation

Inspection

Supply Chain

ESG Risk Management

Supply Chain Management

LG Electronics operates a systematic supply chain management process, from selecting suppliers to regular on-site inspections. Since 2020, the company has conducted annual supplier self-assessments through its internally developed management system. Suppliers assessed as high-risk based on the results undergo on-site audits and corrective actions. In addition, LG Electronics proactively identifies potential human rights risks through supplier human rights due diligence, thereby preventing possible human rights violations in advance, and when negative impacts are identified, the company supports the establishment of corrective actions to prevent recurrence. Furthermore, LG Electronics conducts more specialized on-site safety and environmental inspections for production sites, and carries out annual on-site inspections focused on fire safety for suppliers. Beginning in 2022, the company also initiated greenhouse gas emissions surveys targeting major suppliers, thereby strengthening environmental risk management.

Supply Chain ESG Management

LG Electronics aims to maintain a sustainable business ecosystem by minimizing ESG risks related to labor and human rights, health and safety, the environment, ethics, and management systems throughout its supply chain, while enhancing its resilience. To this end, in December 2023, LG Electronics established supply chain ESG risk management standards, which define the company's responsibilities, authorities, and operational procedures in managing ESG risks. These standards apply not only to LG Electronics' domestic and overseas production sites, but also to component suppliers and outsourcing suppliers. In addition, LG Electronics has established and operates a supply chain management system that includes human rights due diligence based on the RBA Code of Conduct and the UN Guiding Principles on Business and Human Rights (UNGPs). Furthermore, in August 2025, the company revised these standards so that on-site audits and corrective actions can be carried out effectively based on a clearer framework of authority and responsibility, and reinforced the details of each process—including self-assessments, on-site audits, corrective actions, and customer-requested audits—thereby further strengthening the systematic rigor of its human rights due diligence.

Supply Chain ESG Management Process

Target Selection	LG Electronics selects domestic and overseas business sites, key Tier 1 component suppliers, and outsourcing companies as companies that require ESG risk management
Self-Assessment	Self-assessment surveys are conducted based on the RBA Code of Conduct. The questionnaires either use items provided by the RBA as-is or are developed by the management department, considering the specific characteristics of each target site.
On-Site Audit	On-site audits are conducted at business sites identified as high-risk through the self-assessment results, or at sites deemed to require an audit based on business needs. Audits are carried out by external experts or the company employees who have completed appropriate training programs.
Corrective Actions	Corrective action plans are established and implemented for identified ESG risks.
Monitoring and Evaluation of Corrective Actions	The effectiveness of corrective actions is verified, and relevant education is provided.

Supply Chain

ESG Risk Management

STEP 1 Target Selection

Based on 2024 purchasing records, LG Electronics had a total of 2,603 suppliers. For the 2025 ESG self-assessment, 1,080 suppliers were selected, excluding those with purchases under KRW 100 million, agencies, non-manufacturing companies, and service suppliers. Of these, 1,058 suppliers completed the self-assessment, and a total of 130 were classified as core Tier 1 suppliers. Core suppliers are selected based on a comprehensive evaluation of transaction volume (top 70% or above), proportional significance, ESG management status, and business relevance. This group includes suppliers of components incorporating future core technologies or those requiring focused management due to the specialized nature of the supplied parts.

*Suppliers subject to assessment: Suppliers, excluding those with purchase amounts less than KRW 100 million, as well as agencies, non-manufacturing companies, and service providers.

STEP 2 Self-Assessment (Document Review)

LG Electronics conducts an annual self-assessment that covers key areas, including labor and human rights, health and safety, environment, ethics, and management systems. The assessment is based on the RBA and Supplier Code of Conduct and is implemented through a dedicated self-assessment system. As of 2025, a total of 1,058 Tier 1 suppliers, 36 Tier 2 suppliers, and 4 Tier 3 suppliers completed the self-assessment. Based on the 2025 self-assessment results, 9 Tier 1 suppliers (0.8%) were identified as high-risk suppliers and were subsequently subject to on-site inspections. In particular, the company is expanding the scope of its management with a focus on certain countries with a relatively high risk of forced labor, and it operates stricter criteria for selecting targets of supply chain risk management by comprehensively considering structural characteristics by country and industry as well as the history of past issues.

2025 Supplier Self-Assessment Results by Region

Region	High-risk	Moderate-risk	Low-risk	Total
South Korea	2	91	218	311
China	0	31	229	260
India	1	33	84	118
Indonesia	1	34	42	77
Vietnam	0	16	61	77
Thailand	1	20	44	65
Americas	2	22	49	73
Europe/CIS	1	12	40	53
Middle East & Africa	1	13	10	24
Total	9	272	777	1,058

ESG Data [Supplier ESG Risk Management

STEP 3 On-Site Inspection

Based on the 2025 self-assessment results, on-site inspections were conducted for 9 suppliers classified as high-risk (2 domestic and 7 overseas suppliers). All suppliers improved their risk ratings to moderate or lower following the inspection. The key documents reviewed during the on-site inspection are as follows:

Key Documents Reviewed During On-Site Inspections

Labor & Human Rights	Employment rules or internal regulations, employment contracts, attendance records, payslips, employee roster, wage payment registers, etc.
Health & Safety	Legal permits for safety equipment, Job hazard assessments, emergency response and training plans, evacuation training records, PPE (Personal Protective Equipment) distribution logs, Fire prevention and safety equipment maintenance records, etc.
Environment	Workplace environment monitoring reports, Hazardous materials inventory (inbound/outbound), Regulatory permits related to wastewater/air pollution, etc.
Other	Employee training records (e.g., safety and health training, sexual harassment prevention), Internal and external audit records, etc.

In addition, LG Electronics selects the top 100 suppliers with the highest carbon emissions and conducts on-site visits, striving to raise the overall level of suppliers' ESG activities.

STEP 4 Third-Party Audit

To enhance objectivity in ESG risk evaluation and strengthen supplier management capabilities, LG Electronics conducts annual on-site audits (rotated every three years per company) for core suppliers in collaboration with external experts. Initial audits are conducted in accordance with the RBA Validated Assessment Program (VAP) standards through accredited third-party institutions. Identified non-conformities are addressed through immediate corrective actions, and the implementation of the corrective actions is verified via closure audits.
In 2025, a total of 71 suppliers, including 20 domestic and 51 overseas suppliers across Asia and Europe, underwent third-party on-site audits (audit agency: TÜV Rheinland). As a result, all suppliers that scored 80 or higher out of 100 were issued certifications, achieving a 100% certification rate (71 suppliers). LG Electronics is also expanding third-party on-site audits to its overseas business sites to strengthen ESG risk management, and has established and manages a target of maintaining the proportion of high-risk suppliers at 0.5% or below.

Third-Party Audit Status

Category		Scope	Score (Average)	
			Initial Audit	Closure Audit
Domestic		20	49	90
Overseas	China	25	43	93
	Southeast Asia	15	64	89
	Europe	4	88	97
	Latin America	11	41	90
	Subtotal	51	48	91
Total		71	49	91

Supply Chain

ESG Risk Management

STEP 5 Monitoring of Corrective Actions

LG Electronics requires corrective actions for all non-conformities identified during third-party on-site audits. Closure audits are conducted approximately three months later to check if improvements are implemented on-site. In particular, serious non-conformities related to labor and human rights are subject to immediate remediation. If not corrected, the company may terminate its business relationship with the supplier.

Human Rights Due Diligence for Suppliers

Category	Key Inspection Areas	2025 Major Improvements
Labor & Human Rights	Employment contracts, work rules, internal regulations, employee registers	Burden of recruitment fees and non-refundable policy, Improvement of excessive working hours and working days beyond prescribed standards , Improvement of convenience facilities for religious practices and persons with disabilities
Health & Safety	Safety equipment permits, maintenance records, worker medical examination records, identification of processes requiring personal protective equipment (PPE) and placement of PPE signage, fire evacuation drill records, etc.	Fire alarm systems and firefighting equipment, Implementation status of risk assessments, Personal protective equipment (PPE), Establishment of emergency response teams and designation and training of first aid responders
Environment	Hazardous materials logs, legal compliance records	Conduct boundary noise level measurements, Hazardous materials logs, Storage of hazardous chemicals, Documentation of waste storage and disposal methods, Provision of guidelines for greenhouse gas measuremen
Other	Ethics policy, employee training, internal control systems, etc.	Anti-corruption policy, Establishment of procedures for ethics-related management systems

Metrics and Targets

LG Electronics establishes specific targets to mitigate supplier risks and build a responsible supply chain, and systematically monitors implementation levels based on quantitative metrics

Supply Chain Management Metrics and Targets

LG Electronics focuses on increasing the implementation rates of self-assessments and training programs to enhance suppliers' ESG risk management level. The completion rate of self-assessments has been maintained at 98% through 2025, and LG Electronics plans to raise it to 99% in 2026. In addition, the company concentrates on risk mitigation by providing 100% support for the establishment and implementation of corrective action plans for high-risk suppliers.

In addition, LG Electronics aims to continuously increase the implementation rates of self-assessments and on-site audits to manage suppliers' ESG risks, and to maintain the proportion of high-risk suppliers at 0.5% or below. In 2025, the company conducted self-assessments for a total of 1,058 suppliers, and all nine suppliers (0.8%) classified as high-risk were converted to medium-risk through on-site inspections and improvement actions. This is the result of more rigorous identification of risk factors among certain suppliers, in line with the advancement of the ESG risk assessment system and the strengthening of risk classification criteria.

In 2026, LG Electronics plans to maintain the same criteria for self-assessment targets as the previous year, while inducing the enhancement of suppliers' ESG level by strengthening training and prior guidance on the classification criteria, and to stably manage the proportion of high-risk suppliers at 0.5% or below.

Unit: Number of Companies

Category	Detailed KPI Items	Achievements in 2024		Achievements in 2025	
		Self-assessment	Core suppliers	Self-assessment	Core suppliers
ESG Assessment	Number of suppliers with completed ESG assessment (%)	1,236(96%)	145(12%)	1,058(98%)	130(12%)
Empowerment	Number of suppliers participated in training (%)	638(50%)	106(17%)	422(100%)	68(16%)

Target

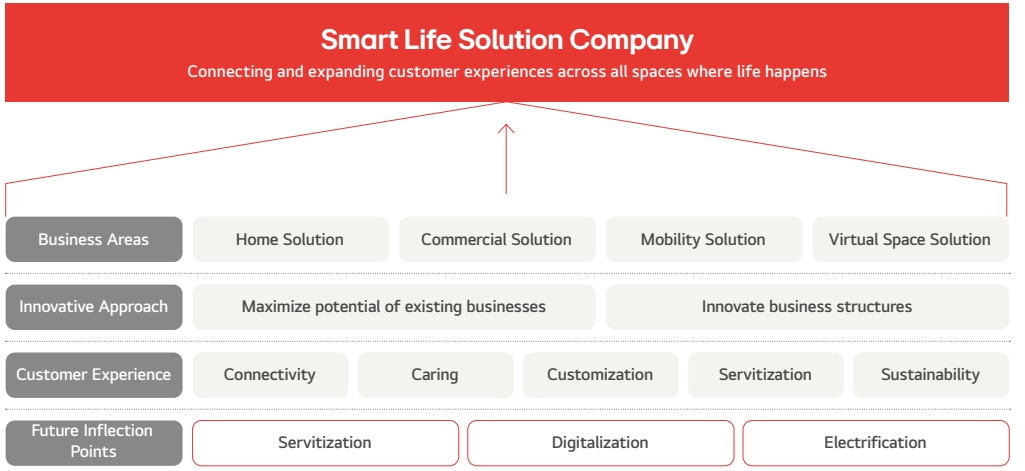
Maintain the proportion of high-risk findings from supplier self-assessments at or below 0.5%

Customers

Customer Relationship

Customer Engagement

Customer Engagement Strategy



LG Electronics presents a clear vision and direction for customer engagement across its entire range of products and services, and seeks to elevate the value of customer experience by institutionalizing a customer-first strategy across the company. In support of this objective, LG Electronics has organized its business areas into home, commercial, mobility, and virtual space solutions, aiming to provide seamless and consistent experiences wherever customers are and whatever circumstances they encounter.

In terms of customer experience, LG Electronics is deepening customer relationships around five core pillars: Connectivity, Caring, Customization, Servitization, and Sustainability. In parallel, the company is striving to unlock the full potential of its existing businesses while advancing business structure innovation, with the aim of achieving near-term results and building lasting competitiveness.

LG Electronics is also positioning Servitization, Digitalization, and Electrification as key turning points for the future, and is implementing strategies designed to stay ahead of these changes. Through a transition to service-led businesses, the transformation of customer touchpoints powered by digital technology, and the creation of new value in line with electrification trends, the company aims to steadily strengthen customer trust.

Principles of Ethical Marketing and Advertising

LG Electronics is committed to the ethical promotion of its products and services, while helping customers better understand the social and environmental issues affecting both global and local communities. In addition, the company fosters trust with customers and stakeholders through honest, transparent, and accountable communication.

Item	Detailed Principles and Descriptions
Accuracy and Transparency of Product Information	Provide accurate and balanced information about products and services that is not misleading, enabling customers to make informed and rational decisions.
Clear and Transparent Communication on Sustainability	Ensure transparency and accountability in sustainability-related communication, with claims that are clear and verifiable.
Diversity and Inclusion	Respect human dignity by honoring the identity and perspectives of all individuals without discrimination, and promotes diversity and inclusion.
Respect for Competitors' Products and Work	Avoid disparaging or providing false information about competitors' products or work, and upholds a fair competitive environment.
Efforts to Ensure Accessibility	Continuously enhance information delivery methods from an accessibility standpoint to ensure that everyone can easily recognize and understand it from an accessibility perspective.
Protection of Vulnerable Consumers	Exercise special care in marketing activities targeting potentially vulnerable consumers, such as children and the elderly, ensuring they are not unfairly exploited, supporting informed decision-making, and guaranteeing fair treatment.
Compliance with Laws and Practices	Comply with all applicable laws, practices, and social norms related to advertising and communication activities in each country.

Customers

Customer Relationship

Customer Service

Since 2023, LG Electronics has been pursuing a phased roadmap to advance AI-based capabilities across the full customer service journey, covering both consultation and repair. The initiative is designed to strengthen proactive customer service, increase the precision of problem resolution, and maximize operational efficiency.

In 2025, the company placed particular emphasis on enhancing the completeness of execution and translating these initiatives into practical field applications and measurable outcomes. For customer service, LG Electronics introduced voice bots to automate phone-based inquiries and applied STT, or speech-to-text, technology to analyze consultations in real time and instantly convert conversations into text for operational use. The company also built an AI consultation support system to assist agents with real-time answers. For repair services, LG Electronics enhanced field engineer's diagnostic accuracy and processing speed through the LG Smart Check diagnostic app and automated parts recommendations. The company has also progressively developed and applied systems for AI-enabled customer response, data-based operations, and service automation within its consultation and service processes. Certain initiatives are being further developed by incorporating improvements identified through pilot implementation and technical validation.

Performance and Progress of Plan Implementation in Consultation and Repair Area

Customer Service Area	• Enhancing Service Quality through AI-driven Support Automation and Advanced Customer Response • Enhancing support quality and response accuracy by deploying voicebots for automated support and utilizing STT-based real-time analysis and voice/keyword sentiment analysis to instantly detect and resolve customer issues. • Increasing the customer issue resolution rate through video support, Argus[1], and AI-assisted support. • Improving operational efficiency and reducing processing time by introducing automated summaries and AI recommendations for post-support tasks.
Repair Service Area	• Improve field service operational efficiency by enhancing the data-driven repair support system • Enhance preparation accuracy prior to dispatch by providing service managers with automated parts recommendations and repair statistics, and continuously improve the parts recommendation algorithm • Strengthen field response capabilities by utilizing Qbot during the repair process to provide integrated information, including request types, customer profiles, and repair histories • Utilize LG Smart Check to reduce the time required from product connection to diagnosis, and improve diagnostic accuracy and repair expertise

1) AI-based remote diagnosis solution that autonomously analyzes usage data from home appliances connected to LG ThinQ to diagnose the condition of customers' products

2025 Customer Service Awards

Feature	Month Awarded	Awarding Organization	Details
Korea	May	Korea Management Association	2025 KSQI Excellent Call Center for Home Appliances
	July	Korean Standards Association	1st Place in the 2025 Korean Standard-Service Quality Index (KS-SQI) for Home Appliance After-Sales Service
			Service The Prime Award - CEO Award
	September		Ranked 1st Overall in the 2025 Call Center Quality Index (KS-CQI)
	October	Korea Coach Association	Excellence Award for Promoting an LCA Coaching Culture
United States	January	U.S. Consumer Reports	Ranked 1st in laundry appliances (6 out of 7 categories) Ranked 1st in refrigerators (2 out of 5 products)
	October	J.D. Power Customer Satisfaction	Ranked 1st in refrigerators and dryers
Singapore	October	Singapore Retailers Association	11 employees at the Singapore subsidiary received the Excellent Service Award (STAR: 1 employee (first for LG), Gold: 5 employees, Silver: 5 employees)
Russia	November	Russian Consumer Protection Association	Won awards in two categories: Customer Service and Customers' Choice Service Company of the Year (Seventh consecutive year since 2019)

Customers

Customer Relationship

Customer Risk Management

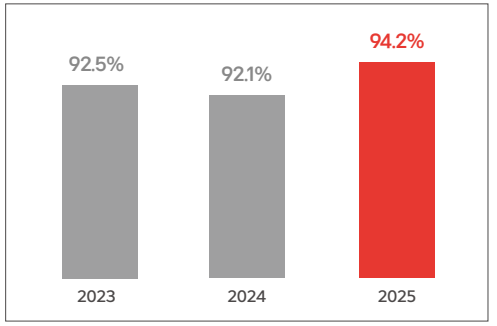
To proactively identify risks that customers may face in relation to its products and services, LG Electronics has established and operates a variety of evaluation processes. The company also applies detailed checkpoints at each stage to prevent customer-related risks and ensure timely responses.

Customer Satisfaction Survey

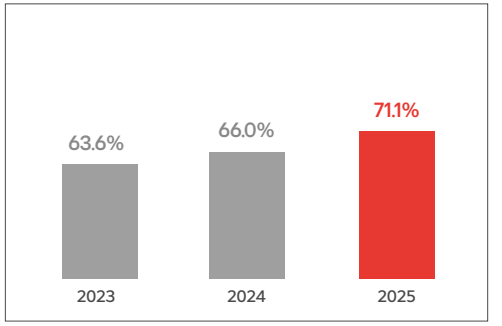
LG Electronics conducts customer satisfaction surveys on a regular basis for customers who have received repair services, as part of its efforts to manage customer experience and service quality risks in a systematic manner. The survey is centered on questions such as, "How likely would you be to recommend the service you experienced to someone close to you?" Responses are measured on a scale of 0 to 10, with 0 indicating "not at all likely to recommend" and 10 indicating "very likely to recommend." The resulting score serves as a key indicator that helps gauge the service quality perceived by customers in their actual service experience.

LG Electronics uses the survey findings to quickly address areas for improvement in customer experience and service. Through a systematic response process, the company also identifies risk factors that require prioritized attention and leverages these insights to drive continuous improvements in service quality.

Global Customer Satisfaction Levels by Year



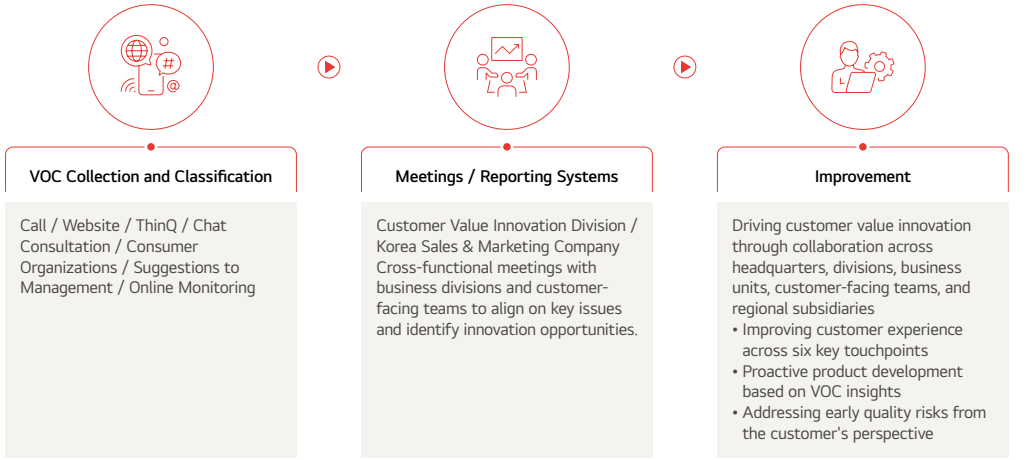
Korea



Oversea

Customer Issue Management Process

LG Electronics takes a structured, company-wide approach to collecting feedback from customers and responding to their needs. Customer feedback and emerging issues from digital platforms, offline channels, and external organizations are escalated and discussed through dedicated meeting and reporting channels across relevant business and customer-facing functions. This process enables LG to align stakeholders, uncover opportunities for innovation, and drive continuous improvements in the customer experience. To minimize the risk of complaints or negative issues escalating throughout the customer journey, LG Electronics takes an analytical and collaborative approach to enhancing the customer experience. The company identifies customer pain points, assigns accountable owners to improvement initiatives, and oversees execution through to completion. It also incorporates customer complaints and suggestions into product planning at an early stage and undertakes early quality-risk mitigation activities to deliver better products and experiences from the outset.



Customer Complaint and Feedback

LG Electronics is committed to improving quality by listening closely to customers and acting on their feedback. Quality-related concerns, including product defects, are captured through diverse channels such as customer support centers, digital platforms, and service centers. These complaints are managed through a systematic process that enables timely investigation, resolution, and follow-up. By analyzing root causes, LG Electronics develops measures to prevent recurrence and applies the insights to enhance both products and services. Recurring complaint types are also reviewed periodically to determine improvement priorities. Working in collaboration with relevant departments, LG Electronics develops and implements improvement plans that drive meaningful quality enhancements while managing quality-related risks in a structured manner.

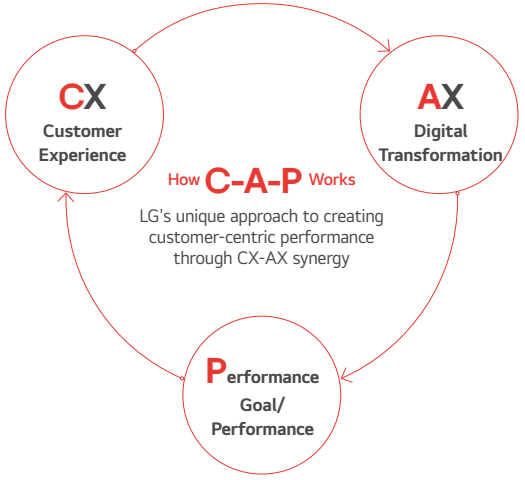
Customers

Customer Experience

LG Electronics has dedicated teams in place to manage the customer experience across its products and services. Through close collaboration and regular discussions with relevant departments, the company continues to develop and implement initiatives that enhance the overall customer experience.

Operational Framework of Customer Experience

LG Electronics is driving customer experience innovation at the enterprise level through its CX Center, which reports directly to the CEO. The center oversees CX innovation as well as the planning of products, services, and business models. In 2024, LG introduced C-D-P meetings, linking CX, digital transformation, and performance, to discuss the direction of key initiatives. In 2025, reflecting the company's growing focus on AI-led transformation, this evolved into the C-A-P[1] framework, connecting CX, AI transformation, and performance. Across five meetings, senior executives and leaders from relevant divisions reviewed the company-wide rollout and progress of CX initiatives powered by AI and data. A particular focus was placed on expanding activities beyond Korea to overseas organizations, with discussions centered on how to create differentiated customer value across global customer touchpoints. In 2026, the CX Center and the Customer Value Innovation Division plan to jointly operate a consultative body to share key priorities, including the company-wide direction for CX innovation and customer value management. Through this, LG will continue working to strengthen the competitiveness of its products, services, and customer touchpoints while delivering tangible change and performance.



CX(Customer eXperience)

Define and derive innovative customer experiences based on data

- Five company-wide focusing areas (3C, 2S): Connectivity, Caring, Customization, Servitization, Sustainability

AX(AI-Powered DX)

Realize and enhance CX through AI and digital technologies

Performance

Establish and achieve customer value and business performance goals through measurable indicators

- Customer value indicators: Customer satisfaction (NPS), increase in loyal customers
- Business performance indicators: Revenue, operating profit, market share

1) C-A-P: LG Electronics' unique way of working, which focuses on creating differentiated customer value essential to achieving the company's goals and drives change and results by effectively innovating existing practices through AX

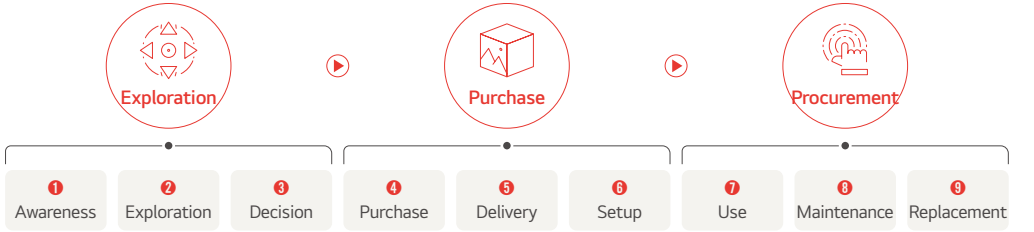
Customer Experience Journey Strategy

CEJ(Customer experience journey) and Touchpoint Management Strategy

To meet customer needs that are increasingly centered on experiences rather than products alone, LG Electronics has divided the customer experience journey into nine stages and designs differentiated experiences for each touchpoint. Offline stores now serve not only as sales channels but also as spaces for learning, culture, and community, while pop-up stores allow customers to engage directly with the brand's identity and emotional appeal. Following a purchase, LG maintains customer engagement through the ThinQ app, offering delivery tracking and product information to build anticipation. In the usage stage, personalized features such as UP Appliances[1] and webOS help LG adapt to customers' evolving lifestyles and deliver more tailored experiences.

1) UP Appliances: Enabling customers to access new features through software upgrades on already purchased products

LG Electronics Customer Experience Journey



Customer Experience Management Initiatives

Digitalization of ARS Customer Service

LG Electronics effectively responds to a wide range of customer inquiries by consolidating its representative phone numbers, which had previously been operated separately according to the business purpose of each organization, such as B2C, subscriptions, and relocation installation. During the air conditioner pre-inspection period, LG Electronics expanded customer convenience by providing a service that allows customers to directly book their preferred pre-inspection dates.

Main Screen of Visual ARS

Main Screen of Senior Customer

Customers

Customer Experience

Expansion of AI Voicebot Services

LG Electronics has operated an AI voicebot service since December 2024 to improve the accessibility of customer support and resolve issues promptly, and in 2025, the company expanded the voicebot functions and continuously improved consultation convenience. The voicebot processes simple inquiries without an agent, thereby reducing customer wait times and improving consultation accessibility, and currently handles approximately 670,000 simple inquiries annually (about 28% of all consultations). The company also expanded its functions through a visual service linked to the visual ARS, so that customers can more conveniently handle key tasks such as service visit requests and bill payments. When a customer makes an utterance related to a service visit request, the company guides the customer to the service visit request page of the visual ARS to encourage self-registration, and supports the processing of bill payments and the change of payment information for subscription contract customers without an agent. In addition, the company continuously improved the completeness of consultations by strengthening the follow-up notification function through notification KakaoTalk Alert messages (AlimTalk), thereby reducing the occurrence of repeat inquiries after consultations.

Although such operations have enabled prompt responses to simple inquiries and improved consultation efficiency, the existing voicebot was operated on a learned intent-based structure, which had limitations in sufficiently reflecting customers' diverse natural-language inquiries, and the need to advance the service was identified. Accordingly, LG Electronics plans to advance its consultation services by introducing a generative AI-based voicebot from June 2026. By using generative AI, the company will build a more natural and accurate consultation environment by improving the accuracy of customer intent recognition and providing answers tailored to customers' situations, and will gradually expand personalized consultation services based on customer status.

Expansion of Customer Care and Subscription Service Infrastructure

LG Electronics aims to expand its role from consultation-based support to global CC&S (Customer Care Service), providing integrated support across the customer journey, including consultation, delivery and installation, maintenance, and repair. To support this transition, LG Electronics has enhanced its subscription services with a focus on improving customer experience across the full journey from consultation and delivery/installation to ongoing care. At the same time, the company has established specialized support systems by country and continued to upgrade its operating infrastructure. In the consultation stage, LG Electronics improved the accuracy and convenience of customer communication by enhancing notification systems and introducing digital self-order verification, or Self OV. In the delivery and installation stage, the company refined its processes based on appointments agreed with customers in advance and began systematically managing appointment fulfillment rates. In Malaysia, these efforts led to clear improvements in 2025. The first delivery and installation appointment fulfillment rate increased from 81% to 84%, and the final installation appointment fulfillment rate improved from 93.2% to 99.7%, strengthening both operational stability and customer trust. In the care stage, LG Electronics provides customers with transparent information through its "Peace of Mind Report," including contract details, inspection results, photos, replaced parts, and inspection cycles.

Following its launch in Malaysia, the report is scheduled to be expanded to other countries by 2026. In April 2025, LG Electronics also introduced T-NPS (Transaction Net Promoter Score) in Malaysia to quantitatively manage customer experience. The company plans to expand this initiative in phases to Thailand, Taiwan, Singapore, Vietnam, and other markets. Going forward, LG Electronics will expand the subscription CX improvement modules developed in Malaysia — including enhanced notifications, digitalized order verification, Peace of Mind Reports, and dedicated service vehicle operations — to other countries. In parallel, the company will strengthen Care Specialist capabilities by organizing dedicated care functions at overseas subsidiaries and transitioning its service infrastructure toward a care-centered model, thereby advancing its role as a Customer Care Service provider.

Accessibility

Accessibility Enhancement Activities

Participation in Accessibility Conferences

LG Electronics participated for the second consecutive year in the CSUN Assistive Technology Conference, the world's largest accessibility conference held in the United States. At the event, the company showcased a range of solutions designed to help all customers use its products and services more conveniently, regardless of ability. Through multiple customer touchpoints, including product exhibitions, open sessions, and roundtable discussions, LG Electronics shared service examples that reflect the needs of customers with disabilities and senior users. These activities helped deepen customer engagement and strengthen dialogue around more inclusive product and service experiences.

