



BETTER
LIFE
FOR ALL

**Life's
Good.**

Report Overview

LG Electronics has established its mid- to long-term ESG goals, expressed its commitment to sustainable growth and change, and strives to achieve them. This report consists of ESG Story Book and ESG Fact Book. The ESG Story Book contains LG Electronics' earnest efforts for ESG management in a narrative format, while the ESG Fact Book focuses on LG Electronics' major activities and achievements. LG Electronics plans to publish annual reports to disclose its ESG activities and achievements to our stakeholders with transparency.

Reporting Period

This report covers LG Electronics activities from January 2022 to December 2022, in addition to some major activities until the first half of 2023 to respond and meet stakeholders' interests. LG Electronics provides three-year data from 2020 to 2022 for quantitative performance to identify changing trends.

Reporting Scope

This report covers the activities of our headquarters, and South Korean and overseas production sites and sales subsidiaries affiliated with LG Electronics.

Third-Party Assurance

To secure the accuracy, objectivity, and reliability of the report composition process and all stated information, we requested an independent assurance agency (Korea Management Registrar Inc.) for an assessment and verification. The assessment was completed according to international assessment standards, with the third-party assessment results being detailed on p.60.

LG Electronics website

www.lg.com/global/sustainability

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More information on sustainability management activities of LG Electronics can be found here

2022–2023 LG Electronics Sustainability Report

Contents

2	Prologue
	Special Feature
4	01 – LG Electronics served as my eyes in everyday life!
6	02 – Key reasons for LG Electronics' ESG management earning high praise in the European market
8	03 – Opinion on LG Electronics' ESG Strategy from Professionals
10	ESG Management Q&A
12	ESG Management History
14	Business Status
16	ESG Management Vision & Mission
18	3C Highlights
20	Carbon Neutrality
	Circularity
24	01 – Process of Recreating and Renewing Waste Appliances
26	02 – LG Electronics' Story about Sustainability in the Field
28	Clean Technology
32	3D Highlights
34	Decent Workplace
	Diversity & Inclusion
38	01 – The Youngest female executive Shin Jeong-eun
40	02 – The first female head of the global R&D Lab Lee So-yeon
42	Design for All
46	ESG Management Best Practices
50	Social Contribution
52	ESG Committee Chairman Interview
54	Future of ESG
56	CEO Message
58	Epilogue
60	Independent Assurance Statement

LG Electronics has been with us for a long time and in every single moment of your life.



From Korea's first refrigerator to Korea's first washing machine

From Korea's first refrigerator in 1965 through the first air conditioner in 1968 and the first washing machine in 1969, LG Electronics products have drastically changed our lives.

A long-lasting product and the trust accumulated over time

LG Electronics products that have made lifestyle more convenient and improved quality of life have always been with customers. From the electric fan from which children didn't want to move away on hot summer days, to the air conditioner and TV that made the corner store a gathering place, and the Swan Washing Machine that captivated women with the ad slogan "Hand washing is a waste of time," we find consumers who have used LG Electronics products for more than 10, even 40 years.

Using LG Electronics products

LG Electronics creates long-lasting and energy-efficient products. Using LG Electronics' products reduces waste generation, saves electricity bills, and contributes to reducing carbon emissions. The pride in using LG products that are user- and eco-friendly and most helpful to Earth is an important value that LG Electronics conveys to customers.

**Life's
Good.**

LG Electronics served as my eyes in everyday life!

Shin Soon-kyu, LG Electronics customer



For visually impaired like me, technological advancement is an absolutely life-changing element that, ironically, also makes independent living almost impossible.

Being able to use a computer has been vital for me throughout my 29-year career as a securities analyst. I would never have chosen a career in finance if it hadn't been for the emergence of screen reader technology, which made computers accessible to the visually impaired. However, modern home appliances and consumer systems feature many functions and intuitive user interfaces, and they are likely to require more visual controls than one might think, making it difficult for the visually impaired to operate them independently. Moreover, using these modern technology products requires more than just good eyesight: It also demands the ability to handle touch screens with one's fingers as well as ability to hear audio signals. Therefore, technologies ought to incorporate designs that cater to people with disabilities, allowing them to use those to improve their quality of life. I believe that LG Electronics has the potential to become a world leader in this area.

After working from home for two and a half years due to the Covid-19 pandemic, I returned to workplace, and found that all of the spaces and facilities for employees had been remodeled. I was greeted with a machine that dispensed various flavors of soda and water on each floor, while the lounge on the second floor, which had previously provided simple breakfasts and snacks, was now equipped with two barista machines that automatically serve coffee, including latte and cappuccino. Unfortunately, as a visually impaired person, I struggled to use these machines without any help. The touch screen had multiple options, such as ice, mocha, espresso, and various types of milk, and I needed assistance in selecting them promptly. As a result, I had to rely on my colleagues' assistance to get the coffee I wanted.

Technological advances are transforming a world where consumers can use products more conveniently and usefully. Even those unfamiliar with city geography, or those with no sense of direction at all, can navigate with confidence thanks to GPS technology

and navigation apps that display detailed map information. Electronic devices such as computers, tablets, and smartphones provide immediate access to information, enabling us to work more efficiently and enjoy various forms of entertainment like videos, music, and games. Even home appliances are becoming smarter, making daily tasks like cooking and laundry more manageable. In the past, appliances used to be simple; an electric rice cookers had only one button.

My problem lies here. I couldn't even see the light, but I cooked and did the laundry without any help until I got married. That was possible because home appliances weren't that complicated. I could easily operate the television, VCR, and audio system, even with my eyes closed. The remote control was simple, with only a few buttons for turning it on/off, adjusting the volume, and changing channels, and there was a numeric keypad. I even managed to use an ATM on my own without any assistance. It's ironic that technology, which is supposed to make our lives easier, has resulted in devices that are more difficult to use without assistance. However, this doesn't have to be the case.

I received many calls after appearing on tvN's TV show "You Quiz on the Block" in May 2022. One of them was from an LG Electronics employee, who said that her focus was on improving the accessibility of home appliances. The company was committed to designing and developing home appliances that are easy to use, even for people with disabilities. During our communications, including messenger and phone conversations, I shared my experiences and ideas for electronic devices with many complex functions. Later, she and her colleague from LG Electronics' ESG Strategy Department visited me during a business trip to the US. That led to an invitation to visit the LG Twin Tower in November to meet with the vice-president and team members in charge of customer value creation. I even gave lectures and answered questions from various employees.

Interestingly, I first heard about LG from my younger brother, who has worked at LG CNS for over twenty years. As a visually impaired individual, I faced inconvenience with increasingly digitized, touch-screen-dominated home appliances. My brother, a computer programmer, understood this problem better than anyone. He once mentioned that LG differed from other companies and had an organizational culture that strived to contribute to society, rather than only pursuing growth and profit. "If product design for people with disabilities becomes a reality one day, LG will likely take the lead." he said. His remarks increased my confidence that LG, with whom I had a chance of contact, could become an ESG leader.

These policies entail costs, but do not yield immediate return profits. Above all, top-level management support is required. The top management's encouragement of initiatives to increase product accessibility, the direct involvement of leadership in this endeavor, and even the creation of Braille business cards demonstrate the effectiveness of LG Electronics' ESG strategy. All this goes beyond mere interest and provides us with insight into the company's long-term strategy. LG's strong commitment is evident in its policy of actively incorporating feedback from people with disabilities and senior consumers. Enhancing product accessibility will yield significant benefits in terms of eliminating disability and age as barriers, which in turn will have a positive impact on the company's long-term growth and profits.

"If product design for people with disabilities becomes a reality one day, LG will likely take the lead."

Key reasons for LG Electronics' ESG management earning high praise in the European market



Air Solution Part, Europe B2B Company, LG Electronics

Christianna Papazahaariou

ESG Strategy Manager in Europe

ESG is an area where the quadruple helix approach is essential, and LG Electronics has good conditions to utilize this approach. Based on it, I intend to fulfill my role sincerely in challenging yet meaningful tasks together with all related teams and employees of LG Electronics.

Question 01

What do you do at LG Electronics?

Answer

Since joining LG Electronics 12 years ago, I have been responsible for environmental, social, and governance roadmaps as a regulatory coordinator at the Air Solutions Business Division at the Europe B2B Company.

Question 02

Companies in the European market have put much effort into ESG management from an early stage. What part of ESG management are you particularly interested in?

Answer

Consumers in Europe understand ESG, regardless of B2B or B2C businesses, so they expect companies to be active in all fields. The same goes for LG Electronics' customers. In particular, they prioritize preserving the environment and resources, building a circular economy, protecting vulnerable communities, and ensuring fair treatment in the workplace.

Question 03

How do your B2B customers judge LG Electronics' ESG management so far?

Answer

Our B2B customers expect companies to keep and execute what they promise about ESG management. I pay more attention to companies with specific goals and plans. In that regard, LG Electronics' customers have very favorably responded to the ESG management measures that LG Electronics has targeted so far and by 2030. In the field of environment, we quantify our goals and disclose the results every year, and we have feasible plans from purchasing products to disposing of waste electronics.

Question 04

How can your B2B customers specifically check LG Electronics' ESG management implementation process or results?

Answer

Our B2B customers closely monitor emissions reduction targets and performance across all business areas. Reducing GHG emissions worldwide has become a standard requirement for project bidding. In some biddings, reporting GHG emissions can account for up to 20% of the evaluation. Failure to provide ESG-related information may result in fines or in even being dropped from the bidding process.

Question 05

How do you plan to develop LG Electronics' ESG management tasks in the future?

Answer

LG Electronics has set the goal of increasing its use of recycled plastics to a cumulative 600,000 tons by 2030, and it is expected to play a leading role in achieving that goal. Have you heard of the quadruple helix approach? It is a way of solving complex problems with multiple approaches, such as scientific, policy, industrial, or social. It is driving the business environment in Europe for a circular economy. In particular, ESG is an area where the quadruple helix approach is essential, and LG Electronics has good conditions to utilize this approach. Based on it, I intend to fulfill my role sincerely in challenging yet meaningful tasks together with all related teams and employees of LG Electronics.

Opinion on LG Electronics' ESG Strategy from Professionals

LG Electronics is regarded as one of the world's best in terms of ESG evaluation, strategy and management. There may be various concerns and difficulties in the business aspect as a manufacturing company, but I believe the company will continue to make efforts to lead further in specific issues or areas related to ESG.



Data is the most important information concerning ESG for investors nowadays, and so providing objectively verifiable data through IR and data sites is very important. The ESG Fact Book, which is now available on the LG Electronics website, appears to be an effective communication channel as well. This is also a good action that presents LG Electronics' ESG management goals or vision in a systematic way. I believe that presenting a more strongly aligned business strategy with climate change or sustainability under this vision can serve as a good signal to stakeholders including investors.

