

## LG ELECTRONICS TAX POLICY (2022)

As a global leader in the home appliances and leisure goods industry with subsidiaries all over the world, LG Electronics is deeply aware of social responsibility in the tax area; we comply with the local tax regulations of the countries where businesses operate, and strive to fulfill our social obligations. To fulfill our tax obligations, we promise the following:

- Understand and comply with tax legislation including its intentions
- Based on value creation, recognize an appropriate amount of tax in each tax jurisdiction<sup>1</sup> where our business is operated in.
- Prepare, submit and retain relevant tax information in required forms on time, in accordance with tax laws and tax authorities' requirements.
- Employ qualified and competent tax professionals
- Actively utilize external advice when intricate, uncertain, or significant tax issues require specialized knowledge

### 1. Approach to tax risk management and compliance

LG Electronics establishes the policies and procedures for tax reporting and compliance to ensure the integrity of our tax filings, and all other tax compliance obligations worldwide. LG Electronics internal tax management team effectively manages tax risk. We believe that complying with tax laws is the way to protect the company from the impact that taxation risk may create in future value.

#### 1) Global Compliance

We aim to abide by the compliance principles of each country where our business operates in. We aim to perform all our tax compliance duties including reporting and making tax payments in accordance with local tax laws as well as submitting relevant documents and data to tax authorities as required.

#### 2) Transparent Trade

We establish a transparent pricing policy based on the 'arm's length principle' that is generally accepted by all jurisdictions that abide by OECD guidelines, and we strive to pay the appropriate amount of tax in each tax jurisdiction where business is operated in.

### 2. Perspective towards tax planning

We do not abuse tax structures for tax evasion including tax havens or low-rate tax. We take responsibility as a taxpayer and sincerely uphold the principle of good faith. We strive to work tax efficiently as part of our overall business strategy, aiming to create the most value possible and to contribute to society. In addition, we strive to avoid conflicts between the interests of stakeholders including shareholders, communities and employees, and the opinions of tax authorities. The intercompany transactions between LG companies are carried out in accordance with the arm's length principle, which is periodically updated in consideration of changes in the business environment.

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<sup>1</sup> Tax jurisdiction: an area subject to its own distinct tax regulations, such as a municipality, city, county, or country

### **3. Affordable level of tax risk management**

We endeavor to comply with the tax laws of each jurisdiction in which we operate. However, we acknowledge that the elimination of all tax risks is impractical due to the complexity of tax legislation and differences in interpretation that may arise. However, we are committed to the identification and monitoring of relevant significant tax risks. In these circumstances, we seek the guidance from professional tax advisors. We also strive to be aware of and actively respond to changes in international tax laws on time.

Our policies and governance focus on monitoring and identifying uncertain tax issues at the earliest possible moment. If unclear or controversial tax laws may have a significant impact on the business, we will work with external tax advisers to ensure we remain compliant in all our operations and to discuss with tax authorities.

### **4. Attitude towards Tax Authorities**

Engagement with tax authorities is an important and essential part of taxation related activities. We aim to work with tax authorities in a transparent, honest and professional manner. We believe that such an approach will enable us to mitigate or eliminate uncertainty in the most efficient way possible. Upon the request of tax authorities, we aim to provide relevant information through the local accounting manager under the control of the global head of tax & accounting in a timely manner. We are also prepared to invest considerable efforts to reach an agreement with tax authorities when each party has a different point of view.