Home Appliance School Project

LG Electronics runs the Home Appliance School Project as part of its effort to make home appliances accessible to everyone. The program gives people the chance to learn about essential appliances in a practical, hands-on way. It has expanded beyond people with developmental disabilities to also include children and older adults. Using easy-read materials and one-day classes, participants can try out everyday appliances, learn how to use them safely, and develop the skills they need to be more independent in daily life. LG Electronics plans to continue expanding the program by offering English-language content, developing digital versions, and reaching more groups of people. The goal is to create an appliance learning environment that is open and accessible to everyone, no matter how quickly they learn.

Bold Move Community

LG Electronics recognizes accessibility as a key driver of sustainable management and business competitiveness. Through Bold Move, its accessibility community that brings together people with disabilities as both experts and consumers, the company promotes customer experience-based, participatory innovation. User insights identified through the community are applied to universal usability solutions, including home appliances and the LG Comfort Kit. In this way, LG Electronics is creating ESG-driven social value while enhancing brand credibility and strengthening its market competitiveness.

AI Home Education for Seniors

LG Electronics provided AI Home training at LG Best Shop locations nationwide to help senior customers better understand and use AI home and appliance technologies. In collaboration with the National Information Society Agency (NIA), LG Electronics offered training for older customers covering the basic functions of smart appliances as well as practical use cases that can be applied in everyday life. Through this program, LG Electronics helped senior customers feel more comfortable with digital technologies, reduce psychological barriers to adoption, and experience AI Home solutions in a more familiar and approachable way.

Dedicated ARS Service for Senior Customers

Since 2022, LG Electronics has offered a dedicated support service for senior customers who may be less familiar with digital channels. When calling the LG Electronics Customer Center at 1544-7777, customers aged 65 and older can use a simplified visual ARS interface with larger text and easy-to-follow menus to find the service they need.Customers aged 75 and older are connected directly to a specialized senior support team without menu selection, and are assisted by consultants trained to support older customers. From November 2025, LG Electronics will expand the service to non-registered senior customers, who can access the senior support menu by selecting the "65 or older" option in the ARS. With their consent, they can also be registered as senior customers for more consistent and personalized support.

Customers

Accessibility

Best Companion Care Service

LG Electronics offers the Best Companion Care Service to make store visits easier and more comfortable for customers with limited mobility. Through the service, a dedicated manager provides one-on-one assistance throughout the customer's visit, from arrival at the store parking lot to departure. The service is open not only to wheelchair users, but to anyone who may need support moving around the store. To help ensure a smooth experience, LG Electronics contacts customers in advance on the day of their appointment to check for any mobility concerns or additional requests. Following the operation of a total of 182 accompanied care services in 2024, the company received and operated a total of 359 services in 2025.

Current Status and Plans for Sign Language Consultation Services

LG Electronics has offered sign language consultation services since October 2021 to support smoother communication with customers who are deaf, hard of hearing, or have speech disabilities. In 2025, two dedicated sign language consultants were available on a full-time basis to provide real-time support.

The service initially focused on helping interpret conversations between service managers and customers during repair visits or in-store service appointments. Since then, LG Electronics has expanded video-based sign language consultation to a wider range of customer touchpoints, including product relocation and installation, sales, and subscription services. The company has also installed kiosks equipped with sign language avatars at service locations, helping customers with hearing or speech disabilities access support more comfortably across different service channels.

Annual Sign Language Consultations (Korea)

Unit: Cases

Accessibility Enhancement Cases

LG Electronics is making accessibility a key part of its product strategy, expanding products and solutions that are easier for everyone to use, regardless of age, gender, or disability.

This includes adding more products with voice recognition and voice guidance, as well as developing Comfort Kits that improve the usability of existing appliances. In 2025, the company introduced LG Easy TV, a model designed specifically to better support senior users. LG Electronics is also strengthening its smart home offering through LG ThinQ ON, its AI home hub, which serves as the center of its connected home solutions.

Accessibility 1

01

LG ThinQ ON Smart Home

LG Electronics provides an experience that allows customers to intuitively and integrally control home appliances and devices in the house using only their voice, through LG ThinQ ON, an AI-based home hub. Diverse customers, including people with visual or physical disabilities and seniors, can operate home appliances using only voice commands and immediately check the status of devices through voice feedback, enabling them to enjoy a more convenient daily life without complex operations. The company also supports customers in easily recognizing important appliance statuses that they might otherwise miss, by converting product statuses that are difficult for people with hearing disabilities to perceive—such as a refrigerator door being open or a hair dryer being turned on or off—into IoT sensor or lighting alerts.Through ThinQ ON, LG Electronics is bringing its "Better Life for ALL" ESG commitment into the home, helping customers with diverse needs — and all members of the household — enjoy a more convenient and independent daily life.

Accessibility 2

02

LG Easy TV

LG Electronics provides LG Easy TV, a senior-specialized smart TV that helps senior customers use the TV more easily and comfortably. LG Easy TV is designed to lower usage barriers caused by complex menu structures and small text, so that senior customers can continue using media in their daily lives more naturally. By applying a simplified webOS-based home screen, it is configured so that frequently used functions and content can be viewed at a glance, and it reduces the burden of operation through large, more readable text and an intuitive icon layout. The TV also supports customers who are unfamiliar with digital devices in learning TV functions step by step, by providing a dedicated remote control with larger buttons and text as well as a step-by-step guidance function. In addition, users can easily return to the previous screen after an incorrect operation through the "Help" function, and can conveniently resolve questions or problems that arise during use by utilizing the Quick Help and chatbot features.

Customers

Accessibility

Customer Communication

LG Electronics has established and operates processes to integrate accessibility across all customer touchpoints—from product planning to design, production, sales, and after-sales service—ensuring its products and services are convenient for everyone. In particular, the company gathers customer feedback through various channels to proactively identify, manage, and mitigate potential inconveniences and risks. First, the company has conducted tailored research, such as interviews and home visits, targeting diverse customers, including people with visual, hearing, or physical disabilities, as well as the elderly and pregnant women. Furthermore, the company hosts roundtables with accessibility experts and individuals with disabilities at CSUN ATC, and maintains ongoing communication with disability communities to gather feedback on real-world usage environments.

The company actively incorporates customer feedback to improve accessibility across its products and services and to develop the LG Comfort Kit, an accessibility accessory. For example, in response to feedback that accessibility features were not widely recognized, the company created an 'Easy Tutorial for All' tailored to people with disabilities and seniors, helping everyone easily understand and use these features.

Domestic	Overseas
• Managing the Bold Move community, whose members are people with disabilities • Surveying people with disabilities and senior customers on product accessibility and awareness	• Engaging directly with people with disabilities through CSUN ATC 2026 • Holding a roundtable discussion with people with disabilities and subject-matter experts • Installing products at Shepherd Center in North America to evaluate accessibility in a rehabilitation hospital setting

2030 Accessibility Goals

LG Electronics has established 2030 goals to expand accessibility, utilizing the integration of accessibility features and product-specific manuals as key performance indicators (KPIs). By 2030, the company will apply accessibility features and universal design to major product categories and implement barrier-free services across various customer touchpoints to deliver an authentic customer experience.

KPI	2030 Targets
Application of accessibility features	Application of accessibility features in key product lines
Application of product-specific manuals	Application of product-specific manuals in key product lines

Product Quality

Product Quality Management

Global Technology Olympics

To foster frontline customer service and repair personnel, LG Electronics hosts the Global Technology Olympics annually at year-end across various countries, where participants compete in technical expertise and customer service skills. In 2025, the competition took place in major regions, including South Korea, the Middle East and Africa, India, and North America. In South Korea, 86 of the 2,857 participants advanced to the finals. Following a comprehensive evaluation of repair and care capabilities across seven product categories, as well as customer service skills, the company selected 33 final winners: 24 in repair and 9 in customer service. Notably, the proportion of new hires and female employees reaching the finals and winning awards increased in 2025, further strengthening the diversity and competency-based competitiveness of the service workforce.

Furthermore, the company upgraded its evaluation system by introducing new assessment criteria for diagnostics and repairs using the Smart Diagnostic Tool. This enhancement improves field engineers' proficiency and adapts to the digital transformation (DX) of the service environment driven by data-based diagnostics and digital technologies. Additionally, the company established the 'AX Experience Zone,' an interactive AI solution space that consolidates technical information for repairs, laying the groundwork to strengthen the AI capabilities of field service personnel.

Moreover, the company systematically evaluated product repair skills and customer service in the Middle East (Dubai), India (Noida), and North America (the U.S. and Canada), ultimately selecting 19 winners from the Middle East, 19 from India, and six from North America. In 2026, the Company plans to expand the Service Olympics to directly managed service centers across Asia, including Indonesia, Taiwan, Thailand, and Vietnam.

Technology Olympics

Strengthening quality management capabilities

LG Electronics provides systematic quality training to all employees involved throughout the product life cycle, including design, procurement, production, and service. This training raises awareness of quality policies, standard processes, the use of quality management tools, and individual roles and responsibilities. Additionally, the Company has enhanced its credibility by obtaining official laboratory accreditations in hygiene-related fields, including antibacterial, antifungal, antiviral, and drinking water quality testing. It systematically strengthens its expertise by fostering internal specialists and recruiting external professionals. Furthermore, the Company continuously enhances employee quality capabilities and expertise through the acquisition of professional credentials, including Certified Reliability Engineer (CRE[1]), Certified Quality Engineer (CQE[2]), and Certified Fire and Explosion Investigator (CFEI[3]).

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

Customers

Product Quality

Reducing Product Repair Wait Times

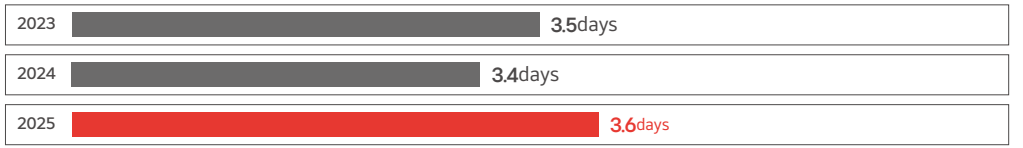
LG Electronics has improved customer inconvenience caused by air conditioner repair delays during peak seasons by promoting operational efficiency, such as the integration of home appliance services, since 2023. The company shifted away from responding in the order of receipt to a differentiated operation that takes into account the level of customer inconvenience and priority regions, and established a proactive response system, including the training of specialized personnel, the expansion of pre-inspections, and the 100% advance securing of key components. As a result, during the 2025 peak season, the company actively encouraged customers' self-resolution through the dedicated operation of Pre-Screening and prepared the components and technical information required for repairs in advance, thereby expanding the number of non-visit resolution cases—in which problems are resolved through explanation alone without a visit—by 18% compared to the previous year.

In early July 2025, an intense concentration phenomenon occurred in which the number of requests surged by 75% compared to the previous year within a short period due to a record-breaking heat wave, and the average repair waiting period during the peak season temporarily rose to 3.6 days. Accordingly, LG Electronics normalized the waiting period to the previous year's level after late July through prompt personnel redeployment and intensive response.

In 2026, LG Electronics plans to proactively respond to the concentration of peak-season demand by optimizing the operation of air conditioner service personnel and expanding customer self-check and pre-inspection services. The company also plans to continuously raise the service quality that customers directly experience by shortening the average repair waiting period during peak seasons to approximately 3.2 days and maintaining the top position in the Korean Service Quality Index (KS-SQI) going forward.

Customer-Centric Transformation in Air Conditioner Service

Air Conditioner Wait Time in Peak Season (June–August)



Product Risk Management

Quality Management System (ISO 9001)

LG Electronics has built its QMS(Quality Management System) around ISO 9001 to ensure customers receive consistent quality across products and services. Regular reviews by independent third-party organizations help the company maintain quality practices that meet global standards.

This company-wide system enables LG Electronics to align quality processes across its global production subsidiaries and key business sites, improving consistency, coordination, and operating efficiency. The company also manages quality risks throughout the entire product life cycle, from development to after-sales support, with a focus on prevention and fast response.

By continuously strengthening these capabilities, LG Electronics is enhancing its quality competitiveness and reinforcing customer confidence.

Quality Risk Control Process

LG Electronics regularly conducts internal audits to evaluate the effectiveness of its quality management system and identify opportunities for continuous improvement. These audits assess compliance with quality standards, process efficiency, and execution fidelity across global production subsidiaries and business divisions. Audit results are reported to management, and any identified issues or areas for improvement prompt immediate corrective actions and system enhancements to drive continuous quality improvement. In addition, LG Electronics prioritizes rigorous preventive measures to identify and resolve potential defects before products reach customers. The company thoroughly inspects product quality through a multi-stage verification process spanning from the initial new product development phase through design reviews, component and product reliability assessments, customer-centric usability evaluations, and pilot production verification. Products that fail to meet customer standards are neither produced nor sold.

Along with this, LG Electronics is pursuing advancement work to automate and intelligize testing standards, evaluations, and predictions by transitioning to an AX-based quality system. The company also proactively responds to changing customer needs and continuously improves product quality by actively incorporating new technologies, such as the early sensing of market issues based on customer data and Over-the-Air (OTA) software updates. During production, real-time quality monitoring and statistical process control systems immediately detect and address potential manufacturing defects. This minimizes the release of defective products and provides customers with a superior quality experience.

In addition, the company proactively identifies potential defects in real-world environments through customer-centric usability evaluations. The company systematically manages quality by establishing quantitative targets (Domestic: CXR-P1, Overseas: CMR2) to achieve customer defect rate goals and enhance perceived quality. Furthermore, the company signs quality agreements with parts suppliers to explicitly require compliance with quality standards.

Development of New Product	Production	Sales
• Quality reviews • Reliability testing of parts • Customer-focused usability evaluation • Pilot production and validation	• Real-time quality monitoring • Defect detection through statistical control systems	• Minimize the likelihood of product defects, deliver, and sell products to customers

In addition, LG Electronics establishes safety design standards and conducts safety evaluations from the product development stage to ensure product safety. The company also proactively manages safety risks by operating a pre-certification system for components that significantly impact safety. If a product defect causes a major quality issue, the company forms a Crisis Response Team to analyze the root cause, establish improvement measures, and take necessary action for customers. For urgent and critical matters, the company convenes a company-wide Emergency Response Committee, attended by top management, to make swift decisions on customer response measures.

When market actions, such as product safety recalls, are required, the company investigates the root cause and actively implements corrective measures, disclosing them on its website and the websites of relevant authorities. Through these systematic risk management and response activities, LG Electronics prevents personal injury, property damage, and rights violations, thereby strengthening customer trust in its products and services by continuously driving fundamental improvements to prevent recurrence.

1) CXR-P: Customer eXperience Rating - Product
2) CMR: Consumer Magazine Review

Local Communities

Governance

Social Contribution Management Governance

LG Electronics operates social contribution teams within each corporate entity to actively pursue a wide range of social contribution activities, thereby striving to enable each entity to actively fulfill its social responsibility. The executive and team at the Korean headquarters responsible for social contribution set the overall strategic direction and share it across global entities, actively supporting the diverse social contribution initiatives carried out by each entity.

Vision

Social Contribution Vision

LG Electronics has established 'Better Life for ALL' as its social contribution vision and continues to pursue social contribution activities that drive meaningful societal change. To this end, the company focuses its efforts on four strategic directions: creating environmental and social value through products and technology; utilizing products and services for the benefit of all; expanding participation of customers and employees; and pursuing mutual growth with local communities.

In particular, based on products, technologies and infrastructure, LG Electronics contributes to solving social issues and promotes social value by offering inclusive products and services that can be conveniently used by all customers, including individuals with disabilities. The company also operates programs that encourage voluntary participation from customers and employees, pursuing genuine, community-driven initiatives. Each business site addresses local community issues, while the headquarters focuses on solving global challenges together contributing to balanced growth across regions.

ESG Vision

Better Life for ALL

Strategic Directions

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 local communities

Major Programs

1 Use our Product, Technology and Infrastructure

- TVET (2014~)
- LG Social Campus (2010~)
- LG Electronics Global Volunteer Day (2010~)
- LG Hope Screen (2008~)

2 Products and services for ALL

- GITC (2014~)
- Linked to Accessibility (ongoing)
- Enhanced accessibility initiatives for persons with disabilities

3 Involve Customer and Employee

- Life's Good Volunteer (2010~)
- ESG Academy (2014~)
- Executives' CSR Fund (2010~)
- Donation Menu (2011~)

4 Balanced Growth for Community

- Community Support (2020~)
- Military Support (2015~)
- Free Repair Service
- Pyeongtaek regional farm support

Communication

Life's Good. — **Consistent and proactive communication**

Local Communities

Activities

Product and Technology Infrastructure Activities

TVET (Technical Vocational Education and Training)

LG-KOICA TVET Graduation Ceremony in Ethiopia

LG Electronics operates vocational training schools in ten countries, including Ethiopia, India, Cambodia, Nepal, Guatemala, and Nicaragua, in collaboration with local governments, foundations, the Korea International Cooperation Agency (KOICA), and NGOs, to support youth self-reliance through technical education. The TVET schools support the educational foundation of local youth in various ways, providing technical education in fields such as electricity, electronics, and ICT, as well as educational equipment and infrastructure, teacher capacity building, and scholarships, and contribute to the sustainable development of local communities by creating a virtuous cycle that leads to employment and independence.The LG-KOICA Vocational Training School, which has been operating in Ethiopia since 2014, has produced a total of 611 graduates as of 2025. Over 95% of the students obtained national certifications through official qualification exams, and all the graduates successfully found employment or started their businesses. LG Electronics plans to continue expanding the program to further strengthen the unique competitive advantages of the vocational training school and solidify the foundation for youth self-reliance in local communities.

LG Social Campus: Support for Environmentally Conscious Social Economy Enterprises

Since 2011, LG Electronics has been operating the 'LG Social Campus' to support the growth of eco-friendly social economy enterprises through a multifaceted approach. The platform provides integrated support to strengthen business capabilities, including financial assistance, workspace, business development programs, and talent training. Additionally, LG Electronics' labor union visits sites directly with technical experts to enhance productivity through customized consulting services. As of 2025, LG Electronics has supported 190 companies with a total KRW 12.0 billion, contributing to the sustainable growth of environmentally friendly social economy enterprises. In recognition of these efforts, the company was selected as an outstanding enterprise for promoting public-private cooperation in social enterprises at the 2024 Social Enterprise Day event in November, and received the Minister of Employment and Labor Award.

LG College Day

LG Electronics hosts "LG College Day" by inviting students majoring in Korean at leading universities, such as Princeton University in the United States, to the headquarters of its North American subsidiary, thereby strengthening communication with college students who are both future customers and future talent. Students can directly experience LG Electronics' innovative products, such as wireless and transparent OLED TVs and StanbyME, as well as future technologies such as AI Home and robots. They can also learn about the "Life's Good" brand philosophy and corporate culture, as well as the ESG activities that LG Electronics carries out as a global corporate citizen, including campaigns to protect endangered species, the creation of pollinator gardens, and community donation activities. Through this program, LG Electronics expects that American college students with a strong interest in K-culture will also become interested in the LG brand, which will lead to an expansion of its customer base and the recruitment of outstanding talent in the future.

LG Electronics Global Volunteer Day

Waste appliance collection campaign

LG Electronics continues its efforts to create a sustainable future through environmental protection activities that involve employees at its global business sites. Since 2010, LG Electronics has designated June 5, World Environment Day, as 'LG Electronics Global Volunteer Day' and has carried out a variety of environmental protection activities in collaboration with the labor union. In 2025, on the occasion of the 13th Global Volunteer Day, volunteer activities were held at 32 business sites worldwide. Centered on its global business sites, LG Electronics voluntarily carries out various environmental cleanup activities, such as tree planting and marine cleanups, and in particular, it contributes to building a circular economy by designating the collection of used electronics as a key initiative. Since 2006, the cumulative amount of used electronics collected worldwide has reached approximately 5.65 million tons, with a total of around 2,000 employees participating in these activities over approximately 6,000 hours.

Weekday Volunteer Leave Program

LG Electronics operates the 'Weekday Volunteer Leave Program' to encourage employees' voluntary participation in community service activities. Under this program, employees who engage in volunteer work during regular weekday working hours are granted one day of paid leave per year. The program has been in continuous operation for 13 years since 2013. Employees can use up to 8 hours of volunteer time per year, split into two separate sessions, allowing them to participate without time constraints. In 2025, 404 employees participated, contributing a total of 2,300 volunteer hours.

LG Hope Screen

LG Hope Screen

LG Electronics provides free advertising for public interest campaigns led by UN international organizations and non-profit institutions through its outdoor digital billboards, "LG Hope Screen," installed in Times Square, New York, and Piccadilly Circus, London. In 2025, LG Electronics aired public service videos, including the environmental campaign of UNEP (United Nations Environment Programme) and the campaign to end hunger of FAO (Food and Agriculture Organization of the United Nations). From 2024 to the present, through the "U.S. Campaign to Protect Endangered Species," LG Electronics has implemented vivid images of animals facing extinction due to climate change as 3D content, thereby raising awareness of the importance of biodiversity conservation and heightening awareness of carbon emissions and global warming. LG Electronics expects to spread a shared understanding of various social issues, such as the environment and culture, through its support of public interest content.

Local Communities

Activities

Products and Services for All

Global IT Challenge for Youth with Disabilities

LG Electronics is carrying out various initiatives, including hosting the Global IT Challenge for Youth with Disabilities, to enhance digital accessibility for youth with disabilities and to support their further education, employment, and social participation. Launched in 2011, the Global IT Challenge for Youth with Disabilities is a global event for youth with disabilities that brings together participants across barriers of disability, region, culture, and nationality. To date, over 5,000 youth with various types of disabilities (physical, hearing, visual, developmental) from 41 countries have participated. In particular, in 2025, it held greater significance as the only side event related to persons with disabilities at the APEC Summit. In addition, LG Electronics hosts forums on enhancing the capabilities of persons with disabilities and expanding their social participation through IT, as part of its ongoing efforts to raise awareness among participating countries.

Global IT Challenge for Youth with Disabilities

Global IT Challenge for Youth with Disabilities On-site

Customer and Employee Participation Activities

Life's Good Employee Volunteer Group

Since 2010, LG Electronics has operated the 'Life's Good Volunteer Group,' in which employees plan and carry out their own volunteer activities. The 'Life's Good Volunteer Group' is an organization in which employees utilize their own skills to carry out various community engagement activities, such as product inspections, free repairs, career mentoring, AI photo studios, and care for abandoned dogs and cats, and LG Electronics provides funding for its activities each year. In 2025, a total of 77 teams comprising 731 members participated, achieving a cumulative 5,291 hours of volunteer service and reaching 6,553 beneficiaries.

ESG Academy for College Students

Since 2014, LG Electronics has operated 'Love Genie,' a social contribution-themed extracurricular program for college students. In 2021, the program was revamped to focus on ESG topics and has since continued under the name 'ESG Student Academy.' The program aims to enhance students' understanding of ESG and to nurture future professionals in related fields. Selected participants receive systematic ESG education and mentoring, and plan and carry out activities across the three pillars of Environment, Social, and Governance. As of 2025, approximately 330 people have completed the program.

ESG Student Academy

Executive Social Contribution Funding Activities

LG Electronics operates a matching grant program, donating an amount equivalent to 50% of the contributions made by executives to the Executive Social Contribution Fund. The fund is used to support both domestic and international activities that align with the company's social value creation goals, following a biannual review by the Executive Committee for Social Contribution Fund, which consists of one chairperson and five members. In 2025, the fund supported various projects such as improving the residential and educational environments in the Ethiopian veterans' village, supporting the Global Vocational Training School, the LG Ambassador Challenge, and the Comfort Kit program for persons with disabilities.

Donation Menu

LG Electronics operates a "Donation Menu" every even-numbered month to encourage employees to easily participate in everyday giving. When employees choose the 'Donation Menu' instead of a regular meal, the cost savings from the reduced side dishes are collected as donations and used to support contribution activities. Launched in 2011, the program had attracted a total of 701,009 participants by 2025, with cumulative donations amount reaching approximately KRW 290 million.

Local Communities

Activities

Balanced Growth for Local Communities

Community and Military Support (One Company-One Village / One Company-One Unit)

LG Electronics has established partnerships to promote mutual growth with rural communities. Through regular labor exchanges, the company helps revitalize local communities and pursues shared growth. In particular, LG Electronics carries out practical support activities, including remodeling communal village facilities, donating home appliances, and purchasing local specialty products to donate to community welfare facilities and vulnerable groups. In addition, the company contributes to improving the learning environment by providing laptops to first-year college students in rural areas, and since 2015, it has formed a partnership with the Biho military unit to provide annual financial support and essential supplies to the soldiers of the Korean armed forces.

Free Repair Service

LG Electronics actively participates in disaster relief and recovery efforts by setting up mobile service centers in disaster-stricken areas affected by earthquakes or floods, and other natural disasters. These centers provide free inspections and repairs of household appliances for affected families. In 2025, LG Electronics provided home appliances such as air purifiers to shelters for victims of wildfires in the Yeongnam region, and participated in support for flood victims and recovery activities in areas affected by heavy rainfall, including Yesan, Cheonan, and Asan in Chungcheongnam-do. In addition, LG Electronics operates the "LG Go! 高! (High!) Care Service", a social contribution program that prevents electrical safety accident and provides appliance inspections for welfare facilities and customers living in remote or mountainous regions who are particularly vulnerable during extreme weather conditions.

On-site service providing free inspection and repair of home appliances in flood-affected areas

Provision of Air Purifiers to Shelters for Wildfire Victims

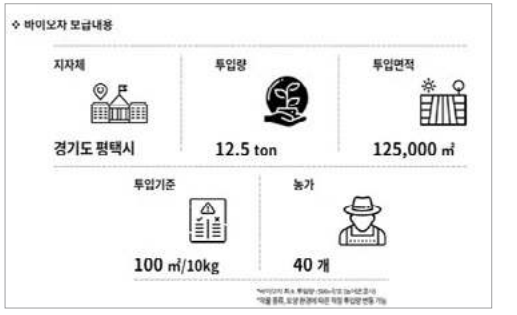
LG Global Ambassador Challenge

Since 2017, starting in Bangladesh, LG Electronics has been running a community competition program to address local issues. The program invites proposals from customers and residents worldwide to tackle community challenges. In particular, it supports participants appointed as 'LG Ambassadors' in carrying out community problem-solving activities. LG Electronics is implementing locally tailored social contribution activities to address issues within local communities. To date, a total of 97 projects have been completed across 9 countries, helping solve community issues.

Distribution of Biochar to Farming Households in the Pyeongtaek Area and Creation of Social Value

On June 9, 2025, LG Electronics carried out a "Biochar Distribution Campaign" targeting flower farms near its Pyeongtaek business site, in cooperation with networks-Y and the Pyeongtaek Agricultural Technology Center. The company distributed 12.5 tons of biochar across a total of 40 farms covering an area of 125,000m^2, achieving the creation of approximately KRW 19.65 million in social value. The distribution of biochar contributes not only to reducing greenhouse gases through carbon sequestration, but also to substantively revitalizing the local economy by reducing farm operating costs and increasing crop yields.In addition, as a nationally certified low-carbon agricultural technology, it increases the likelihood of obtaining the "Low-Carbon Agricultural Product Certification," thereby supporting the self-sustaining growth of local farms.

On-site View of the Biochar Distribution Campaign



Status of Biochar Distribution

River Plogging Events near Business Sites

LG Electronics has designated May 20 each year as Carbon Neutrality Day, and to commemorate it, the company conducts river plogging events near its business sites along with awareness-raising activities for employees. In addition, through local community cooperation and river cleanup activities in which employees directly participate, LG Electronics contributes to protecting the environment near its business sites and to spreading a culture of practicing carbon neutrality.

Local Communities

Activities

Smart Green Movement

LG Electronics' Spanish subsidiary is actively promoting the "Smart Green Movement" in collaboration with its business partners, with the goal of addressing local environmental issues and creating a sustainable future. In 2025, in addition to its three existing initiatives, namely ▲the restoration of terrestrial ecosystems (Smart Green Trees), ▲the promotion of biodiversity (Smart Green Bees), and ▲the protection of marine ecosystems (Smart Green Seas), the company newly launched a fourth initiative, "Smart Green Minerals," which accelerates the geological carbon sequestration process. In addition, in 2025, the company held consultations with major public institutions, including the Spanish Biodiversity Foundation (Fundación Biodiversidad), the Government of Castilla-La Mancha, and the Spanish Federation of Municipalities and Provinces (FEMP), and, through an agreement with the Federation of Municipalities of Extremadura, established a foundation for expanding workshops across the region.

Smart Green Trees (Forest Restoration)

Since 2017, LG Electronics has carried out forest restoration activities in various regions across Spain and Portugal, including Guadalajara, Madrid, Barcelona, and Malaga. Since 2019, through its "One Person, One Tree" campaign, the company has planted approximately 170,000 trees each year, and in 2025, it expanded the program across Spain, strengthening the foundation for local community participation. In particular, in the Andújar area, the company held a large-scale "Nendo Dango" workshop with more than 200 participants, contributing to the regeneration of the local ecosystem. In addition, to date, more than 4.5 million trees and shrubs have been planted through this project.

"Smart Green Trees" Campaign for Forest Regeneration

Smart Green Bees (Restoring Bee Population)

To enhance biodiversity, LG Electronics has been promoting a project since 2020 to restore the population of native honeybees, which play an essential role in plant pollination. In particular, the company supports ecosystem restoration with a focus on the Iberian honeybee, a species native to Spain, with a long-term goal of increasing the bee population by approximately 48 million.

In 2025, the company achieved an increase of 14.5 million new Iberian honeybees across Spain. In addition, from 2023 to 2025, corporate partners such as Guerlain and Banner Batteries participated in the project, expanding its scope to a total of nine regions to date.

"Smart Green Bees" Campaign Supporting the Reproduction and Cultivation of Plants

Smart Green Seas (Marine Ecosystem Restoration)

LG Electronics is carrying out a project to restore marine biodiversity through the restoration of Posidonia[1], a key marine plant that serves as a habitat for marine life and produces oxygen. Posidonia is a marine plant native to the Balearic Islands, designated as a priority protected species under EU legislation, and, similar to terrestrial grasslands, it plays an important role as a carbon sink by storing carbon on the seabed during its growth.

In Spain, LG Electronics collaborates with marine conservation organizations such as Fundación Ecomar and Fundación Vellmarí to secure scientific validity and scalability. In addition, in 2025, the company replanted a total of 101,868 Posidonia seedlings in areas such as Formentera, Ibiza, Murcia, the Bay of Pollença, Tossa de Mar, and the Marina Baixa coast.

"Smart Green Seas" Campaign for Marine Ecosystem Restoration

1) The "Posidonia oceanica" seagrass meadows located in Spain's Balearic Islands are among the world's most powerful "solutions to climate change." Dating back to ancient times, this marine plant has a carbon dioxide absorption capacity 15 times greater than that of an equivalent area of the Amazon rainforest.