LG Electronics' ESG vision and six strategic tasks have been appropriately set based on the standards required by global ESG investors, evaluators, and customers. The slogan of 'Better Life for All' for the earth and people based on the concept of sustainable development fits well with LG Electronics' branding. In the future, I suggest that LG Electronics include anti-discrimination and inclusion policies for various stakeholder groups, such as fostering female talent, raising the ratio of female executives and engineers, hiring local and foreign workers and LGBTQ considering the EU and US markets.

LG Electronics' ESG vision of "Better Life for All" comprehensively cover many aspects of each strategic task in ESG. The international community is strengthening disclosure. Accordingly, LG Electronics is trying to enhance transparency by expanding what it discloses in its Sustainability Report. I want LG Electronics to prioritize ESG activities that reflect stakeholders' opinions and continue to discover them.

Looking at LG Electronics' ESG performance in the electronics manufacturing industry, the company is evaluated as excellent in the field of environment and governance, and very excellent in the social field. I can give the company a high score in terms of the GHG reduction target set by SBTi [Science-Based Target initiative](#) in the environment area, as well as supply chain management in the social area. I recommend taking a more detailed and precise approach in regard to supplier engagement activities related to climate change and renewable energy in the future.

Major & Minor Inquiries about LG Electronics' ESG Management

— Comprehensive Q&A about LG Electronics



I often saw the LG logo at home. What does LG Electronics do?

Elementary school student, 11 years old

LG Electronics manufactures almost every kind of home appliance that you might use. You can find LG Electronics products in almost every household, from TVs and air conditioners to washing machines and multimedia.



I hear a lot about ESG management these days.

What is ESG management? Why is ESG management so important?

High school student, 18 years old

ESG, which stands for Environment, Social, and Governance, has become a major indicator for evaluating corporate value. It is a corporate activity that takes into account environmental and social factors with regard to sustainable management and shared growth.



For what purposes, does LG Electronics manufacture its products?

College student, 20 years old

LG Electronics management philosophy is based on the principles of "People-Oriented Management" and the "Customer-Value Creation" for a "Better Life for All". Our goal is to enhance the quality of life for consumers by providing them with products that make their lives happier and more convenient.



I want to know about LG Electronics' ESG management in more detail.

What do you care about the most?

College student, 22 years old

LG Electronics is committed to upholding trust-based management by prioritizing environmental and social values. As regards our environmental values, we are working towards achieving carbon neutrality, utilizing renewable energy, implementing a circular economy through waste recycling, and developing eco-friendly products and services. Concerning social values, we are enhancing risk management in our supply chains, promoting diversity-based organizations, and developing easy-to-use products and services that cater to everyone.



I wonder how committed LG Electronics is to securing diversity in gender, disability, and race.

Job seeker, 26 years old

LG Electronics recognizes diversity indicators for human and labor rights as essential components of corporate management and value realization. We have set specific targets for the employment rate of individuals with disabilities and the percentage of female employees. Our goal is to have women make up 20% of our workforce and individuals with disabilities 3.5% by 2030. To further support this initiative, we are implementing an education and development system to continue reinforcing these goals.



Nowadays, carbon neutrality seems to be an important issue in terms of environment.

What is carbon neutrality, and how can it be accomplished?

Postgraduate student, 28 years old

Carbon emissions originating from the various stages of a product's lifespan, including its development, production, distribution, usage, and disposal, largely contribute to global warming. To counter this, carbon neutrality entails reducing carbon emissions and absorbing any remaining carbon to create a zero balance. LG Electronics aims to realize carbon neutrality by 2030 by improving its production processes, implementing energy-saving technologies, using renewable energy, and developing eco-friendly and recycled materials.



As an ecologically conscious consumer, I consider environmental friendliness and sustainability when purchasing. Can you provide information on how LG Electronics is achieving these objectives?

Bride-to-be, 32 years old

As part of our commitment to sustainability, we are currently implementing a strategy for replacing our products' plastic and synthetic resin parts and exteriors with eco-friendly materials. We are also working towards developing more environmentally-friendly packaging materials, and have efficiently changed the size of our boxes to reduce the use of packaging materials. Moreover, we encourage consumers to participate in collecting waste appliances and batteries to promote eco-friendly activities.



How does LG Electronics manage its suppliers' ESG risks in the supply chain?

Investment professional, 35 years old

LG Electronics prioritizes reducing environmental and social risks in its supply chain, including all suppliers involved in procuring raw materials, production, and distribution. To achieve this goal, we have implemented supply chain ESG risk management program based on a voluntary initiative called the Responsible Business Alliance^{RBA}, which creates industry code of conduct and screening standards that cover labor, safety and health, environment, ethics, and management systems. As for our suppliers, we use a self-inspection system and on-site audits to ensure compliance with our ESG management standards. Through this, we issue ESG Management Conformity Certificates for suppliers and strive to strengthen the management system by establishing a greenhouse gas inventory within partner companies.



I pay a lot of attention to recycling when disposing of waste.

What is LG Electronics' recycling process?

Single-person household, 38 years old

LG Electronics is committed to waste reduction and strives to recycle resources as much as possible by collecting waste generated during the manufacturing process, collecting e-waste, and recycling packaging materials.



Electronic products can be rather complicated to use.

Is there a way for people like me to use them easily?

Senior citizen, 74 years old

As the leading global manufacturer of home appliances, LG Electronics recognizes the importance of usability and accessibility. We strive to deliver optimal usability for everyone, including senior citizens, children, people with disabilities, and single-person households. Our approach involves various methods, such as specialized counseling services, voice and subtitle recognition, quick setting functions, Braille stickers for the visually impaired, and sign language broadcasts.

ESG Management Footprint of LG Electronics



Establishment
of Goldstar

1958

Development of the world's
first computer-color TV

1979

Declaration of the
environmental policy

1994

Adhesion to the
UN Global
Compact

2009

Declaration of the company's goal of
achieving Carbon Neutrality by 2030

2019

Declaration of the company's 2023 ESG Vision
(Better Life for All) at the CES

2023

100% conversion
to renewable energy

2050

1965~69

Development of Korea's first
refrigerator, black and white TV,
air conditioner, and washing machine

1984

Sales exceed
KRW 1 trillion

Publication of the 1st Sustainability Report



2006

2012

Incorporation into
the DJSI World Index
(Top 10%)

2021

Establishment of the
ESG Committee

2030

Carbon
Neutrality



Key Business Units Leading LG Electronics

H&A Division



Our customers are

All customers who seek a healthy, convenient life and always want to create a richer daily life based on new and diverse experiences.

The customer value we create is

To create a sustainable and healthy living environment by identifying potential customer needs throughout the consumer experience, providing new and diverse customer experiences, and introducing environment-friendly and convenient products.

H&A [Home Application & Air Solution](#) Division researches and develops innovative technologies based on our understanding of customer cultural characteristics and lifestyles worldwide and contribute to a better life for them through market-leading products.

HE Division



Our customers are

All customers who want to experience the best pleasure and differentiated satisfaction through the products and services of HE Division.

The customer value we create is

To make our customers' lives comfortable, beautiful, and enjoyable by applying our personalized, optimized, and specialized solutions. Furthermore, it is to increase the use of recycled raw materials and design products for easy and convenient use by anyone so that all customers can manage a better life.

HE [Home Entertainment](#) Division is committed to providing a better life to customers from the perspectives of wellness, beauty, and entertainment. We intend to provide a touching experience to our customers' daily lives through webOS-based content service, platform business, and devices such as TV, AV, and home beauty.

LG Electronics consists of four divisions each of which provides the best value to customers based on its core competencies.

VS Division



Our customers are

Those who dream of a world created by new mobility, and create the future together to realize that dream.

The customer value we create is

To provide a safer, more comfortable, differentiated, and sustainable experience for all customers through a new and better mobility experience.

VS [Vehicle Component Solutions](#) Division researches and provides various products, experiences, and services that constitute future mobility, including auto parts supply.

BS Division



Our customers are

Partners, corporate customers, and consumers wishing to be provided with products and solutions that reflect innovative customer experiences and values.

The customer value we create is

To provide corporate customers with products and solutions that prioritize customer experience, while also considering environmental and social values from a B2B perspective. This ensures that end users have a positive experience.

BS [Business Solutions](#) Division, as a business partner, focuses on customer experience and trust. We propose products and solutions to corporate customers with the aim of achieving mutual growth and support.

3C × 3D Strategy for ESG Management

Better Life for All

LG Electronics thinks about the kind of impact a company should have on people, the earth, and the next generation, and accordingly suggests ways to respect human beings, and create a better environment.

Life's Good.

For the Planet



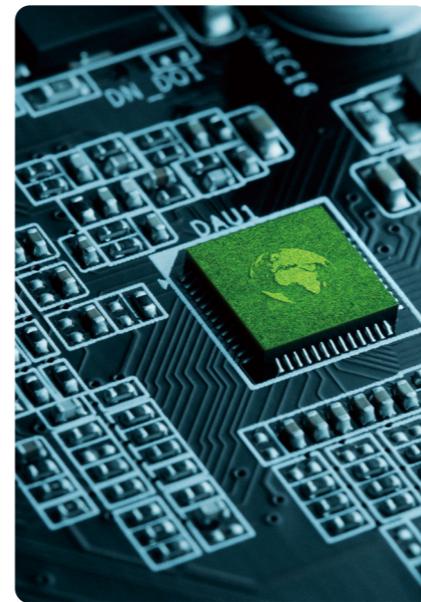
Carbon Neutrality

Carbon Neutrality
Transition to
Renewable energy



Circularity

Waste recycling
Collect and recycle
e-waste



Clean Technology

Develop energy-efficient
efficient products
Use eco-friendly materials

For People



Decent Workplace

Ensure supply chain
safety, health, and labor
rights



Diversity & Inclusion

Foster more female
recruits
Increase recruitment of
people with disabilities



Design For All

Improve product and
service accessibility

Strategies for the Environment



01

Carbon Neutrality
(realization of carbon neutrality and transition to renewable energy)

LG Electronics aims to reduce its greenhouse gas emissions by improving its production processes, adopting energy-saving technologies, using renewable energy sources, and achieving carbon neutrality through carbon credits from the United Nations, etc. In addition, we aim to achieve RE100 **Renewable Energy 100%**, which means obtaining 100% of our power consumption from renewable energy such as solar and wind power, by 2050.

220,000 tons

Reduction of Carbon emissions
(compared to the previous year)

8.2%

Renewable power conversion

02

Circularity
(recycling waste and collecting/recycling e-waste)

LG Electronics recycles the waste generated by its production sites and acquires landfill-free certifications for all Korean business sites, in accordance with our goal of achieving a recycling rate of at least 95% by 2030. LG Electronics also collects and recycles electronic waste products over the globe and recycles them into products that consider the planet. LG Electronics uses recycled materials in its product manufacturing and packaging, and also campaigns to collect e-waste and batteries.