Smart Green Minerals

In 2025, LG Electronics expanded the scope of the Smart Green Movement through a new pilot project called "Smart Green Minerals." This project aims to apply "Enhanced Weathering" technology to urban environments in cooperation with the Ávila City Council, the Catholic University of Ávila (UCAV), and TREMI S.A. To this end, LG Electronics spreads finely crushed basalt over urban parks and green spaces, inducing these silicate rocks to react with water, absorb carbon dioxide from the atmosphere, and store it in the soil over the long term. In particular, this technology not only provides carbon capture effects but also delivers various environmental benefits, such as improving soil quality, promoting plant growth without chemical fertilizers, and mitigating the acidification of aquatic ecosystems, thereby helping to transform urban green spaces into permanent carbon sinks.

"Smart Green Minerals" Campaign to Accelerate Carbon Absorption

Local Communities

Targets and Metrics

Social Contribution Management Targets

To systematically manage participation in social contribution activities, LG Electronics has established a 2030 social contribution roadmap. The company manages key indicators related to social contribution participation, such as the cumulative number of beneficiaries, social contribution expenditures, and funds.

Goal for 2030 Cumulative Social Contribution Beneficiaries

LG Electronics has set cumulative beneficiary targets for each social contribution strategy based on the year 2017 and established a 2030 roadmap to achieve these goals.

Integration of business and ESG strategies
• Contributing to solving social issues through LG Electronics' technologies and products

Year	Until 2025	2030 Target
Cumulative number of beneficiaries	263,476	300,000

Stakeholder engagement
• Supporting stakeholders' growth and independence through partnerships • Promoting active participation of employees in diverse social contribution activities across all countries where the company operates

Year	Until 2025	2030 Target
Cumulative number of beneficiaries	5,687,107	8,000,000

Social Contribution Management Metrics

Social Contribution Expenses and Fund

Since 2004, executives at LG Electronics have voluntarily deducted a portion of their monthly salaries to accumulate a fund for social contribution activities. Executives deduct 0.5% of their monthly salaries, and since 2019, overseas-based executives have also participated, with over 85% of all executives joining the Executive Social Contribution Fund.

Social Contribution Fund (Domestic)

Category	Unit	2023	2024	2025
Executive Social Contribution Fund	KRW million	390	390	390
Small Change Fund[1]		225	200	200

1) For employees who have agreed, amounts less than KRW 1,000 are deducted from their base salary and accumulated for use in the social contribution fund since 1995

Breakdown of Social Contribution Expenses

Category	Unit	2023	2024	2025
Investment to local communities[1]	KRW 100 million	22	52	14
Donations[2]		199	246	324
Commercial Initiatives[3]		320	290	412

1) Expenses incurred for socially contributive activities from R&D budgets, such as scholarships.
2) Expenses incurred from donation accounts.
3) Expenses incurred for socially contributive activities from advertising budgets, such as sports or event sponsorships

Governance

Corporate Governance	87
Jeong-Do Management/Compliance Management	92
Risk Management	97
Responsible AI	101
Information Security	105

AT A GLANCE

LG Electronics is committed to establishing a transparent governance structure that promotes responsible corporate behavior for sustainable management and enhances corporate value by securing the trust of global stakeholders.
By promoting responsible management centered on the Board of Directors equipped with expertise, independence, and transparency, the company protects shareholder rights and supports the continued growth of LG Electronics.

UN SDGs

Corporate Governance

Composition of the Board of Directors

LG Electronics clearly defines the roles and responsibilities of its Board of Directors and sub-committees, and continues to strengthen its oversight function over key sustainability-related matters. Building on this responsible governance, the company is committed to firmly establishing a company-wide sustainability management system and strives to embed/implement it throughout the entire organization.

Responsibilities of Board of Directors

In accordance with applicable laws and the Articles of Incorporation, the Board of Directors performs the following roles and responsibilities:

Establishing and Overseeing Management Strategy | The Board sets the company's long-term vision and goals, establishes and executes strategies to achieve them, and oversees management's execution of duties.
Maximizing Shareholder Value | The Board maximizes shareholder value through transparent and fair management and drives sustainable growth.
Upholding Corporate Ethics and Social Responsibility | The Board practices ethical management, fulfills its social responsibilities, and works toward sustainable management.
Risk Management | The Board identifies the various risks the company may face and protects corporate value by establishing appropriate risk management systems.
Reviewing M&A Proposals Fairly and Protecting Shareholder Interests | The Board reviews M&A proposals fairly in compliance with applicable laws and makes every effort to protect shareholder interests.

Composition of Board of Directors

LG Electronics has established and operates a board-centered responsible management system chaired by an Independent Director. To realize sound and transparent corporate governance, Independent Directors make up a majority of the Board, and they are appointed through a fair and transparent process via the Independent Director Candidate Recommendation Committee. The Board deliberates on submitted agenda items, oversees management's execution of duties, and supports responsible decision-making based on diverse expertise.

Composition of Board of Directors

As of April 2026

Name	Director Type	Gender	Age	Position	Total Tenure (months)	Term Expiration Predicted Date	Area of Expertise	Key Career Background
Jaecheol Ryu	Executive Director	Male	59	Chair of the Management Committee, Member of the ESG Committee	2	At the close of the 2029 AGM[1]	Business Management	CEO, LG Electronics Inc.
Chang Tae Kim	Executive Director	Male	59	Member of the Related-Party Transactions Committee, Member of the Management Committee	26	At the close of the 2027 AGM	Finance	CFO, LG Electronics Inc.
Bong Seok Kwon	Non-Executive Director	Male	62	Member of the Independent Director Candidate Recommendation Committee, Member of the Compensation Committee	72	At the close of the 2028 AGM	Business Management	Vice Chairman, LG Corp
Soo Jin Kang	Independent Director	Female	55	Chair of the Related-Party Transactions Committee, Member of the ESG Committee, Member of the Audit Committee	62	At the close of the 2027 AGM	Law (Lawyer)	Former Prosecutor, Seoul/Suwon Seongnam/Daejeon District Office Current Professor, School of Law, Korea University
Choong Yeul Yoo	Independent Director	Male	55	Chair of the Audit Committee, Member of the ESG Committee, Member of the Related-Party Transactions Committee, Member of the Compensation Committee	50	At the close of the 2028 AGM	Accounting, Audit	Professor, School of Business, KAIST
Seung Woo Seo	Independent Director	Male	61	Chair of the ESG Committee, Member of the Audit Committee, Member of the Related-Party Transactions Committee, Member of the Independent Director Candidate Recommendation Committee	38	At the close of the 2029 AGM	Electric Vehicle Expertise	Professor, Department of Electrical and Computer Engineering, Seoul National University
Sung Choon Kang	Independent Director	Male	56	Chair of the Independent Director Candidate Recommendation Committee, Chair of the Compensation Committee Member of the Audit Committee, Member of the ESG Committee	14	At the close of the 2028 AGM	Human Resources	Professor, School of Business, Seoul National University

1) AGM: Annual General Meeting

Corporate Governance

Composition of the Board of Directors

Board Independence

To secure the independence of the Board, LG Electronics reviews candidates' qualifications based on its internally established "Guidelines on Independent Directors' Independence" and appoints individuals as Independent Directors only when these requirements are met. In addition, Independent Directors make up a majority of the Board to institutionally guarantee its independence, while the separation of the CEO and Board Chairperson roles further strengthens the Board's oversight of management.

Go to the Full text of 「Guidelines on Independent Directors' Independence」

Board Diversity and Expertise

To secure the expertise and diversity of the Board, LG Electronics appoints directors with competencies across diverse genders, ages, experiences, backgrounds, and fields, reflecting the views of stakeholders including shareholders and customers. To help newly appointed Independent Directors integrate into the organization, the company provides orientation on the Board's status and processes, and has them serve on at least three committees so they can apply their expertise. The company operates a range of expertise-support programs—such as accounting oversight trend training for the Audit Committee—so that Independent Directors can carry out their duties with professional competence within the Board and its sub-committees.

BSM: Board Skills Matrix

In accordance with the "Guidelines on the Expertise and Diversity of the Board of Directors" LG Electronics assesses the expertise of Board members by considering whether they hold expertise in areas such as organizational management, management/accounting, R&D, and law, as well as their work experience in industries in which LG Electronics and its major affiliates operate.

Go to the Full text of 「Guidelines on the Expertise and Diversity of the Board of Directors」

Board Skills Matrix

Category	Jaecheol Ryu	Chang Tae Kim	Bong Seok Kwon	Soo Jin Kang	Choong Yeul Yoo	Seung Woo Seo	Sung Choon Kang	Percentage
Leadership	●	●	●			●	●	71%
CEO Experience	●		●					29%
CFO Experience		●						14%
Management Accounting	●	●	●		●		●	71%
R&D	●		●			●		43%
Law		●		●				29%
Year Appointed	2026	2024	2020	2021	2022	2023	2025	-
Independence				●	●	●	●	57%

Board Operations

LG Electronics composes its Board based on independence, expertise, and diversity, and faithfully implements its shareholder return policy, thereby strengthening its sustainable governance system. Going forward, the company will continue to realize responsible governance and enhanced management transparency through systematic management.

Board of Directors

In accordance with Article 35 of the Articles of Incorporation and Article 9 of the Board Regulations, LG Electronics grants the authority to convene Board meetings to the Board Chair or a director designated by the Board. Each director must be notified of the meeting's date, venue, and agenda at least 12 hours in advance, and any director may, when necessary, request the convener to call a meeting by presenting the agenda items and reasons. If the convener fails to call a meeting without justifiable cause, the requesting director has the authority to convene the Board directly.

In accordance with Article 391 of the Commercial Act and Article 36 of the Articles of Incorporation, LG Electronics clearly stipulates the requirements for Board resolutions. In principle, resolutions are passed with a majority of directors present and the approval of a majority of those present; where specific laws provide otherwise, those provisions apply. The company also ensures fairness by barring any director with a special interest in a given agenda item from exercising voting rights.

Meanwhile, in accordance with Article 391 of the Commercial Act, Article 36 of the Articles of Incorporation, and Article 12 of the Board Regulations, all directors may participate in meetings using telecommunication means that transmit and receive voice simultaneously, and such participation is recognized as equivalent to attending in person.

2025 Board Overview

In accordance with the Board Regulations, LG Electronics holds regular Board meetings once per quarter as a rule and convenes additional meetings as needed. To enhance the operational efficiency of its corporate governance, the company sets an annual target of 100% Board attendance, and in 2025, a total of nine Board meetings were held with a 100% attendance rate.

Operational Status

Unit	Board Meetings	Items Approved	Items Reported
Cases	9	30	17

Attendance

Unit	Average Attendance Rate	Executive Directors' Attendance Rate	Independent Directors' Attendance Rate	Minimum Attendance Rate
%	100	100	100	100

Corporate Governance

Board Operations

Board Appointment

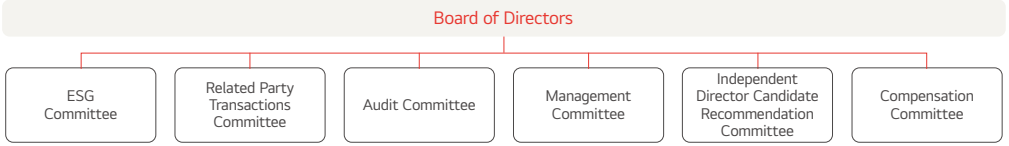
When appointing directors, LG Electronics follows a process of candidate recommendation, deliberation, resolution, and approval at the General Shareholders' Meeting. Directors are elected by a yes-or-no voting method in accordance with Article 382 of the Commercial Act, and a director's term is set at a maximum of three years in accordance with Article 29 of the Articles of Incorporation. Directors may be reappointed in accordance with the Commercial Act, and Independent Directors may serve for up to six years in total.

Appointing the Chairperson of the Board

To enhance the independence and transparency of the Board, LG Electronics operates a Board Chair role separate from the CEO. In 2026, the company appointed Independent Director Soo Jin Kang as Board Chair, introducing for the first time a chair system led by an Independent Director and thereby strengthening the Board's independent oversight of management. The Board Chair leads the deliberation and resolution of the company's key agenda items, including convening the General Shareholders' Meeting, approving financial statements, and raising capital.

Committees Under the Board of Directors

To strengthen the expertise and independence of its Board functions, LG Electronics operates six committees under the Board. In particular, the company newly established the Compensation Committee in 2025 to deliberate and decide on matters concerning the remuneration and compensation of directors and executive officers, further enhancing the objectivity and transparency of executive compensation decisions. At least two-thirds of the Compensation Committee consists of Independent Directors, and its current Chair is an Independent Director.



Committees Under the Board of Directors

As of March 31, 2026

Category	Role & Activities	Position	Name	Category	Gender	Concurrent Roles
ESG Committee	• Achieve long-term, sustainable growth by strengthening ESG management • Establish fundamental policies and strategies for ESG management • Set mid- to long-term ESG goals • Discuss agenda items such as carbon emissions and management of environmentally harmful substances, eco-friendly product development, work environment, and fair trade	Chair	Seung Woo Seo	Independent Director	Male	◇, ◆, ■
		Member	Soo Jin Kang	Independent Director	Female	◆, ■
		Member	Choong Yeul Yoo	Independent Director	Male	▲, ◆, ■
		Member	Sung Choon Kang	Independent Director	Male	▲, ◇, ◆
		Member	Jaecheol Ryu	Executive Director	Male	□
Related Party Transactions Committee	• Strengthen internal controls over related-party transactions to enhance transaction fairness and corporate governance transparency • Approve matters related to related-party transactions	Chair	Soo Jin Kang	Independent Director	Female	◆, △
		Member	Chang Tae Kim	Executive Director	Male	□
		Member	Choong Yeul Yoo	Independent Director	Male	▲, ◆, △
		Member	Seung Woo Seo	Independent Director	Male	◇, ◆, △
Audit Committee	• Conduct audits of company operations and accounting • Review and provide opinions on matters that may affect the independence of external auditors • Hold authority over the selection, change, and dismissal of external auditors • Ensure independence by consisting entirely of independent directors and secure expertise by including accounting/financial experts	Chair	Choong Yeul Yoo	Independent Director	Male	▲, ■, △
		Member	Soo Jin Kang	Independent Director	Female	■, △
		Member	Seung Woo Seo	Independent Director	Male	◇, ■, △
		Member	Sung Choon Kang	Independent Director	Male	▲, ◇, △
Management Committee	• Deliberate and decide on routine management matters that do not require collective decisions by the entire Board • Notify all directors of Management Committee resolutions and enable the Board to re-deliberate on matters resolved by the Committee to maintain Board-level control	Chair	Jaecheol Ryu	Executive Director	Male	△
		Member	Chang Tae Kim	Executive Director	Male	■
Independent Director Candidate Reco-mmendation Committee	• Recommend candidates for new independent directors • Screen independent director candidates according to the Commercial Act, related laws, and the committee's regulations • Ensure fairness and independence by having a majority of independent directors	Chair	Sung Choon Kang	Independent Director	Male	▲, ◆, △
		Member	Bong Seok Kwon	Non-Executive Director	Male	▲
		Member	Seung Woo Seo	Independent Director	Male	◆, ■, △
Compensation Committee	• In-depth review of matters related to the remuneration of directors and executive officers • Composed with a majority of Independent Directors to enhance fairness and transparency	Chair	Sung Choon Kang	Independent Director	Male	◇, ◆, △
		Member	Bong Seok Kwon	Non-Executive Director	Male	◇
		Member	Choong Yeul Yoo	Independent Director	Male	◆, ■, △

◇ Independent Director Candidate Recommendation Committee ◆ Audit Committee
□ Management Committee ■ Related Party Transactions Committee
△ ESG Committee ▲ Compensation Committee

Corporate Governance

Board Operations

Recommendation and Appointment of Independent Director Candidates

For Independent Directors, the Independent Director Candidate Recommendation Committee recommends and screens candidates. The committee recommends and appoints candidates in accordance with the qualification criteria set forth in the Commercial Act and related laws, and to ensure independence, it does not include Executive Directors.

2025–2026 Independent Director Expertise Support Activities

Category	Date	Details
Overseas Business Site Visits	2025. 02. 03. ~ 02. 07	• Improve understanding of overseas sales operations • Review the current status of technology development and production activities at overseas R&D and production subsidiaries • Strengthen insights into the Asian region through briefings on local operations
Independent Director Workshop	2025. 08. 27. ~ 08. 29	• Enhancing networking among Board members and increasing understanding of the Company's business and operating environment

Support for Independent Directors

LG Electronics holds a pre-meeting briefing composed solely of Independent Directors before each Board meeting, enabling them to thoroughly review agenda items and reach informed decisions. At these briefings, the agenda items to be discussed are explained in detail, and Independent Di rectors conduct sufficient preliminary review through Q&A. The opinions raised during these sessions are reflected in the Board's agenda items, contributing to higher-quality Board decisions. In addition, to facilitate the smooth participation of Independent Directors, the company has established a dedicated Board Secretariat that actively supports Independent Directors in carrying out their duties. The Board Secretariat provides ongoing support for their work, enhancing the substance of agenda deliberations and improving the efficiency of Board operations.

Status of Board Pre-Meeting Briefings

Category	Unit	2025
Number of Pre-Board Briefing Sessions Held	Cases	9
Attendance Rate of Independent Directors (including virtual participation)	%	88.8

Evaluation of the Appropriateness of Board Operations

LG Electronics secures the validity and effectiveness of its Board operations through regular evaluations of the Board and the activities of individual Independent Directors. Evaluation results based on the individual performance of Independent Directors serve as a basis for assessing expertise, competency, and qualifications when the Independent Director Candidate Recommendation Committee recommends candidates for reappointment, and as foundational data for strengthening the Board's capabilities and improving its operations. Evaluations reflect both quantitative and qualitative criteria and, to ensure fairness, focus on objective indicators such as expertise, Board attendance, and Board contribution.

LG Electronics transparently discloses its Board operations, including evaluation results, to the public each year through its Corporate Governance Report, thereby continuously strengthening the accountability and transparency of its Board operations.

Management Performance Evaluation

LG Electronics evaluates management's performance over a maximum of three years, divided into quantitative and Qualitative indicators. The company also transparently discloses the criteria and methods for calculating management compensation based on these evaluations. Compensation is calculated according to the Board's standards, taking position and duties into account within the budget approved at the General Shareholders' Meeting. For bonuses, the company comprehensively evaluates quantitative and non-quantitative indicators in accordance with the executive compensation regulations, paying 0–184% of total compensation for the CEO and 0–134% for other members of management.

Category	Executive Performance Indicators
Quantitative Metrics	Revenue, operating profit, etc.
Qualitative Metrics	Cash flow, liquidity, product, risk, etc.

Corporate Governance

Sustainability Management Governance

Sustainability Management Governance System

LG Electronics operates a structured sustainability management framework centered around the ESG Committee under the Board of Directors, the company-wide Management Meeting, and an ESG Council led by the Chief Strategy Officer (CSO).

The ESG Committee is an organization under the Board of Directors. It consists of one Executive Director, including the CEO, and four Independent Directors. The committee is responsible for deliberating, resolving, and overseeing

fundamental ESG policies and strategies, setting mid- to long-term goals, reviewing key implementation plans and performance, and responding to significant ESG-related risks. Regular meetings are held twice a year, with additional meetings convened as needed. The committee also serves as an advisory body in the execution of ESG strategies.

An ESG Council, led by the CSO and aligned with company-wide management meetings, is held quarterly. It comprises heads of key functional divisions such as business strategy, environment, HR, procurement, and R&D. This council monitors the implementation status of ESG strategic initiatives, identifies areas for improvement, and reports key discussion points to the ESG Committee, facilitating Board-level discussions and strategic decision-making.

In addition, LG Electronics established a Carbon Neutrality Task Force in 2024 to strengthen its climate response capabilities and enhance the execution of ESG strategic tasks, thereby driving meaningful results across all areas of ESG management.

Agenda Items of the ESG Committee and Council

ESG Committee Meeting Dates and Reported Agenda Items

Meeting	Date	Category	Agenda Title
1st	2025.06.24	Approval	Approval of the 2025 Materiality Assessment
		Reporting	Report on the Publication of the 2024-2025 Sustainability Report
		Reporting	Report on the Implementation Status of Key Initiatives for the First Half of 2025
		Reporting	Report on the Revision of the Company-wide Renewable Electricity Transition Roadmap
2nd	2025.11.25	Reporting	Report on 2025 ESG Management Performance and 2026 Plan
		Reporting	Report on Customer Audits at Production Sites and Related Action Items
		Reporting	Report on LG Electronics' Risk Management System
		Reporting	Report on the Progress of Key Compliance Risk Improvement Activities and Plans

ESG Council Meeting Dates and Discussion Topics

Meeting	Date	Discussion Topics
1st	2025.04.02	Establishment of the 2025 ESG Ratings Response Plan Revision of the 2030 Carbon Neutrality Roadmap Establishment of the Accessibility Enhancement Plan
2nd	2025.07.23	Report on Follow-up Items from the First Council Meeting Analysis of Chinese Companies' ESG Management Competitiveness and Implications Report on HS Company/HQ Accessibility Activities in the First Half of 2025 Sharing of ES CompanyAccessibility Improvement Cases Report on ESG Communication Activities in the First Half of 2025
3rd	2025.10.29	Review of the Six Key Tasks for 2025 Review of CTO Division Clean Tech Development Status Review of VS Company Customer PCF Requirement Response Status Review of LG Electronics Taxonomy Response Requirements

Category	Issues	Leading Department
Environment	Climate Change	ESG Bureau
	Business Site Operations	Safety & Environment Center
	Resource Circulation	Product Compliance Department
Social	Employees	CHO Division(Human Rights and Talent Management), Safety & Environment Center(Health&Safety)
	Supply Chain Management	Global Operation Center
	Customer Management	Customer Value Innovation Office
	Local Communities	ESG Bureau, Government Relations Division
Governance	Jeong-Do Management Center / Compliance Bureau	Corporate Audit Center / Compliance Office
	Information Security	Information Security Division, Next-Generation Security Lab / Research Lab
	Risk Management	Chief Risk Officer (CRO) Division

Business Divisions

Support Divisions

Jeong-Do(Ethical) Management/Compliance Management

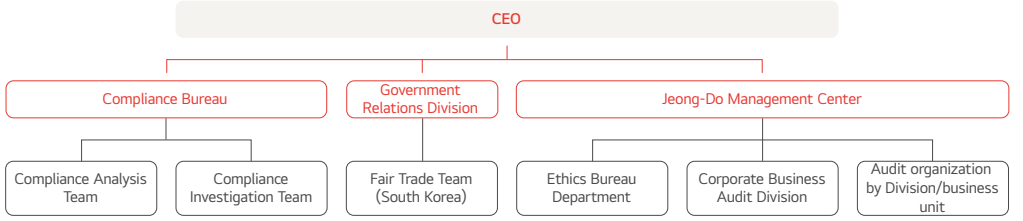
Governance

Jeong-Do Management/Compliance Management Governance

LG Electronics upholds the highest standards of ethics and compliance in all business activities as a core management principle, based on the LG Way corporate philosophy. The Board of Directors and top management oversee the establishment and operation of the company's ethics and compliance management systems to ensure transparent and fair corporate governance, internalizing these principles throughout the organization. The company also establishes a Code of Ethics and a Code of Conduct that employees must follow, thereby mitigating potential risks in advance and solidifying its trust with stakeholders.

Organizational Structure and Responsibility Framework

LG Electronics operates dedicated organizations with functional expertise to effectively implement the principles of Jeong-Do Management and Compliance Management.



Category	Details
Compliance Bureau	• Reports directly to the CEO and oversees the establishment, operation, and improvement of the risk-based Compliance Management System • Comprises the Compliance Analysis Team and Compliance Monitoring Team, performing identification of compliance obligations and risks, supporting internal control assessments, providing company-wide compliance training, and conducting regular and ad-hoc monitoring and reporting
Fair Trade Team	• Dedicated organization for external cooperation, responsible for preventing unfair trade practices in accordance with domestic fair trade regulations, including areas such as environment, labeling and advertising, subcontracting, agencies, and distribution
Jeong-Do Management Center	• Reports directly to the CEO and is responsible for establishing ethics management policies and overseeing the operation of related systems • Disseminates the Code of Ethics company-wide, operates role- and job-specific training programs, and investigates violations and implements follow-up actions

Compliance Committee

LG Electronics operates a Compliance Committee to manage compliance risks and strengthen execution at the company-wide level. The corporate-level Committee comprises top executives and key risk management departments, and it monitors legal, regulatory, and sanction trends in each country and establishes action plans to respond to them. In addition, business unit-level committees—comprising organizational leaders, management staff, compliance managers, and frontline employees—review the status of risk implementation and discuss areas for improvement. Through the operation of these committees, the company has established a framework that ensures consistent risk response across all divisions. The committees establish fundamental policies and strategies for compliance management, and significant matters related to compliance control are reported to the ESG Committee and the Board of Directors on a regular or ad hoc basis, thereby supporting the effective operation of the company's compliance control framework.

Strategy

LG Electronics establishes Jeong-Do (Right-Way)/compliance management strategies and policies centered on dedicated organizations for each area—ethics, compliance, and fair trade—thereby building a systematic operational foundation. Going beyond merely establishing policies, the company proactively identifies and manages relevant risks through integrated management activities spanning prevention, education, monitoring, and reward.

Jeong-Do Management Strategy

Jeong-Do Management Philosophy and Its Practical Strategy

LG Electronics embraces Jeong-Do Management as a core philosophy of corporate management and applies it as the standard for all decision-making and behavior. Based on this philosophy, the Jeong-Do Management Center leads company-wide implementation of the Code of Ethics, grounded in the principles of "integrity," "fair treatment," and "fair competition through competence." Systematic policies, training, and diagnostic frameworks are in place to ensure that ethical judgment and behavior become embedded in the organizational culture, with a strong focus on preventive measures to avoid the occurrence of risks. Also, in the event of a violation, investigations, follow-up actions, and post-monitoring are conducted to enhance the effectiveness and execution competency of ethical management.

Code of Ethics and Code of Conduct Framework

LG Electronics has established and operates a Code of Ethics and a Code of Conduct to ensure that employees carry out their duties in accordance with ethical standards. The Code of Ethics, based on the philosophy of Jeong-Do Management, emphasizes the core values of "integrity," "fair treatment," and "competition through competence." It is overseen by the Jeong-Do Management Center and is applied consistently across all business sites worldwide. Since its enactment in 1994, the Code has been continuously revised in response to changes in the business environment and the times, serving as a standard for employee behavior in various ethical decision-making situations. The Code of Conduct, overseen by the Compliance Bureau, outlines essential principles of legal compliance that all employees must follow in their global operations. It covers critical areas such as anti-corruption measures, adherence to fair trade practices, protection of human rights, and maintaining information security. To ensure these principles are effectively applied in daily work, the Code is supported by specific behavioral guidelines and practical, case-based training programs. In addition, LG Electronics has established and implemented the "Anti-Bribery and Anti-Corruption Regulations" to guide employees in making ethical decisions and conducting themselves responsibly, thereby fostering a culture of integrity within the organization.

Jeong-Do(Ethical) Management/Compliance Management

Activities

Operation of Reporting System and Whistleblower Protection Framework

LG Electronics has established and operates a company-wide reporting system to detect and address ethics and compliance violations at an early stage and handle them fairly. The system is overseen by the Ethics Bureau under the Jeong-Do Management Center, which reports directly to the CEO. Reports received through the system are handled in collaboration with relevant departments, depending on the nature of the issue. In cases where legal risks are identified, investigations and necessary actions are taken in coordination with the Compliance Bureau. In the case of critical matters, reports may be submitted to the ESG Committee or the Board of Directors as needed. Follow-up actions and corrective measures related to the outcomes are also systematically managed. The reporting system is operated in multiple languages to ensure accessibility not only for employees but also for external stakeholders. Reports can be submitted through various channels, including the Jeong-Do Management Hotline, email, and telephone. All reports are managed under strict confidentiality procedures, and the whistleblower's identity is thoroughly protected throughout the entire process—from receipt and investigation to resolution. Furthermore, the system is managed within an independent information security framework to ensure reliability and transparency. This helps prevent potential risks both inside and outside the organization and fosters an environment where all members can safely and freely raise concerns.

In addition, regular training programs are conducted on the reporting system. Code of Ethics and Code of Conduct training is included in the mandatory courses for new hires and employees, tailored to their job level. These programs offer guidance on utilizing reporting channels, whistleblower protection policies, and case-based response methods, thereby promoting a culture of reporting. LG Electronics also operates a dedicated counseling center and a chatbot-based FAQ system to help employees easily access and utilize the information needed for ethical decision-making. Counseling is available both online and offline, and anonymous inquiry and real-time automated response features are provided to enhance accessibility and convenience for members, allowing them to make inquiries without feeling pressured.

Promotion of Jeong-Do and Compliance Culture

Jeong-Do Management Training

LG Electronics systematically operates employee training and communication activities to internalize a company-wide culture of ethics and compliance. The Jeong-Do Management Center and the Compliance Bureau provide customized ethics and compliance training tailored to job roles and positions for all employees at home and abroad at least once a year, and the Fair Trade Team separately operates training for each job function on the topic of fair trade risks. Training is conducted both online and offline and consists of practice-oriented topics such as the Code of Ethics, the Code of Conduct, anti-corruption, fair trade, sexual harassment prevention, and privacy protection. The completion of training is linked to a pledge of commitment, fostering a sense of voluntary compliance. Additionally, campaigns utilizing diverse content, such as newsletters, webtoons, and short-form videos, are employed to spark interest and encourage employee participation.

Compliance and Anti-corruption Management

Based on the Code of Conduct and internal policies, LG Electronics annually conducts a compliance self-assessment survey covering a range of risk items, including bribery, collusion, discrimination, related-party transactions, and false advertising. In 2025, 45,984 employees—94.1% of all employees worldwide—participated, and the survey results are utilized in various organizational management activities, such as analyzing the level of risk awareness by department, improving training planning, and identifying priority inspection areas. In addition, LG Electronics is enhancing its compliance checks of relevant regulations and policies to proactively address company-wide anti-corruption risks. All employees are required to voluntarily assess their involvement in misconduct, such as bribery, annually and reaffirm their commitment to ethical conduct through a compliance pledge. Each business site regularly evaluates the likelihood and impact of corruption risks, and conducts tailored improvement activities based on the evaluation results.