3.99 million tons

E-waste take-back
(accumulated from 2006)

94.5%

Waste recycling rate

03

Clean Technology
(energy-efficient products and eco-friendly materials)

LG Electronics manufactures high-efficiency energy products in order to reduce functional unit of carbon emitted during its use. Functional unit carbon emission refers to the value obtained by dividing the amount of GHG emitted during the average period of product use by the functional unit of the product. For example, a refrigerator's GHG emissions are expressed per liter while a washing machine's GHG emissions are conveyed per kilogram. We have set itself a reduction target for carbon emissions generated from product use, and received the first ever approval from the SBTi **Science Based Targets initiative** among Korean home appliance manufacturers.

59,000 tons

Recycled plastics (accumulated from 2021)

13.1%

Reduction of functional unit of Carbon emissions at use stage¹⁾
(compared to 2020)

1) TV, Refrigerators, Washing Machines, Dryers, Residential Air Conditioner (RAC), System Air Conditioner (SAC), Monitors

Practices and Achievements toward Carbon Neutrality



Building with integrated clean technologies Eco-friendly North American Headquarter Campus

This building, the construction of which was completed in 2020, is a green campus where eco-friendly products and technologies are concentrated. It has maximized energy efficiency by applying BEMS¹⁾. In addition, 3,257 solar panels are installed on the rooftop, which produce 30% of the building's energy. The building is also recognized for its community-friendly features, including the planing of 1,500 trees native to New Jersey in the verdant surroundings of Palisades Park, New Jersey, as well as an artificial pond and walking trail designed to prevent flooding. The interior of building is constructed with bamboo materials, demonstrating its commitment to sustainability as an environmentally-friendly structure. The building interior uses bamboo materials, showing sustainability as an eco-friendly building. The North American Headquarter Campus received the highest grade of Platinum, in LEED [Leadership in Energy and Environmental Design](#), an international green building certification system. Platinum is given to only 1% of the examined candidates, further confirming the value of LG Electronics North America's eco-friendly buildings.

1) Building Energy Management System: An IT-based method for efficient energy saving and operation to manage building facilities and systems such as electricity and security. All facilities in the building are measured in real-time, and the entire building can be automatically controlled and managed through monitoring.

Factory powered by 100% renewable energy Tennessee Factory in North America

The Tennessee Factory in North America, which was completed in 2018, was the first home appliance factory in the United States to be selected as a Lighthouse Factory. Selected World Economic Forum for factories worldwide since 2018, Lighthouse Factories refer to leading the future of the global manufacturing industry by actively introducing cutting-edge technology, just as lighthouses guide the way by shining a light. The Tennessee Factory has added an intelligent autonomous system to LG Electronics' more than 60 years of manufacturing know-how. In particular, LG Electronics has been converting all energy used to renewable energy since 2021. As a result, carbon emissions in 2021 decreased by 63% compared to the previous year. Moreover, LG Electronics uses BECON²⁾, a building energy management solution, to save energy by optimizing the operation of high-efficiency utility facilities that supply electricity, steam, and heat.



2) Building Energy Control: The building energy management solution can immediately check energy information and status and control each facility type by combining the optimal solution. The solution is tailored to fit the characteristics of the building, type of equipment, and environment.





Effect of planting 20,000 trees every year Changwon LG Smart Park Solar Power Plant

In partnership with GS EPS, the Changwon LG Smart Park is installing a power plant on the rooftop of the building. This activity is a part of the strategy to achieve RE100, which aims to replace all the energy consumption of companies with renewable sources. LG Electronics and GS EPS, the first Korean companies to develop it, are setting an example in creating a new business model for the environment. Two companies are planning to install 10,000 solar panels on the rooftop of the LG Smart Park's integrated production building, covering an area three times larger than a soccer field, by 2025. The power plant will have a total capacity of 5 MWh, sufficient to replace over 10% of the energy consumed annually by the LG Smart Park. Once completed, the facility will help reduce GHG emissions by around 3,000 tons annually, equivalent to planting roughly 20,000 trees per year.



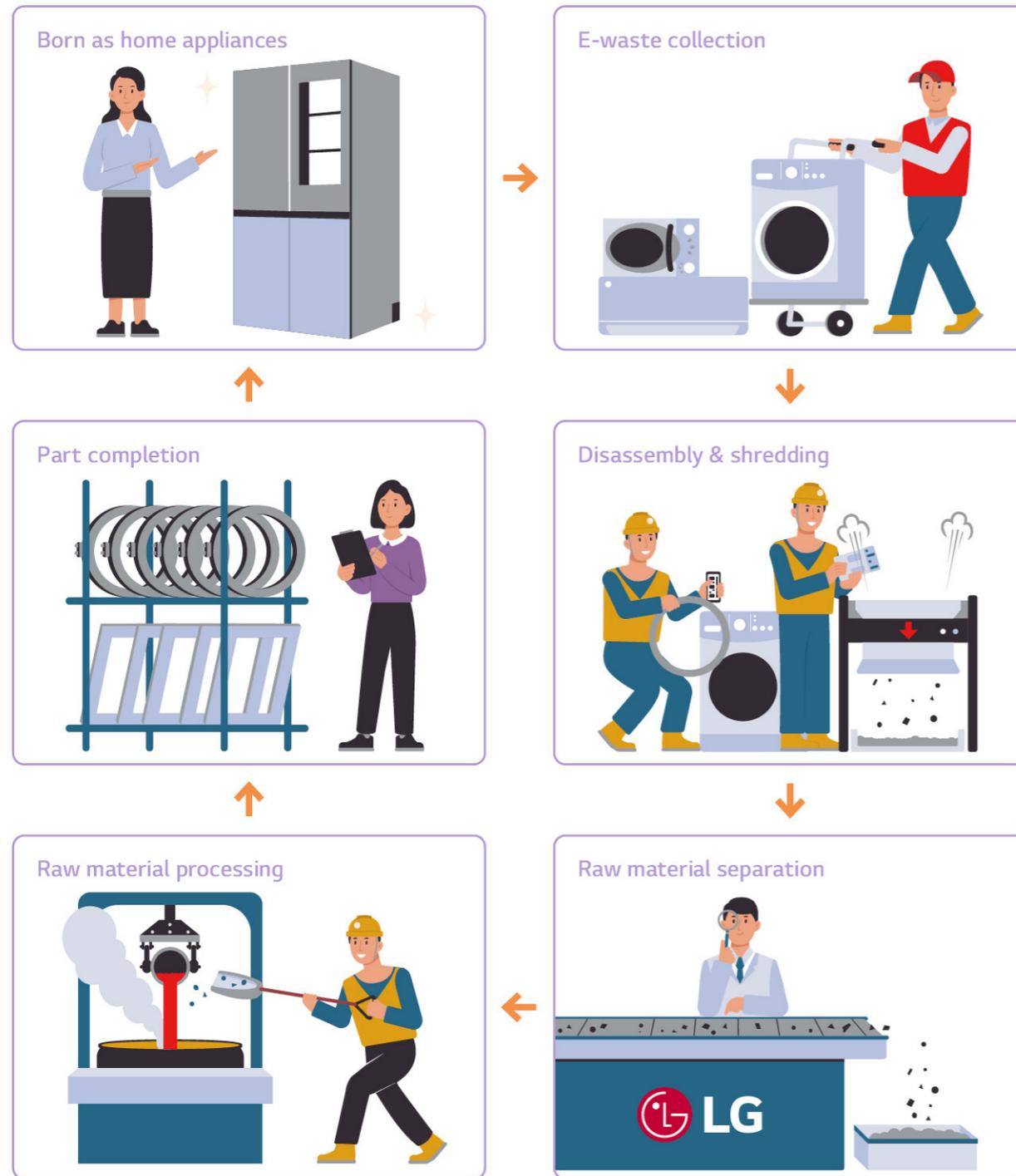
Devices for energy-saving buildings Changwon Energy Storage System^{ESS}³⁾

Considered a benchmark case of eco-friendly and renewable energy buildings, Changwon LG Smart Park is equipped with an ESS for peak reduction. The ESS is a device that uses electricity efficiently by storing power late at night and discharging it during daytime peak hours. This system, the fruit of collaboration between Korea East-West Power and LG Electronics, significantly reduces both electricity costs and GHG emissions. It is also an excellent way to utilize electricity efficiently during late-night hours when electricity usage rates are relatively low. It is expected to reduce electricity costs by KRW 77.4 billion over the next fifteen years. The facility also has a battery capacity that can replace 15% of the total daily average electricity consumption of LG Smart Park.

3) Energy Storage System: A storage device that can generate and store electricity at a designated time and use it during a required time, and which has the capacity to store hundreds of kWh of energy. It can also be combined with renewable energy sources, such as solar or wind power, and can use electricity by allocating power during peak time according to an electricity rate plan. It helps to prepare for potential large-scale power outages or unexpected situations in which an alternative power supply may be required.



Process of Recreating and Renewing Waste Appliances



LG Electronics pursues a 'sustainable cycle' that actively practices eco-friendliness throughout the entire lifecycle of home appliances, ranging from product manufacturing to packaging, use, and disposal. Through these processes, we contribute to reducing carbon emissions by extracting new resources from discarded home appliances and using them for the exterior of products or parts.

LG Styler Objet Collection ShoeCare and ShoeCase, launched in 2023, LG PuriCare Aero Furniture and LG Tiun Mini, a home appliance that makes you become a 'butler', launched in 2022 are representative of 'sustainable home appliances' that utilize recycled plastic.



A recycling process in which e-waste are reinvented into new resources

E-waste collection

We collect discarded refrigerators, washing machines, air conditioners, and others in one place.

Disassembly and shredding

After disassembling the components of collected e-waste, we shred them into uniform sizes.

Separation and processing of raw materials

We select raw materials that can be recycled from disassembled and shredded e-waste. Steel that sticks to magnets is sorted first, followed by aluminum, copper, and plastic. Waste plastic is transformed into resin pellets, a raw material for recycled plastic, through an additional process.

Reinvented as a new home appliance

The resin pellets are melted to become recycled plastics for producing LG Electronics' new products.

LG Electronics' Story about Sustainability in the Field



Interview with Oh Hyun-sook

Professional Researcher,
H&A Advanced CMF Task of H&A Design Lab

What is the Advanced CMF Task at H&A Design Lab?

CMF stands for Color, Material, and Finish. Therefore, the CMF Task is responsible for surface treatment design, which determines a person's first impression of a product, and for research on CMF trends and expression solutions. CMF plays an important role in stimulating consumers' emotions through the five senses, as the same material can deliver completely different emotions depending on the finish. In particular, we concentrate on our customers' increasingly segmented tastes and diverse lifestyles.

What kinds of ESG-related research has the CMF Team focused on recently?

Our design work is focused on eco-friendliness and waste reduction to promote sustainability and the circular economy. Ongoing challenges include the application of recycled materials, the development of alternative materials, and actual application to products in consideration of material supply, production, and characteristics. Companies are leading the way in developing materials that consider both the environment and consumers, and changes in consumers' perceptions of value consumption are accelerating the development of material designs.