Compliance Check in 2025

Month	Activity
February 2025	Assessment of compliance with internal control standards and evaluation of effectiveness
April 2025	Support for establishing information security governance for non-public critical information at the Indonesia subsidiary
May 2025	Inspection of subscription-based business operations and review of subcontracting project management status
July 2025	Compliance risk assessment in the European region
August 2025	Company-wide online compliance training
September 2025	ISO 37301 (Compliance Management System) certification renewal
October 2025	Review of implementation effectiveness of domestic and global compliance programs

Jeong-Do(Ethical) Management/Compliance Management

Risk Management

LG Electronics systematically manages business risks related to ethics, compliance, and fair trade, striving to minimize the likelihood of risk exposure through a proactive, prevention-focused response system. To this end, the company identifies potential risks that may arise in each area of ethics, compliance, and fair trade, and implements response measures including pre-assessments, inspections, training, and improvement activities.

Standards and Certification of Compliance Management

LG Electronics has established the "Compliance Control Standards," internal regulations designed to ensure systematic compliance management, and verifies their effectiveness through external certification. These standards were adopted by the Board of Directors in accordance with Article 40 of the Enforcement Decree of the Commercial Act, serving as the foundational principles of compliance management and the internal control standard applicable to all employees. Additionally, LG Electronics has obtained ISO 37301 certification—an international standard for compliance management systems—for all its domestic business sites, and verifies through regular follow-up audits whether the system is properly designed, implemented, and operated. Furthermore, the company applies the operational procedures associated with this certification to its company-wide compliance framework, thereby securing the reliability and effectiveness of compliance management.

Assessment of Jeong-Do Management

The Jeong-Do Management Center conducts regular management assessments and preventive diagnostics for business divisions and subsidiaries, both domestic and overseas, to proactively prevent company-wide ethical risks. Assessment items include compliance with the Code of Ethics, conflict of interest management, and the effectiveness of internal control systems. Through its Jeong-Do Management assessments, LG Electronics operates a systematic process that goes beyond identifying violations to analyzing the root causes and implementing corrective actions. The results are also shared with relevant departments, leading to institutional enhancements and improvements.

Compliance Risk Management

LG Electronics operates a program to effectively and systematically manage compliance risks. The Compliance Program is structured across all stages, from proactive identification of legal and regulatory changes to training, monitoring, reporting, and follow-up management, and also addresses both risk prevention and measures to prevent recurrence. LG Electronics strengthens its company-wide management system by regularly submitting reports on risk assessment results to top decision-making bodies, including the Board of Directors and the ESG Committee.

Compliance Risk Management Process

Identification/ Assessment	• Research on legal and regulatory trends as well as Monitoring of major violations and enforcement trends • Detection of new risks and management of the risk pool, and Evaluation of risk management maturity	01
Improvement	• Online/offline compliance training and improvement of business policies and processes • Provision of compliance advice and consulting, along with responses to stakeholder requirements	02
Monitoring	• Regular and ad-hoc compliance monitoring • Monitoring risk prevention activities	03
Reporting	• Board of Directors and ESG Committee • Compliance Committee and public disclosures	04
Follow-up Management	• Training to prevent recurrence • Monitoring recurrence prevention through compliance indicator management	05

Enhancing company-wide compliance execution and response capabilities

LG Electronics operates an early risk detection and proactive response system for systematic compliance management, led by the Compliance Bureau, continuously monitoring domestic and international legal and sanction trends and providing compliance advice and practical guidance to business departments so that each organization can autonomously identify and respond to risks. Compliance Managers are stationed at both domestic and international sites to enhance autonomous implementation on-site, and the company further strengthens execution at its global business sites through a legal advisory framework that supports the business decision-making of the Board of Directors and management, along with customized guides based on each country's regulatory requirements. Responsibilities across organizational units are clarified using key performance indicators (KPIs) such as risk prevention activities, training completion rates, and violation occurrences. In the medium to long term, LG aims to bolster its response to domestic and global compliance risks by advancing its risk detection systems, refining its global regulatory compliance framework, and strengthening a performance-based evaluation system focused on execution capabilities.

Jeong-Do(Ethical) Management/Compliance Management

Risk Management

Management of Fair Trade Risks

LG Electronics manages key risks related to fair trade, including collusion, subcontracting, unfair trade practices, and advertising and labeling, in accordance with major domestic laws and regulations. In accordance with the Compliance Program (CP), the company regularly conducts pre-assessments, training, and improvement activities. It also operates a system for managing data requests and contracts to establish fair trade practices with suppliers, thereby strengthening its fair trade compliance activities.

Inspection of Fair Trade Risk and Management Process

LG Electronics operates a stage-by-stage risk management process of "risk selection-assessment-establishment of management plans- -implementation of improvements" to systematically manage domestic and international fair trade risks. The key inspection items include collusion, subcontracting, unfair trade practices, and advertising and labeling, and the company secures the effectiveness of its risk response by flexibly adjusting the inspection items and cycle in line with amendments to relevant laws and changes in the business environment. In addition, through its fair trade Compliance Program (CP), LG Electronics conducts practitioner training, internal inspections, legal review, and follow-up improvement activities for each business organization in parallel, strengthening its risk prevention and response capabilities. Risks such as unfair trade practices, improper advertising and labeling, and violations of the Subcontracting Act are managed under the internal control framework throughout the entire process, from preliminary review to post-monitoring, and the results of regular inspections are reported to the risk management department and management so that additional response measures can be prepared when necessary.

Risk Selection	Risk Assessment	Risk Management Planning	Implementation of Risk Improvements
• Collusive behavior • Unfair subcontracting practices • Unfair trade practices and misleading advertising	• Detection of fair trade violations • Identification of key risk factors • Assessment of violations by area	• Compilation of risk assessment results • Selection of key risks • Development of risk management plans	• Causal analysis of violations • Derivation of improvement plans and prioritization • Implementation and monitoring of improvement activities

Fair Trade Risk Inspection and Management

Category	Details
Monitoring	• Ongoing monitoring and unannounced inspections • Business process improvements
Raising employee awareness	• Employee training • Sending fair trade newsletter • Issuance of Subcontracting Newsletters
Provision of guidelines	• Establishment and revision of company standards • Introduction of IT systems • Pre-review of labeling and advertising materials

Targets and Metrics

LG Electronics sets key performance indicators (KPIs) for each area and conducts company-wide reviews to enhance the effectiveness of ethics and compliance management and systematically manage the level of implementation.

Jeong-Do and Compliance Management Targets

Setting and Management of Compliance Indicator

LG Electronics has set the enhancement of corporate transparency, the establishment of a framework for early risk recognition and proactive response, and the securing of field-centered execution as its mid- to long-term compliance goals. To achieve these, the company plans and pursues company-wide program advancement, responses to domestic and international laws and regulations, and proactive inspections of social issues. LG Electronics quantitatively manages its implementation performance against these plans by setting key performance indicators (KPIs), such as the compliance training completion rate, the level of key compliance risk prevention activities, and whether Compliance Committee meetings are held.

Implementation Plan	Mid- to Long-term Goals
• Enhancing the company-wide compliance program	• Enhancing corporate transparency and credibility
• Strengthening monitoring and response to internal and external laws and regulations	• Establishing an early risk sensing and proactive response system
• Conducting proactive monitoring of compliance issues and reinforcing corporate compliance check	• Advancing risk management level
• Supporting on-site self-management activities and providing customized consulting	• Building an on-site oriented, active management system

Jeong-Do(Ethical) Management/Compliance Management

Targets and Metrics

Jeong-Do and Compliance Management Metrics

Current Status of Completion of Jeong-Do Management Training

LG Electronics recognizes Jeong-Do Management as an essential requirement for corporate survival and continuously conducts company-wide training to internalize it throughout the organization.

Yearly Participants Completed Jeong-Do Management Training

Category	Unit	2023	2024	2025
Online	Persons	37,304	26,936	31,928
Offline		10,231	28,907	43,069
Total		47,535	55,843	74,997

Current Status of Training on Preventing Workplace Bullying/Sexual Harassment[1)]

Category	Unit	2023	2024	2025
Participants	Persons	7,586	33,992	40,798

1) Refers to participants who completed internally conducted training on preventing workplace bullying/sexual harassment in addition to legally mandated courses.

ESG Data [Jeong-Do Management Online and Offline Training Completion Status]

As of 2025, a total of 74,997 employees completed online and offline training related to ethics and Jeong-Do Management, an increase of approximately 34% from the previous year. LG Electronics continues to increase participation in ethics management training by expanding and regularizing training—previously limited to certain job functions—to employees in all job functions and by strengthening training for overseas subsidiaries. The company also operates workplace harassment and sexual harassment prevention training company-wide, establishing an ethical organizational culture through continuous implementation management and improvement activities.

Risk Management

Governance

Based on an Enterprise Risk Management (ERM) framework, LG Electronics systematically manages risks across all areas, including financial, operational, strategic, reputational, and ESG (Environmental, Social, and Governance) factors. We continually enhance our risk management system to ensure agile and effective responses to shifts in the external environment.

Risk Management Governance

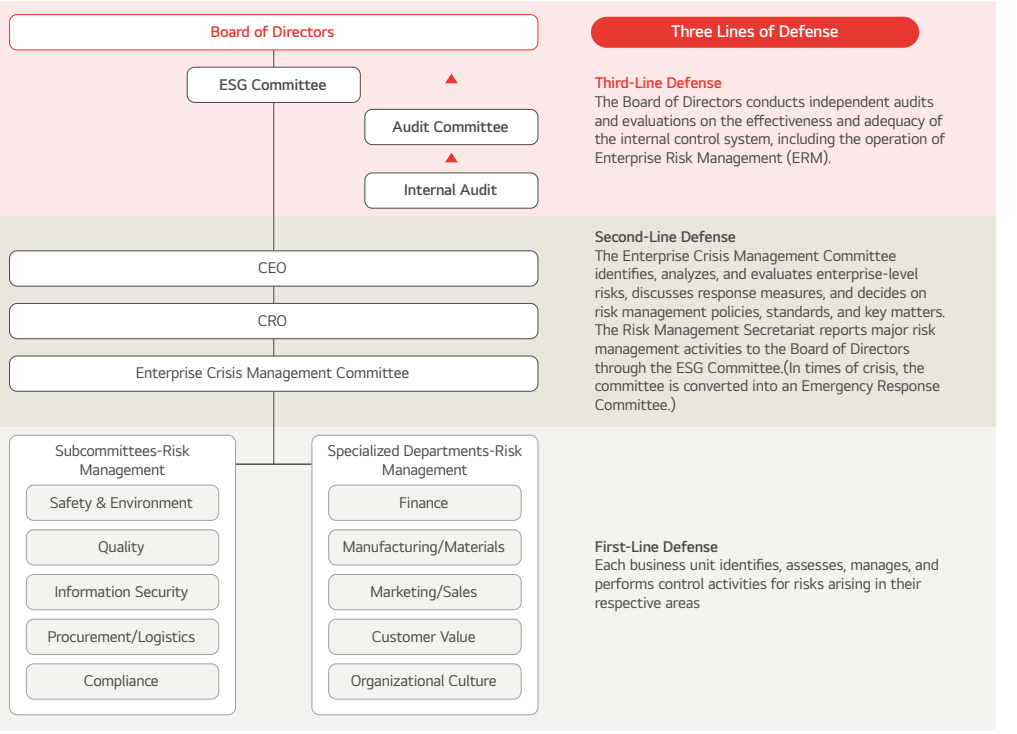
LG Electronics operates its risk management governance centered on the Board of Directors, the Chief Executive Officer (CEO), the Chief Risk Officer (CRO), and the Enterprise Crisis Management Committee. The Board of Directors oversees the overall framework of enterprise risk management, while the CEO, as the ultimate authority over enterprise risk management, leads strategic implementation and delegates operational responsibilities to the CRO. The CRO oversees the entire process of risk identification, assessment, and improvement, and convenes the Enterprise Crisis Management Committee semiannually to discuss key risks and corresponding response strategies.

The Enterprise Crisis Management Committee operates a practical risk response system through subcommittees linked to each specialized department and ensures a consistent direction in risk management through a top-down and bottom-up communication structure. The Risk Management Office leads the operation of the company-wide risk management framework and reports key risk management activities to the Board of Directors through the ESG Committee. Operating independently of both management and business units, the internal audit organization conducts inspections and validations of the risk management framework to ensure objectivity and reliability.

LG Electronics' risk management system is built upon the Three Lines of Defense model, comprising business units (the first line), management and coordinating functions (the second line), and the internal audit organization (the third line), and maintains a company-wide collaboration framework for the proactive prevention and effective management of risks. Based on the assessment results of key risks, the company develops mitigation measures and regularly monitors the implementation of these actions to enhance the effectiveness of its risk management.

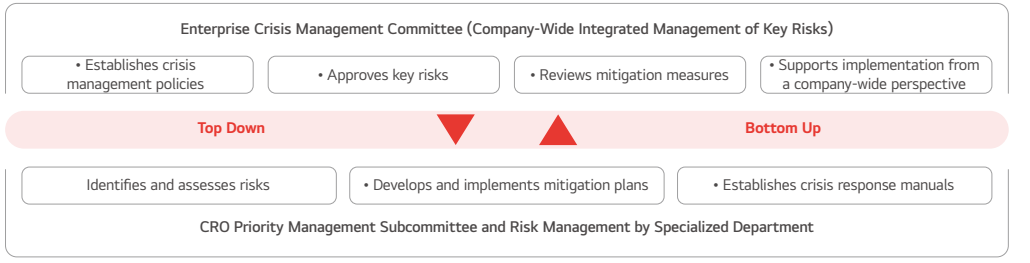
In addition, to ensure rapid recovery and business continuity even in the event of unforeseen crises, LG Electronics operates a Business Continuity Management System based on ISO 22301 certification at key business sites, and conducts regular scenario-based drills and reviews of response plans. In the event of a crisis, the company rapidly disseminates information on incidents and accidents at its domestic and overseas business sites through the Crisis Management Information System (CMIS) and supports an efficient response through real-time collaboration among relevant departments; in the case of a significant emergency, it converts the Enterprise Crisis Management Committee into an Emergency Response Committee to address the crisis through prompt and integrated decision-making.

Risk Governance Framework



* Safety and health risks fall under the final responsibility and decision-making authority of the Chief Safety and Environment Officer.

Functions of the Enterprise Crisis Management Committee



Risk Management

Strategy

Building on alignment with its company-wide strategy, LG Electronics establishes the direction for risk response and systematically incorporates a wide range of risks, including ESG risks. Based on quantitative and qualitative assessments and expert interviews, the company identifies critical risks that could significantly affect brand value and social reputation, and establishes a preventive management and inspection system for key risks such as quality, regulatory violations, and information security.

Key Risk Selection

To proactively address enterprise-level risks, LG Electronics identifies and evaluates key risks based on both quantitative and qualitative assessments, and establishes corresponding management plans. The process begins with a quantitative evaluation of risks across the organization, based on likelihood and impact, to derive a preliminary list of key risks. Next, qualitative assessments are conducted through in-depth interviews with relevant business units and subject matter experts. When necessary, risk categories are supplemented by consulting with related departments.

Risk Selection

Preliminary list of key risks is initially selected through quantitative assessment based on frequency and impact.

Risk Evaluation

Key risks are updated through qualitative evaluation via in-depth interviews with specialized and related departments.

Risk Management Planning

The Jeong-Do Management Center and the Risk Management Center take the lead in strengthening and refining key risk response scenarios through past case analysis and internal diagnostics.

To proactively identify and respond to potential risks that could arise across its business operations, LG Electronics identified a total of 13 key risks across five categories in 2022, based on an analysis of past cases and consultations with specialized departments in each area. As these risks represent factors that could significantly impact brand value and corporate reputation, LG Electronics has designated a dedicated risk management organization, established monitoring scenarios for each major risk, and implemented internal protocols that enable proactive responses to foreseeable risks—all to manage them systematically. Since 2023, this framework has been in full operation, conducting ongoing monitoring of key risks. In addition, LG Electronics continually enhances its monitoring scenarios and operational systems by incorporating improvements identified throughout the process.

Quality	Inadequate Review of Design Changes and Failure Modes	Risk of reliability issues due to omissions in reviewing changes (parts, structure) during new model development and insufficient verification of related failure modes.
	Risk of Failure Despite Passing Reliability Tests	Risk of reliability issues caused by test conditions, methods, or evaluations that do not reflect actual usage environments.
	Insufficient Final Inspection	Risk of defective products not being detected during mass production and being shipped to market
	Poor Component Development	Risk of unqualified components entering mass production due to missing tests or errors in test conditions/judgments during the parts approval process.
	Violation of Specification	Risk of violations related to product manufacturing and sales, such as shipments without required certifications, oversight in reviewing energy-related changes, or non-compliance with hazardous substance regulations.
	Product Development	Risks of specification disadvantages relative to competitors or errors in development grade assessment
Procurement	Protecting the Supplier Technology	Risk arising from unauthorized use, or theft of supplier technologies
Marketing/ Sales	Violation of Overseas Advertising Laws	Risk of regulatory penalties, lawsuits, or customer claims due to false/exaggerated, misleading, unfair comparative, or defamatory labeling and advertising of products and services (at overseas subsidiaries).
	Violation of Monopoly Regulation and Fair Trade Act	Risk of non-compliance of Monopoly Regulation and Fair Trade Act due to resale price maintenance, abuse of dominant market position, collusion, or other unfair trade practices.
	Violation of Domestic Advertising Laws	Risk of regulatory penalties, lawsuits, or customer claims due to false/exaggerated, misleading, unfair comparative, or defamatory labeling and advertising of products and services (at domestic subsidiaries).
Finance	Embezzlement of Funds	Risk of employee embezzlement due to weak internal controls, such as violations of the SOD rule or failure to follow standards for account registration/modification.
Information Security	Leakage of Marketing Customer Data	Risk of customers' personal information leakage collected through marketing activities (e.g., promotions, CRM).
	Leakage of Service Customer Data	Risk of customers' personal information leakage acquired during service center (in-house/ ASC) or call center operations.

Risk Management

Strategy

Emerging Risk Management

LG Electronics closely monitors the rapidly changing external environment and its impact on overall business operations. From a mid- to long-term perspective, we operate a structured response system to identify and manage emerging risks.

As the company accelerates its business portfolio transformation around four future strategic businesses—robotics, AI data center cooling solutions, smart factories, and the AI Home—technological shifts toward Agentic AI, the multilayering of global supply chain regulations, climate change, and cybersecurity are managed as potential risks that could lead to unexpected business disruptions or reputational damage. LG Electronics identifies key emerging risks through external trend analysis, expert interviews, and scenario-based analysis, regularly reviews their potential impact, and sets, as a strategic priority, the establishment of a structural management system from a mid- to long-term perspective—rather than limiting itself to short-term responses—for risks with high uncertainty and far-reaching impact.

The resulting analysis is reflected as a consideration in business strategy development and is managed in connection with ESG strategy and the setting of investment priorities.

Category	Acceleration of the Transition to Agentic AI	Strengthening of Global Supply Chain ESG Regulations and Growing Legal Complexity
Description	Moving beyond simple generative AI, Agentic AI—which independently makes decisions and takes action—is rapidly spreading across products, services, and work processes. While it creates new business opportunities, it also entails complex risks such as errors in autonomous decision-making, data protection, and legal liability, and where tracking and control systems are inadequate within a multi-agent structure, operational risks can translate directly into business risks. The scope of high-risk AI regulations, such as the EU AI Act (effective 2025), is also expanding rapidly.	As global supply chain ESG regulations enter the enforcement phase in earnest, the scope of obligations is expanding beyond Tier 1 direct suppliers to encompass Tier 2 and lower-tier suppliers. Global due diligence regulations, such as the EU CSDDD, require direct intervention in human rights and environmental risks within the supply chain, whereas domestic labor relations laws are being strengthened to impose employer liability where a principal contractor exercises substantial influence over a supplier's working conditions, thereby creating a structural conflict. With the addition of supply chain traceability and forced labor regulations such as the EUDR, EU FLR, and UFLPA, the legal complexity of supply chain management is increasing further.
Potential Impacts	• Increased risk of accidents, ethical issues, and legal liability arising from errors in the autonomous judgment of AI agents • Reputation risk arising from the spread of copyright infringement and misinformation in generative AI–based content • Increased burden of verifying product and service conformity due to the expansion of high-risk AI regulations, such as the EU AI Act • Operational control risk arising from inadequate decision-making tracking and audit systems within a multi-agent structure • Potential workforce displacement and a widening skills gap resulting from the AI transition	• A deepening legal dilemma in which the risk of violating domestic labor relations laws, the Subcontracting Act, and the Fair Trade Act arises simultaneously, depending on the level of supplier intervention required to fulfill global due diligence obligations • Potential administrative fines, civil liability, and restrictions on EU market access under regulations such as the CSDDD in the event of non-compliance with supply chain due diligence • Risk of blocked product distribution within the EU due to insufficient evidence of raw material supply chain traceability following the enforcement of the EUDR • Risk of sanctions and restricted market access due to insufficient due diligence documentation related to forced labor risks upon the enforcement of the EU FLR • Indirect reputation risk and potential erosion of customer and investor trust due to insufficient ESG capabilities among Tier 2 and lower-tier suppliers
Response Strategy	LG Electronics defines its aspiration for AI as 'Affectionate Intelligence', presents 'Responsible Intelligence' as its core pillar, and pursues the realization of Responsible AI. The company has established the 'AI Office', a dedicated organization serving as the company-wide AI control tower and governance body, and applies its 'Responsible AI Policy'—based on the five principles of respect for humanity, fairness, safety, accountability, and transparency—as a mandatory requirement across all of its internal software development processes. Through a business agreement with the ETRI AI Safety Institute, LG Electronics has established an AI risk assessment framework and jointly responds to global regulations such as the EU AI Act, and it strengthens data protection through its proprietary security system, "LG Shield." LG Electronics plans to continuously advance its AI governance, including the establishment of an audit trail system for the decision-making of Agentic AI.	LG Electronics is pursuing risk analysis and the development of response strategies through the advice of external legal experts regarding conflicts between the requirements of individual regulations—such as the CSDDD, EUDR, EU FLR, and UFLPA—and domestic labor relations laws and the Subcontracting Act. LG Electronics plans to establish reasonable response criteria amid conflicting legal requirements by developing internal due diligence guidelines that comprehensively incorporate the relevant considerations under domestic laws at each stage of fulfilling global due diligence obligations. The company has established a supply chain ESG risk classification system and is gradually expanding the scope of due diligence to include Tier 2 and lower-tier suppliers, and it strengthens the documentation framework for the due diligence process to secure a basis for defending against legal risks. By participating in global supply chain responsible management initiatives such as the RBA (Responsible Business Alliance), LG Electronics contributes to the development of common industry standards and actively voices its views in discussions with relevant institutions and on policy regarding conflicts between global due diligence obligations and the laws of individual countries.

Risk Management

Risk Management

LG Electronics establishes optimal response strategies for identified risks through the Enterprise Risk Management framework based on systematic analysis and prioritization. These risk management activities are carried out in close collaboration with each functional organization to ensure execution competency, and risk management goes beyond mere response to be organically integrated into the company's overall strategic decision-making processes.

Risk Management Process

LG Electronics systematically manages a wide range of risks, including financial, operational, ESG, and compliance, through its Enterprise Risk Management (ERM) framework. Identified risks are prioritized based on their likelihood and impact, and corresponding response strategies are developed and implemented accordingly. Risk management activities are regularly reviewed and monitored through a reporting structure that connects to the Board of Directors and executive leadership. Risk response capabilities are continuously enhanced through internal audits and the integration of training programs.

Risk Identification, Analysis, and Assessment	Enterprise risks are identified on a regular annual basis, as well as through business environment analyses and internal operational reviews, as needed. Identified risks are analyzed and assessed using a matrix based on their likelihood of occurrence and potential business impact. They are prioritized to ensure they are managed within an acceptable level of risk.
Risk Response and Mitigation	Based on the assessment results, high-priority risks are designated as critical risks and are addressed by developing and implementing targeted mitigation and improvement tasks. In 2025, special focus is placed on managing key risks related to ESG, such as climate change, health and safety, human rights, and supply chain, alongside financial, compliance, and strategic business risks.
Monitoring and Reporting	Risk mitigation and improvement tasks are continuously monitored by evaluating their effectiveness in reducing risk levels. The outcomes of key risk mitigation activities are reported to the Enterprise Crisis Management Committee where the outcomes are continuously monitored and decisions are made.
Audit of the Risk Management Process	The effectiveness and appropriateness of the risk management process are independently reviewed and assessed through internal audits.
Embedding a Risk-Aware Culture	We are committed to enhancing risk awareness and strengthening capabilities across all employees. • Activities to enhance understanding of risk management for both Board members and employees • A risk review stage included in the new product and service development process • Reflecting key risk management outcomes in performance evaluation metrics for relevant departments and employees

Company-wide risks are further examined through environmental analyses and the gathering of input from business units, assessed both quantitatively and qualitatively using a matrix based on likelihood and impact, and prioritized for response. High-priority risks are designated as critical risks for which mitigation and improvement tasks are developed and implemented, and key risks, including ESG-related issues, are managed under the leadership of the CRO in collaboration with functional organizations to ensure execution competency, with the status of these responses regularly reported to the Enterprise Crisis Management Committee. In addition, LG Electronics promotes risk awareness through training for all employees and company-wide communication, thereby embedding a risk management culture across the organization.

Risk Mitigation and Improvement Activities

LG Electronics is actively pursuing initiatives to reduce and prevent key risks in advance, such as enhancing the reliability risk assessment system, strengthening safety management in product installation/construction and service operations, and conducting proactive reviews of personal information risks. These efforts are driven by systematic mitigation and improvement activities for risks identified by each organization, with a focus on key management divisions, such as Quality, Information Security, Procurement, and Logistics. Through risk assessments, high-risk items are identified and designated as critical risks. Specific corrective actions are then established, and after implementation, the current status and effectiveness of these measures are evaluated. In addition, LG Electronics continues to drive ongoing improvements by conducting follow-up inspections and management-level diagnostics to address any residual risks that may remain after the initial improvement actions.

Improvement of Critical Risks	Monitoring of Risk Mitigation Activities
Candidate Pool for Key Risks	Progress Review of Improvement Plans
Assessment of Inherent Risks	Assessment of Improvement Effectiveness
Selection of Critical Risks	Estimation of Residual Risks
Risk Mitigation and Improvement Activities	Risk Management Level Assessment

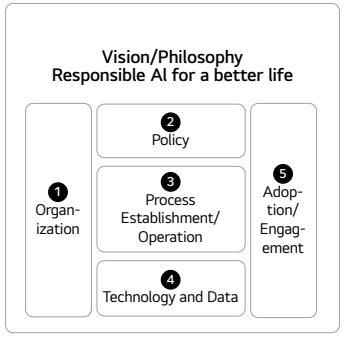
Responsible AI

Responsible AI Management

Responsible AI Vision and Governance

LG Electronics practices Responsible AI that prioritizes the protection of human dignity and safety under the philosophy that "technology should be oriented toward humans," and is shifting its approach to global AI regulation from after-the-fact control to embedding it from the design stage. To this end, the company has established an integrated Responsible AI governance framework through regulatory analysis of key markets such as Europe, North America, and Korea, seeking to realize a trustworthy home appliance ecosystem by preventing the erosion of trust caused by misperception or exaggeration while providing customers with safe and novel AI product and service experiences.

Responsible AI Governance Framework



LG Electronics Responsible AI Governance Framework

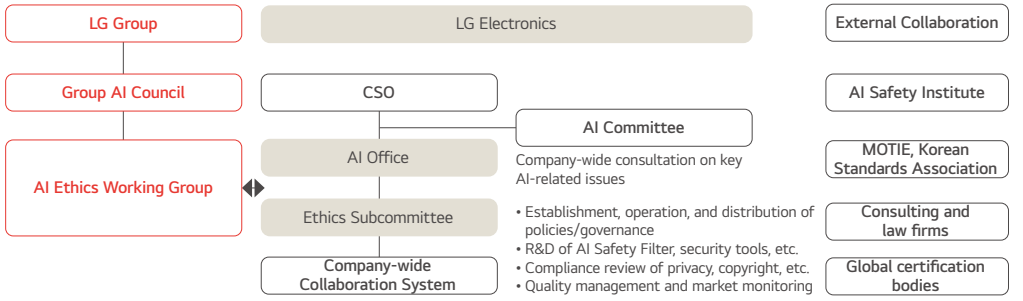
1. Organization: Company-wide operating system and consultative body for key issues
2. Policy: Company-wide policies and implementation guidelines
3. Process: AI risk/technology grading system and management process
4. Technology and Data: Securing assets for collaborative application
5. Adoption/Engagement: Company-wide rollout and dissemination to affiliates

Key Management Items for Global Regulations/Standards

Technical documentation: Model/service descriptions, etc.
Post-management: Logs, input data management, etc.
Post-management: Logs, input data management, etc.
Risk management: Identified risks, mitigated risks, etc.
Quality management: Test procedures/data management, etc.

LG Electronics operates an integrated governance framework in which its development, quality, legal, and information security organizations communicate closely, while reflecting trends in key markets such as Europe, North America, and Korea in real time—recognizing that AI regulation is a complex challenge combining technology, law, ethics, and safety that requires not only the response of a single department but also company-wide collaboration and the integration of external expertise. In addition, in the event of an error or harm caused by AI, the company establishes a root cause analysis, impact assessment, corrective actions, and a recurrence prevention plan in accordance with predefined incident investigation procedures, and reports the results to the AI Office.

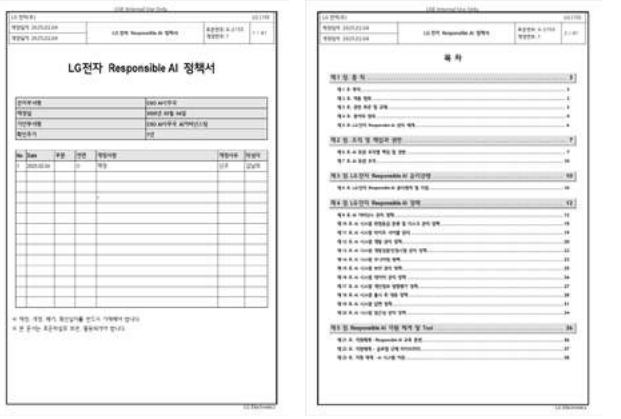
LG Electronics AI Ethics Organization



Responsible AI Policy

Responsible AI Policy Manual

LG Electronics has established and operates the "Responsible AI Policy," which sets out the standards for responsible AI development and operation. The policy comprises detailed policies including AI governance, the responsibilities and authority of each organization, a code of ethics, and AI system risk classification and monitoring. It also codifies AI enabling systems such as employee training and a global regulatory library, and is continuously refined to reflect changes in global AI regulations and guidelines.