The environmental impact of design in the product cycle is far greater than expected. Many companies, including LG Electronics, have already embraced the shift towards eco-friendly design. I believe these changes in eco-friendly design will ultimately create a butterfly effect and have a positive impact on the environment.

LG PuriCare Objet Collection's Aero Furniture and Shoe Care became a hot topic of conversation due to the application of recycled plastic to the product exterior.

We have expanded the use of PCR^{Post-Consumer Recycled} plastic, which was previously limited to parts, to the entire product exterior. Moreover, our design visualized the terrazzo texture by mixing various mineral particles so that consumers could intuitively recognize that it is eco-friendly.

How do eco-friendly materials differ from conventional materials in terms of their implementation and design application?

Consumers need to understand the characteristics of the material itself. Paper straws are a good example in this respect. They dissolve in water better and are easily bent compared to conventional plastic straws. However, there are fewer customers than anticipated who want the same level of quality as conventional straws, because they have a basic understanding of environmental protection.

Eco-friendly materials still have quality, cost, or design limitations, which is clearly a major challenge for the future.

The environmental impact of design in the product cycle is far greater than expected. But the start of that change is possible from the raw material. Many companies, including LG Electronics, have already embraced the shift towards eco-friendly design. I believe these changes in eco-friendly design will ultimately create a butterfly effect and have a positive impact on the environment.

How will LG Electronics realize sustainability through its products in the future?

We are currently preparing our next products. As with Aero Furniture and Shoe Care, we will review the use of eco-friendly materials from the beginning of design planning. Our ultimate goal is to launch an iconic collection of ESG design edition rather than a single product release. We aim to design products that satisfy environmental awareness, design, and functionality. We will continue with our research in the hope that consumers will naturally think of eco-friendly design as the keyword whenever they see LG Electronics products.

Eco-Friendly Preemptive Technology for the Environment



01

For zero ozone layer destruction Heat pump technology

A heat pump technology applies next-generation eco-friendly refrigerant, R290. The Ozone Depletion Potential (ODP) of the refrigerant is 0, and the HVAC system that replaces the boiler can be heated and cooled with wind, ground, or water-sourced energy. The system can save 80% of energy compared to conventional heating and cooling systems. As demand for high-efficiency heating and cooling systems has increased in the European

market due to stricter environmental regulations, the demand for heat pumps is also expected to grow. In 2022, LG Electronics saw a sales increase of over 120% for air source heat pumps in Europe compared to the previous year. More than two-thirds of the European countries where LG Electronics operates its air conditioning business experienced more than doubled in its sales.

02

To save more than 130 Billion liters of water Energy Star Certification

The products that LG Electronics sold were optimized for environmental and energy conservation, such as GHG emissions and water reduction. The ENERGY STAR Awards given by the U.S. Environmental Protection Agency and the Department of Energy are presented to businesses and organizations to confirm their outstanding contributions to protecting the environment through superior energy efficiency achievements annually since 1993. LG Electronics has been selected for the Award 10 times from 2012 to June 2023. LG Electronics Energy Star-certified products have reduced 3.7 million tons of GHG emissions during their lifetime, and LG Electronics washing machines and dishwashers have conserved more than 130 billion liters of water. For reference, 3.7 million tonnes of GHG are equivalent to the total GHG emitted by 702,770 cars, and LG Electronics washing machines and dishwashers have conserved over 130 billion liters of water - an amount that could fill 53,000 olympic-sized swimming pools.



03

Upgrade your mindset as well to care about the environment Upgradable appliances

LG Electronics' upgradable appliances correspond to products that are continuously upgraded by adding new functions, rather than simply using and managing them. Eco-friendly upgradable home appliances include an energy-saving dishwasher course and a microplastic care course for washing machines. The dishwasher's energy-saving cycle has a washing power similar to a standard cycle, but uses about 20% less electricity. At the same time, the washing machine's microplastic care course reduces microplastic discharge from damage to synthetic fibers by 70% due to minimizing the friction of cloth during washing. According to the IUCN International Union for Conservation of Nature, 35% of the world's marine microplastics are generated from synthetic fibers that



are damaged by washing. It is a fact that microplastics discharged into the ocean end up contaminating the marine ecosystem and ultimately get consumed by ourselves through the seafood to eat. With this upgrade, LG Electronics has the technology to respond one step ahead of microplastic-related legislation worldwide.

04

Reduced, recycled, and lightened LG OLED evo

Models in the LG OLED evo series boast lighter weight and stronger durability, applying composite fiber material⁵ and metal. These materials contribute to less plastic use, with the LG OLED evo series TVs requiring only 40 percent of the plastic that is used in LCD TVs of the same screen size. Thanks to these efforts, LG has effectively curbed its plastic use by 20,000 tons this year. The bracket covers on the back-end and other parts of LG Electronics' OLED, QNED, and Nanocell TVs are made of recycled plastics that contain more than 30% waste plastic. We expect to recycle 3,200 tons of plastic waste from TV products alone on an annual basis. We prioritized the environment in the production process and consumption by end-users by increasing the energy efficiency of all 2023 LG OLED TV models by about 40% compared to the initial model and having all 2023 LG OLED Evo models acquire environmental certification from the UK Carbon Trust and Swiss Societe Generale de Surveillance for three consecutive years.



05

Future Power to Protect the Environment Glass powder

As future growth engines, LG Electronics continues to develop functional materials, such as antibacterial and completely water-soluble glass powder. Glass powder is made up of small particles generated by crushing glass and has high material stability and durability. The oven launched in North America in 2013 has an "easy clean" function that makes it easy to clean the inside by coating the metal surface with functional glass powder. Since 2022, antibacterial glass powder has been used on refrigerators, washing machines, and air conditioners. This powder is extremely suitable to a variety of materials and is especially helpful for handles that come into touch with the body. Water-soluble glass powder changes into inorganic ions when dissolved in water, which accelerate the growth of microalgae and sea algae, and can also be used as a substitute for red clay spread in the sea during red tide.



06

Embedded Artificial Intelligence on Key Parts Inverter DD motor

The inverter DD ^{Direct Drive} motor, a key component of LG Electronics' washing machines, directly connects the motor and the washing tub to reduce noise and energy consumption dramatically. The simplified product structure has reduced manufacturing steps and increased durability, making it a key part of premium laundry appliances. The inverter DD motor is also applied to the dryer to support various washing modes, such as delicate hand washing, and reduce damage to clothes by applying six drying methods. The fourth-generation DD motor has further increased energy efficiency by changing the material of the coil wound around the motor to an electrical steel sheet material. AI with deep-learning technology has been applied to the motor since 2019 to determine the material and weight of the cloth. To reduce power loss, LG Electronics' air conditioners and refrigerators use DD motors in



addition to high motor efficiency technology, which is automatically tailored to motor speed and movement type.

07

Reusing with Purpose Recycled packaging

Product packaging issues represent a good example of the tail wagging the dog. Unnecessary and excessive packaging materials and materials that are difficult to recycle are also the main culprits of environmental pollution. LG Electronics has switched from styrofoam to expanded styrofoam as a buffer material, which reduces environmental pollution and collects and reuses it. Our vacuum cleaner, A9, air conditioner outdoor unit, U60A, and Kimchi refrigerator, Victoria are all packaged with recycled cardboard and pulp mold. Recycled paper is utilized in wireless speakers, earphones, and soundbars. For all TV goods, including OLED TVs, we employ packaging materials that are free of color ink, and for remote-control packaging, we use bio-materials that degrade when buried in the ground. We plan to gradually expand eco-friendly packaging materials by 2030 and gradually change the use of paper buffers, which originated with small products, to



a single packaging design using pulp mold or paper material.

Strategies for People

Decent Workplace (improvement of the working environment of all business sites and suppliers)

By implementing the RBA¹⁾ management program, LG Electronics has committed itself to maintaining a physical and ethical work environment across all production sites. The program aims to proactively identify and address potential non-compliance risks across all production sites by 2030. We also undertake internal audits and on-site reviews to analyze our suppliers' ESG management practices, including GHG emissions, and offer training and consulting services to assist companies enhance their ESG performance even further.

1) Responsible Business Alliance: Global initiative that sets standards for corporate social responsibility and ESG-related actions in the global supply chain

93.3%

Acquire Health and Safety management system (ISO 45001) certification for production sites

77%

Ratio of Production sites with no critical non-conformance (based on RBA audit)

0.7%

Ratio of high risk suppliers (based on self assessment)

Diversity & Inclusion (pursuit of diversity in human resources)

LG Electronics is committed to fostering a DEI *Diversity, Equity, Inclusion* organizational culture. Our goal is to create an environment where everyone is acknowledged as a valued member, feels a sense of belonging, and is given opportunities to excel. To this end, we have set the measurable DEI indicator of recruiting individuals with disabilities (to represent 3.5% of its workforce) and women (20% of its workforce) by 2030.

14.3%

Ratio of female employees (Korea)

2.4%

Ratio of employees with disabilities (Korea)

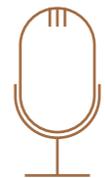
Design for All (improving the accessibility of products and services)

LG Electronics develops technologies to make its products and services accessible, and provides services such as a disability advisory group, sign language counseling services, and Braille stickers on appliances. Future products will incorporate universal design technology, and LG Electronics continues its dedication towards making life better for everyone—including those with disabilities, the elderly, and young children.

Product accessibility



Household appliances
9 voice-enabled products,
5 voice-enabled products



TV
Voice dual output,
remote controller instructive,
shortcut to accessibility features etc.

Service accessibility



Distribution of braille stickers, product manuals based on sign language/video/audio, Sign Language Consultation Center, Digital sign language service etc.

Efforts to Create a Desirable Work Environment

Employees' health and happiness as the drivers of future value creation

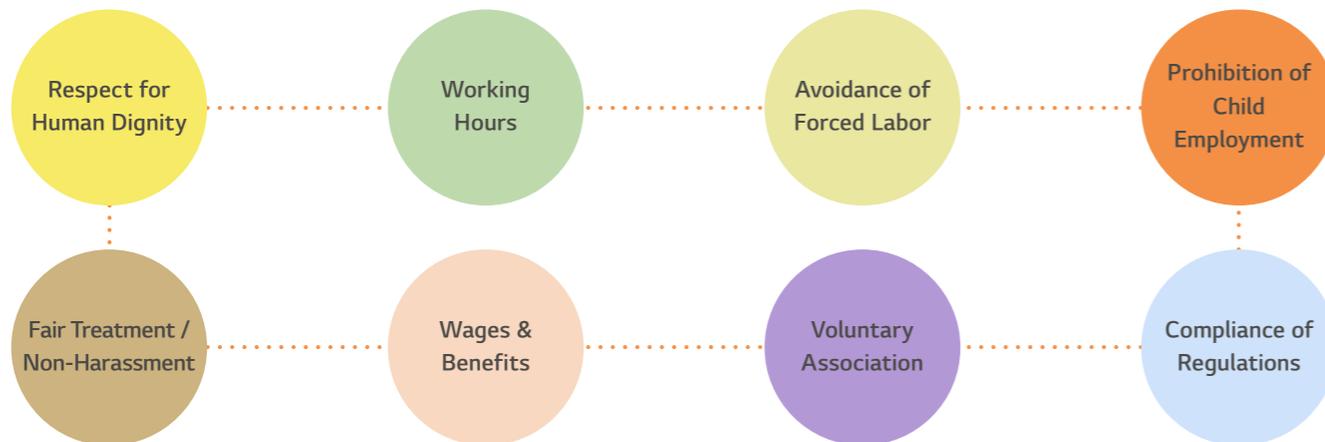


Security is more than simply hardware and site management. The working atmosphere and conditions are also critical. LG Electronics has clear standards for workers' rights and guarantees working conditions for all of its workers, suppliers, and employees.