Purpose and Scope of AI Use

LG Electronics operates a systematic process spanning all stages of AI system development, including requirements definition, model selection, data management, implementation, and verification, and comprehensively reviews legal and ethical risks, data bias, and privacy protection. In this process, the company clearly defines the purpose and scope of AI use, its functional limitations, and its application environment and scope of impact, and distinguishes the roles and limitations that AI can perform, while designing its systems so that users can recognize whether AI is being used and the results it generates, thereby ensuring the responsible use of AI and the provision of trustworthy results.

Clarifying the Purpose of AI

- Use for clear and fair purposes
- A means to support human judgment
- Preventing misuse through prior definition and sharing

Clarifying the Scope of AI

- Defining AI's roles and limits
- Distinguishing autonomous domains from human-intervention domains
- Human oversight and accountability in high-risk domains

Prohibiting Banned AI Systems

- No use that risks social value or human rights violations
- Prohibiting harmful use and taking corrective action
- Responsible management for human dignity and social trust

Responsible AI

Responsible AI Management

Managing AI Responsibly

A Human-Centered Approach

LG Electronics has established a human-centered accountability framework that places human dignity and safety as its top values in the use of AI. By systematically applying core principles such as fairness, reliability, regulatory compliance, and neutrality throughout the entire process of AI development and operation, the company designs its systems to prevent bias and discrimination against specific groups and to provide objective and responsible results. In addition, reflecting global regulatory requirements, the company secures privacy protection and the appropriateness of data use, and continuously strengthens an integrated accountability framework so that AI can provide customers with a trustworthy experience while minimizing social and ethical impact.

Category	Key Principle	Description
Fairness	Preventing bias and discrimination	Identifies and removes bias against specific groups in data training and algorithm design, and fundamentally prevents discrimination based on gender, race, culture, and other factors.
Reliability	Objectivity and accountability	Verifies the accuracy of AI-generated information to provide customers with reliable data, and maintains an accountable response system for system errors.
Compliance	Preventing legal violations	Strictly complies with domestic and international AI regulations such as the EU AI Act, and practices "Privacy & Compliance by Design" to review legal risks from the development stage.
Neutrality	Balanced responses	Designed to deliver neutral, objective responses that avoid bias on political, religious, or social issues.

AI Control Framework

LG Electronics applies the "Human-in-the-loop" principle to ensure human intervention and oversight in key decision-making processes. In particular, the company applies safety-oriented design—such as emergency stops, protective stops, and user intervention—to Physical AI systems. The company enables users to recognize the system's judgment results and operating status in real time and to intervene immediately before and during physical actions. When a hazardous situation arises, the system is automatically switched to a safe state immediately, and information is provided transparently so that users can understand the system's status and the hazardous situation and make reasonable decisions. In addition, to ensure safety in the use of AI, LG Electronics thoroughly implements safety management in terms of intervention triggers, safety systems, securing transparency, and ethical compliance. Furthermore, the company clearly applies organizational accountability principles to results generated by AI systems or used in decision-making, based on the principle that AI serves as a tool to assist judgment, while ultimate responsibility lies with the entity that designs and operates the system.

Category	Key Details
Intervention Triggers	Guarantees human override upon ODD deviation, hazard signs, or reduced reliability
Safety Systems	Prioritizes automatic transition to a safe state before human intervention when anomalies are detected
Transparency	Real-time operation alerts and safety notifications via HW (LED) and SW (UI)
Ethical Compliance	Strictly prohibits design intended to harm humans or for weaponization

AI for Sustainability

LG Electronics is reviewing methods to leverage artificial intelligence (AI) technology to address environmental, social, and governance (ESG) challenges, and exploring ways to expand the positive impact of AI in achieving corporate sustainability goals.

ESG Challenge Resolution Through AI Application

Challenge Area	Activities Under Review	Expected Impact
Environment	Optimizing energy consumption at business sites through AI-based energy management systems	Reducing energy consumption and improving efficiency
	Exploring ways to reduce energy consumption in the product development stage using AI	Minimizing environmental impact across product lifecycle
	Preventing pollution occurrence through environmental monitoring and predictive analysis	Early response to environmental risks
Social	Developing methods for early detection and prevention of industrial accident risks using AI	Creating a safe working environment
	Reducing workload from repetitive and hazardous tasks through automation	Strengthening employee health and safety
	Customized talent development and career development programs based on AI	Enhancing employee competencies and growth opportunities
Governance	Strengthening compliance monitoring and detecting misconduct through AI application	Enhancing internal controls and transparency
	Establishing data-driven, objective decision-support systems	Strengthening transparency and accountability in management decisions

We will promote feasible projects in stages and disclose performance results in our Sustainability Report

Responsible AI

Responsible AI Management

Transparency and Trust

Operation of AI Transparency Principles and Guidelines

LG Electronics sets transparency as a core principle to minimize the information asymmetry that may arise in the use of AI. In particular, the company provides relevant information at an understandable level so that users can clearly recognize whether AI is being used, the results it generates, and whether AI has intervened. In addition, the company establishes standards and principles at an explainable level so that users and stakeholders can reasonably understand that the results were generated by AI, thereby managing the appropriate maintenance of AI transparency.

Category	Key Details	Objective
AI Use Disclosure	Clearly indicates that the service uses AI	Prevents user misperception
Recognition of AI Output	Clearly identifies AI-generated output	Builds trust
Explainability	Provides reasonable explanations of output	Improves understanding
Information Standards	Provides necessary information at user touchpoints	Ensures transparency
Communication Principles	Describes functions without exaggeration or misunderstanding	Responsible communication

Furthermore, to secure AI transparency, LG Electronics establishes company-wide common standards by referring to global regulations and key guidelines, and manages them by distributing them to organizations in the form of transparency guidelines. These guidelines provide standards for notifying the use of AI, indicating generated results, and methods of informing users during the development and operation of products and services, supporting their application in practice.

Responsible AI in Marketing

LG Electronics has established AI marketing guidelines to prevent misleading or exaggerated expressions in the sales and marketing process and to secure brand trust. By operating an AI grade review committee in each division based on the level of technology and the level of personalization, the company has established a company-wide system that can proactively determine and manage the AI technology grade from the planning stage. Through this, the company has strengthened the linkage between marketing and legal review to reduce regulatory risks, while at the same time shortening the review lead time from an average of two weeks to three days. In addition, the company is carrying out company-wide management activities to prevent damage to the overall brand image caused by corrective requests and sanctions from domestic and international fair trade and consumer-related authorities.

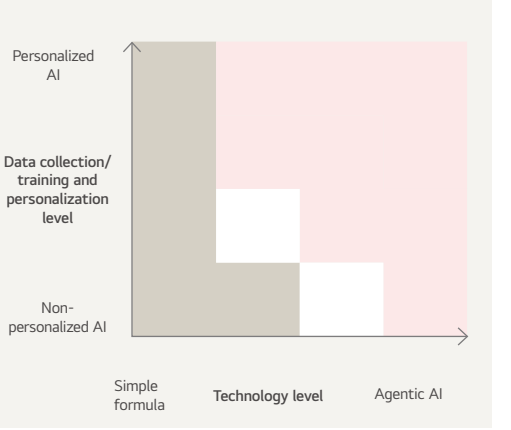
Grade Review and AI Assessment Process

1Step — Risk Grade Review
Banned / High-risk / Limited / Minimal risk

2Step — System Actor Review
Provider / Deployer / Distributor / Importer
High-performance / High-impact
/ Developer-user

3Step — Review of Required Items by Development Stage
AI model suitability, data review, privacy, security, terms, etc.

Company-wide AI Technology Grading Chart



Responsible AI

Responsible AI Management

Implementation Process and Operating System

Customer Grievance and Response Process

LG Electronics operates an accessible reception and response procedure utilizing its customer service system so that users can raise objections or request additional explanations regarding the decisions or results of AI systems. Customers can make inquiries or raise objections regarding inconvenience, errors, inaccurate results, or impacts deemed unfair that occur while using AI functions—through the customer center, service reception channels, online inquiries, and product/service-specific customer support desks—and the matters received are reviewed in connection with the relevant departments. LG Electronics supports customers in submitting their opinions through familiar customer service channels without complex procedures, and when necessary, performs follow-up actions such as identifying causes, explaining results, taking corrective measures, and reflecting improvements, thereby strengthening the transparency and accountability of AI system operation.

In addition, the company operates a post-launch response system to systematically address errors, abnormal operation, and ethical issues that may arise from claims received and during system operation. Through the monitoring of customer touchpoint channels, the company promptly receives and identifies issues, classifies them from technical, operational, legal, and ethical perspectives, and responds according to priority. The company also performs root cause analysis and improvement measures through collaboration among relevant organizations and maintains service reliability by transparently informing customers of the response status. Furthermore, the company has established a system that prevents potential problems through internal monitoring and proactive risk detection activities, and continuously manages them by linking response results to an organization-wide sharing and improvement system. In particular, for AI systems that entail physical impact, the company places the highest priority on ensuring safety and strives to swiftly minimize risks through measures such as function restrictions, modifications, or additional actions when necessary.

Issue Intake	• Service center • Online intake • Monitoring of key sites
Initial Action and Review	• Initial action, sharing of results with customers • Issue analysis
Issue Resolution	• Applying improvements and sharing implementation details with customers
Improvement and Follow-up	• Establishing recurrence-prevention measures and sharing improvements

AI Risk Management Framework

LG Electronics continuously manages changes in model performance, updates, and fairness and bias risks so that AI systems can be operated stably and reliably even after development. When a commercial AI model is changed or upgraded, the company verifies its performance, quality, and impact on services in accordance with its internal software development process standards, and takes improvement measures when necessary. In addition, the company operates a harmlessness verification system at the development stage so that AI systems do not provide unfair or biased results to users, and reviews bias, safety, and the potential for user misunderstanding according to the purpose and usage context of the AI function. Moreover, in line with the continuous upgrading of commercial AI models, the company performs verification procedures based on company-wide software development process standards when a model is changed or newly applied. Through this, the company reviews in advance the impact of model changes on service quality and performance and ensures stable operation. The company also operates a system that reviews the bias, safety, and user impact of AI systems, centered on a harmlessness verification organization from the development stage, and takes necessary improvement measures based on the verification results. Through this management system, LG Electronics continuously maintains and strengthens the reliability and safety of its AI systems.

Company-wide AI Ethics Training Program

LG Electronics systematically operates company-wide Responsible AI training for its employees at home and abroad so that they can clearly understand and consistently comply with AI-related regulations and internal guidelines. Furthermore, the company aims to establish Responsible AI not as a regulatory response activity limited to a specific organization, but as an execution standard and organizational culture that all employees must commonly observe.

Responsible AI Training Curriculum

1. Fundamentals of Responsible AI
2. Regulatory Landscape and Global Trends
3. Responsible AI at the LG Group
4. LG Electronics' Responsible AI Policies and Processes

Information Security

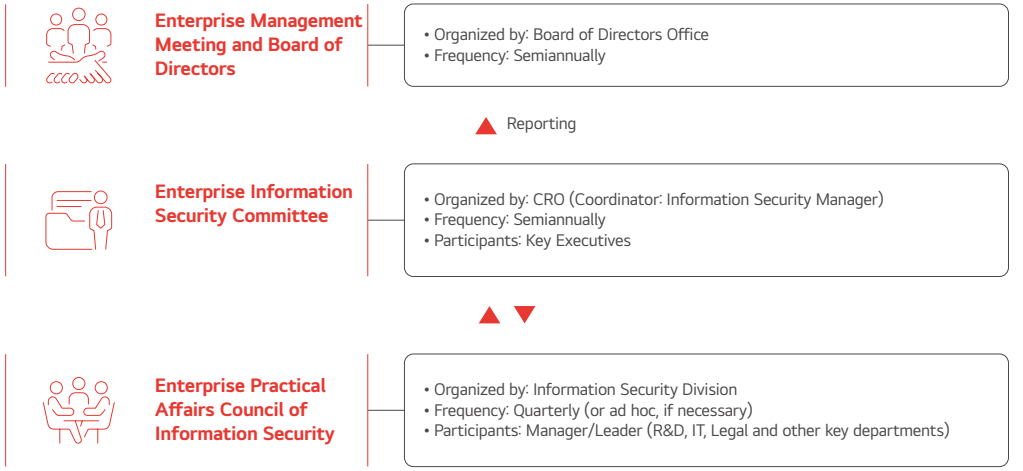
Governance

LG Electronics has established and operates a governance framework based on clear roles and responsibilities, a structured policy framework, and oversight by top management, continuously strengthening information security and privacy protection.

Information Security and Privacy Protection Governance

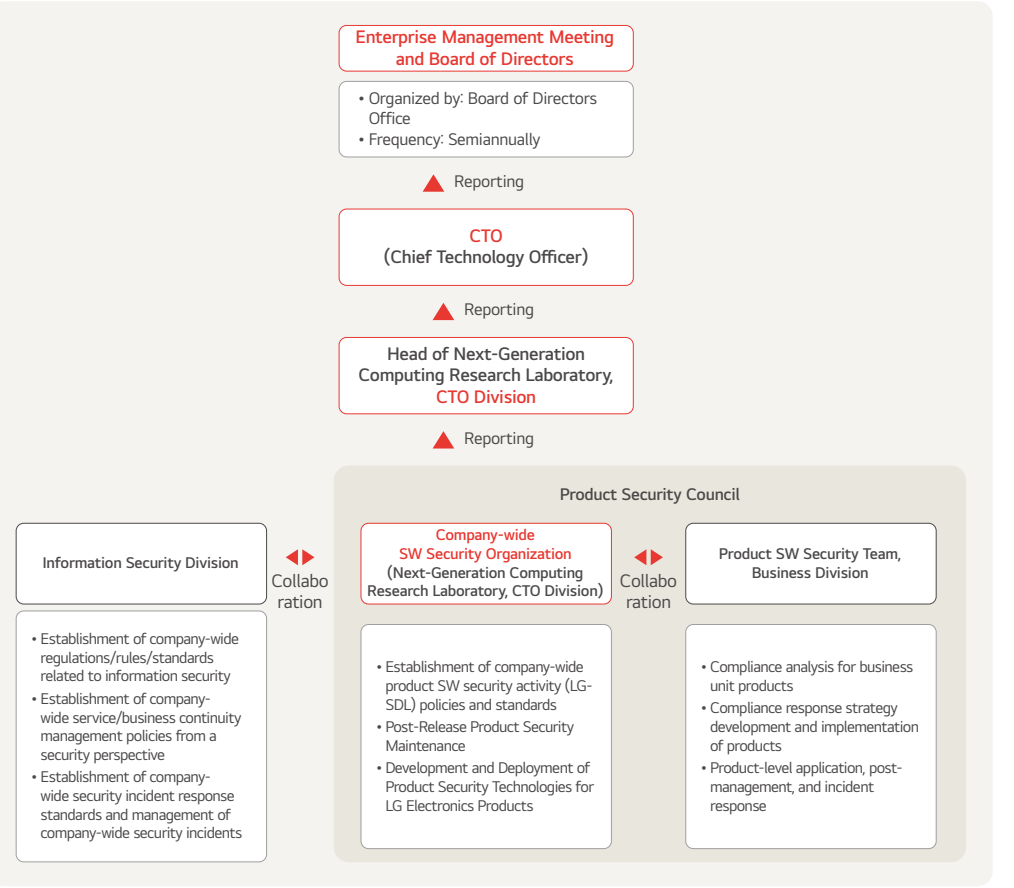
LG Electronics has established clear responsibilities and a leadership framework centered around the Chief Information Security Officer (CISO) to enhance the level of information security and privacy protection. The CISO concurrently serves as the Chief Privacy Officer (CPO), overseeing the development and implementation of company-wide information security strategies. The Chief Risk Officer (CRO), as the chair of the Information Security Committee, regularly reports key security issues and policies to the Board of Directors, the Audit Committee, and the ESG Committee under the Board, thereby enhancing management's awareness of security risks and reinforcing strategic responses. At the Board level, an Independent Director with information security expertise also participates in overseeing security governance. Independent Director Seung Woo Seo, a security expert who formerly headed the Information Security Center at Seoul National University, provides professional oversight of management's security strategy and risk response.

LG Electronics' information security organization comprises 14 teams located across both headquarters and business sites. These teams systematically perform key operational functions, including security breach response, global regulatory compliance, regular security inspections, and the establishment of internal management plans for privacy protection. The working-level organization discusses major policies and issues through the Practical Affairs Council of Information Security and escalates matters to the Information Security Committee when necessary, thereby enabling swift company-wide decision-making in response to security risks. Furthermore, dedicated information security personnel hold professional certifications such as CISSP, CISA, ISO 27001, and ISMS-P auditor qualifications, and LG Electronics includes information security competency development as part of employees' individual KPIs to support continuous skill development.



Product Security Governance

To strengthen company-wide product security management, LG Electronics has established a dedicated organization under the CTO Division and implements systematic and unified product security activities. This organization is responsible for establishing product security policies, developing security technologies, and applying them to products. The current status of product security governance and key issues are discussed through the Product Security Council and regularly reported to the Management Committee.



Information Security

Risks and Opportunities

Identification of Risks and Opportunities

As the information security environment shifts toward cloud-based and DX-based services, connectivity among data grows more complex, and the proliferation of generative AI raises the risk of information security threats such as data leaks and advanced cyberattacks. In response, LG Electronics proactively addresses changes in the external environment—such as stricter laws and regulations, advanced cyber threats, and growing sensitivity around customer data—as well as the rapidly evolving technological landscape. Key information security risks are identified and evaluated based on their potential impact on business strategy and likelihood, and reflected in response strategies.

Internal/ External	Type	Risk/ Opportunity	Expected Impact on the Company	Anticipated Timeframe
External	Regulations	Risk	Exposure to fines and penalties from strengthened global information security regulations	Short and Mid-Term
			Higher security costs from new and segmented data/cybersecurity regulations	Short and Mid-Term
			Strengthened imposition of penalties for personal information breaches	Short, Mid, and Long-Term
	External Attacks	Risk	Increased security costs due to evolving cyber threats	Short, Mid, and Long-Term
			Increased exposure to data breaches in the era of cloud infrastructure	Mid and Long-Term
			Emerging threats due to DX era, technological advances and diversification	Short, Mid, and Long-Term
Internal	Company	Opportunity	Greater customer satisfaction through IoT and platform diversification	Mid and Long-Term
			Activation of information system construction in cloud environments	Mid and Long-Term
			Introduces AI-based security monitoring to automate threat detection and shorten response time	Mid and Long-Term
	Group	Opportunity	Promotion of integrated data analysis and utilization across affiliates	Short, Mid, and Long-Term
		Risk	Decline in trust due to breaches of affiliate customer privacy information	Mid and Long-Term

Business Model and Value Chain	Current Impact	Anticipated Impact
Product Development (R&D)	• Increased risk of leakage of R&D materials and patent information • Increased risk of product design information leaks through hacking • Increased vulnerabilities due to growing product connectivity	• Delays in new product development timelines and increase in losses in R&D investments • Decline in competitiveness and market share
Production and Supply Chain	• Increased risk of manufacturing system hacking • Increased risk of critical data leakage through manufacturing and logistics system hacking	• Product shipment delays and revenue losses due to system hacking • Decline in competitiveness due to leakage of manufacturing technologies
Marketing and Customer Management	• Increased risk of personal information breaches from customer CRM system hacking • Greater need for data protection due to expanded online marketing and IoT usage	• Decline in corporate trust due to customer personal information breaches • Penalties for non-compliance with regulation
After-sales and Customer Service	• Increased risk of hacking during remote diagnostics and updates of smart appliances • Potential leakage of customer databases • Growing threat of unauthorized leakage of voice/video data from products	• Invasion and misuse of personal privacy due to customer information breaches • Costs associated with customer compensation and legal liabilities

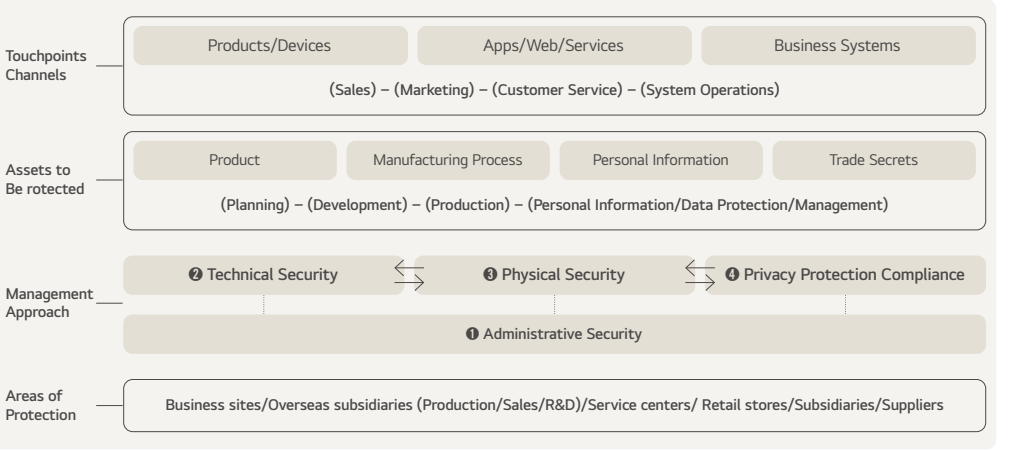
Strategy

Information Security and Privacy Protection Strategy

LG Electronics recognizes information security and privacy protection not as the management concern of a single department, but as a strategic management area that affects the company-wide value chain. Accordingly, the company has established and operates an integrated strategy that embeds security throughout the entire process—from product planning and design, development, production, and distribution to marketing and customer support.

As information security and privacy protection issues can arise across various areas, including IT system security, physical security, supply chain control, and privacy protection, LG Electronics sets priorities for risk response by business division and establishes appropriate strategies for each department. In particular, to safeguard customer information amid the rapidly changing digital environment, the company has established and manages a mid- to long-term privacy protection roadmap aimed at building a best-in-class privacy protection system. Privacy protection is managed as a core area of the company-wide information security strategy, and LG Electronics ensures the stability and legality of personal data processing based on its privacy protection and regulatory compliance framework. In particular, to transparently guarantee customers' rights—such as access to, correction, deletion, and suspension of processing of their personal information—LG Electronics discloses its privacy policy to internal and external stakeholders through the Privacy Policy on its website. To enable customers to genuinely control their information and protect their rights, the company has introduced labeling that uses intuitive icons instead of complex legal terms, and provides an Easy-to-Understand Privacy Policy summarizing key points and a video-based Privacy Policy centered on visual materials, thereby building trust with customers.

Category	Mid- to Long-term Goal	Details
Strengthening Trust	Ensuring transparency and protecting rights	Enhances the privacy site to improve customer convenience
Supply Chain Management	Strengthening supplier security risk management	Improves inspection efficiency by establishing a security inspection system for suppliers
Proactive Protection	Shifting from reactive response to a proactive, prevention-oriented protection framework	Embeds Privacy by Design (PbD) across the entire service process and secures timely review by improving the DPIA process



Information Security

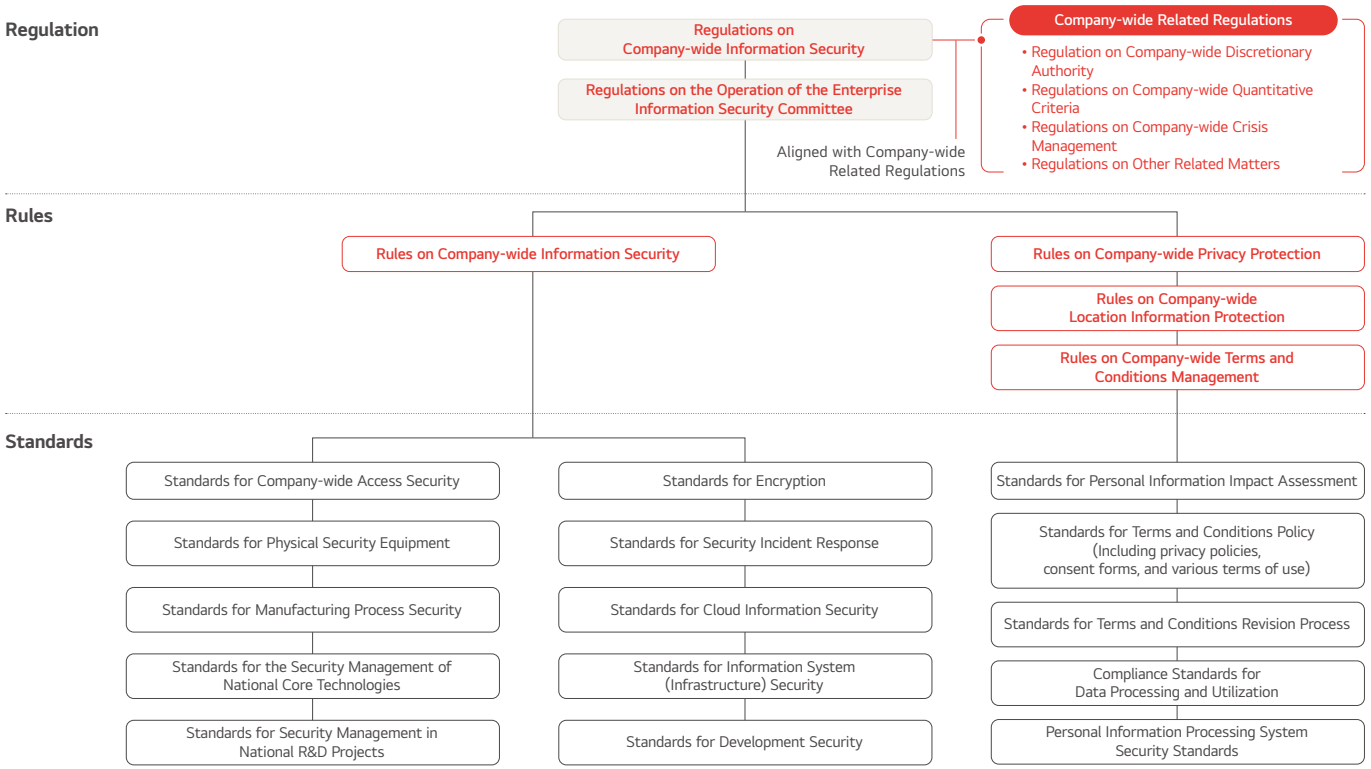
Strategy

Management System and Standards of Information Security and Privacy Protection

LG Electronics operates an information security and privacy protection management system that complies with international standards (e.g., ISO) and applicable domestic and international laws and regulations. The company defines confidentiality, integrity, and availability as the core values of information security.

To realize these values, LG Electronics has established a company-wide policy framework that integrates technical security, physical security, administrative security, and privacy protection. This framework consists of 21 policy documents (2 regulations, 4 rules, and 15 standards), which are reviewed at least annually and shared with all employees through the company-wide standard management system. The company also analyzes information security and privacy protection laws and regulations across domestic and international regions and incorporates them into internal policies by institutionalizing them in accordance with the company's specific circumstances. All relevant policies are continuously developed and revised, and reflected in the company-wide standard management system to ensure that the latest legal and institutional changes are promptly applied to internal standards.

To enhance employees' awareness of information security, detailed standards and guidelines are developed and distributed, thereby supporting a better understanding of and compliance with policies on information security and privacy protection.



Operational Policy of Product Security

LG Electronics continuously establishes and improves its LG product security policies. Through this effort, the company has instituted a consistent company-wide security scheme from the early stages of product development and has established an operational policy for product security through a standardized secure development process.

At the organizational level, LG Electronics strengthens its security management system through collaboration between the company-wide dedicated product software security organization and the product security teams within each business division. In addition, the company builds an overall infrastructure for product security management through collaboration with quality, regulatory, legal, and procurement departments, and product development teams pursue secure product design by following security activity guidelines and evaluation criteria.

To further advance its security incident response framework, LG Electronics operates the LG Product Security Response Team (LG PSRT), enhancing swift and systematic responses through defined security event classification criteria and incident response procedures. The company also operates a bug bounty program to identify security vulnerabilities early by leveraging external experts and has established a system to remediate them.

Even after a product launch, LG Electronics continuously provides up-to-date security patches through security maintenance activities, thereby establishing a security framework that proactively identifies and controls product security risks.

Information Security

Strategy

Product Security Management System

Policy
- LG Electronics Product Security Standard
- LG Electronics Product Security Guideline
- LG Electronics Product Security Evaluation
- Supplier Security Management Policy

Organization
- Product Software Security Teams (Company/Division)
- Regulatory, Legal, and Procurement Teams
- Product Development Teams
- Quality Assurance Teams

Education
- Security Awareness Training
- Secure Coding Training
- Cybersecurity Engineering Training
- Product Security Technique Training

Security Incident Response
- Product Security Incident Response Process (LG PSRT)
- Product Security Event Classification Criteria
- Security Updates
- Bug Bounty Program (LG Bug Bounty)

Global Security Regulations
- [United States] US Cyber Trust Mark[1], NIST Cybersecurity Framework[2], NIST IR 8259[3] [Europe] EU Cyber Resilience Act[4], EU RED Delegated Act[5], UK PSTI Act and Regulations[6], ETSI EN 303 645[7] [For Automotive Electronic Products] UNECE UNR. 155 CSMS[8], ISO/SAE 21434[9]

1) US Cyber Trust Mark Program: An IoT labeling program expected to be implemented by the U.S. government in 2025.
2) NIST Cybersecurity Framework: A cybersecurity improvement framework developed by the U.S. National Institute of Standards and Technology (NIST).
3) NIST IR 8259: A cybersecurity standard for IoT products established by NIST.
4) EU Cyber Resilience Act: A regulation, expected to take effect in 2026, that imposes baseline cybersecurity requirements on all products with digital elements within the EU.
5) EU RED Delegated Act: A mandatory security regulation, effective from August 2025 in the EU, requiring protection of networks, privacy, and monetary transactions for wireless devices.
6) UK PSTI Act and Regulations: A product cybersecurity regulation applicable to network devices, in effect in the UK since April 2024.
7) ETSI EN 303 645: A security requirement standard for IoT products developed by the European Telecommunications Standards Institute (ETSI).
8) UNECE UNR. 155 CSMS: A regulation mandating cybersecurity engineering activities for manufacturers and suppliers, enforced in UNECE member countries.
9) ISO/SAE 21434: A vehicle cybersecurity engineering standard jointly developed by International Organization for Standardization (ISO) and Society of Automotive Engineers (SAE).

Activities

Security Vulnerability Assessment and Penetration Testing (ISAC)

LG Electronics conducts vulnerability assessments and penetration testing at least once a year for a range of security targets—including products, cloud, apps, and new systems—through a third-party inspection method (ISAC: Information Security Analysis Center) before information processing system development begins. These inspections aim to eliminate, in advance, security vulnerabilities that hackers could exploit in actual attacks, and high-risk items identified through the assessment are designated as priority-management risks through risk evaluation and managed systematically.