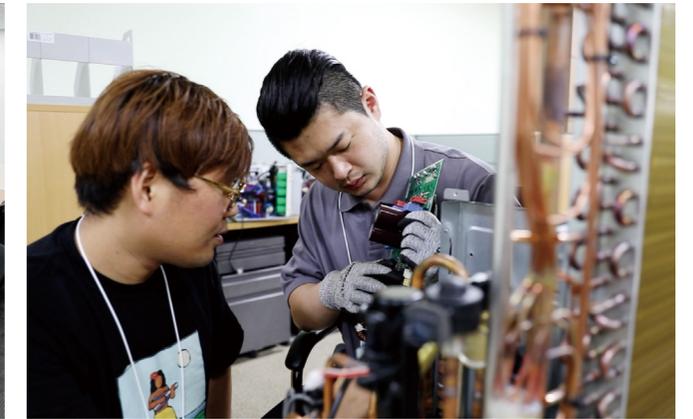
LG Electronics makes available on its website relevant policies such as the Global Labor Policy, Supplier Code of Conduct, and the Safety & Health Management Policy, all of which are intended to foster a safe and happy working environment.

The remuneration, personal growth prospects, and expectations are then established. In addition, we offer complete health benefits such as first-rate medical insurance, wellness programs, and access to medical facilities. For welfare benefits, we continue to support the flexible work system, strengthen childcare facilities, and support employees' self-development and growth.

Core Elements of LG Electronics Global Labor Policy (revised in 2021)



Continued Efforts for Cooperation



LG Electronics has implemented a Supplier Code of Conduct based on ethical business practices, and it continues to push for transparency and cooperation in the quest of equal and ethical labor rights. We monitor standard compliance through frequent evaluations and audits, and where necessary, we offer advice and resources to improve business practices.

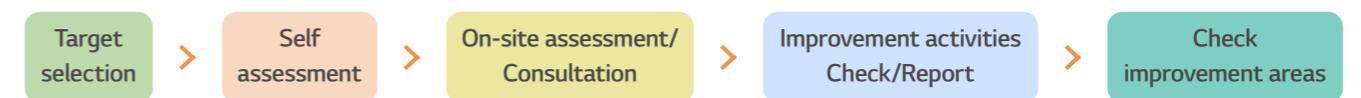
LG Electronics is a member of RBA [Responsible Business Alliance](#) and uses it as a quantitative standard. In recognition of its continued efforts to improve the workplace environment and employee welfare, it has been recognized as gold grade by EcoVadis (an organization that evaluates the sustainable supply chain of companies).

Governance Overview

Risk management based on RBA

- Use of common checklist items
 - Target group: All production sites, first-tier suppliers, outsourcing companies, and non-manufacturing suppliers (call centers/logistics operations)
- Operates a consulting program to facilitate and support business site improvement activities

Integrated Work Environment Management Process



Prioritizing safety at production sites



Compliance with safety principles and risk prevention at workplaces are fundamental, but they are even more important for LG Electronics.

Predicting factory operational concerns and securing sites are vital ESG responsibilities not only for LG Electronics, but also for all suppliers involved in manufacturing and production. Executives from each division at LG Electronics undertake a regular “safety walk” to inspect and measure the site in compliance with safety management rules. In response, each business site has installed an accident-free status board to raise safety awareness.

Moreover, LG Electronics has a strong health and safety program that identifies the characteristics of each job that may expose workers to accidents, injuries, and risks. It includes regular safety training/education, risk assessments, and provision of protective gear/equipment and ergonomic workstations.

“We need to strengthen the noise control standards at work sites

– Head of the H&A Division

“Following basic principles is essential in any work situation.”

– Head of the HE Division

“We must strive to continuously improve safety awareness and prevent onsite safety accidents in workplaces.”

– Head of the BS Division

“Inspections and preventive measures for safety and fire prevention are a top priority.”

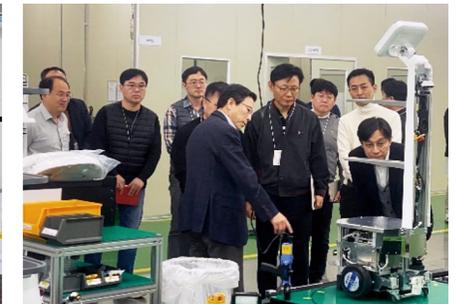
– Head of the VS Division

“Safety checks and basic compliance in advance leads to positive outcomes in research laboratories.”

– Director of the Institute of Production Technology

“A priority is the operation of fire protection equipment and the operation of fire prevention activities.”

– CTO





The Youngest female executive

Shin Jeong-eun

Managing Director of the LDF **Life Data Fusion** Department,
B2B Advanced Technology Center of LG Electronics CTO Office

I want to become a female leader who is committed to building a corporate culture that fosters diversity and inclusion, instills confidence in lab members, and creates a sense of belonging.

What is your current job?

We use big data to develop smart homes and technology tailored to our customers' segmented lifestyles and situations. We thoroughly examine consumers' daily routines both inside and outside their homes, with a primary focus on combining data from various industries and determining the value of the converged data using cutting-edge AI-based technology.

When did you join LG Electronics, and what was your first job?

I joined the Multimedia Lab of LG Electronics' CTO Office in May 2010. Initially, I was in charge of researching and developing a camera image processing technology capable of detecting the situation around a vehicle and pedestrians during parking. This advanced technology provides protection for pedestrians thanks to the installation of front and rear cameras in the vehicle. LG Electronics has long been active in providing support for the development of sophisticated technologies, specifically for smart car parts, which has emerged as the future growth engine of the VS **Vehicle Component Solution** Division.

As a female executive, what kind of organization do you feel LG Electronics is?

Although there has been a rise in the percentage of female executives recently, they remain in the minority. Standing out in large companies such as LG Electronics can pose a challenge. On top of that, being the youngest female executive (Shin Jeong-eun was born in the 1980s) carries a sense of weight and responsibility. However, as a young executive, I find it relatively easy to work freely and comfortably with MZ generation employees. LG Electronics' open environment and culture provide ample opportunities and support for young talented juniors, which has a positive impact. This year, after providing employees with many mentoring courses, our lab appointed a female team leader who was born in the

1990s, which was very significant for me. It's thrilling to see how much support the youngest female team leader receives from those around her. As a result, I am excited to see the expectations and challenges that female talents bring to the table.

How would you like to lead your department in terms of diversity?

When I established the lab, diversity and inclusion were my top priorities. Currently, 52% of the lab members are women, and we have appointed competent female leaders who were born in the 1990s, and young leaders, based on their performance. Additionally, we recruited researchers from various non-specialized fields who were eager to become data experts and are now growing into highly competent professionals. True changes are necessary to create a diverse and inclusive corporate culture. As a result, I aspire to be a female leader who is dedicated to creating a corporate culture that values diversity and inclusion, instills confidence in lab members, and fosters a sense of belonging. Our lab members are valuable resources and the future driving force of innovation.

Can you outline your ideas about the future direction of LG Electronics' diversity and inclusion (nurturing female talent, etc.)?

It is becoming increasingly clear that a diverse and inclusive corporate culture is essential for a company's long-term growth. As a global enterprise, LG Electronics values and respects all human differences, including gender, ethnicity, race, age, social class, moral value systems, and political beliefs. LG Electronics has implemented programs and systems to nurture young, key, and female talents. We intend to create an organizational culture that values their expertise and autonomy while also promoting diversity synergy as a key organizational capability.



The first female head
of the global R&D Lab

Lee So-yeon

LG Electronics Indonesia HE R&D Lab

I heard that the R&D Lab in Indonesia is a key player in the Southeast Asian market. Could you tell us more about it?

LG Electronics HE's R&D Lab is responsible for TV model development. The construction began in January 2022 in Indonesia's Cibitung region and was completed in July 2023. As LG TV Indonesia's production subsidiary became the main factory, the entire production infrastructure was built in Indonesia. The R&D lab was also established in Indonesia to maximize product competitiveness and responsiveness. My job entails developing and producing synchronized models, from the initial design in Korean R&D to global and regional development at the Indonesian R&D Lab.

Do you feel that LG Electronics is making good progress in terms of ESG management and employee diversity?

Effective ESG management necessitates a comprehensive approach that prioritizes genuine diversity and inclusion over simply signaling one's virtue to improve ESG evaluation rating. LG Electronics is committed to promoting true gender equality by consistently increasing the number of female leaders on the basis of fair evaluations, regardless of gender. Furthermore, we are enhancing our childbirth and child-rearing policies to enable female employees to demonstrate their abilities and contribute to the organization's success.

You are an excellent example of a woman who began her career as a hardware engineer and progressed to become an executive. It is a remarkable achievement in a field where the proportion of female engineers is relatively low.

I worked at the TV R&D Lab, where I was involved in developing webOS TVs and OLED TVs among other things. The electronics industry has a gender imbalance, resulting in few female engineers. However, I am grateful that LG Electronics gave me an equal opportunity and a fair evaluation, allowing me to grow steadily. As the first female head of an overseas subsidiary, I feel a great sense of responsibility. Being recognized for my work experience and abilities, as well as being assigned to work as an expatriate, will open up more opportunities for female juniors at LG Electronics.

How do you intend to lead the newly established R&D Lab in Indonesia?

I want to empower local Indonesian engineers to spearhead TV development. At the Indonesian R&D Lab, we work to promote diversity by giving people of all nationalities equal opportunities and job opportunities that foster professional development and a sense of community. Our ultimate goal is to develop fully localized TVs.

We strive to foster diversity by providing equal opportunities to talents of all nationalities, as well as provide job experiences to encourage professional growth and a shared vision.

For Designs that Advocate Inclusivity

“Hi, LG!”

Voice-enabled water purifier



Every water purifier user has had the inconvenient experience of repeatedly pressing the button to change the temperature of the water, requiring the use of both hands for operation, and being disappointed when the hot water does not return to room temperature after use. LG Electronics PuriCare Objet Collection has installed and introduced voice-enabled functions that audibly explains each functionality for the first time in South Korea. In addition to receiving water in 10ml increments, you can monitor how much water you've consumed in the last week and use the LG ThinQ app to register the temperature and volume of your favorite beverages, such as coffee or milk powder. When the end-user presses a function button, the function is explained audibly, making it easier for the visually impaired, the elderly, and children who are too short to reach the water dispensing button to use the product.