Cloud Security Impact Assessment

When planning or developing systems that use external cloud services, LG Electronics conducts a security impact assessment in advance for cases involving external cloud. The assessment aims to identify data transmitted or stored externally and to verify the security settings of the cloud platform, thereby confirming whether the company's data is processed in a secure environment.

Data Protection Impact Assessment (DPIA)

For services that process personal information in products, systems, and apps, LG Electronics conducts a Data Protection Impact Assessment (DPIA) at the planning stage when major functions change or new services are built. The assessment aims to identify vulnerabilities in the personal information processing flow before launch and to prevent risks by applying appropriate protective measures based on the findings. The DPIA is conducted using a checklist and analyzes information items and flows across the entire processing life cycle—including collection, storage, use, provision, transfer, cross-border transfer, and destruction—while reviewing the level of technical and administrative protective measures. The company also ensures objectivity by operating the assessment through a third-party audit method (DPIAC) conducted by an external party.

Data Safe Use Assessment

LG Electronics conducts inspections at the use-case planning stage and at the stage of requesting personal information processing, such as data extraction, to verify in advance whether data processing activities are carried out on a lawful basis when service usage information and personal data are processed and utilized. The assessment aims to review whether a lawful basis for processing is secured at specific stages of utilization—such as loading, extraction, combination, analysis, integration, and the execution of targeted marketing—thereby preventing unlawful use. LG Electronics closely analyzes the sources and flows of service usage information and personal data, comprehensively determines whether the processing is carried out on a legal basis and for a clear purpose, and thereby establishes a framework for the responsible use of data.

Information Security

Activities

Privacy Policy and Consent Form (Terms) Revision Process

LG Electronics notifies customers of various legal documents and terms—such as the privacy policy and consent forms for the collection and use of personal information—and obtains their consent, ensuring that personal information is processed transparently and lawfully throughout the entire process of using the company's products, apps, and services. Through ongoing reviews when services for products, apps, and systems are planned or changed, as well as during regular revisions (each quarter) and individual changes to terms, the company verifies regulatory compliance whenever a service changes or newly launches and systematically operates procedures to prevent improper notification or omissions.

LG Electronics complies with applicable laws, including the Personal Information Protection Act, the Network Act, and the Location Information Act, and has established and operates standardized revision procedures to keep its privacy policy and consent forms (terms) up to date. In this process, the company closely reviews the facts of its information processing and promptly reflects items requiring revision, thereby securing the legality and currency of personal information processing.

In addition, all consent forms are obtained on an opt-in basis before any information is collected, and an opt-out procedure is provided so that customers can withdraw their consent at any time. Separate items—such as consent to receive marketing information and consent to third-party provision—are set up for optional agreement, and upon withdrawal of consent, the company immediately blocks the receipt of the relevant information and halts and deletes the processing of personal information.

Protection of Corporate Information and Infrastructure

LG Electronics implements technical and administrative protective measures to secure corporate information assets such as internal information systems, cloud environments, and network infrastructure. In addition to basic security controls such as encryption of communication sections, access control, log inspection, and the operation of a backup system, the company proactively blocks the abnormal external leakage of key information through a Data Loss Prevention (DLP) system.

Technical Measures	• Encryption of communication channels • Access control solutions • One-way encrypted storage	• Minimization of personal information output • Pre-release security review of products/systems/apps • Monitoring of access logs
Administrative Measures	• Limiting the number of personnel with access rights • Controlled access to data centers • Access rights management	• Security of information processing PCs • Recording of data collection grounds • Separation of servers handling personal information

Information Security Training and Awareness Enhancement

Information security training is operated not as mere education but as a core risk-control element linked to the company-wide information security management system. Mandatory training, conducted at least once a year for all employees and suppliers, is structured as a tailored system that reflects information access privileges and job characteristics, and is linked to internal control and performance management systems to strengthen capabilities for preventing and responding to security risks. In addition, segmented training based on the level of information access—covering secretaries, dispatched workers, security policy violators, and participants in national projects and key projects—is conducted in parallel, reinforcing awareness of and a culture of compliance with information security policies and procedures.

For groups with a higher likelihood of risk—such as security violators, project participants, outsourced personnel, and suppliers—the company operates ongoing training, and also implements a retraining program linked to the security demerit-point system, thereby solidifying security awareness among employees and external suppliers. Furthermore, for employees who directly handle personal information, the company has established and operates a separate Personal Information Handler Training, which must be completed at least once a year. Beyond information security training, LG Electronics codifies individual security responsibilities so that all employees thoroughly fulfill their security obligations. The company enhances company-wide security execution and solidifies a sense of responsibility by imposing strict accountability (penalties) for violations in accordance with company rules, while operating an information security reward program for employees who contribute to identifying security blind spots. Through this balance of "accountability and reward," LG Electronics is establishing an advanced security culture in which all employees participate voluntarily.

For software developers, the company conducts security technology training and secure coding training to prevent security vulnerabilities from arising during development and to raise security awareness. To this end, LG Electronics operates the LG Hacking Contest and develops security experts through joint training programs with KAIST and Carnegie Mellon University, thereby systematizing company-wide security capabilities. In addition, LG Electronics holds the LG Software Developer Conference (LG SDC) each year to promote technical exchange and communication among software developers, providing an opportunity for domestic and international experts and developers in cybersecurity to share technology trends and development know-how, network, and strengthen mutual synergy.

Scope	Category	Training Title	Frequency
Employees	All Employees	1. Mandatory Training on Company-wide Information Security	Annually
		2. Mandatory Training on Privacy Protection	Annually
		3. Security Training for New/Experienced Employees (including transferees from affiliates)	Ongoing
	Employees with Security Vulnerabilities[1]	4. Security Training for Executive Assistants/General Administrative Staff (Dispatched Workers)	Ongoing
		5. Training for Security Violators	Ongoing
		6. Security Training for Participants in National R&D Projects (National Core Technologies)	Annually
		7. Security Training for Key Project Participants	Annually
		8. Security Training for Personnel with Exceptional Security Privileges	Ongoing
	Security Managers[2]	9. Security Training for Organizational Leaders	Annually
		10. Security Training for Team Security Officers	Annually
	Personal Information Handlers	11. Training for Personal Information Handlers	Ongoing
	IT Operators	12. Security Training for IT Operators	Twice a year
Partner Companies	Security-Vulnerable Personnel	13. Security Training for Resident Partner Companies	Ongoing
Overseas Subsidiaries	Employees (Overseas)	14. Information Security / Training on Privacy Protection	Annually
Expatriates	Dispatched Expatriates	15. Basic Course for Dispatched Expatriates	Quarterly

1) Employees with Security Vulnerabilities: Individuals subject to penalties/warnings, executive assistants, suppliers, and those with exceptional access privileges.
2) Security Managers: New team leaders/executives, organizational leaders, information security officers, and dispatched expatriates.

Information Security

Activities

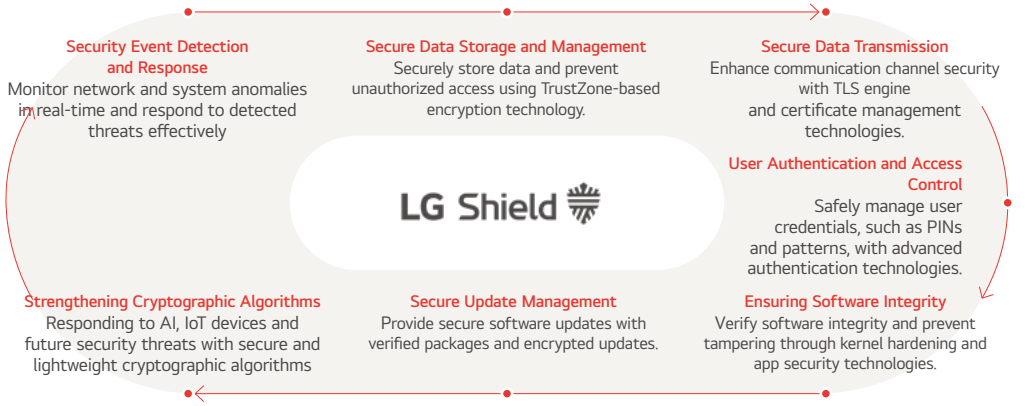
Information Security Simulation Training and Response Framework

LG Electronics conducts company-wide and business site-level simulation drills at least once a year to prevent information security incidents and strengthen response capabilities, and regularly reviews their implementation. The drills are conducted based on simulated scenarios that assume actual incidents, verifying the effectiveness of the response framework and, on this basis, deriving improvements and supplementary measures to strengthen the reliability and responsiveness of the information security framework.

Category	Objective	Details
① Prevention	Conduct simulation training across the company-wide and business sites.	Conduct at least one simulation training annually and evaluate response capabilities.
② Inspection	Inspect the response framework based on simulated scenarios.	Train using scenarios involving personal information breaches, ransomware infections, etc.
③ Improvement	Identify improvement measures.	Identify vulnerabilities based on training results and derive corresponding improvement measures.
④ Monitoring	Monitor and manage the status of implementation.	Monitor the status of implementation of improvement tasks.

Strengthening Product Security through LG Shield

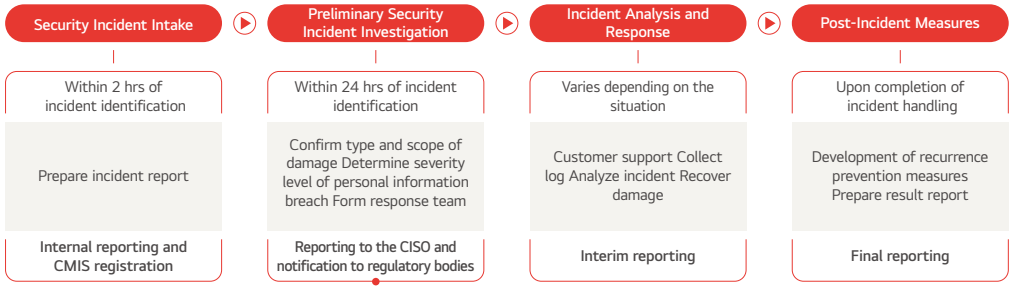
To embed security throughout its products and software and to keep products and data secure at all times, LG Electronics operates LG Shield, its product security framework. LG Shield carries out thorough security activities at every stage of software development and provides comprehensive security solutions across seven categories, including secure data storage and transmission, user authentication, software integrity assurance, secure updates, secure encryption, and security event detection. In particular, the company applies advanced encryption technologies to counter security threats in AI- and IoT-based products and continuously maintains the stability and reliability of its software through verified update packages. In addition, even after a product launch, LG Electronics continuously performs security patches and risk monitoring to respond proactively to threats, striving to provide customers with safer products.



Security Breach Response and Recurrence Prevention Process

To ensure swift response and business continuity (BCM: Business Continuity Management) in the event of a security breach, LG Electronics operates an incident response process that covers the entire process from incident detection to recovery. When an incident occurs, it is detected and reported within 2 hours, and the cause is investigated and the incident classified within 24 hours. Damage recovery and recurrence-prevention measures are then carried out in stages according to the identified risks. This response framework is strengthened through hands-on simulation drills conducted at least once a year, and the drill results are reported to the CISO and reflected in future improvements to the company-wide response framework.

In addition, LG Electronics actively pursues risk-prevention activities by implementing multi-layered preventive measures in parallel, such as intrusion detection and blocking systems, cloud security policies, information leak prevention systems, and reviews of the legality of data use. In particular, in key manufacturing processes, the company applies a protection framework based on international security standards to block operational risks in advance. Alongside this, to prevent repeated violations, the company operates a Security Penalty system and applies various staged sanctions—such as retraining and HR measures—according to accumulated points. The company also conducts tailored training for violators, high-risk job groups, and suppliers to enhance its human risk management capabilities, and continuously reviews its response capabilities through confidential real-time drills based on actual threat scenarios such as personal information leaks, ransomware infection, and insider leaks. This integrated risk management framework focuses on identifying potential threats in advance and minimizing financial and reputational losses through swift response.



*Within 24 hrs in the case of a security breach such as an external hacking attack
**Within 72 hrs in the case of a personal data breach or infringement incident

Key Activities	Content
Implementation of hacking detection and response solutions	Operation of intrusion detection/prevention solutions and optimization of integrated security analysis systems
Establishment of cloud information security framework	Management through cloud security policies and company-wide application of security solutions
Operation of data loss prevention solutions	Operation and continuous upgrading of data loss prevention solutions on PCs
Institutionalized operation of data compliance review framework	Institutionalized operation of data utilization legality assessment
Protection of manufacturing processes based on international standards	Revision of manufacturing security standards and operation of security systems

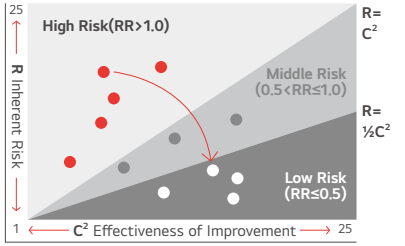
Information Security

Risk Management

LG Electronics recognizes information security and privacy protection as key risks directly linked to corporate sustainability and operates a prevention-oriented information security risk management framework. The company conducts monthly advance inspections of key risks to prevent information leakage incidents beforehey occur, and through an annual risk management process, it identifies and evaluates new security risks, selecting priority-management risks based on the evaluation results and carrying out improvement activities. In addition, the company has established a 24/365 continuous security monitoring framework to prevent cyber threats in advance and operates a defense framework that can prevent the spread of damage through swift blocking and response when a breach occurs. By integrating and analyzing logs from various solutions, such as network- and behavior-based detection and dark web monitoring, the company identifies anomalies and intrusion attempts in real time. Detected events are handled immediately in accordance with standardized response procedures, and all measures taken are reflected in recurrence prevention and framework enhancement, continuously strengthening proactive security response capabilities. These activities and the response system are continuously verified for the adequacy of the information security risk management framework's operation through internal audits and external certifications. Furthermore, to strengthen security risk management, LG Electronics conducts information security training and operates incident response and recurrence-prevention processes as well as a comprehensive security risk management framework.

Risk Assessment and Improvement Activity Criteria

Impact \ Likelihood					High
High	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
Low	1	2	3	4	5



Information Security and Privacy Protection System Certification

To examine the effectiveness of its information security management framework and systematically manage risks, LG Electronics has obtained various certifications—such as ISO 27001 (Information Security Management System), ISO 27701 (Privacy Information Management System), ISO 27018 (Cloud Privacy Protection), ISMS (Information Security Management System), and TISAX (European automotive security certification)—demonstrating the reliability of its company-wide information security management framework. These certifications are continuously maintained and verified through follow-up reviews and renewals conducted at least once a year, through which LG Electronics objectively demonstrates the consistency and effectiveness of its information security management framework. Each certification provides objective credibility to stakeholders while serving as a clear benchmark of the organization's level of information security.

ISO 27001 Certificate

ISO 27701 Certificate

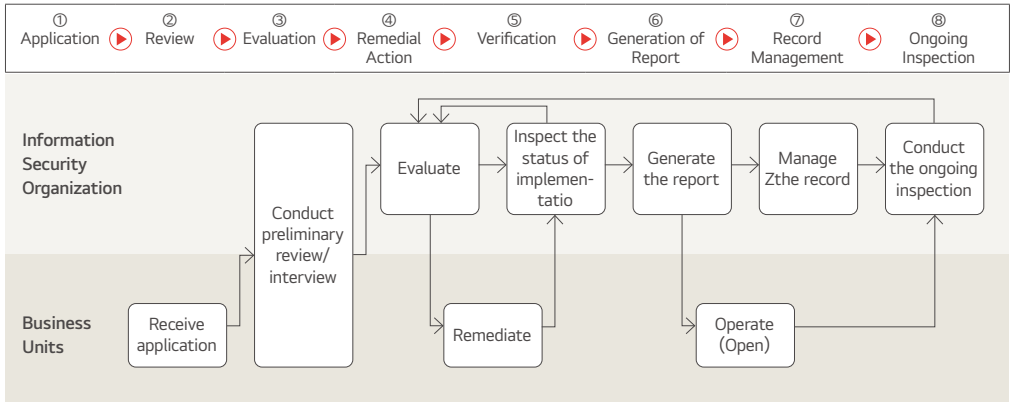
ISMS Certificate

Risk Analysis and Assessment for Information Security and Privacy Protection

LG Electronics selects and manages information security and privacy protection as one of the key risks that require proactive response in the rapidly evolving digital environment. To prevent various security threats in advance—such as system failures, external attacks, insider threats, and third-party risks—and to respond systematically to risks, the company operates an Information Security and Privacy Protection Inspection and Assessment Framework that can inspect and evaluate the impact of information processing and personal information processing; this framework is designed and operated to be closely linked with each business's work processes for effective application.

In addition, LG Electronics identifies information security risks once a year and, through assessments of impact and likelihood, selects priority-management risks and pursues improvement activities. Identified risk factors are classified into immediate, short-term, and mid- to long-term tasks for action and implementation review, and among these, improvements to the priority-management risks selected in 2025 have been completed. In particular, placing the highest value on privacy protection, the company conducts a regular operational inspection of its key personal information processing systems and assets once a year. Through this, the company thoroughly manages the security level of data flows, access privileges, and assets, and operates ongoing self-security inspections and technical vulnerability assessment processes to respond proactively to evolving security threats. The company immediately reflects improvements identified through inspections to enhance its protection system and, on this basis, strengthens governance and raises the company-wide level of information security.

Furthermore, LG Electronics has established a management framework that can maintain the safety of information processing and personal information processing overall, as well as the legality of data use. Through the Security Vulnerability Assessment and Penetration Testing (ISAC), the Cloud Security Impact Assessment, the Data Protection Impact Assessment (DPIA), the Privacy Policy and Consent Form (Terms) Revision Process, and the Data Safe Use Assessment, the company inspects vulnerabilities and risks in advance and systematically manages the necessary protective measures. Along with these efforts, the company has obtained domestic and international standard certifications (ISO, ISMS) to protect corporate information assets and securely manage customer personal information, and has the adequacy of its management framework externally verified each year through rigorous follow-up and renewal reviews.



Information Security

Risk Management

Product Security Risk Management

To systematically manage security risks throughout the entire product development life cycle, LG Electronics applies the LG Secure Development Lifecycle (LG-SDL). LG-SDL is a process that embeds product security from the early design stage, carrying out key security activities at each stage, including defining security requirements, threat modeling, code review, vulnerability elimination, and security testing. In particular, for products that include sensitive functions such as cloud connectivity, IoT connectivity, biometrics, microphones, and cameras, the company strengthens protective measures based on technology-specific threat scenarios.

In addition, LG Electronics has established a swift and systematic response framework by defining security event classification criteria and incident response procedures, centered on the LG Product Security Response Team (LG PSRT). For security vulnerabilities raised externally, the company operates a bug bounty program to receive and reward reports, thereby identifying potential security risks early.

Even after a product launch, LG Electronics monitors risks through continuous security updates and patch management, and meets product-specific security requirements by reflecting global security regulations such as ETSI EN 303 645 and customer standards (e.g., TISAX). Furthermore, LG Electronics holds qualification from the Korea Laboratory Accreditation Scheme (KOLAS) to perform accredited cybersecurity testing in the Internet of Things (IoT) field. Certification test reports for cybersecurity standards (ETSI EN 303 645, EN 18031-1 to 3) issued by LG Electronics Inc.'s SW accredited testing laboratory carry the same validity as reports issued by national accredited testing institutions in countries such as the United States, Europe, and Japan, in accordance with the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC-MRA). This comprehensive security risk management framework contributes to enhancing the reliability of product security, as LG Electronics performs continuous security risk monitoring and response from the entire product development process through to after launch.

Product cybersecurity measures	
LG PSRT	• A dedicated organization to improve product security quality and ensure prompt response to security issues. • Proactive incident prevention and security enhancement by commissioning vulnerability diagnosis to internal and external experts
LG Bug Bounty	• A reward program for reporting security vulnerabilities. • Submission of software security vulnerabilities and payment of reward.
LG DevSecOps	• Real-time monitoring and feedback on development deliverables at each phase. • A system for continuously managing risks and compliances.

Supply Chain Security Risk Management

LG Electronics sets security requirements from the pre-contract stage for its suppliers and external contractors, and regularly verifies their implementation through document reviews and on-site inspections, while controlling risks related to key items such as the destruction of personal data upon termination of consignment. For suppliers developing product software, the company conducts cybersecurity capability assessments at the time of contract and reflects the results in supplier selection. LG Electronics also provides software security development guides to suppliers and operates product security workshops at least once a year to share practical security guidance such as secure coding, vulnerability analysis, and system hardening.

Targets and Metrics

Information Security and Privacy Protection – Objectives and Management of Performance

LG Electronics establishes information security and privacy objectives and reflects them in its KPIs. It monitors the implementation status of these tasks on a quarterly basis and applies the results to the following year's security strategy. In 2025, the company selected and intensively managed six key tasks, achieving a 100% completion rate for targeted vulnerability assessments and corrective actions, the establishment of a system development security process, and 100% completion of company-wide information security tasks.

Task	Details
Proactive Security Risk Management	Preventing personal data breaches and hacking incidents through pre-launch risk impact assessments and early detection of security vulnerabilities for new products/apps/systems
Adopting and Operating System Development Security Processes	Reducing the risk of security vulnerabilities and preventing data breaches/hacking incidents through the development and operation of security-enhanced systems
Strengthening Company-wide Information Security Management	Establishing and strengthening internal and external security policies to maintain the highest level of the information security management system
Execution of Company-wide Information Security Tasks	Improving company-wide information security through site-specific tasks that strengthen employee capabilities and proactive roles
Conducting Advance Reviews of Key Risks	Preventing data breaches through advance review of key risks and inspection and remediation of security vulnerabilities in marketing/service customer data
Compliance with the Terms Revision Process and Timely Reflection Rate	Ensuring regulatory and legal compliance by identifying changes in company-wide products/apps/services and data processing status and revising terms and conditions accordingly

Mid-to-Long-term Information Security Goals

Short-term (2026)	Mid-term (2027–2028)	Long-term (2029 onwards)
Tiered impact assessments (Grades 1–2) by criticality and an AI-based self-assessment service	Security inspection system and full inspections for 696 contractors (incl. service centers)	Enhancing and globally expanding the EU privacy site to strengthen data subject transparency

ESG Data

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ESG Data

Economic

2025 Purchase Amount of Key Subsidiaries by Product

Classification		Unit	Total Purchase	Local Purchase
Korea		KRW 1 trillion	11.5	7.7
Nanjing New Technology	Monitor		1.0	0.6
Taizhou	Refrigerator		1.2	1.1
Nanjing Washing Machine	Washing Machine		1.0	1.0
Hai Phong	Washing Machine		2.8	1.1
Cibitung	TV		2.5	1.2
Tianjin	Air Conditioner		0.8	0.7
Noida	Refrigerator		1.5	0.9
Mlawa	TV		2.6	0.9
Other			8.0	3.4
Total			**32.9**	**18.6**

Purchase Amount by Region

Classification		Unit	2023	2024	2025
Direct purchase amount by region	Korea	KRW 1 trillion	10.3	10.8	10.1
	Asia		9.0	6.7	8.8
	China		5.2	9.5	7.5
	Americas		4.3	4.5	4.0
	Europe·CIS		2.2	2.4	2.3
	Middle East and Africa		0.2	0.2	0.2
Direct purchase CMDT[1] ratio	Display	%	26.3	25.9	24.2
	Mechanical parts		34.4	25.6	33.6
	Circuits		18.9	21.4	18.7
	Semi-conductors		10.2	10.6	9.5
	Raw material		6.3	12.0	7.8
	Other		3.8	4.6	6.2
Indirect purchase ratio by characteristics	Marketing		32.9	31.8	27.7
	General affairs purchase		24.8	23.4	23.9
	IT		22.4	27.7	30.6
	R&D		7.8	6.1	5.0
	Business travel (Airline/Hotel)		2.4	2.3	2.0
	Production		4.5	4.8	6.4
	Logistics		3.0	2.8	1.9
	Professional service		2.1	0.9	2.4
	Utility		0.1	0.2	0.1

1) CMDT: Commodity

ESG Data

Economic

Sales by Region and Share

Classification	Unit	2023	2024	2025	2025 Share (%)
Korea	KRW 100 million	342,719	356,758	365,941	41%
Americas		214,949	228,959	229,352	26%
Europe		121,293	136,229	137,709	15%
Asia Pacific, Middle East & Africa		143,666	155,336	159,007	18%
Total		**822,627**	**877,282**	**892,009**	**100%**

Effective Tax Rate

Classification		Unit	2023	2024	2025
Earnings before tax	Separate	KRW 1 million	1,204,348	725,229	1,328,900
	Consolidated		1,871,154	955,081	1,826,069
Reported tax	Separate		200,252	(411,404)	298,305
	Consolidated		720,543	363,716	605,657
Effective tax rate	Separate	%	17%	-[1]	22%
	Consolidated		39%	38%	33%
Cash taxes paid	Separate	KRW 1 million	281,844	162,821	328,056
	Consolidated		1,014,686	980,016	1,125,070
Cash tax rate	Separate	%	23%	-[1]	25%
	Consolidated		54%	103%	62%

1) The effective tax rate and cash tax rate are not calculated because the loss is pre-tax

ESG Data

Environmental

Energy Consumption

Classification			Unit	2023	2024	2025
Energy consumption		Fuel	MWh	479,022	465,970	463,491
		Steam		86,777	60,507	94,570
		Electricity		1,248,280	1,295,280	1,306,076
		Total		**1,814,079**	**1,821,757**	**1,864,137**
Energy consumption		Fuel	TJ	1,724	1,677	1,669
		Steam		312	218	340
		Electricity		4,494	4,663	4,702
		Total		**6,531**	**6,558**	**6,711**
Energy Intensity			TJ/KRW 100 billion	7.9[1]	7.5	7.5
Non-renewable energy consumption target			MWh	1,689,251	1,628,566	1,610,000
Renewable energy consumption	EACs	Solar power		0	5,800	9,500
		Wind power		64,315	61,111	35,356
		Biomass		458	0	0
		Other		386	10,736	10,226
		Subtotal		**65,159**	**77,646**	**55,082**
	PPA	Solar power		12,534	42,117	85,409
		Wind power		10,000	25,250	50,277
		Other		33,576	36,258	35,293
		Subtotal		**56,110**	**103,625**	**170,979**
	Total self-generated renewable energy consumption	**Solar power**		5,141	4,962	5,319
		Subtotal		**5,141**	**4,962**	**5,319**
	Total			**126,410**	**186,233**	**231,380**
			%	10.1	14.1	17.7

1) Energy intensity figures revised due to the restatement of 2023 revenue

GHG Emissions (Scope 1, Scope 2)

Classification		Unit	2023	2024	2025
Direct GHG emissions (Scope 1)	Korea	tCO_2eq	74,773	77,452	75,462
	Overseas		134,174	147,811	131,613
Indirect GHG emissions (Scope 2)	Korea		217,159	225,984	222,281
	Overseas		448,125	455,329	412,172
Total GHG emissions (Scope 1+Scope 2)			**874,231**	**906,576**	**841,528**
GHG emissions (Scope 1+2) target	Korea+Overseas		923,000	919,600	901,754
GHG emissions intensity (per unit)	Korea+Overseas	tCO_2eq/ KRW 100 million	1.06	1.03	0.94

For details on the verification scope, boundaries, methodology, etc., please refer to the Greenhouse Gas Emissions Verification Statement (p.143, 144)

GHG Emissions (Scope 3)[1]

Classification	Unit	2023	2024	2025
Total	tCO_2eq	**69,161,568**	**72,759,601**	**71,617,583**

1) Detailed emissions by category within Scope 3 are provided in the 'TCFD Report' on page 25
For details on the verification scope, boundaries, methodology, etc., please refer to the Greenhouse Gas Emissions Verification Statement (p.145)

ESG Data

Environmental

GHG Reduction Implementation Rate (Korea+Overseas)

Classification		Unit	2023	2024	2025
GHG reduction rate compared to base year (2017)		%	55	53	56
GHG reduction compared to base year (2017)	Scope 1+Scope 2	tCO_2eq	1,058,908	1,026,563	1,091,611
	Scope 1		895,547	879,231	897,419
	Scope 2		163,361	147,332	194,192
Reduction target compared to base year (2017)	Scope 1+Scope 2		1,010,139	1,017,800	1,031,385
	Scope 1		855,139	867,800	880,429
	Scope 2		155,000	150,000	150,956

※ For details on the verification scope, boundaries, methodology, etc., please refer to the Greenhouse Gas Emissions Verification Statement (p.143, 144)

Air Pollutant Emissions

Classification		Unit	2023	2024	2025
Nox (Nitrogen oxide)	Korea	Tons	10.1	9.8	10.3
	Overseas		18.0	16.0	16.6
	Total		**28.0**	**25.8**	**26.9**
SOx (Sulfur oxide)	Korea		0.7	0.3	0.7
	Overseas		5.6	13.0	6.0
	Total		**6.3**	**13.3**	**6.7**
VOCs (Volatile organic compound)	Korea		0.4	0.6	0.5
	Overseas		194.7	198.4	208.3
	Total		**195.1**	**199.0**	**208.8**
Dust	Korea		6.7	10.6	8.0
	Overseas		25.0	27.9	21.1
	Total		**31.8**	**38.5**	**29.1**

Scope: Based on global production sites

Waste Recycling Rate

Classification		Unit	2023	2024	2025
Total waste amount (Hazardous+General)	Korea	Tons	27,033	31,333	28,649
	Overseas		154,522	166,697	158,808
	Total		**181,554**	**198,030**	**187,457**
	Target	%	Maintaining a recycling rate above 95%		
Recycled waste amount (Hazardous+General)	Korea	Tons	26,636	30,975	28,449
	Overseas		146,727	161,940	153,886
	Total		**173,363**	**192,915**	**182,335**
Waste recycling rate	Korea	%	98.5	98.9	99.3
	Overseas		95	97.1	96.9
	Total		**95.5**	**97.4**	**97.3**

Scope: Based on global production sites

ESG Data

Environmental

Waste by Type and Disposal Method

Classification			Unit	2023	2024	2025
Hazardous waste disposal	Recycled	Korea	Tons	577	1,183	952
		Overseas		1,449	1,435	1,869
		Total		**2,026**	**2,618**	**2,821**
	Incinerated (General)	Korea		213	161	150
		Overseas		1,410	1,307	800
		Total		**1,623**	**1,468**	**950**
	Landfilled	Korea		9	4	24
		Overseas		151	75	125
		Total		**159**	**79**	**149**

Classification			Unit	2023	2024	2025
General waste disposal	Recycled	Korea	Tons	26,058	29,792	27,497
		Overseas		145,278	160,505	152,017
		Total		**171,337**	**190,297**	**179,514**
	Incinerated (General)	Korea		76	26	19
		Overseas		1,465	328	332
		Total		**1,541**	**354**	**352**
	Landfilled	Korea		99	168	7
		Overseas		4,769	3,047	3,665
		Total		**4,868**	**3,215**	**3,672**

Scope: Based on global production sites

Recycled Plastic Usage Rate and Amount

Classification	Unit	2023	2024	2025
Recycled material usage rate	%	11.3	13.7	17.6
Recycled material usage	Tons	54,423	74,079	88,797

Scope: Based on global production sites

Critical Chemical Spill[1)]

Classification	Unit	2023	2024	2025
Number of spill	Case	0	0	0
Amount of spill	Tons	0	0	0

1) 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

Scope: Based on global production sites

Discharge of Chemical Substance and Use of Hazardous Chemical Substance[1)]

Classification	Unit	2023	2024	2025
Hazardous chemical substance usage	Tons	11,821	12,226	11,671
Chemical substance discharged		40	53	71

1) Hazardous chemical usage is finalized every August in accordance with the Chemicals Control Act, so the finalized figures from the previous year are reported (the 2025 data represents the finalized values of the 2024 data). The 2025 hazardous chemical usage is scheduled to be compiled in August 2026.