Simple usability for everyone,
OLED TV



LG Electronics strives to make its products more accessible to people of all genders, ages, and abilities. For 'TV for all', we run a disability advisory committee in collaboration with various institutions and individuals and actively incorporate their feedback into product development. LG Electronics offers a function called "Listen to TV Together," which allows hearing-impaired individuals to watch TV at varying volumes with their families using Bluetooth devices. In addition, we make effort to make product experiences easier and more convenient so that everyone can experience better usability in any situation, by providing simplified menu entry, remote control learn functions, and user manuals that are simple to understand.

For those who find the easy touch function the most difficult,
Braille sticker



Braille stickers developed by LG Electronics can be used for LG Electronics kimchi refrigerators, microwave ovens, air conditioners, washing machines, dryers, and more. We are making it possible to use products that were previously inaccessible, such as washing machines, by attaching braille stickers to important buttons such as power, start, and stop. LG Electronics' research on "accessibility" such as braille stickers is not only focused on creating new products, but also constantly considering existing products that have already been sold.

For a world without sound
Sign language consultation service



Since sign language is a completely different language, it's only natural to take it into account in consumer electronics. At LG Electronics, professional sign language interpreters provide sign language interpretation of conversations between service engineers and customers. The service began in 2021 as part of our initiatives to ensure that all LG Electronics customers can use our products easily and without difficulty. In the first year and a half since its launch, more than 1,500 cases have used the sign language consultation service. Customers can use sign language counseling by dialing a dedicated number with a wired/wireless phone having a video call function, and video calls can be made to the dedicated number from a messenger app such as KakaoTalk or the IMO¹⁾ The sign language counseling center is gradually expanding its coverage area for consultation, service, and rental. An important goal of LG Electronics' is to eliminate any obstacle or situation that can hinder product use.

1) The messenger application developed in 2005 is widely used as an office tool with voice and video functions.

Service reception for all
Digital human sign language guidance



The sign language assistance service that LG Electronics has been working on has now been digitized. It is a tool that enables customers with hearing impairments to receive services or continue with the service process in sign language via a kiosk at the service center's entrance. The digital human sign language guidance service considers the contour of the hand as well as the digital guide's facial expressions and movements, and it also offers text and voice services. The kiosks are currently available at 130 service centers around the country as part of LG Electronics' ongoing efforts to help individuals with impairments access its products.

User-friendly even for the elderly,
Senior citizen's program



No matter how advanced a product is made, it is worthless if it is too difficult to use. LG Electronics creates video manuals for seniors and provides a consultation service with visible ARS as well as slow-talk ARS delivered in large fonts to customers aged 60s and above who have registered at the Customer Center. Customers over the age of 70s are automatically routed to a dedicated team. Moreover, the Senior Customer Families Feedback Program is in operation, which sends relief texts to senior-aged customers' families or guardians and delivers detailed results on complaints. The goal is to share with family members and reassure them about the inconvenience they experienced and how it was resolved.

LG Electronics' Efforts Prioritizing the Environment and People

01



Saving the Global Earth

Since 2018, LG Electronics Iberia, which oversees Spain, Portugal, and other countries, has been planting trees in major areas of Spain through the Smart Green Project. The goal is to eventually plant more than 47 million trees per year, which is equivalent to the total population of Spain. From 2023, we plan to accelerate activities to save bees and protect the marine ecosystem. LG Electronics Indonesia has also planted 32,000 trees in three cities in collaboration with the Jakarta Natural Resources Protection Agency since 2022.

02



LG Ambassador Challenge

LG Ambassadors is a social contribution project that selects local residents as LG Ambassadors to generate ideas to solve community problems and help them be-

come self-reliant through local education, hygiene improvement, etc. Since 2017, the program has been running in six countries, including South Africa, Kenya, Cote d'Ivoire, and the Philippines. The ambassadors actively express their opinions on products and propose activities for their local communities. LG Electronics actively reflects their opinions and incorporates them into its products and services.

03



LG-KOICA Hope TVET College

LG Electronics established an educational institution in collaboration with the Korea International Cooperation Agency (KOICA). Its objective is to develop technical industrial workforce and aid in achieving economic independence. Starting in Ethiopia in 2014, we have expanded the program with classes in three regions of Cambodia in 2023. LG Electronics plans to expand it further in countries and regions to practice its ESG vision, Better Life for All.

04



The Global IT Challenge for disabilities

Since 2011, LG Electronics has been supporting the dreams and hopes of youth with disabilities who use IT to communicate with the world through the Global IT Challenge¹⁾ for Youth with Disabilities. About 4,000 of such youths from 28 countries have participated in this contest. Participants showcase their skills in PowerPoint and Excel, as well as autonomous driving, robotics, and more. Confidence building and networking with those having similar interests through the competition have been a highly valuable asset to the participants. In particular, winning an award in this competition presents an employment opportunity at LG Electronics

1) The Global IT Challenge is co-hosted by LG and the Ministry of Health and Welfare, and organized jointly by LG Electronics and the organizing committee of the Global IT Challenge for Disabilities.

05



Campaign for World Environment Day

On June 5, LG Electronics aired the plastic-reduction campaign video created by the UNEP on large-screen digital billboards in Times Square, New York City and Piccadilly Square, London in celebration of World Environment Day. It is one of the LG Hope Screen activities, in which LG Electronics screens public interest videos

produced by international organizations or NGOs. During this time, South Korea ran a campaign to gather used small- to medium-sized home appliances. Customers registered for the event by having their returned used appliances verified at an LG Best Shop in their area. Through a lottery, LG Electronics then provide three LG Puricare Air Furniture sets & 50 Tiiun Mini units. These products use recycled plastic from waste appliances.

06



Recycling exhibition in collaboration with artists

In 2022, LG Electronics held LG Waste to Wealth, a recycling exhibition for responding to climate change, at the Nike Art Gallery in Lagos, Nigeria. The exhibition was a collaboration between African NGO 'Solution 17' and local artists, utilizing the packaging of LG OLED TVs. Starting in 2022, LG Electronics has been using color-ink-free recycled packaging for all of its TVs, including OLEDs. This exhibition was a significant event that used ecofriendly materials for canvases, collage tools or decorative elements.

07



Global open innovation

LG Electronics' ESG partnership has expanded globally. The North American Innovation Center has increased its partnership with US healthcare businesses, as well as charging and energy management startups for electric vehicles. This is part of the 'Tasks for the Future' programme of the North American Innovation Center, which intends to engage with global startups in future business areas. LG Electronics' global infrastructure, supply chain, and network assist the collaborators, who were chosen through an open competition. We are pursuing global cohabitation and social solidarity for everybody through this initiative.

08



CES 2023

LG Electronics showcased its ESG achievements and mid- to long-term strategies at the 2023 CES International Trade Show. The exhibition center covered the entire process from production to recovery of LG products, and introduced various activities such as LG Smart Park, an eco-friendly energy facility, and eco-friendly packaging materials. In particular, the entire exhibition

center was made eco-friendly and accessible by applying Braille notation to signage in each zone for the visually impaired, lowering the height of signage in consideration of visitors using wheelchairs, and deploying LG Chloe guidebots that provide sign language docents and digital human sign language services.

09



Life's Good Awards

"Life's Good Award" is an awards ceremony that recognizes global startups or individuals who have contributed to LG Electronics' ESG vision of "Better Life for All." The assessment is based on the ingenuity and viability of ESG-based solutions, such as accessibility for people with disabilities and environmental protection. At the 2023 Life's Good Awards Ceremony, 334 teams from 61 countries competed in front of a jury panel, and the grand prize went to a Korean startup Dot which proposed Dot Pad, a display for the visually impaired.

10



Selected as the Most Sustainable Appliances

Consumer Reports, a renowned consumer newspaper in the United States, has named LG Electronics a recommended product in all five categories of washers and dryers in its Most Sustainable Appliances. The washing machine was chosen for its energy efficiency, since it was demonstrated to consume 25% less water than a standard washing machine and save up to 40% of water. LG Electronics was also named the “Most Sustainable Appliance Brand” by Greenbuilder Media, an American publication focusing on green building, for its eco-friendly goods.

11



LG Science Park

LG Science Park is the largest convergence research center in Korea, built in 2018 in Magok, Gangseo-gu, and received the Prime Minister’s Award for Energy Efficiency Improvement at the 2022 Korea Energy Awards. LG Science Park has been transformed into a world-class energy-saving research complex with 6,800 high-efficiency photovoltaic modules, energy storage system^{ESS}, geothermal heating and cooling system air conditioning, and energy-saving windows and insulation.

12



Cooperation for win-win growth

LG Electronics is dedicated to promoting mutual growth by strengthening ESG capabilities and manufacturing competitiveness, providing technology, funding, and training. We expanded the annual ESG capacity building activities from first & second-tier to third-tier suppliers in 2023 and provide support for obtaining certification for the ESG management competency suitability to reputable global certification bodies. We are also supporting suppliers to realize sustainable management by discussing concrete measures through various programs.

13



Selected as the Best Institution for International Proficiency in the Atmospheric Field

LG Electronics has been selected as the ‘Best Organization’ in the international proficiency assessment in the air field by the Environmental Resources Association^{ERA}. ERA is an international proficiency testing organization recognized by the International Organization for Standardization that evaluates the analytical capabilities and reliability of pollutants in environmental fields, from air to soil and water. Through this assessment, LG Electronics was recognized as having global-level air pollutant analysis capabilities in 10 categories of air, including heavy metals, volatile organic compounds, and hydrogen chloride.

14



Goldstar Electric Shop Renewal Center

To revitalize Gyeongdong Market, a traditional market, LG Electronics remodeled Gyeongdong 1960, a complex cultural space. This new hotspot is home to the refreshment center of Geumseong Jeonpasa, the predecessor of LG Electronics. Here, you can find various participation programs such as making eco-friendly flower pots from used disposable cups and making your own goods from recycled plastic extracted from waste appliances. Furthermore, all revenues from the sale of environmentally friendly goods created from recycled plastic are donated to the Gyeongdong Market Local Coexistence Fund.

15



Another House

LG Electronics has introduced Another House, a stay program with remodeled empty houses across Jeju Island. In addition to functioning as a place for lodging, it is also a space where visitors can personally experience LG Electronics’ premium home appliances. The program aims to revitalize Jeju by reviving abandoned houses and

allowing people to experience the benefits of LG Electronics products as well. The products displayed in the space include premium home appliances tailored to the preferences of visitors, home appliances for companion pets, eco-friendly and energy efficient products based on ESG.