Scope: Based on global production sites

ESG Data

Environmental

Water Resource (Water Withdrawal)

Classification			Unit	2023	2024	2025 Korea	2025 Overseas
Water withdrawal	Surface water	Korea+Overseas	1,000 Tons	0.08	0	287[1]	116[1]
	Ground water			834	843	134	720
	Seawater			0	0	0	0
	Water supply			5,657	5,648	1,748	4,159
	Other			0	33	0	0
	Total			**6,491**	**6,524**	**2,169**	**4,995**
	Target			7,200	7,200	7,200	

1) Inclusion of previously non-consolidated entities in data aggregation starting from 2025
Scope: Based on global production sites

Water Resource (Water Consumption)

Classification			Unit	2023	2024	2025 Korea	2025 Overseas
Water consumption	**Total**		1,000 Tons	**4,813**	**4,836**	**732.3**	**2,812.6**
Water recycling	Internal water recycling	Korea+		325	321	79.3	187.1
	External water recycling	Overseas	1,000 Tons	69	68	0	0
	Total			**394**	**389**	**79.3**	**187.1**

Scope: Based on global production sites

Water Resource Discharge Status

Classification			Unit	2023	2024	2025
Waste water Discharge[1]	Internal treatment facility	Korea	1,000 Tons	531	493	414
		Overseas		945	970	962
		Total		**1,476**	**1,463**	**1,376**
	External treatment facility	Korea		9	11	8
		Overseas		194	214	86
		Total		**202**	**225**	**94**
	Waste water discharge	Korea		540	504	422
		Overseas		1,138	1,184	1,048
		Total		**1,678**	**1,688**	**1,470**

1) The 2023 and 2024 waste water discharge figures reflect recalculation results and therefore differ from the previously disclosed figures.
Scope: Based on global production sites

Water Pollutant Management Status

Classification		Unit	2023	2024	2025
Waste water quality – COD[1]	Korea	Tons	0	0	0
	Overseas		103	114	99
	Total		**103**	**114**	**99**
Waste water quality – SS	Korea		3	3	3
	Overseas		53	35	35
	Total		**56**	**38**	**38**
Waste water quality – T-N	Korea		3	4	3
	Overseas		31	23	7
	Total		**34**	**27**	**10**
Waste water quality – T-P	Korea		0	0	0
	Overseas		2	2	1
	Total		**2**	**2**	**1**
Waste water quality – TOC	Korea		5	5	5
	Overseas		0	0	0
	Total		**5**	**5**	**5**
Waste water quality – BOD	Korea		7	6	6
	Overseas		0	0	0
	Total		**7**	**6**	**6**

1) COD emissions from Korean business sites are counted as TOC emissions starting in 2023 according to the amended Water Environment Conservation Act.
Scope: Based on global production sites

Environment-Friendly Motor Vehicle[1]

Classification	Unit	2023	2024	2025
Number of Eco-Friendly Vehicles Owned	Vehicle	345	336	343
Total Number of Vehicles Owned		2,412	2,396	2,255
Percentage of Environment-Friendly Vehicles Owned	%	14.30	14.02	15.21

1) Electric vehicles + hybrid vehicles
Scope: Based on domestic business sites

ESG Data

Social

Self-Assessment based on RBA (Responsible Business Alliance)

Classification	Unit	2023	2024	2025
Number of business sites subject to self-assessment	Site	30	30	29
Number of low-risk business sites		24	8	6
Number of medium-risk business sites		6	22	23
Number of high-risk business sites		0	0	0
Average point of self-assessment of business sites	Point	90.0	76.7	76.8

1) Scope: Based on global production sites

Supplier ESG Management

Classification			Unit	2023	2024	2025
ESG self-diagnosis	Suppliers	Target	Company	1,330	1,283	1,080
		Completed		1,266	1,236	1,058
		Number of high-risk suppliers		12	14	9
		Percentage of high-risk suppliers	%	0.9	1.1	0.8
	Core suppliers	Total number of significant suppliers	Company	671	435	229
		Number of tier-2 and tier-3 significant suppliers		337	207	40
		Total number of high-risk suppliers		0	0	0
		Percentage of high-risk suppliers	%	0	0	0
ESG On-site Assessment (Conducted by LG Electronics)	Suppliers subject to third-party on-site assessment	Number of suppliers	Company	50	72	71
		Number of uncertified suppliers[1]		2	0	0
		Certification rate	%	96	100	100

Scope: Based on global production sites
1) The number of suppliers scoring below LG Electronics' third-party on-site assessment certification criteria (80 points)

Free ESG Risk Management Specialization Training for Suppliers

Classification			Unit	2023	2024	2025
General management	Number of suppliers	Korea	Company	376	417	326
	Number of employees at suppliers[1]		Person	1,889	2,156	2,324
ESG capability enhancement	Number of suppliers	Korea/Overseas	Company	1,046	638	422
	Number of employees at suppliers[1]		Person	1,046	672	445
Fire/safety management	Number of suppliers	Korea	Company	194	267	226
	Number of employees at suppliers[1]		Person	202	345	251
Total	**Number of suppliers**	**Korea/Overseas**	**Company**	**1,616**	**1,322**	**974**
	Number of employees at suppliers[1]		**Person**	**3,137**	**3,173**	**3,020**

1) The number of supplier employees who completed the training
Scope: Based on global production sites

ESG Data

Social

Key Negative Social Impacts in the Supply Chain and Actions Taken

Classification		Unit	2023	2024	2025
Supplier assessment	Number of suppliers that have been assessed for social impact (suppliers that have conducted self-assessment by year)	Company	1,266	1,236	1,058
	Number of suppliers identified as having actual/potential negative social impact		12	14	9
	Percentage of suppliers discussed improvements in response to assessment results	%	100	100	100
	Number of suppliers with contracts terminated due to assessment results	Company	0	0	0
Corrective action	Number of suppliers supported with corrective action implementation plans		12	14	9
	Percentage of suppliers identified as having actual/potential negative social impacts who are supported with corrective action implementation plans	%	100	100	100
Percentage of new suppliers screened with social impact assessment			100	100	100

Scope: Based on global production sites

Financial Support for Suppliers

Classification		Unit	2023	2024	2025
Funding amount	Direct funding	KRW 100 million	375	375	375
	Win-win growth fund		1,968	1,934	1,726
	ESG fund		135	349	671
	Win-win payment system		72,877	75,464	68,987
	Subtotal		**75,355**	**78,122**	**71,759**
Supported companies	Direct funding	Company	45	36	36
	Win-win growth fund		127	124	109
	ESG fund		10	25	41
	Win-win payment system		1,533	1,585	1,567
	Subtotal		**1,715**	**1,770**	**1,753**

Scope: Based on global production sites

Fire and Safety Consulting for Suppliers

Classification	Unit	2023	2024	2025
Korea	Case	236	237	225
Overseas		0	0	0
Total		**236**	**237**	**225**

Scope: Based on global production sites

Suppliers Grievance Handling(Korea)

Classification	Unit	2023	2024	2025
Number of grievances handled	Case	4	4	7

Scope: Based on domestic business sites

ESG Data

Social

Occupational Injury Occurrence

Classification		Unit	2023	2024	2025
Fatalities	LG Electronics	Case	0	0	2
	Suppliers[1]		1	0	0
LTIFR (Lost-Time Injuries Frequency Rate)	LG Electronics	Case/Million hours worked	0.73	0.32	0.27
	Suppliers[1]		0.25	0.26	0.1
OIFR(Occupational Illness Frequency Rate)		Case/Million hours worked	0	0.01	0.01

1) Calculated only for suppliers working on-site
Scope: Based on global production sites

Employee Safety and Environment Training Status

Classification	Unit	2023	2024	2025
General training[1] hours	Hours	568,980	611,578	618,418
Special training[2] hours		3,144	28,848	43,184
Professional training[3] hours		3,824	28,160	29,100
Number of people completed general training	Person	30,129	34,382	34,228
Number of people completed special training		146	1,803	2,699
Number of people completed professional training		531	1,760	1,792

1) General training: regular training on safety and health, special safety training, promotion training, safety environment mindset training, etc.
2) Special training: Customized training by job group/class for overseas production subsidiary president, purchase university, etc.
3) Professional training: For safety and environmental jobs such as auditor courses, disaster prevention capacity building, etc.
Scope: Based on domestic business sites

Number of Employees by Region

Classification	Unit	2023	2024	2025
Korea	Person	35,111	35,727	34,144
Asia		8,516	9,533	9,859
Latin America		7,361	7,067	7,658
China		6,407	6,680	6,484
India		4,833	5,300	5,505
Europe		4,326	4,497	4,107
North America		3,399	3,508	3,418
Middle East and Africa		1,497	1,609	1,577
CIS		1,111	1,049	968
Japan		252	271	287
Total		**72,813**	**75,241**	**74,007**

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Number of Employees by Age Group

Classification	Unit	2023	2024	2025
Aged 29 or under	Person	13,368	14,313	14,138
Aged 30 to 49		48,912	48,841	47,469
Aged 50 or older		10,533	12,087	12,400

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Status of Employees by Gender

Classification	Unit	2023	2024	2025
Male	Person	56,825	58,636	57,541
Female		15,988	16,605	16,466
Percentage of Female Employees	%	22.0	22.1	22.2

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Number of Employees by Position

Classification		Unit	2023	2024	2025
Employee	Male	Person	47,763	49,478	48,277
	Female		14,781	15,325	15,052
	Subtotal		**62,544**	**64,803**	**63,329**
Management positions[1]	Male		9,062	9,158	9,264
	Female		1,207	1,280	1,414
	Subtotal		**10,269**	**10,438**	**10,678**

1) Number of people who have a job title
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Number of Employees by Employment Contract

Classification		Unit	2023	2024	2025
Percentage of permanent employees		%	98	98	98
Permanent	Male	Person	55,673	57,416	56,530
	Female		15,735	16,318	16,267
Temporary	Male		1,152	1,220	1,011
	Female		253	287	199

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Number of Employees by Employment Type

Classification		Unit	2023	2024	2025
Full-time	Male	Person	56,807	58,615	57,514
	Female		15,931	16,555	16,419
Part-time	Male		18	21	27
	Female		57	50	47
Number of local hires			13,092	11,402	12,112

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Hiring Status

Classification			Unit	2023	2024	2025
New hire - Permanent	Male	**Subtotal**	Person	**9,719**	**8,641**	**8,395**
		Aged 29 or under		5,780	4,948	4,910
		Aged 30 to 49		3,664	3,381	3,136
		Aged 50 or older		275	312	349
	Female	**Subtotal**		**4,940**	**3,703**	**3,777**
		Aged 29 or under		2,808	2,080	2,063
		Aged 30 to 49		2,031	1,545	1,529
		Aged 50 or older		101	78	185
New hire -	Male	Subtotal		1,445	1,283	1,297
Temporary	Female	Subtotal		301	329	245
Number of new hires (permanent+temporary)				16,405	13,956	13,714
Ratio of open positions filled by internal candidates (internal hires)			%	10.6	12.3	12.4

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Employee Turnover Status

Classification			Unit	2023	2024	2025
Korea	Number of turnover by age group	Aged 29 or under	Person	226	267	157
		Aged 30 to 49		702	498	473
		Aged 50 or older		715	229	1,363
Overseas	Number of turnover by age group	Aged 29 or under	Person	6,586	4,381	4,958
		Aged 30 to 49		5,852	4,190	4,900
		Aged 50 or older		593	571	870
Number of turnover by gender		Male	Person	9,741	6,882	8,918
		Female		4,933	3,254	3,803
Employee voluntary turnover rate			%	7.8	6.4	7.5
Total turnover rate				20.8	14.0	17.9

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Workers with Disabilities

Classification	Unit	2023	2024	2025
Employment rate of people with disabilities[1)]	%	2.5	2.6	2.9
Number of disabled workers	Person	856	917	966

1) 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.)
Scope: Based on domestic business sites

Gender Diversity by Department

Classification		Unit	2023	2024	2025
Percentage of female employees in revenue related positions		%	20.7	20.7	21.0
Percentage of female employees in R&D related positions			16.1	16.3	16.3
Percentage of female employees in STEM-related positions			16.1	16.3	16.3
Percentage of female employees in management positions	Junior management positions		11.9	17.9	19.0
	All management positions		11.8	12.2	13.2
	Top management positions		4.1	4.8	4.7

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Gender Diversity at the Executive Position

Classification		Unit	2023	2024	2025
Employees at the Executive or Above (Korea)	Male	Person	285	299	286
	Female		12	15	14
	Subtotal		297	314	300

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Parental Leave Usage

Classification		Unit	2023	2024	2025
Total number of employees who took parental leave	Male	Person	238	235	392
	Female		361	299	356
	Total		599	534	748
Ratio of employees who returned to work after parental leave	Male	%	94.2	91.7	90.6
	Female		86.5	87.9	80.7
Ratio of employees who return to work after parental leave ends and have been employed for 12 months	Male	%	82	91.8	86.2
	Female		90.4	96.4	84.1

Scope: Based on domestic business sites

Base Pay Rate by Gender

Classification		Unit	2023	2024	2025
Executive level (Base pay rate)	Male	%	100	100	100
	Female		94	85	92
Wages (Base pay+Incentives)	Male	KRW	367,858,797	439,961,997	383,080,022
	Female		327,169,974	370,018,535	328,040,317
Management Wages (Base pay+Incentives)	Male		433,477,179	525,531,414	492,550,273
	Female		371,613,567	453,889,307	420,074,848

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Percentage of Entry Level Wages to Minimum Wage by Gender

Classification		Unit	2023	2024	2025
Male entry-level employee	Office position	%	176	189	190
	Technical position		132	143	145
Female entry-level employee	Office position		176	189	190
	Technical position		132	143	145

Scope: Based on domestic business sites

Gender and Age Diversity of Job Title Holders

Classification		Unit	2023	2024	2025
Percentage of job title holders		%	**13.9**	**14.1**	**14.6**
Percentage of male job title holders			**88.1**	**87.8**	**86.8**
Number of male job title holders (Permanent)	**Total**	Person	**8,781**	**9,116**	**9,243**
	Aged 29 or under		197	193	183
	Aged 30 to 49		6,459	6,429	6,411
	Aged 50 or older		2,125	2,494	2,649
Number of male employees	Number of male permanent employees		55,673	57,117	56,530
	Number of male executives		285	299	286
Percentage of female title holders		%	**11.9**	**12.2**	**13.2**
Number of female job title holders (Permanent)	**Total**	Person	**1,188**	**1,272**	**1,408**
	Aged 29 or under		47	48	42
	Aged 30 to 49		984	1,042	1,132
	Aged 50 or older		157	182	234
Number of female employees	Number of female permanent employees		15,735	16,303	16,267
	Number of female executives		12	15	14

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Percentage of Employees who Received Performance Evaluations

Classification	Unit	2023	2024	2025
All employees	%	100	100	100

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Average Training Hours per Employee

Classification		Unit	2023	2024	2025
Korea	Male	Hours	78.4	75.4	80.1
	Female		73.2	72.6	82.4
Overseas	Male		16.8	17.1	14.6
	Female		17.0	16.9	14.4
Total	Male		49.0	47.8	50.2
	Female		36.1	35.4	39.6

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Average Training Hours by Age

Classification		Unit	2023	2024	2025
Korea	Aged 29 or under	Hours	160.9	152.8	119.5
	Aged 30 to 49		84.8	85.6	82.6
	Aged 50 or older		55.4	51.7	59.7
Overseas	Aged 29 or under		40.7	32.7	21.3
	Aged 30 to 49		22.0	21.5	12.3
	Aged 50 or older		17.6	29.1	8.7
Total	Aged 29 or under		80.2	68.9	46.0
	Aged 30 to 49		58.0	57.2	49.8
	Aged 50 or older		41.7	43.8	43.6

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Average Training Hours by Position

Classification		Unit	2023	2024	2025
Korea	P3	Hours	72.1	66.7	73.0
	P2		94.0	99.4	103.7
	P1		169.6	154.6	139.9
	Other		30.5	39.9	69.2
Overseas	G4		9.0	9.2	7.7
	G3		23.1	23.9	11.9
	G2		24.2	26.0	15.6
	G1		35.9	37.4	18.6
	Other		0.5	0.5	12.3

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Permanent Employee Education and Training

Classification			Unit	2023	2024	2025
Average training hours per permanent employee	**Total**		Hours/ Person	**47.1**	**42.3**	**40.0**
	Male			50.0	44.8	43.2
	Female			36.7	33.5	28.9
Total training hours of permanent employees	**Total**		Hours	**3,360,991**	**3,124,513**	**2,916,616**
	Male			2,783,503	2,577,100	2,445,440
	Female			577,488	547,413	471,176
Permanent employee statutory training hours[1]	**Total**		Hours	**1.4**	**1.3**	**1.6**
	Male			1.4	1.2	1.6
	Female			1.2	1.1	1.5
Average Training Cost per permanent employee[2]			Hours/ Person	826,054	883,101	588,352
	Total training cost for permanent employees		KRW 1 million	58,987	65,235	42,894
	Number of permanent employees	**Total**	Person	**71,408**	**73,870**	**72,905**
		Male		55,673	57,507	56,606
		Female		15,735	16,363	16,299

1) Excluding overseas business sites
2) Including overseas business sties
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Social Contribution

Classification		Unit	2023	2024	2025
Social contribution expenditure as a percentage of revenue[1]		%	0.06	0.07	0.08
Social contribution expenditure as a percentage of operating income[1]			1.53	1.72	3.02
Social contribution expenditure			54,132	58,853	74,952
Expenditure by type of social contribution	**Total**	KRW 1 million	**54,132**	**58,853**	**74,952**
	Charitable donations		19,934	24,559	32,378
	Local community investment		2,164	5,243	1,382
	Commercial initiatives		32,034	29,051	41,192
Expenditure by area of social contribution	**Total**		**54,132**	**58,853**	**74,952**
	Welfare		12,252	18,076	16,787
	Education		3,500	6,982	7,276
	Environment		664	617	830
	Health		521	212	1,809
	Culture		32,823	30,808	38,813
	Disaster		1,250	137	1,937
	Other		3,122	2,021	7,500

1) Calculated as revenue and operating income on a consolidated basis
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Local Community Engagement, Impact Assessment and Development Program Operation

Classification	Unit	2023	2024	2025
Number of countries where stakeholder advisory meetings were held[1]	EA	1	1	1
Number of broad-based local community advisory groups that include underprivileged people[1]		1	1	1

1) Accessibility Advisory Group (Korea, in operation since 2021)
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Stakeholder Human Rights Grievance Handling

Classification		Unit	2023	2024	2025
Number of Human Rights-Related Opinions Received from Internal and External Stakeholders	Jeong-Do Management (Ethics Reporting)	Case	77	148	123
	Grievance Handling (Labor Relations Council)		-	18	17
	Number of Junior Board (JB) Grievance Cases		11	12	10
	Total		88	178	150

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

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

Classification	Unit	2023	2024	2025
Number of violations of indigenous peoples' rights[1]	Case	0	0	0

1) Based on reported cases
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

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

Classification	Unit	2023	2024	2025
Number of security personnel	Person	364	364	376
Number of security personnel trained		364	364	376
Training completion rate	%	100	100	100

Scope: Based on domestic business sites

Labor-Management Relations

Classification	Unit	2023	2024	2025
Number of employees in Korea	Person	35,111	35,727	34,144
Number of union members in Korea		10,157	9,317	9,364
Union membership rate in Korea	%	28	26	27
Number of employees overseas	Person	46,892	49,989	39,863
Number of union members overseas		14,956	15,349	15,504
Union membership rate overseas	%	32	31	39
Total union membership rate		30	29	33

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Employee Satisfaction

Classification		Unit	2023	2024	2025
Employee satisfaction survey coverage	Korean office position	%	77.1	79.4	83.0
	Korean technical position		84.6	90.2	89.4
	Overseas office position		76.6	78.7	86.7

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Employee Engagement

Classification	Unit	2023	2024	2025
Rate of survey response	%	75.0	76.6	78.7

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Psychological Counseling Center Operation Status

Classification		Unit	2023	2024	2025
Personal counseling program		Times	5,803	6,233	7,190
Group counseling program			309	298	322
Types of Counseling	Family matters	%	33.8	33.5	28.1
	Mental health		21.2	23.9	25.4
	Personality		16.5	18.7	18.5
	Other		28.5	23.9	28.0

Scope: Based on domestic business sites

Status of Employee Training on Human Rights Policy and Procedure

Classification		Unit	2023	2024[2]	2025[3]
Number of hours of employees training on human rights policies and procedures related to the business		Hours	2,041	-	-
Number of employees trained on human rights policies and procedures related to the business	By position	Person	2,041	-	-
	By job group		0	-	-
	Online		2,041	-	-

1) Since 2024, position-specific training has been discontinued, and company-wide human rights training has been conducted for all employees. (Completed by 25,481 employees in Korea and 20,013 employees overseas)
2) For 2025, due to delays in finalizing the detailed implementation guidelines for global supply chain due diligence regulations (e.g., EU FLR, CSDDD), the training program will be redesigned and is scheduled to be conducted within 2026
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Business Sites Subject to Human Rights Impact Assessment[1]

Classification	Unit	2023	2024	2025
Number of global business sites	Business sites	30	30	29
Number of business sites subject to human rights review or human rights impact assessment by country		30	30	29
Percentage of business sites subject to human rights review or human rights impact assessment by country	%	100	100	100

1) Evaluated across global production sites
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Social

Status of 3TG Mineral Smelters Conformant with the RMAP

Classification		Unit	2023	2024	2025
Tin	Certified	EA	65	69	51
	In progress		3	0	0
	Not certified		24	14	32
	Certified		33	36	36
Tantalum	In progress		1	0	0
	Not certified		4	2	0
	Certified		31	32	33
Tungsten	In progress		0	0	0
	Not certified		10	9	9
	Certified		87	90	89
Gold	In progress		2	0	1
	Not certified		70	31	18
	Certified		**216**	**227**	**209**
Total	**In progress**		**6**	**0**	**1**
	Not certified		**108**	**56**	**59**

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Customer Satisfaction Survey[1)]

Classification		Unit	2023	2024	2025
Customer satisfaction survey results	Korean market	%	92.5	92.1	94.2
	Overseas market		63.6	66.0	71.1

1) Survey of customers who have received repair services from LG Electronics
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Assessment of the Safety and Health Impact of Products and Services[1)]

Classification	Unit	2023	2024	2025
Percentage of major products and services assessed for safety and health impact	%	100	100	100

1) Product safety risk assessment criteria (internal criteria)
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Information Disclosure Items Related to Products and Services

Item	Application Examples
Sourcing of product or service components	RMAP-conformant smelters, recycled plastics
Information on substances with potential environmental or social impacts	RoHS, energy efficiency, etc.
Safe use of products or services	User manuals, warning labels
Product disposal and its environmental or social impact	EPR system, collection guidance, etc.
Other	Country-Specific Certification Information (KC, CE, etc.)

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Governance

Operation of the BOD

Classification		Unit	2023	2024	2025
BOD meetings held		Times	8	9	9
BOD deliberation on agenda	Approved	Case	30	27	30
	Reported		16	19	17
BOD attendance rate	Executive	%	86.6	100.0	100.0
	Independent		100.0	100.0	100.0
	Total		96.3	100.0	100.0
Number of reports on materiality issue	Total	Times	8	9	9
Review cycle for economic, environmental, and social topics	Total	Year	1	1	1

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Governance and Employee Diversity

Classification		Unit	2023	2024	2025
Number of employees by gender	Male	Person	56,825	58,636	57,541
	Female		15,988	16,605	16,466
Number of employees by age	Aged 29 or under	Person	13,368	14,313	14,138
	Aged 30 to 49		48,912	48,841	47,469
	Aged 50 or older		10,533	12,087	12,400
Number of executive officers	**Total**	Person	**297**	**314**	**300**
	Male		285	299	286
	Female		12	15	14
Percentage of female executives		%	4.0	4.8	4.7

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Governance and Employee Diversity_BOD Composition Ratio

Classification		Unit	2023	2024	2025
BOD composition by gender	Male	%	86	86	86
	Female		14	14	14
Number of female directors		Person	1	1	1
Number of male directors			6	6	6

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Composition of the Highest Decision-Making Body and Subcommittees

Classification		Unit	2023	2024	2025
Executive or non-executive directors (Total)		Person	7	7	7
Number of executive directors			2	2	2
Number of independent directors			4	4	4
Number of non-executive directors			1	1	1
Compensation committee[1]	Total number of members	Person	N/A	N/A	3
	Number of independent directors		N/A	N/A	2
	Attendance rate of independent directors	%	N/A	N/A	N/A
Independent director candidate recommendation committee	Total number of members	Person	3	3	3
	Number of independent directors		2	2	2
	Attendance rate of independent directors	%	100	100	100
Audit committee	Total number of members	Person	4	4	4
	Number of independent directors		4	4	4
	Attendance rate of independent directors	%	100	100	100

1) Newly established in November 2025 and operational from 2026
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Governance

Compliance Management Status

Classification			Unit	2023	2024	2025
On-site compliance manager		Compliance manager	Person	122	130	127
		Risk manager		557	483	581
Compliance committee meeting held		Company-wide	Times	4	4	4
		On-site		3	3	3
Compliance survey	Korea	Participants	Person	25,821	26,954	26,946
		Respondent		25,336	25,481	25,629
Compliance survey	Overseas	Participants		19,423	21,373	21,904
		Respondent		19,104	20,013	20,355
Compliance survey	Total	Participants		45,244	48,327	48,850
		Respondent		44,440	45,494	45,984

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Compliance Training Status

Classification			Unit	2023	2024	2025
Online Training	Korea	Employees subject to training	Person	25,821	26,954	26,946
		Employees completed training		25,336	25,481	25,629
Online Training	Overseas	Employees subject to training		19,423	21,373	21,904
		Employees completed training		19,104	20,013	20,355
Online Training	Total	Employees subject to training		45,244	48,327	48,850
		Employees completed training		44,440	45,494	45,984
Employee completed offline training for specific job titles and positions (number of sessions)		Training on new team leader	Person (Times)	303(3)	308(1)	256(1)
		Overseas expatriate leadership training		135(3)	161(4)	142(4)
		New entrepreneur training		127(1)	41(1)	0(0)
		Dispatch manager onboarding training		24(2)	25(2)	19(2)

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Status of Violation Reports Received and Actions Taken[1)]

Classification		Unit	2023	2024	2025
Violation reporting status	Corruption and illegalities	Case (%)	29(17)	20(8)	43(17)
	Other (HR, unfair trade, etc.)		63(37)	71(30)	85(34)
	Complaint (customer complaint, suppliers grievance, etc.)		77(46)	148(62)	123(49)
	Subtotal	Case	**169**	**239**	**251**
Status of self-diagnostic actions	Disciplinary dismissal/recommended resignation	Case (%)	12(6)	11(5)	8(5)
	Minor discipline		106(49)	114(54)	73(50)
	Severe discipline		98(45)	86(41)	65(45)
	Subtotal	Case	**216**	**211**	**146**

1) The number of reports received in the previous year that were investigated and found to be true or partially true.
Scope: Based on domestic business sites\

Number and Percentage of Business Sites Assessed for Corruption Risk

Classification	Unit	2023	2024	2025
Number of business sites[1)]	Business sites	108	105	105
Percentage of business sites	%	100	100	100

1) Selection of business sites for assessment based on internal criteria
Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Governance

Notification and Training on Anti-corruption Policy and Procedure[1)]

Classification		Unit	2023	2024	2025
Number and percentage of notified or trained board members	Korea (ratio)	Person (%)	7(100)	7(100)	7(100)
Number and percentage of notified or trained employees	Korea (ratio)	Person (%)	25,336(98.1)	25,481(94.5)	25,629(95.1)
	Overseas (ratio)		19,104(98.4)	20,013(93.6)	20,355(92.9)
	Total	Person	**44,440**	**45,494**	**45,984**
Number and percentage of notified Overseas (ratio) or trained suppliers	Korea (ratio)	Company (%)	289(88)	169(49)	322(100)
	Overseas (ratio)		757(81)	469(50)	0
	Total	Company	**1,046(83)**	**638(50)**	**322(100)**

Scope: Office workers across all global business sites
1) Applies to office workers at all global sites

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

Classification	Unit	2023	2024	2025
Interpretation of Regulations/Code of Ethics	Case	6(7)	18(13)	29(29)
Conflicts of interest	(%)	23(25)	27(20)	17(17)
Expense handling		17(18)	51(38)	23(23)
Congratulatory & condolatory money or goods		0(0)	4(3)	1(1)
Other (regulation, HR, etc.)		46(50)	36(26)	31(31)
Total		**92(100)**	**136(100)**	**101(100)**

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

ESG Data

Governance

Jeong-Do Management Online and Offline Training Completion Status

Classification		Unit	2023	2024	2025
Employees	Online training	Person	37,304	26,936	31,928
	Offline training		10,231	28,907	43,069
	Total		**47,535**	**55,843**	**74,997**
Suppliers	Number of participating suppliers	Company	17	46	238
	Number of participating employees at suppliers	Person	1,986	46	453

1) Applies to office workers at all global sitesScope: Office workers across all global business sites
Scope: Office workers across all global business sites

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

Classification	Unit	2023	2024	2025
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	0	0
Total number of customer privacy breaches		0	0	0

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Contributions & Other Spending

Classification	Unit	2023	2024	2025
Trade associations or think tanks	KRW 1 million	1,187	2,466	2,555