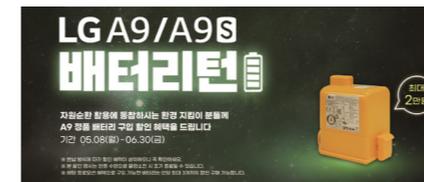
16



Smart Cottage

A new living space concept from LG Electronics, it’s a compact prefabricated home with energy-saving heating and cooling technology and premium appliances. It can be freely installed on site and generates part of its own energy through 4KW solar panels on the roof. It will not only protect the environment and save energy, but also create jobs for local youth and seniors through the operation of smart cottages.

17



BatteReturn Campaign

This is a campaign to collect used batteries for the premium cordless vacuum cleaner Cordless A9 and A9S and provide a dis-

count on the purchase of new batteries. It is a project that LG Electronics is continuously developing to encourage consumers to participate directly in resource recycling. LG Electronics extracts rare metals from collected waste batteries and uses them as new battery materials. By participating in the battery collection program, consumers are able to participate in the resource cycle and receive discounts.

18



ESG Academy for College Students

This program seeks ways for young college students interested in corporate ESG management and values to celebrate ESG practices. With ESG professionals from LG Electronics serving as mentors, the participants complete a variety of ESG missions over the course of six months. A total of 270 people have completed the Academy by 2022. Participants learn the importance and depth of specific ESG corporate activities. Those with excellent completion scores benefit from additional points during the application screening process when applying for jobs at LG Electronics.

19



Electronics school project

LG Electronics distributes ‘Easy Writing Book’ for children and youth with developmental disabilities who have difficulty using products. This aims to assist kids and teenagers with developmental disabilities in using products safely at assistants of their guardians. The “Easy Written Books” will be published in a series, starting with frequently used refrigerators. In addition, LG Electronics keeps up its efforts to enhance the usability and quality of life of people with disabilities by giving away devices for rehabilitation services and items to help students with disabilities have greater access to education.

20



Silver expert course for smartphone utilization

LG Electronics Best Shops operates an IT educational program targeting silver generation aged 60s & older. The course focuses on features that are commonly used but difficult for seniors, such as Wi-Fi connection, app download, camera use, video calls, and KakaoTalk gifting. We also provide education on digital voice phishing and smishing crimes for the elderly who are targeted as vulnerable. The silver expert course is sequentially conducted at about 140 stores nationwide.

LG Electronics Expanding its Global Reach and Influence



Yimenu Weldeyes Adefris

Gulf SVC Team of LG Electronics Middle East **LGEME**

In charge of Tech Support

Second-year alumnus of the LG-KOICA Hope TVET College



Addis Ababa, the capital of Ethiopia, is home to LG-KOICA Hope TVET¹⁾ College. Established in 2014 by LG and the Korea International Cooperation Agency **KOICA**, the school is currently run by LG Electronics and World Together, an NGO dedicated to promoting cooperation in the field of international development.

The LG-KOICA Hope TVET College provides education and employment opportunities for young people in Ethiopia in the fields of telecommunications, multimedia, and home appliance repair, and a few number of selected students receive technical training in telecommunications and electronics, as well as LG's management philosophy, entrepreneurship, and values. All the education it provides is free, and it boasts a graduate employment and entrepreneurship rate of 100%. More than half of the freshmen students are underprivileged, including descendants of Korean War veterans, students with disabilities, and students from low-income individuals.

The college has produced 395 graduates as of 2022, and is an outstanding model of public-private partnership. It also serves as a model for the global technical education system, providing an alternative school for underprivileged students.

1) Technical Vocational Education and Training

What is your current job?

After completing my studies in 2018, I worked as an intern at LGEME for two years, and I am currently in charge of technical support at the LGEME Gulf SVC team.

How did you get into the LG-KOICA Hope TVET College?

I'd wanted to do something related to technology ever since I was young, but I didn't have the opportunity to receive the related education. Then, I enrolled in this school at the recommendation of my mother.

I am aware that the education system is as good as any university, with top-of-the-line lab equipment, etc.

That's right! All the systems at the LG-KOICA Hope TVET College are very professional. It was difficult for me at first since I had a lot of catching up to do. Apart from vocational training, there are also extensive courses on ICT. To help students acquire the necessary practical skills, technical experts, referred to as "masters", from LG Electronics' head office in Korea are invited to provide field training.

I understand that you never missed coming top of the class during the three years of education. What was the trick?

I received a lot of help from the team master in many ways, including on-the-job training, work attitudes, and career planning. Receiving technical training from the technical masters of LGEME, in particular, was a major turning point in my life. I was inspired to become a master just like him, and I continued to attend classes and constantly practice and improve the skills I'd learned at school. I even tried disassembling and assembling different devices at home, including a home TV. Furthermore, recommended advanced courses taught me how to repair almost all of LG Electronics' home appliances and B2B product repair methods.

Can you give us a few insights into the career paths of graduates from this school?

A majority of the students who complete overseas internships at LGEME actually end up joining the company. We have the advantage that unlike other schools, our graduates can go straight into the workforce because LG Electronics supports our school with curriculum and new technology. Moreover, there has been a rise in the number of graduates starting their own media content or electronic product repair companies. The significant advantage is that the school has an entrepreneurship support center, so you can receive practical training in law, marketing, and business management for starting a business.

So LG Electronics provides social and economic support as well as hope, as the name of its project indicates.

The "LG Hope Village" project was run by LG Electronics to help rural residents become self-sufficient. The company now supports programs to raise the educational and living standards of Korean War veterans and their descendants, as well as programs to prevent and immunize against waterborne diseases like cholera. For me personally, LG has had a significant impact on my life, enabling me to fulfill my childhood dream as well as providing me with opportunities for personal growth. I am very grateful to LG for the positive changes that are taking place in my community, as it has played a crucial role in making them happen.

We plan to discover new growth engines for the company from a macro perspective



**Seo Seung-woo, Chairman
LG Electronics ESG Committee**

In March 2023, LG Electronics appointed Prof. Seo Seung-woo, a new independent director, as chairman of the ESG Committee to further strengthen its commitment to ESG management. Seo Seung-woo, a professor of electrical and information engineering at Seoul National University, is the head of the IT Research Center for Intelligent Vehicles, the chairman and member of numerous government committees, and served as president of the Institute of Electrical and Electronics Engineers of Korea in 2022. With nearly 20 years of research experience in the field of autonomous driving and intelligentization, he is considered to have a broad understanding and macro view of technology and the industry as a whole.

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Environment

Why should companies focus on ESG management, and what do you think are the key elements of ESG?

Over the past few years, ESG management has become a keyword in the management of both Korean and global companies. Global ESG disclosure standards and guidelines have been established, and the expectations of rating agencies and investors have become more specific and rigorous. ESG factors are also becoming a major consideration in corporate business transactions, which has a direct impact on companies. I believe that transparent management is a key element of ESG management. This is because I believe that by establishing a transparent and independent decision-making system, environmental and social value creation can be internalized and implemented. Meanwhile, eco-friendly management has also become a major issue in recent years. International campaigns such as RE100 and 24/7 CFE are increasingly demanding the use of renewable energy, and the risks of business activities are increasing, with contracts with global companies being canceled if they fail to comply.

What steps is LG Electronics taking to address the core ESG elements?

LG Electronics established the ESG Committee in April 2021, comprised of the CEO and four independent directors, to deliberate and resolve ESG management issues. By reviewing and advising board members with expertise in each field on the status and plans of ESG strategic issues, the ESG Committee establishes the direction of ESG management pursued by LG Electronics and establishes transparent and competitive ESG management. In particular, the BOD approved the creation of the BOD Guidelines and Corporate Governance Charter in 2022 to ensure transparency and trust in LG Electronics' governance and to increase corporate value. We also made efforts to plan and implement ESG management activities by identifying six strategic ESG issues for the mid- to long-term and establishing specific action plans accordingly.

Could you tell us a bit about how the implementation checks and supervision of ESG management activities are carried out, in addition to the ESG Committee?

The ESG Council meets quarterly to discuss the direction of ESG management activities, mid- and long-term strategy, and specific task improvement progress. The ESG Council at LG Electronics, in particular, is comprised of decision makers from each functional organization within the company, including business strategy, business planning, energy, safety and environment, legal, human resources, purchasing, R&D, and marketing. They collaborate on action plans to achieve our ESG strategy goals, such as achieving carbon neutrality, using renewable energy, responding to greenhouse gas emissions in the supply chain, establishing diversity policies, and improving governance.

LG Electronics views ESG management as the core of its future corporate sustainability as much as it does future growth engines. How can we connect future growth engines with ESG management?

LG Electronics is actively targeting the eco-friendly business market with highly efficient and eco-friendly products such as heat pumps and ESS to grow sales. LG Electronics has established energy efficiency inventories, developed innovative technologies, and launched products designed to reduce carbon emissions during the use stage, receiving external recognition of their excellence. It is worth noting the VS Division's rapid sales growth and its significant eco-friendly contributions in providing parts for electric vehicles and entering the electric

vehicle charging business. As I have acquired considerable expertise in intelligent automobiles, I am eager to contribute to LG Electronics' VS business and its future growth engines.

Which direction do you think should LG Electronics' ESG management take in the future?

LG Electronics aims to maintain its position as a responsible leader in the global consumer electronics industry by promoting ESG management practices. To achieve this goal, we have established a comprehensive ESG implementation system comprising the ESG councils, ESG Committee, and the BOD. Through this system, we aim to monitor our ESG management performance more closely and identify potential risks promptly so we can respond to them more effectively.

Could you please share with us your aspirations as the chairman of the ESG Committee?

It is a great honor for me to be appointed as an independent director and Chairman of the ESG Committee of LG Electronics. In the future, the ESG Committee will focus on providing independent and objective opinions that will help identify new growth engines for the company and explore ways of creating financial and non-financial value together. We will also establish a sincere ESG management system and continue communicating with external stakeholders to ensure our efforts are aligned with our core values.

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&
Answers

Listen to the Thoughts of the LG Youth on ESG Management

JB Interview

We asked JB **Junior Board**, who represents LG Electronics' employees—what will the future look like for LG Electronics' ESG management, as implemented by employees together?



Son Myeong-soo, Professional
Chief Financial Office,
Property Management Team of the
Insurance & Property Management
Department



Chung Woo-cheol, Professional Researcher
Chief Technology Office,
AI Algorithm TP of AI Lab.



Ryu Ga-young, Specialist
Production engineering Research
Institute, Production Engineering
Support Team of Production
Engineering Division

JB Junior Board: A representative body for office employees. It discusses the necessary requests through communication between management and employees. Shares excellent organizational culture examples throughout the company and promote social contribution activities through internal donation culture and external volunteer activities.

Since ESG is a company-wide task and issue, which ESG issue is of the greatest interest?

SON | I am interested in eco-friendly activities like low carbon emissions and recycling. In particular, I am considering constructing a playground by recycling waste cell phone plastic for a JB program in the second half of 2023.

CHUNG | I am most interested in environmental issues. I see the need for sustainable environmental awareness through education. Through this, I think it is necessary for all LG Electronics employees to feel about the environment on their own and find ways to do what they can.

RYU | In my job as HR, I considered how ESG could be applied to enhance employee performance. I discovered that the most approachable component was related to the environment. Thus, we installed tumbler washers in two office pantries and waged a campaign to offer coffee coupons to employees who prove their use of tumblers instead of disposable cups. Although it was a small campaign, the response from employees who were very interested in ESG management was enthusiastic; as a result, a culture of using tumbler was established within the company.

What do you think LG Electronics does best from a future-oriented perspective?

SON | In addition to our products, we also use eco-friendly practices in the unnoticed aspects like construction. In fact, the LG Science Park in Magok has received certification as an eco-friendly structure, and we collaborate with outside experts to design benches, sculptures, and other architectural features using leftover materials from our commercial locations. This component is associated with customer trust and the future reputation of LG Electronics.

CHUNG | In our opinion, LG Electronics is a business that adapts quickly to market shifts. We continue to create new technologies and study new ideas for our customers even in challenging circumstances like the global economic slump and unstable international politics, and we have not ceased growing to be recognized for our goods and corporate values.

RYU | LG Electronics' various initiatives to achieve carbon neutrality by 2030 are leading the way in the home appliance industry. I hope that LG Electronics, a global home appliance company, will be recognized globally for its ESG management.

What if LG Electronics proposes measures to strengthen and promote ESG management further?

SON | It is also important to share it with consumers so that they do not perceive ESG management as difficult and complex. I want LG Electronics to grow so that consumers can feel that they are practicing eco-friendliness just by purchasing LG Electronics products.

CHUNG | I want LG Electronics to develop into a business that actively pursues sustainable growth from an ESG standpoint and upholds its societal obligations. I therefore hope that it develops into a company that anticipates our future by becoming a global leader in all areas without favoring any particular area of the environment, society, or governance.

RYU | LG Electronics aims to become a company that practices ESG not only in products and packaging materials delivered to end consumers but also in production lines. There will be a variety of approaches, including hiring female field managers or individuals with disabilities, as well as replacing all subsidiary

materials and disposable containers used in the production line with materials that can realize eco-friendly values.

What would you like to do in the future regarding ESG?

SON | Reducing A4 paper, expanding electronic whiteboards throughout the company, expanding electronic business cards, using the stairs rather than elevators, and opening LG product experience centers and showrooms with ESG and zero energy concepts.

CHUNG | In 2022, we launched UP Appliances, which provides new features through product upgrades. In many cases, previously released products are not upgradeable, and I would like to develop a technology that enables this. If we develop technology where ESG values are applied here, I think we will have the effect of killing three birds with one stone in terms of not only increasing customer satisfaction and extending the life cycle of products but also enabling customers to feel and practice ESG values.

RYU | I want to take action that will benefit employment-related ESG. The theme may be diversity. There will be more female executives and more disabled people in it.

Lastly, if you have any goals or dreams that you ultimately want to achieve at LG Electronics, please let us know.

SON | I want to do what I can in my position to help LG Electronics become a leading ESG company.

CHUNG | I want to establish a lab that freely researches and develops technologies for a better life for all and contributes to fostering next-generation technologies and talents that will lead LG Electronics' sustainable management.

RYU | As the HR manager of the production technology department, I want to create an organization that practices ESG, starting with something small like a tumbler washer.

Dear esteemed LG Electronics stakeholders,

I want to express my sincere gratitude to all of our stakeholders who have paid keen attention to and shown unwavering interest in LG Electronics with their heartfelt encouragement.

Despite a complex crisis situation last year, including a slowdown in the economy as a result of financial tightening in major countries, deteriorating consumer sentiment as a result of high inflation, interest rates, and exchange rates, along with slowing economic growth as a result of the aftermath of COVID-19, LG Electronics achieved record sales based on the growth of its core businesses and the improvement of its competitive position through proactive market responses, LG Electronics achieved record sales. Our flagship business, home appliances, has achieved the highest sales ever in its history, establishing itself as a leader in premium home appliances. In the TV business, we expanded our TV business portfolio into the content and service sector, on account of the growth of the WebOS platform business. In the B2B business, a decade of investment in the electronics business is paying off, with the company turning profitable for the first time and securing the largest new orders in its history.

Moreover, as a leading global company, LG Electronics is promoting ESG management that pursues a "Better Life for All." Last year, through the declaration of the "LG Electronics ESG Six Major Tasks: Better Life Plan 2030," which contains goals and implementation plans for ESG management, we set specific areas of action and established mid- and long-term goals to positively impact both the planet and people. The declaration reaffirms our commitment to carbon neutrality, resource recycling, the development of environmentally friendly technologies for the global community, as well as healthy workplaces, supporting diversity and inclusivity, and increasing people's access to products and services.

Foremost, LG Electronics has set its carbon neutrality target for 2030 and is reducing GHG emissions in response to climate change, while also securing business competitiveness for society's sustainable future. We have also completed the RE100 initiative with the aim of converting 100% of electricity used at

global business sites to renewable energy by 2050. In particular, the Changwon LG Smart Park and the factory in Tennessee, USA, which runs on 100% renewable energy, were selected as a "Lighthouse Factory" by the World Economic Forum^{WEF} in recognition of their excellence in robotics, digital transformation, advanced AI-led technology and manufacturing know-how, as well as energy storage technology.

LG Electronics also contributes to reducing carbon emissions from product use by end-users by introducing energy-efficient products. We have established and implement the goal of reducing carbon emissions per functional unit of our seven major product groups by 20% by 2030 compared to 2020, as well as the goal of obtaining the SBTi^{Science-Based Targets initiative} certification for the first time in the Korean consumer electronics industry. We strive to deliver the value of a sustainable lifestyle to our customers by prioritizing eco-friendliness over the spectrum of product planning, production, use, and disposal.

Moreover, LG Electronics continues to carry out various activities for society and people in general. As a member of the Responsible Business Alliance^{RBA}, we try to improve sustainability across the whole value chain by regularly monitoring risk factors such as labor rights, safety and health, environment, and corporate ethics at our manufacturing facilities and suppliers. In particular, we have taken the initiative in conducting carbon emission surveys and training for suppliers with the aim of mitigating GHG emissions across the supply chain, while preparing measures to establish a carbon emission management system for suppliers going forward.

We enacted a diversity policy last year that outlines our diversity philosophy in order to build an organizational culture in which all employees are respected.

We are running various recruitment programs to increase the recruitment and development of female talent, as well as focusing on improving internal systems and expanding capacity development programs. Moreover, we announced "REINVENT LG Electronics" in May last year to motivate employees to make changes and restart LG Electronics with have fun in mind. To be the future's leader, we are developing a flexible and enjoyable organizational culture that is unique to LG Electronics.

Furthermore, we recognize the importance of a "Better Life for All," in which everyone, regardless of disability or age, may enjoy LG Electronics' goods and services on an equal basis. We are constantly improving our technology and products by listening to customer pain points through the Disability Advisory Group and distributing product sign language, video/audio manuals, public Braille stickers, along with specialized sign language consultation to improve service accessibility.

Finally, LG Electronics maintains its board-centered responsible management to ensure stakeholders' trust in all management operations, including ESG, and to increase corporate value. Last year, we established guidelines for the board of directors and

the Corporate Governance Charter, and actively communicated with stakeholders by objectively measuring the expertise and the board of directors' competencies by publishing the Board Skills Matrix^{BSM}. Also, we have established transparent and competitive ESG management through a decision-making apparatus incorporating the ESG Council, ESG Committee, and board of directors.

LG Electronics will continue to create new customer experiences through products and services that may provide differentiated ESG value, as well as pursue ESG business prospects to increase corporate value and realize a "Better Life for All". Since LG Electronics cannot complete these tasks on its own, we pledge to consider ESG factors as well as the long-term value creation for all stakeholders when making decisions. We will also work to find the best solutions, and we kindly ask for our stakeholders' continued interest and support.

Thank you.

July 2023
CEO & President of LG Electronics

William Cho 

Better Life
For All



For Better Life for All

LG Electronics' goal is not simply to create and sell good products. All activities carried out by LG Electronics are directed at customers, all suppliers, employees, related organizations and the global ecosystem.

What LG Electronics is doing for the planet and people

LG Electronics puts its heart and soul into every step of the process of researching, developing, producing, and distributing our products, as well as every second our customers use them, even if it requires a little bit more time, money, or effort.

We create energy-efficient products, develop recyclable materials and technologies, and design products with long-standing, durable lifespans to reduce waste.

In these processes, LG Electronics prioritizes people and the global environment. We hope our customers feel pride in their decision to use LG Electronics products, with a brighter future for the people and the planet in mind.

This goal of ours has not changed from the past, and holds true now and well into the future.



To readers of 2022-2023 LG Electronics Sustainability Report Story Book

Introduction

Korea Management Registrar (KMR) was commissioned by LG Electronics to conduct an independent assurance of its Sustainability Report Story Book 2022-2023 (the "Report"). The preparation of the Report is the sole responsibility of the management of LG Electronics. KMR's responsibility is to issue an assurance statement over the limited scope of data and information specified below.

Scope and Standards

LG Electronics described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the assurance standard SRV100 of KMR's Global Management Committee to provide a limited assurance. We evaluated the adherence to the principles of materiality and understandability

KMR's approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the assurance engagement:

- Reviewing the overall Report;
- Reviewing the procedure and methods of materiality assessment;
- Reviewing the strategies and objectives of sustainable management;
- Reviewing the activities engaging stakeholders; and
- Interviewing people in charge of preparing the Report.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with LG Electronics on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, nothing has come to our attention to suggest that the Report was not prepared in accordance with the principles described below. We did not find any evidence that the data included in the scope defined above is not properly described.

• Materiality

The reporting boundaries of the LG Electronics' Report include all of its operating sites. The Report provides detailed long-term sustainability strategies and targets. LG Electronics relies on its own materiality assessment process to decide the materiality of issues identified by stakeholder communication channels. We could not find any material issue or stakeholder group that was not covered in the process.

• Understandability

The Report was prepared in the context of sustainability to provide targets for sustainability issues identified by the materiality assessment and the background of the selection and the management approach. It is our opinion that the metrics are specific and easy to compare.

• Reliability

The Assurance Team identified errors in the data and information provided, which LG Electronics subsequently corrected before issuing the final version of the Report. We believe the data and information included in the Report are accurate and reliable. Nothing has come to our attention to imply that the Report does not provide a fair representation of LG Electronics' responses to material stakeholder issues.

Recommendations

We expect that the LG Electronics' Report can be utilized as a means of communications with stakeholders. The following recommendations are provided for further improvements:

- LG Electronics complied the Story Book and Fact Book as part of its Sustainability Report to communicate its ESG commitment to stakeholders in an authentic manner. We recommend that LG develop internal tools to collect, analyze, and estimate sustainability-related financial information for disclosures under IFRS S1 to improve the organization's sustainability.

Independence

KMR has no other contract with LG Electronics and did not provide any services to LG Electronics that could compromise the independence of our work.

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