Scope: Based on all global business sites (including production and sales subsidiaries and R&D)

Membership·Awards & Recognition

Major Affiliation/Participating Organizations

Organization	Initiative/Alliance
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
BNBP (Biz N Biodiversity Platform)	UN Global Compact
AOM (Alliance for Open Media)	RMI (Responsible Minerals Initiative)
CSA (Connectivity Standards Alliance)	RE100 (Renewable Energy 100)
MicroLED Industry Association	HCA (Home Connectivity Alliance)
AHRI (Air-Conditioning, Heating & Refrigeration Institute in the US)	SBTi (Science-based Target Initiative)

ESG External Assessment Status

External Assessment	Key Achievement	Assessment Agency
CSA[1]	Selected as TOP 1% in corporate sustainability assessment for 3 consecutive years	S&P Global Sustainable1
DJ BIC[2]	Listed on Best-in-class World for 14 consecutive years	
	Listed on BIC Asia Pacific for 16 consecutive years	
	Listed on BIC Korea for 17 consecutive years	
MSCI[3] ESG Ratings	Grade AA	MSCI
CDP Climate	Grade A- in Climate Change 2025	CDP
	Grade D in Water Security 2025	
KCGS	Comprehensive Grade A for 5 consecutive years	KCGS
FTSE Russell's ESG Ratings	Listed on FTSE4Good for 11 consecutive years	FTSE Russell
EcoVadis	Platinum Medal (Top 1%)	EcoVadis

1) CSA: Corporate Sustainability Assessment
2) DJ BIC: Dow Jones Best in Class Index
3) MSCI: Morgan Stanley Capital International, as of March 2026 (Upgraded from A to AA)

Major Awards & Recognition

Date	Details	Awarded by
2026.02.	2026 iF Design Award – Winner (26, including LG CLOiD)	International Forum Design GmbH of Germany
2026.02.	AHRI Performance Award – HVAC product category (for 9 consecutive years)	US Air-Conditioning, Heating & Refrigeration Institute (AHRI)
2026.01.	2026 Korea First Brand Awards (Laptop category)	Korea Consumer Brand Institute
2025.12.	2025 Korea Digital Advertising Festival – 24 awards (Grand Prize(5), Gold(3), Silver(2), Bronze(2), Excellence Award(12))	Korea Digital Advertising Association
2025.11.	2025 Good Design Korea – 28 awards including Presidential Award	Ministry of Trade, Industry and Energy
2025.11	CES 2026 Best of Innovation Awards(2), Innovation Awards(18)	Consumer Technology Association (CTA)
2025.10.	2025 U.S. Appliance Satisfaction Study – No. 1 in Customer Satisfaction (4 categories)	US J.D. Power
2025.09.	No.1 Standard Call Center Quality Index (KS-CQI) - BEST CEO Award	Korean Standards Association (KSA)
2025.09.	2025 IFA Innovation Awards – Best of IFA(1), Best of Category(5), Innovation Award(11)	Internationale Funkausstellung (IFA)
2025.09.	2025 IDEA (International Design Excellence Awards) – Winner (16)	Industrial Designers Society of America (IDSA)
2025.07.	2025 Ergonomic Design Award Grand Best of Best(1), Best of Innovation(2), Special(4)	Ergonomics Society of Korea
2025.07.	National Customer Satisfaction Index (NCSI) – No. 1 (16 business categories)	Korea Productivity Center
2025.07.	The 28th Energy Winner of the Year Award – Energy Grand Prize(16 awards, including 3 Grand Prizes)	Consumers Korea
2025.07.	2025 Korea Green Product of the Year – (13 products, including high-efficiency and AI home appliances)	Korea Green Purchasing Network
2025.07.	No.1 in the home appliance A/S category of the Korean Standard Service Quality Index (KS-SQI)	Korean Standards Association (KSA)
2025.06.	2025 Korean Innovation Frontier Award – New Technology Innovation Grand Prize (Washtower)	Korean Standards Association (KSA)
2025.04.	2025 Sustainable Brand Leader (HVAC and Appliance), Sustainable Product of the Year(Eco-Friendly Product Components)	Green Builder Media
2025.04.	Red Dot Design Award - Best of the Best(1), Innovative Award(1), Winner(33)	Red Dot of Germany
2025.04.	2024 Excellent Value Improvement Award	Toyota Motor North America (TMNA)
2025.04.	The 33rd annual Supplier of the Year	General Motors (GM)
2025.03.	2025 Korea Home Appliance Awards - Awards in six categories	Electronic Times Internet (ETNEWS)
2025.03.	The 33rd Consumer's Good Advertising Award - Minister of Culture, Sports and Tourism Award(1), Good Advertising Award(2)	Korea Advertisers Association, Korea National Council of Consumer Organizations
2025.02.	2025 iF Design Award(36) including the Gold Award	International Forum Design GmbH of Germany

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	ISO 50001	-
Latin America	Mexico	LGEMN(Monterrey)	ISO 14001	ISO 45001	-	ISO 9001
		LGERS(Reynosa)	ISO 14001	ISO 45001	-	ISO 9001
		LGEVR(Ramos)[1]	ISO 14001	ISO 45001	-	ISO 9001
	Brazil	LGESP_M(Manaus)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
Europe/CIS	Poland	LGEMA(Mlawa)	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16949
		LGEWR(Wrocław)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
	CIS	LGERA(Ruza)	ISO 14001	ISO 45001	ISO 50001	CIG-023
Middle East and Africa	Egypt	LGEEG(Cairo)	ISO 14001	ISO 45001	-	ISO 9001
	Saudi Arabia	LGESR(Riyadh)	ISO 14001	ISO 45001	-	ISO 9001
	Türkiye	LGEAT(Istanbul)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
India	India	LGEIL_N(Noida)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		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 IATF 16949
	Indonesia	LGEIN_C(Cibitung)	ISO 14001	ISO 45001	ISO 50001	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
		LGENT(Nanjing (New Tech))	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGENV(Nanjing (Automobile))	ISO 14001	ISO 45001	-	IATF 16949
		LGETR(Taizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGETA(Tianjin)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		LGEQA(Qingdao Chiller)	ISO 14001	ISO 45001	-	ISO 9001
		LGEQH(Qinhuangdao)[2]	ISO 14001	ISO 45001	-	ISO 9001
		LGEHZ(Huizhou)	ISO 14001	ISO 45001	ISO 50001	ISO 9001
Korea	Korea	Changwon1	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		Changwon2	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		Gumi	ISO 14001	ISO 45001	ISO 50001	ISO 9001
		Pyeongtaek	ISO 14001	ISO 45001	ISO 50001	ISO 9001 IATF 16949 E-Mark CIG-023
		Pyeongtaek(Chiller)	ISO 14001	ISO 45001	ISO 50001	ISO 9001

(As of December 2025)

*Excluding newly established subsidiaries that have not yet stabilized mass production (one in the U.S., LGEUS CAC; one in Mexico, LGEMX)
1) LGEVR newly acquired in December 2025
2) LGEQH withdrew from business operations in December 2025

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GRI Index

GRI Standard 2021	Remarks	
GRI Standards	Explanation	Reporting data for the period from January 1, 2025 to December 31, 2025, based on GRI Standards 2021. Some key activities and achievements may include data prior to 2025 or the first half of 2026.
	GRI 1	GRI 1: Foundation 2021
	GRI sector standards	Not applicable as the standard for the industry to which LG Electronics belongs has not been published.

Topic	No.	Indicator	Reporting Page	Remarks
GRI 2: General Disclosures				
The organization and its reporting practices	2-1	Organizational details	BR (Company overview) 3~7, BR (Notes to the financial statements 1.General information) 237~238, BR (Business description) 24, BR (Major business sites) 29	
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Activities and workers	2-6	Activities, value chain and other business relationships	BR (Business description) 24 ~64	
	2-7	Employees	122~124	
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	2-12	Role of the highest governance body in overseeing the management of impacts	24, 89, 91	
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	2-14	Role of the highest governance body in sustainability reporting	24, 91	
	2-15	Conflicts of interest	89~91	
	2-16	Communication of critical concerns	91 ,98	
	2-17	Collective knowledge of the highest governance body	88, GR (Provision of human/material resources and internal information to independent directors, whether training necessary for independent directors to perform their duties is conducted and the status of the training provided)	
	2-18	Evaluation of the performance of the highest governance body	90, GR (Whether individual evaluations of independent directors are performed or not, measures to ensure the fairness of evaluations of independent directors, whether reflected in reappointment or not)	
	2-19	Remuneration policies	90, GR (Whether a compensation policy for independent directors is established or not, whether an executive compensation policy is established or not)	
	2-20	Process to determine remuneration	90, GR (Whether a compensation policy for independent directors is established or not, whether an executive compensation policy is established or not)	
	2-21	Annual total compensation ratio	-	This is internal information and is not subject to public disclosure.
Strategy, policies and practices	2-22	Statement on sustainable development strategy	4	
	2-23	Policy commitments	24, 42~43, 59, 64~65, 68, 92, 101, 107	
	2-24	Embedding policy commitments	24, 42~43, 59, 64~65, 68, 92, 101, 107	
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	2-26	Mechanisms for seeking advice and raising concerns	44~45, 65, 74, 93	
	2-27	Compliance with laws and regulations	64~65, BR (Matters related to sanctions, etc.) 464~468	
	2-28	Membership associations	135	
Stakeholder engagement	2-29	Approach to stakeholder engagement	11	
	2-30	Collective bargaining agreements	44~45	
GRI 3: Material Topics				
Disclosures on material topics	3-1	Process to determine material topics	12	
	3-2	List of material topics	12	
	3-3	Management of material topics	13	

BR: Business Report
GR: Governance Report

GRI Index

Topic	No.	Indicator	Reporting Page	Remarks
GRI 200 Economic Performance				
Anti-corruption	205-1	Operations assessed for risks related to corruption	92~96, 132	
	205-2	Communication and training about anti-corruption policies and procedures	92~96, 132	
	205-3	Confirmed incidents of corruption and actions taken	BR (Matters related to sanctions, etc.) 464~468, 132	

Topic	No.	Indicator	Reporting Page	Remarks
GRI 300 Environmental Performance				
Energy	302-1	Energy consumption within the organization	116	
	302-3	Energy intensity	116	
	302-4	Reduction of energy consumption	116	
Water and effluents	303-1	Interactions with water as a shared resource	34~37	
	303-2	Management of water discharge-related impacts	35~36	
	303-3	Water withdrawal	119	
	303-4	Water discharge	119	
	303-5	Water consumption	119	
Emissions	305-1	Direct (Scope 1) GHG emissions	116	
	305-2	Energy indirect (Scope 2) GHG emissions	116	
	305-3	Other indirect (Scope 3) GHG emissions	116	
	305-4	GHG emissions intensity	116	
	305-5	Reduction of GHG emissions	117	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	117	
Waste	306-1	Waste generation and significant waste-related impacts	25~29	
	306-2	Management of significant waste-related impacts	25~29	
	306-3	Waste generated	117~118	
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Topic	No.	Indicator	Reporting Page	Remarks
GRI 400 Social Performance				
Occup-ational Health and Safety	403-1	Occupational health and safety management system	58	
	403-2	Hazard identification, risk assessment, and incident investigation	59~63	
	403-3	Occupational health services	61~62	
	403-4	Worker participation, consultation, and communication on occupational health and safety	58, 61~62	
	403-5	Worker training on occupational health and safety	61	
	403-6	Promotion of worker health	62	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	59~63	
	403-8	Workers covered by an occupational health and safety management system	58~63	
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Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	47~50	
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	47~50	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	130	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	132, BR (Matters related to sanctions, etc.) 464~468	
Marketing and Labeling	417-1	Requirements for product and service information and labeling	-	
	417-2	Incidents of non-compliance concerning product and service information and labeling	BR (Matters related to sanctions, etc.) 464~468	
	417-3	Incidents of non-compliance concerning marketing communications	BR (Matters related to sanctions, etc.) 464~468	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	134	

BR: Business Report
GR: Governance Report

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	105~112
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Quantitative	%	TC-HW330a.1	Sustainability management data	123-125
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative		TC-HW410a.1	-	-
	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	Performance and goals for e-waste management	29
Supply Chain Management	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	Supply chain	64~71
	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		64~71
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion & Analysis	N/A	TC-HW440a.1		64~71

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	BR (Disclosure of subsidiaries)	
Percentage of production from owned facilities	TC-HW-000.C		-

BR: Business Report
GR: Governance Report

UN SDGs Index

LG Electronics aligns with the global community's efforts toward a sustainable future and fully supports the principles of the UN Sustainable Development Goals (SDGs). Through a wide range of business activities aimed at enhancing the quality of life and realizing social value, the company strives to contribute to building a healthy and sustainable society.

Objective	2025 LG Electronics Key Activities
Goal 1 No Poverty	Executive Social Contribution Fund: Executives voluntarily donate 0.5% of their monthly salary to a social contribution fund, and 50% of the accumulated amount is donated through a matching grant to support various social contribution activities
Goal 3 Good Health and Well-Being	LG Hope Screen: Provides free advertising space on LG billboards located in Times Square, New York and Piccadilly Circus, London to UN agencies such as UNEP and FAO for public service campaign videos Donation Menu: Employees can choose a donation menu with fewer side dishes at the company cafeteria, and the amount saved from the reduced side dishes is donated
Goal 4 Quality Education	Operation of the Talent Development Programs: Provides customized education based on position and job function, coaching and mentoring, and autonomous learning communities to share knowledge and grow with peers AI-based Business Simulation Talent Development: Strengthens practical decision-making capabilities by using AI simulations for newly appointed expatriates, overseas leader candidates, and sales talent In-house Venture Development Program 'STUDIO341': Provides employees with opportunities to take on new challenges by identifying and spinning off new businesses from customer and market perspectives
Goal 5 Gender Equality	Compliance with statutory maternity protection systems to strengthen support for work-life balance Operation of workplace daycare centers at major business sites nationwide to support childcare Expansion of Diversity Recruitment: Holds recruitment information sessions for women's universities in Korea and expands recruitment programs for persons with disabilities
Goal 6 Clean Water and Sanitation	Water Resource Management System: Maintain pollutant levels in discharged water below 70% of legal standards through Zero Liquid Discharge (ZLD) systems, wastewater treatment and recycling systems, and monitoring of discharged water quality Cooperation for Water Crisis Response: Signed a 'MoU for Climate Change Response and Resolution of Water Crisis' with the Ministry of Climate, Energy and Environment and participated in the launch of the "Water Positive Alliance"
Goal 7 Affordable and Clean Energy	Strategy to achieve a transition to 100% renewable energy: Joined the RE100 (Renewable Energy 100) initiative to supply 100% of electricity used at all domestic and overseas business sites with renewable energy by 2050
Goal 8 Decent Work and Economic Growth	LG-KOICA Vocational Training School: In countries such as Ethiopia, India, and Cambodia, supported youth self-reliance through technical education in cooperation with local governments, Korea International Cooperation Agency (KOICA), and NGOs LG Social Campus: Provides integrated support in finance, space, growth, and talent development to foster the growth of eco-friendly social economy enterprises Identification of human rights impact, self-assessments, and on-site audits at production sites
Goal 9 Industry, Innovation and Infrastructure	Establishment of information security operation and management system: Effectively operated information security system centered on four key areas—administrative security, technical security, physical security, and Privacy Information Protection regulations Establishment of Responsible AI Governance: Establishes a responsible AI development and operation system based on an AI ethics organization and Responsible AI policy

UN SDGs Index

Objective	2025 LG Electronics Key Activities
Goal 10 Reduced Inequality	Global IT Challenge for Youth with Disabilities: Helped build foundations for social advancement, such as higher education and employment, for youth with disabilities by narrowing the digital divide, and contributed to improving disability awareness in participating countries
Goal 11 Sustainable Cities and Communities	Rural Win-Win Cooperation Fund: Providing home appliances through One Company–One Village sister relationships, delivering laptops to underprivileged college students in villages, and conducting volunteer activities during the farming season Life's Good Volunteer Group: Leveraging employees' talents to inspect and repair products free of charge at social welfare facilities and develop conversational chatbots for nonprofit organizations Disaster Relief Free Repair Service: Setting up mobile service centers in disaster-affected areas to inspect and repair home appliances free of charge
Goal 12 Responsible Consumption and Production	Resource Circulation System: Establishing and systematically implementing a resource circulation strategy across the entire product life cycle—from material selection to design, production, recovery, and disposal Operating waste home appliance recovery and recycling as well as a home appliance subscription service, centered on the Chilseo Recycling Center (CRC)
Goal 13 Climate Action	Setting goals for 2030 carbon neutrality Company-wide integrated management system for climate change risk: Under the leadership of the CSO, the ESG council shares evaluations and establishes necessary action plans for risks or opportunities raised as agenda items
Goal 14 Life Below Water	Carried out the Posidonia restoration project to restore marine ecosystems and protect habitats for marine plants and animals, targeting Posidonia, a seagrass effective in absorbing carbon dioxide
Goal 15 Life on Land	Smart Green Trees (Forest Regeneration): Conducting forest regeneration campaigns across various regions of Spain and Portugal, including "seed bomb" planting and direct tree-planting activities Smart Green Bees (Restoration of Bee Populations): Promoting a project to increase the population of bees, particularly the Iberian honeybee native to Spain Smart Green Minerals (Enhanced Weathering): Launching a new project that spreads crushed basalt over urban parks and green spaces to store atmospheric carbon dioxide in the soil over the long term Pollinator Garden: Operating a pollinator garden certified as a Certified Wildlife Habitat by the National Wildlife Federation (NWF) at the business site in Bergen County, New Jersey, USA
Goal 16 Peace, Justice and Strong Institutions	Provided online compliance and anti-corruption training and strengthened anti-corruption compliance activities Operated compliance-related reporting channels and reward systems
Goal 17 Partnerships for the Goals	One Company–One Military Unit: Forming a sister relationship with a military unit and providing consolation funds and necessary products each year

INDEPENDENT VERIFICATION OPINION

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 for the calendar year 2025 ("the report"). Company 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. 2025-64 of Ministry of Environment)" based on ISO14064-1. Our responsibility in performing this work is to the management of 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 statement.

Objective 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 : Domestic business sites of Company
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2025.01.01~2025.12.31

Verification Approach

The verification has been conducted in accordance with "Verification Guideline for GHG ETS (Notification No. 2025-165, Korean Ministry of Environment)" based on ISO 14064-3, under a Reasonable Level of Assurance. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection, emission calculation and report process for the GHG inventory report
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

Unit: ton CO_2 eq

Company	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Excl. Refrigerant	31,899	222,281	254,180
Incl. Refrigerant	75,462		297,743

**Emissions from ODS leakage due to refrigerant charging (43,563 tCO_2eq) are included in direct emissions.

2025. 06. 23
Seoul, Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

INDEPENDENT VERIFICATION OPINION

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 Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard', 'IPCC Guidelines: 2006' The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a 3rd party may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary : 28 Overseas Manufacturing Subsidiary of the company
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2025.01.01~2025.12.31

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. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions and Energy Consumption.

Unit: ton CO_2 eq

Overseas Manufacturing Subsidiary	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total Emissions
Location-based*	131,613***	542,551	672,164
Market-based **		412,172	543,785

※ Total emissions may differ from the sum of direct and indirect emissions due to decimal rounding.
* The location-based method reflected Scope 2 GHG emissions associated with electricity consumption from the national grid.
** The market-based method was applied in accordance with the GHG Protocol, incorporating the company's Scope 2 GHG emissions from renewable electricity (REC, i-REC, off/on-site PPA, direct purchase) purchased. In the absence of a government-published residual mix emission factor, the country-specific grid electricity emission factor was used as a proxy for the remaining electricity consumption.
*** Fugitive emission (69,960 tCO_2eq) by purchasing of refrigerant is included in Direct emissions

Greenhouse Gas Emissions of LG Electronics Manufacturing Subsidiary for Yr 2025

Unit: ton CO_2 eq

Countries	Sites	Direct emissions (Scope1)		Energy indirect emissions (Scope2)		Total emissions (Market-based)	
			Excluding fugitive emissions	Market-based	Location-based		Excluding fugitive emissions
Brazil	LGEAZ (Amazonia)*$	9,608	691	-	2,400	9,608	691
China	LGEHZ (Huizhou)	20	20	1,421	2,318	1,441	1,441
	LGENT (Nanjing)	42	42	10,017	13,837	10,059	10,059
	LGENV (Nanjing)	35	35	882	882	917	917
	LGEPN (Nanjing)	286	277	12,148	16,884	12,433	12,424
	LGEQA (Qingdao)*	222	94	1,891	1,891	2,113	1,985
	LGEQH (Qinhuangdao)	124	124	20,333	58,745	20,457	20,457
	LGETA (Tianjin)*	45,230	11,674	86,514	97,106	131,745	98,189
	LGETR (Taizhou)*	9,408	9,408	69,409	77,844	78,817	78,817
Egypt	LGEEG (Ismalia)	-	-	1,672	1,672	1,672	1,672
India	LGEIL (Noida)*	8,470	3,482	38,486	48,704	46,956	41,968
	LGEIL (Pune)*	2,933	1,171	26,042	26,042	28,975	27,213
Indonesia	LGEIN (Bekasi)	756	756	4,335	4,342	5,091	5,091
	LGEIN (Taggerang)*	1,593	1,512	21,215	21,215	22,808	22,727
Mexico	LGEMM (Monterrey)*	9,782	9,782	36,581	36,581	46,363	46,363
	LGEMX (Mexicali)	528	528	1,197	1,197	1,725	1,725
	LGERS (Reynosa)	173	173	3,918	3,918	4,090	4,090
	LGEVR (Ramos)	-	-	697	697	697	697
Poland	LGEMA (Mlawa)	1,854	1,854	20	23,517	1,854	1,854
	LGEWR (Wroclaw)*	2,579	2,579	13,227	13,227	15,807	15,807
Russia	LGERA (Ruza)*	2,666	2,666	6,068	6,068	8,734	8,734
Saudi Arabia	LGESR (Riyadh)*	13,079	460	7,368	7,368	20,446	7,828
Thailand	LGETH (Rayong)*	9,770	1,871	12,005	16,271	21,775	13,876
Turkey	LGEAT (Istanbul)	1,600	1,600	0	4,827	1,600	1,600
Vietnam	LGEVH (Hai Phong)*	1,468	1,468	36,746	38,677	38,214	38,214
United States	LGEUS (Huntsville)	17	17	-	323	17	17
	LGEUS (Tennessee)$	9,367	9,367	-	16,107	9,367	9,367
	LGEUS (Dallas)$	1	1	-	55	1	1
Total		**131,613**	**61,653**	**412,172**	**542,551**	**543,785**	**473,662**

* The site includes the 'fugitive emission' in Direct emissions.
$ The site was achieved zero emissions for Scope 2 by purchasing of 100% Renewable Energy in 2025.
※ In order to report the GHG emissions as an integer, the rounded number on the statement might be different with ± 1 tCO_2eq
※ Total emissions = Direct emissions(Scope 1) + Energy indirect emissions(Scope 2)

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.
DNV Business Assurance Korea : 18F, 1, Jong-ro, Jongno-gu, Seoul, Rep. of Korea
PRJN-1158816-02-AST-ENG

2025. 06. 23
Seoul, Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

INDEPENDENT VERIFICATION OPINION

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 Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard', 'The Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 'IPCC Guidelines: 2006'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a 3rd party may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary : LG Electronics Inc.
- Reporting Boundary : Scope 3 (Other Indirect emissions - Category 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15)
- Reporting Period : 2025.01.01~2025.12.31

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. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

Unit: ton CO_2 eq

Year	Upstream	Downstream	Other Indirect emissions (Scope 3)
2025	4,522,914	67,094,670	71,617,583

LG Electronics Inc.'s Scope 3 emissions for 2025

Unit: ton CO_2 eq

Categories	Upstream	Downstream	Emissions
1 Purchased Goods and Services	2,254,187		2,254,187
2 Capital Goods	245,524		245,524
3 Fuel- and Energy- related Activities (not included in Scope 1 or Scope 2)	147,547		147,547
4 Upstream Transportation and Distribution	1,625,445		1,625,445
5 Waste Generated in Operation	12,761		12,761
6 Business Travel	62,744		62,744
7 Employee Commuting	75,310		75,310
8 Upstream Leased Assets	99,396		99,396
10 Processing of Sold Products		37,445	37,445
11 Use of Sold Products		64,070,256	64,070,256
12 End-of-Life Treatment of Sold Products		1,227,391	1,227,391
13 Downstream Leased Assets		1,021	1,021
15 Investments		1,758,556	1,758,556
Total emissions	**4,522,914**	**67,094,670**	**71,617,583**

※ Total emissions may differ from the sum of each category emissions due to decimal rounding.

1) The 'product transportation emissions' in Category 4 are 756,302tCO_2eq. As product transportation is operated by the logistics company 'LX Pantos', the emissions are calculated based on LX Pantos' data. The overseas product transportation emissions (733,003tCO_2eq) of LX Pantos are calculated using the 'SeaRoutes' program, which is accredited by the 'Smart Freight Centre' in accordance with the GLEC Framework. The domestic product transportation emissions (23,299tCO_2eq) are calculated by applying the WTW(Well-to-wheel) emission factor to fuel usage data provided by LX Pantos.

2025. 06. 23
Seoul, Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

DNV

Independent Assurance Statement

Independent Practitioners' Reasonable and Limited Assurance Report

To the Management of LG ELECTRONICS INC.

Report on certain information included in '2025-2026 LG Electronics Sustainability Report'

Reasonable assurance opinion and limited assurance conclusion

We have performed an assurance engagement on the following information in LG ELECTRONICS INC.'s ("the Company") Sustainability Report for the year ended December 31, 2025:

Information subject to assurance	Page number in the sustainability report	Point in time or period subject to assurance	Level of assurance	The criteria relevant to the information
Domestic General and Hazardous Waste Generation[1)]	p.118	For the year ended December 31, 2025	Reasonable assurance	GRI 306-4-a,b,c
Water Withdrawal Volume	p.119	For the year ended December 31, 2025	Reasonable assurance	GRI 303-1-a
Domestic Water Pollutants – Wastewater Quality: SS, T-N, T-P, TOC, BOD[2)]	p.119	For the year ended December 31, 2025	Reasonable assurance	GRI 303-4-d
RBA(Responsible Business Alliance) Metrics	p.120	For the year ended December 31, 2025	Reasonable assurance	SASB TC-HW430a.1,2
Fatalities and Lost Time Injury Frequency Rate (LTIFR)	p.122	For the year ended December 31, 2025	Reasonable assurance	GRI 403-9-a,b-i,ii
Disclosures presented in the GRI Standards Index	p.138~139	For the year ended December 31, 2025	Limited assurance	GRI Standards
Sustainability Data	p.114~134	For the year ended December 31, 2025	Limited assurance	GRI Standards

1) Changwon 1, Changwon 2, Gumi, Pyeongtaek, Pyeongtaek (Chiller), LG Sciencepark, Gasan R&D Center, Seocho R&D Center
2) Changwon 1, Changwon 2, Gumi, Pyeongtaek, Pyeongtaek (Chiller), LG Sciencepark, Gasan R&D Center

Reasonable assurance opinion

In our opinion, the Company's Information subject to Reasonable Assurance for the year ended December 31, 2025 is prepared, in all material respects, in accordance with the Applicable Criteria.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's Information subject to Limited Assurance for the year ended December 31, 2025 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Our opinion/conclusion on the Assured Sustainability Information does not extend to other information that accompanies or contains the Assured Sustainability Information and our assurance report (hereafter referred to as "other information"). We have read the other information, but we have not performed any procedures with respect to the other information.

Basis for opinion and conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Responsibilities for the Assured Sustainability Information

The management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Assured Sustainability Information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria; and
- preparing the Assured Sustainability Information in accordance with the Applicable Criteria.

Those charged with governance are responsible for overseeing the reporting process for the Company's Assured Sustainability Information.

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Independent Assurance Statement

Independent Practitioners' Reasonable and Limited Assurance Report

Inherent limitations in preparing the Assured Sustainability Information

The preparation of sustainability information requires management to establish and interpret the applicable criteria, determine the relevance of the information to be included, and make estimates and assumptions that affect the reported information. Different but acceptable interpretations, judgments, and estimation techniques may be applied across entities. Sustainability information includes information regarding the Company's environmental, social, and governance (ESG) initiatives and targets, as well as considerations of the potential future impacts of events that have occurred or may occur, and information relating to commitments and uncertainties. Actual results may differ materially from management's current assessments, as events and circumstances frequently do not occur as expected.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain assurance about whether the Assured Sustainability Information is free from material misstatement, whether due to fraud or error;
- forming an independent reasonable assurance opinion and limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our reasonable assurance opinion and limited assurance conclusion to the management of the Company.

Summary of the procedures we performed as the basis for our opinion and conclusion

We exercised professional judgment and maintained professional skepticism throughout the assurance engagement. In addition, we designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Reasonable assurance opinion

The nature, timing, and extent of the procedures selected depended on our judgment, including an assessment of the risks of material misstatement of the Information subject to Reasonable Assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the Information subject to Reasonable Assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the Information subject to Reasonable Assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- assessed the suitability of the criteria used by the Company in preparing the Reasonable Assurance Information;
- evaluated the appropriateness of the reporting policies and quantification methodologies applied in the preparation of the Information subject to Reasonable Assurance, as well as the accuracy of the calculations; and
- evaluated the overall presentation of the Information subject to Reasonable Assurance.

Limited assurance conclusion

The procedures selected were based on our understanding of the Information subject to Limited Assurance and the engagement circumstances, and our consideration of areas where a material misstatement is likely to arise. In carrying out our engagement, we:

- obtained an understanding of the systems and processes used to manage and report the Company's sustainability information;
- reviewed documentation and conducted interviews with relevant personnel regarding the risk assessment process and materiality assessment;
- conducted interviews with personnel responsible for managing and recording sustainability information related to material topics, and reviewed underlying data for such information;
- performed inquiries and analytical procedures on the Information subject to Limited Assurance;
- performed limited verification procedures on data related to the Information subject to Limited Assurance; and
- assessed whether the information presented in the report is consistent with our overall knowledge and experience of the Company's sustainability performance.

The procedures performed when obtaining limited assurance vary in nature and timing from, and are less in extent than for, reasonable assurance. Consequently, the level of assurance obtained over the Information subject to Limited Assurance is substantially lower than the assurance that would have been obtained had the information been subject to reasonable assurance.

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This assurance report is effective as of the date of the assurance report (26 June 2026). Events or circumstances may have occurred subsequent to that date and prior to the date on which this report is read that could have a material effect on the Company's report. Accordingly, this assurance report may require amendment in light of such events or circumstances.

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